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CMP460: Improving Transmission Connection Asset Charging

Workgroup 13, 28 October 2026

Online Meeting via Teams

NESO
National Energy System Operator

WELCOME



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Agenda

Topics to be discussed	Lead
Welcome	Chair
Actions Log	Chair
Legal Text	Proposer
Workgroup Report	Chair
Alternative Request and Vote	Chair
Terms of Reference	Chair
AOB and Next Steps	Chair

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Expectations of a Workgroup Member

- Contribute to the discussion
- Be respectful of each other's opinions
- Language and Conduct to be consistent with the values of equality and diversity
- Do not share commercially sensitive information
- Be prepared - Review Papers and Reports ahead of meetings
- Complete actions in a timely manner
- Keep to agreed scope
- Email communications to/cc'ing the .box email

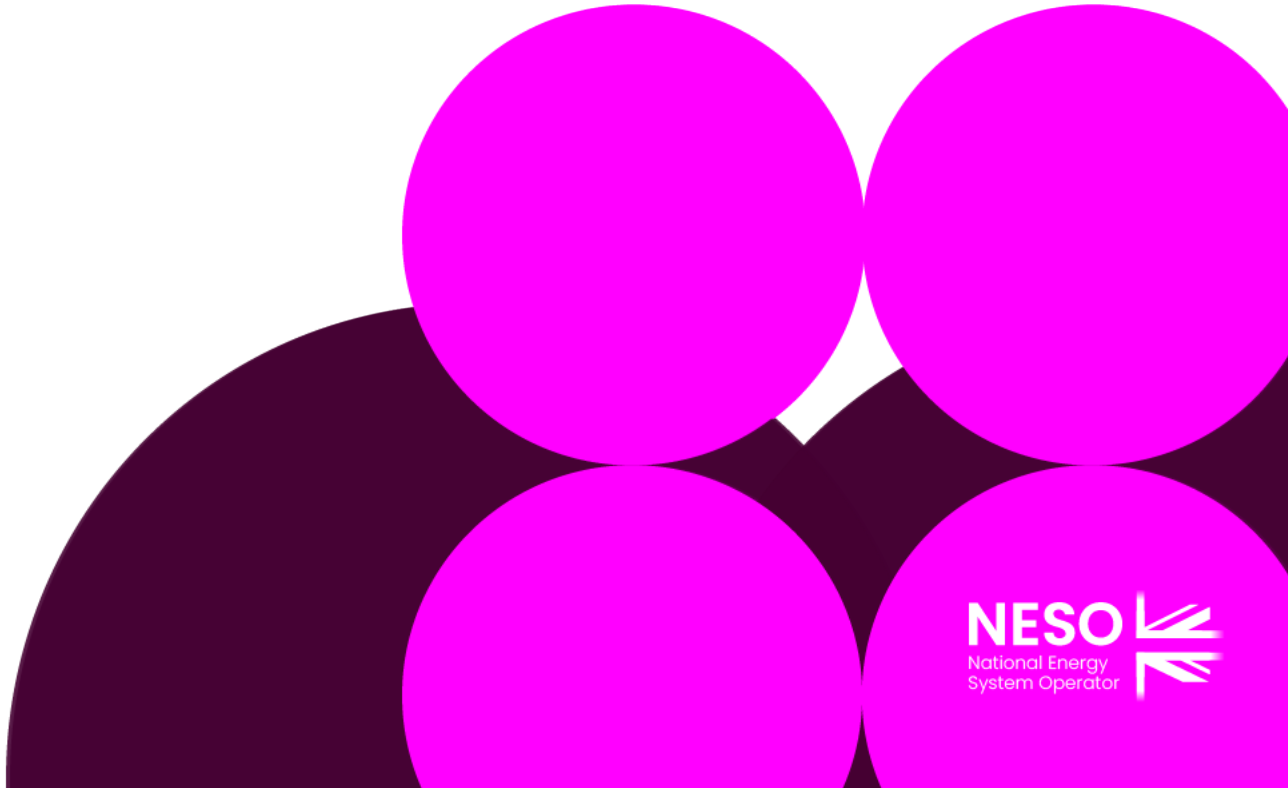
Your Roles

- Help refine/develop the solution(s)
- Bring forward alternatives as early as possible
- Vote on whether or not to proceed with requests for Alternatives
- Vote on whether the solution(s) better facilitate the Code Objectives

