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Code Administrator Meeting

Summary

Workgroup Meeting 10: CMP456: Cost Recovery for legacy plant in relation to GC0168

Date: 19 October 2026

Contact Details

Chair: Sarah Williams, Sarah.Williams@neso.energy

Proposer: Tim Ellingham, tim.ellingham@rwe.com

Key areas of discussion

The Workgroup reviewed the action log, original and WACMI legal text.

Action Log Review

- Action 29 (**Open/Deprioritised**) Define the operational claims process in the guidance note, including required pre-claim information, evidence, disagreement handling, and the treatment of work while a dispute is unresolved- this action has been de-prioritised, due to the guidance note not needing to be completed before the submission of this modification.
- Action 35 (**Closed**) Both Proposers confirmed that they had reviewed their respective legal text and addressed outstanding comments/amendments. The Workgroup therefore progressed to reviewing the updated drafting.
- Action 36 (**Open/Deprioritised**) This action has been deprioritised. The NESO Representative confirmed that the claims assessment process had been raised internally and was being worked through.
- Action 37 (**Closed**) The Chair noted that the GC0168 Final Modification Report had been submitted. The Chair will continue to ensure internally that the CMP456 claims process timings align with the GC0168 delivery timescale.
- Action 38 (**Closed**) the Proposers confirmed that their preferred approach is for an approved claim to be paid as a single payment rather than 12 monthly instalments.
- Action 39 (**Open/Deprioritised**) This action has been deprioritised. NESO confirmed that clarification on managing contractor cost overruns following procurement has been raised internally and is being worked through.
- Action 40 (**New**) Alternate Proposer to provide the updated WACMI legal text by Wednesday 21 October.

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- Action 41 (**Open**) The Chair is to circulate the Workgroup Report and supporting documents.

Review CMP456 Original Legal Text

The Workgroup reviewed the updated CMP456 Original Legal Text, considering the remaining comments and proposed drafting changes agreeing how outstanding issues should be addressed. Key points discussed were:

- Payment approach: The Original Proposal was updated from 12 monthly payments to a single lump-sum payment. The drafting was agreed to state that once a final claim is approved, payment would be made within 30 calendar days.
- Payment route: A Workgroup Member queried the payment route where a Distribution Network Operator (DNO) submits a claim on behalf of an embedded customer. The Workgroup considered this to be an operational and implementation matter that did not require a change to the legal drafting.
- Derogations: The revised drafting was reviewed to reflect that the User would primarily seek a derogation, with NESO involved in the process and potentially required to submit a derogation request in certain circumstances. The Proposer confirmed that the revised drafting reflected the intended position and no further concerns were raised.
- Dispute resolution: A previous discussion on whether the dispute resolution process needed to be explicitly referenced was revisited. The Proposer confirmed they were content that an explicit reference was not required and no differing views were raised.
- Expenditure: The wording was confirmed to remove “capital” and retain the broader term “expenditure”, with the relevant paragraph setting out the applicable costs.

Following the review, no further concerns were raised, and the Original Legal Text was finalised for progression to NESO Legal.

Review CMP456 WACMI Legal Text

The Workgroup the Alternative Proposer presented the updated WACMI Legal Text and explained the rationale for the changes made since the previous review. Key points discussed were:

- Reasonable alternative approach: The Alternative Proposer explained that the drafting should be more prescriptive where no reasonably practicable alternative approach is available, rather than leaving the position implicit. A workgroup member considered that the existing drafting already implicitly addressed the position, however the Alternative Proposer preferred a more prescriptive approach to avoid different interpretations.