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Actions Log

Robert Hughes
Chair, NESO Code Administrator



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Actions Log

Action Number	Workgroup raised	Owner	Action	Update	Due by	Status
14	WG 2	JC / AH	Review potential changes to Legal Text with NESO Legal Team (possibly Section 3 or 11).		WG 6	Open
40	WG 8	JC	Update or develop worked examples in Section 14.11 to reflect the revised Legal Text and consult the NESO Charging Team to ensure accuracy of first year charges in the examples.		WG 9	Open
45	WG 9	PB	PB and other interested Workgroup members to consider the scope, alignment, and differences between the potential alternative(s) being considered in preparation for the next Workgroup meeting.		WG 10	Propose to close
50	WG 11	JC	Provide supporting material explaining the proposed implementation cut-off points and treatment of legacy projects, including the relevant repayment arrangements.		WG 12	Open
51	WG 11	JC	Review and, if necessary, update the impact assessment to determine whether it estimates the capital contributions paid by DNO customers, liaising with the NESO SME where further information is required.		WG 12	Open

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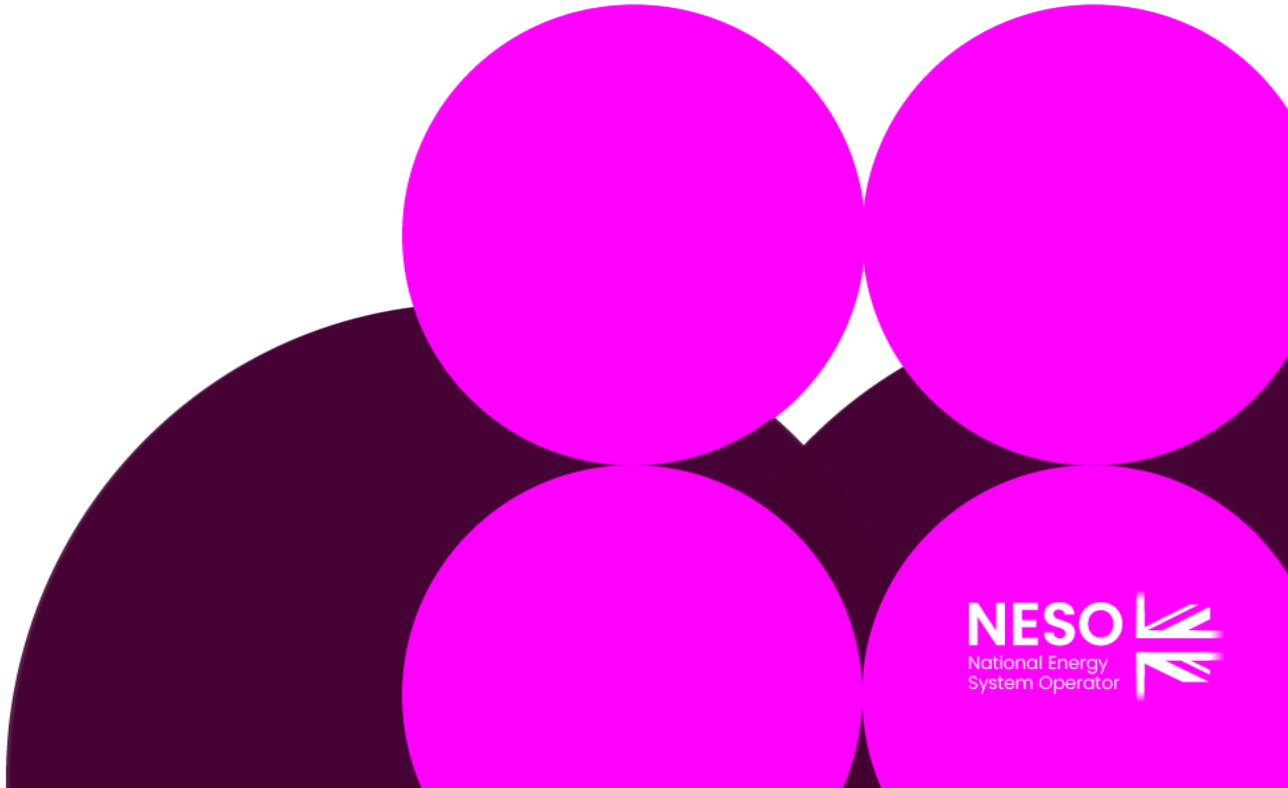
Actions Log

Action Number	Workgroup raised	Owner	Action	Update	Due by	Status
52	WG 12	JC	Update the Legal Text following the Workgroup 12 discussion, including the agreed refund formula, treatment of future projects and removal of the unintended AGIC/SGT amendment, and provide a stable version to the NESO SME.		WG 13	Propose to close
53	WG 12	AH	Submit the stable revised Legal Text to NESO Legal and seek advice on whether the Legal Text must expressly require and/or timetable updates to existing connection offers and agreements.		WG 13	Open
54	WG 12	JC / PB / KM	Review the proposed Alternative Request, confirm whether a single request covers both approaches, agree the submitter, and provide the final request by 07 October 2026.		WG 13	Propose to close
55	WG 12	All	Review the draft Workgroup Report in the collaboration space and submit comments by the notified cut-off ahead of Workgroup 13.		WG 13	Open
56	WG 12	AH	Seek further NESO input on the geographical and distributional effects of allocating the additional costs through TDR, for inclusion in the impact assessment and Workgroup Report.		WG 13	Open

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Legal Text

Joe Colebrook
Proposer, Innova

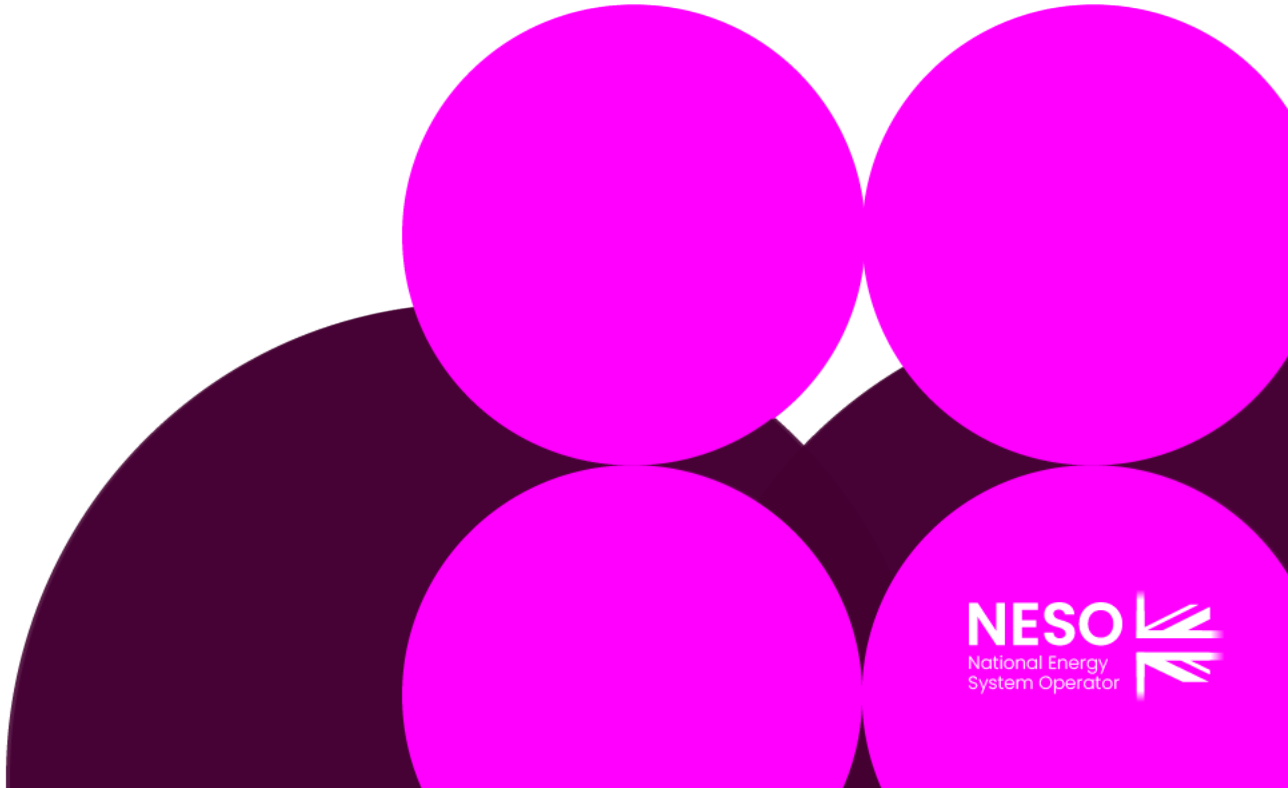


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Workgroup Report

Robert Hughes

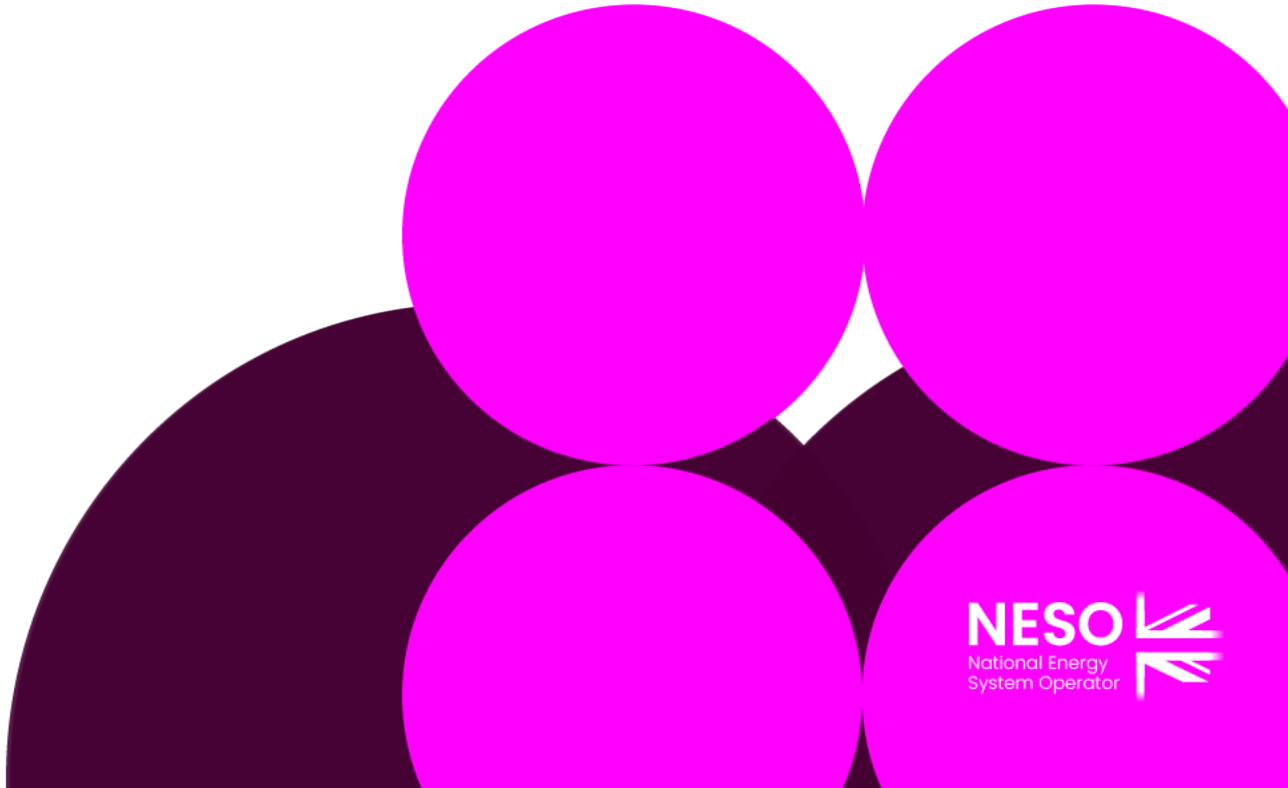
Chair, NESO Code Administrator



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Alternative Request and Vote