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- The Alternative Proposer proposed provisions for circumstances where an Electromagnetic Transient (EMT) model could not reasonably be developed, including a potential permanent derogation and protection of operational status while it was determined. The NESO Representative sought clarity on when the provisions would apply, while Workgroup Members raised concerns around the complexity of the drafting, retaining the Authority's flexibility to impose conditions, and the risk that determination timescales could affect a User's ability to submit a claim; the Alternative Proposer acknowledged these points and confirmed the intention that further costs should not be incurred while the derogation was being determined.
- Pre-claim assessment timescales: The Alternative Proposer proposed prescribed timescales for NESO's assessment of a pre-claim and for requesting additional information, noting concerns that prolonged assessment could affect supplier quotations, availability and costs. A Workgroup member noted that earlier Workgroup discussions had envisaged this operational detail being included in the Guidance Note, whereas the Alternative Proposer preferred requirements of this nature to be contained in the Legal Text because guidance does not have the same standing.
- Substantial modification: The Alternative Proposer presented additional drafting intended to ensure that changes made solely to facilitate compliance with GC0168 would not constitute a substantial modification where they were like-for-like and did not materially alter the technical performance of the plant. The Alternative Proposer explained that the intention was to avoid EMT model development itself triggering wider compliance implications.
- Payment of claims: The Alternative Proposer amended the payment provision to 30 calendar days. The drafting also provided that where only part of a claim was disputed, the undisputed portion would be paid while the disputed amount progressed through the relevant dispute-resolution provisions.

The Workgroup reviewed the substantive changes to the WACMI Legal Text and identified several areas requiring further refinement, particularly the derogation provisions, pre-claim timescales, cost-assessment wording and the overall clarity of the drafting. The WACMI Legal Text was not finalised at this meeting; the Alternative Proposer agreed to provide an updated version on Wednesday 21st October.

Guidance Note

The Chair confirmed that the Guidance Note could be developed after the Modification had been submitted to Ofgem, provided it did not contain obligations that should form part of the Legal Text. The Guidance Note was therefore deprioritised, with the immediate focus remaining on completing the Legal Text and Workgroup Report.

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Next Steps

The Chair noted that the Modification was due to proceed to the November Panel and highlighted the need to finalise the Legal Text promptly to allow it to be submitted to NESO Legal for review and for any subsequent comments to be considered.

The Chair advised that discussions from recent Workgroups had been incorporated into the Workgroup Report and asked Workgroup Members to review it to ensure the content accurately reflected the discussions.

Actions

For the full action log, click [here](#).

Action Number	Workgroup Raised	Owner	Action	Due by	Status
29	WG8	TE, AH, IG	Define the operational claims process in the guidance note, including required pre-claim information, evidence, disagreement handling, and the treatment of work while a dispute is unresolved.	WG9	Open/ Deprioritised
35	WG9	TE, IG	Proposers to review their respective legal text, respond to any outstanding comments, and incorporate any required amendments using tracked changes.	WG10	Closed
36	WG9	AH	Claims Assessment process, clarify days/time needed for a claim, if a claim is rejected or disagreements, including if the clock stops.	WG10	Open/ Deprioritised

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37	WG9	AH/SW	Liaise with the GC0168 team to ensure CMP456 claims process timelines align with GC0168 EMT model delivery timescale.	WG10	Closed
38	WG9	TE, IG	The Proposers to consider whether the claims should retain the current approach of 12 monthly payments or move to a single payment.	WG10	Closed
39	WG9	AH	NESO to clarify the process for managing contractor cost overruns following procurement, including how any increases in costs would be communicated to NESO and the mechanism for ensuring such costs are appropriately recovered.	WG10	Open/ Deprioritised
40	W10	IG	Alternate Proposer to provide the updated WACM1 legal text by 21 October.	21/01/26	Open
41	W10	SW	The Chair is to circulate the Workgroup Report and supporting documents.	19/10/26	Open

Attendees

Name	Initial	Company	Role
Sarah Williams	SW	NESO	Chair
Emma Sims	ES	NESO	Technical Secretary
Tim Ellingham	TE	RWE	Proposer

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Aishwarya Harsure	AH	NESO	NESO Representative
Andrew Colley	AC	SSE Generation	Workgroup alternate
Belinda Gonzalez Parrado	BGP	Scottish Power Renewables	Workgroup alternate
Garth Graham	GG	SSE Generation	Workgroup member
Paul Jones	PJ	Uniper	Workgroup alternate
Gopi Yericherla	GY	NESO	NESO SME
Isaac Gutierrez	IG	Scottish Power Renewables	Workgroup member
Jack Purchase	JP	NGED	Workgroup member
Neil Dewar	ND	NESO	NESO Representative Alternate
Olusola Bamisile	OB	Ofgem	Authority Representative
Ross Strachan	RS	EDF-PS	Workgroup member
Utkarsh Agarwal	UA	ESB Generation and Trading Limited	Workgroup member