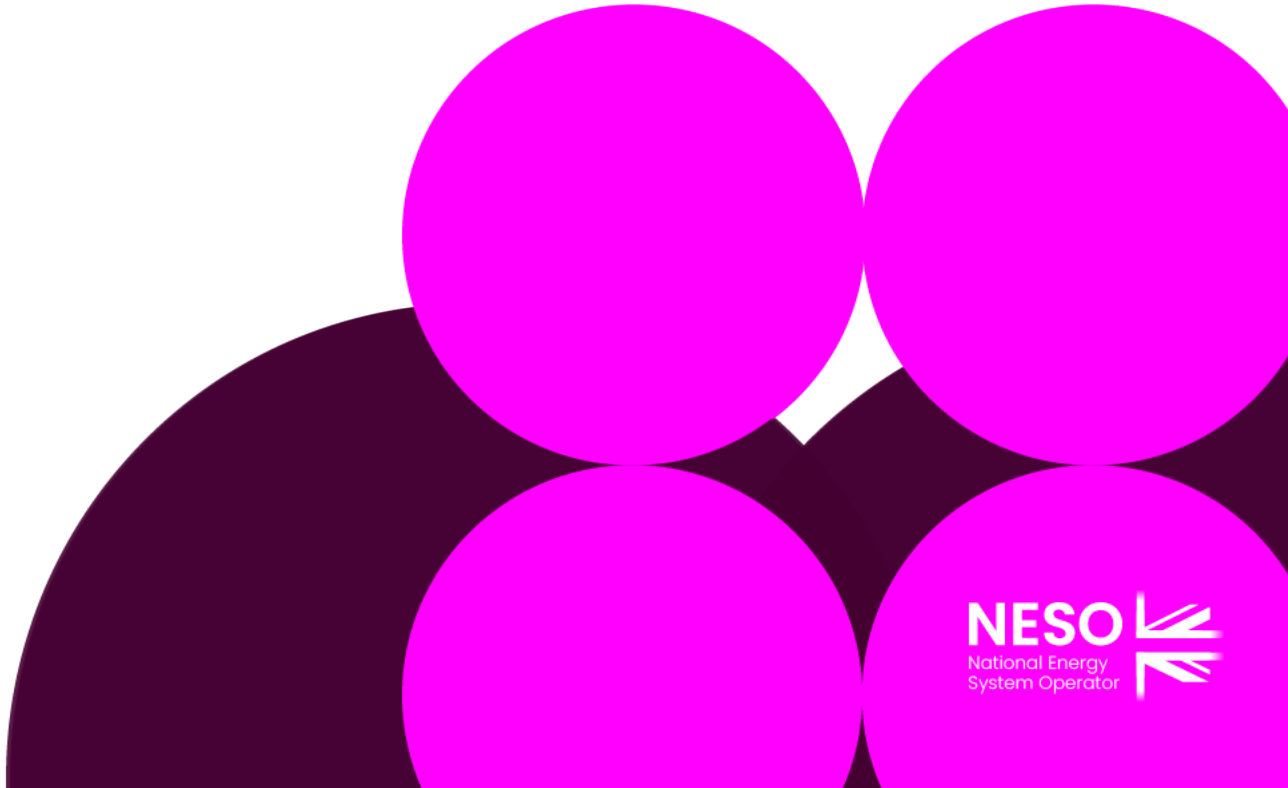
Robert Hughes
Chair, NESO Code Administrator



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Terms of Reference

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Chair, NESO Code Administrator



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Terms of Reference

Terms of Reference	Substantively Met?	Evidence	To meet ToR
a) Consider EBR implications.	**Yes**	• Workgroup Consultation confirmed no impact on EBR Article 18 Terms and Conditions.	**Clarification only** • Reconfirm the position once the Legal Text is settled.
b) Ensure the solution is aligned with the outcomes of the DCUSA DCP461 Workgroup and any other related DCUSA changes, where practical.	**Yes**	• DCP461 considered throughout. • Respective CUSC and DCUSA scopes discussed. • DCP392 and DCP464 also reviewed.	**Clarification only** • Provide a final update on DCP461 and other relevant DCUSA changes. • Confirm whether any development changes the CMP460 solution or implementation. • **Agree independent of DCP 461.**
c) Consider coordination with TOs to revise construction agreements.	**No**	• TO input covered asset classification, allowances, securities, implementation, and regulated asset treatment.	**Conclusion required** • Agree and record which agreements need revision, who owns each change, the amendment process and timing, and whether TO systems, allowances or approvals create constraints. • **Discussion required on this as part of implementation planning.**
d) Consider alignment with end-to-end connections review.	**No**	• Gate 2, CMP435, queue reform, accepted offers, and project timing considered.	**Conclusion required** • Agree and record CMP460's alignment with the Connections Review. • Confirm alignment, dependencies or conflicts, and whether the defect remains after queue reform. • **Planned implementation date now 2028.** • **Implementation issue ahead of implementation date?**

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Terms of Reference

Terms of Reference	Substantively Met?	Evidence	To meet ToR
e) Consider alignment with the wider regulatory reforms for network charging.	**Yes**	• RNP, REMA, deeper charging, CMP328, and the risk of regulatory misalignment or future rework discussed.	**Conclusion required** • Agree whether CMP460 is an interim measure. • Confirm how wider reform risk will be managed and whether approval, implementation or future amendment must be coordinated with Ofgem reforms. • **No info/steer from Ofgem to make a judgement, no definition of scope of RNP.** • **Therefore, Panel agreement to continue with mod.** • **Connection costs issues picked up in discussions, other then TNuoS.**
f) Consider the interaction with distribution and transmission business plans and the ability for TOs to secure funding for any works.	**Review**	• RIIO funding, TO allowances, DNO funding, regulated asset treatment, and possible reopening of business plans discussed.	**Conclusion required** • Agree and record the funding and allowance treatment, how repayments enter the regulated asset base, whether existing plans cover affected works, and alignment with the relevant price-control period. • **Discussed more 30 Sep, write up into WG report from summary.**

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Terms of Reference

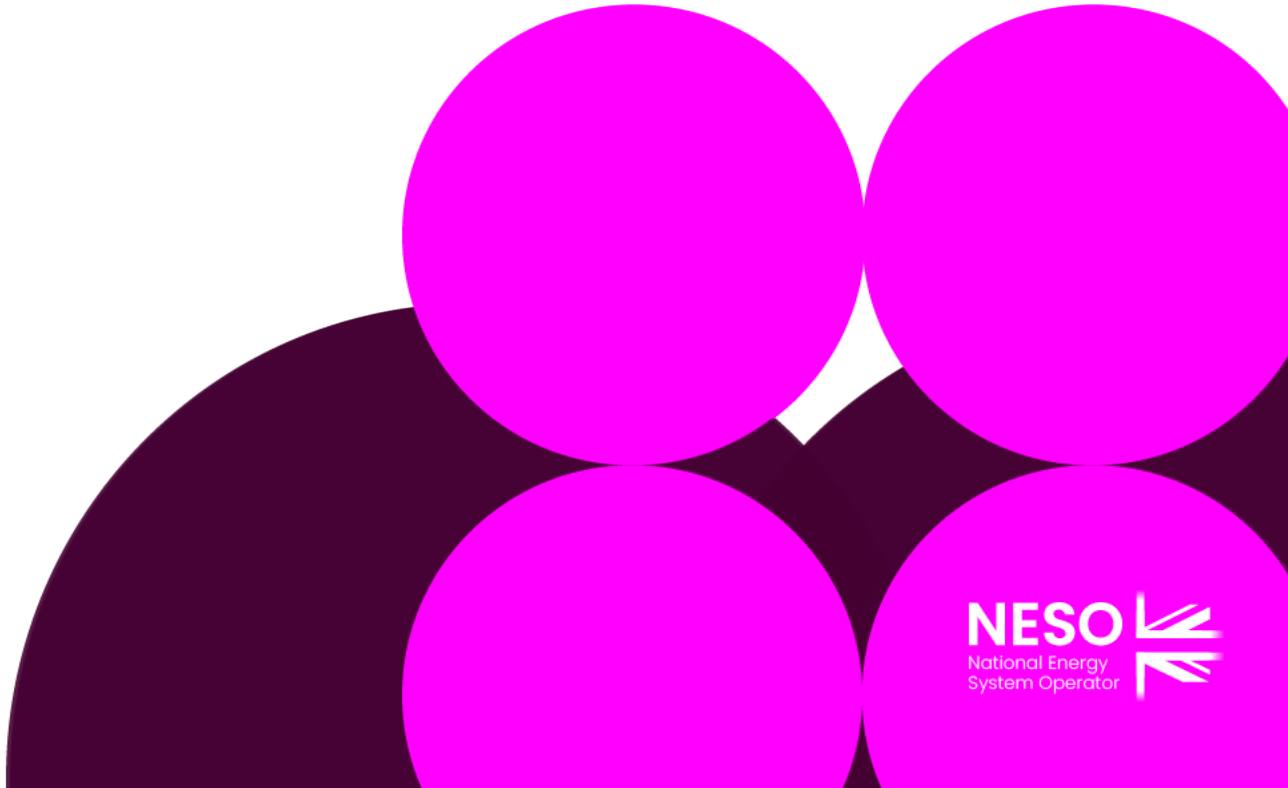
Terms of Reference	Substantively Met?	Evidence	To meet ToR
g) Consider the incentives for Users to invest efficiently, in particular with regard to the cost signals provided to Users from the charging methodology.	**Yes**	• Cost reflectivity, competition, gaming, connection-route choice, anticipatory investment, and smart solutions considered.	**Clarification only** • Record the competing views and safeguards clearly. • Explain how certainty and consistency are balanced against weaker cost signals, gaming risk, and inefficient connection choices. • **All good.**
h) Consider the impacts of socialised costs on consumers and other parties.	**Partly**	• TDR and bill impacts, cross-subsidy, distributional effects and impacts on embedded Users, transmission Users, DNOs, TOs, and consumers considered.	**Conclusion required** • Finalise and validate the impact assessment. • Distinguish annual charges, capital contributions and repayments, update for scope and Gate 2, and set out impacts by affected party. • **NESO analysis in WG consultation, plus add Joe impact assessment regarding refunds.** • **Imbalance new customers affected – effect on TNUoS, DDR vs TDR, Graham's point.**

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AOB and Next Steps

Robert Hughes
Chair, NESO Code Administrator



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Next Steps

Workgroup	Timeline	Objectives
Workgroup 1	13 November 2025	Review Proposal
Workgroup 2	03 December 2025	
Workgroup 3	17 December 2025	
Workgroup 4	08 January 2026	
Workgroup 5	15 January 2026	
Workgroup 6	22 January 2026	Finalise Workgroup Consultation
Workgroup Consultation	**28 January 2026 – 18 February 2026**	
Workgroup 7	04 March 2026	Review Consultation feedback
Workgroup 8	18 March 2026	
Workgroup 9	31 March 2026	
Workgroup 10	16 April 2026	
Workgroup 11	09 September 2026	Establish current position, reconfirm scope, and plan future workload
Workgroup 12	30 September 2026	
Workgroup 13	28 October 2026	
Workgroup 14	02 December 2026	Finalise Workgroup Report
Workgroup 15	16 December 2026	Agree ToR met / Workgroup Vote
Workgroup Report to Panel	**22 January 2027**	Panel sign off ToR (at 29 January 2027 CUSC Panel)
Post Workgroups		
Code Administrator Consultation	03 February 2027 - 24 February 2027	
Draft Final Modification Report to Panel	17 March 2027	
Final Modification Report to Ofgem	**30 April 2027**	
Implementation Date	**01 April 2028**	

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