

Public

CMP444

Workgroup Meeting 9
(12 February 2025)

Online Meeting via Teams

WELCOME

Agenda

Topics to be discussed	Lead
Action Update	Chair/Proposer
Alternative Requests Review	Chair
WACMs Legal Text	All
Terms of Reference Review	All
Any Other Business	All

Timeline for CMP444 as at 11 November 2024

Pre-Workgroup		
Proposal raised	21/10/2024	
Proposal submitted to Panel	25/10/2024	
Workgroup Nominations	25/10/2024 - 06/11/2024	
Urgency Decision	31/10/2024	
Workgroups		
Workgroup 1	11/11/2024	Objectives and Timeline/Review and Agree Terms of Reference / Proposer presentation
Workgroup 2	04/12/2024	Solution Development / Workgroup Discussions
Workgroup 3	11/12/2024	Solution Development / Workgroup Discussions
Workgroup 4	09/01/2025	Solution Development / Alternative Request Voting
Workgroup 5	16/01/2025	Draft Workgroup Consultation Review / Specific Questions / Draft Legal Text Review
Workgroup 6	21/01/2025	Final Workgroup Consultation Review
Workgroup Consultation	23/01/2025 – 29/01/2025	
Workgroup 7	04/02/2025	Review of Workgroup Consultation Responses / Alternative Requests Discussion
Workgroup 8	06/02/2025	Review Solution Position /Alternative Requests Presentations and Vote (if required)
Workgroup 9	12/02/2025	ToR Discussion/ Draft Legal text and WACMs Legal text (if required) review
Workgroup 10	17/02/2025	Draft Workgroup Report review / Draft Legal text Review (WACMs legal text)
Workgroup 11	20/02/2025	Final Workgroup Report Review / ToR Sign-off / Final Legal Text Review (WACMS legal text)
Workgroup 12	25/02/2025	Finalising any outstanding points on legal text and WG Report – Workgroup Vote

Timeline for CMP444 as at 11 November 2025

Post Workgroups		Key info
Workgroup Report submitted to Panel	03/03/2025	
Panel to agree whether ToR have been met	07/03/2025	Special Panel invites to be shared
Code Administrator Consultation	10/03/2025 – 14/03/2025	
Code Administrator Consultation Analysis and DFMR generation	17/03/2025 – 21/03/2025	
Draft Final Modification Report to Panel	24/03/2025	
Panel Recommendation Vote	28/03/2025	
Final Modification to Ofgem	28/03/2025	
Decision Date	01/07/2025	
Implementation Date	01/04/2026	

Public

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

Workgroup Membership

Role	Name	Company	Alternate	Name
Chair	Catia Gomes	NESO Code Administrator		
Tech Sec	Deborah Spencer	NESO		
Proposer	Niall Coyle	NESO	Alternate	Paul Mott
Workgroup member	Will Maidment	Nadara (nominated by Farr Windfarm Ltd)	Alternate	
Workgroup member	Barney Cowin	Bluefloat Energy	Alternate	Mark Canterbury
Workgroup member	Ryan Ward	ScottishPower Renewables	Alternate	Joe Dunn
Workgroup member	Graham Pannell	BayWa r.e.	Alternate	James Brown
Workgroup member	Ben Adamson	Low Carbon	Alternate	Ed Birkett
Workgroup member	Caitlin Butchart	InterGen	Alternate	Robin Dunne
Workgroup member	Alan Kelly	Corio Generation	Alternate	Dan Gilbert
Workgroup member	Anthony Dicicco	ESB	Alternate	Dayna Rodger
Workgroup member	James Knight	Centrica	Alternate	Gregory Edwards
Workgroup member	Paul Youngman	Drax	Alternate	Joshua Logan
Workgroup member	Lauren Jauss	RWE Supply & Trading GmbH	Alternate	Tom Steward
Workgroup member	Joe Colebrook	Innova Renewables	Alternate	
Workgroup member	Kyran Hanks	Waters Wye Associates (Nominated by Saltend Cogeneration Company Ltd)	Alternate	Graz Macdonald
Workgroup member	Damian Clough	SSE	Alternate	John Tindal
Workgroup member	Lambert Kleinjans	Energiekontor UK Ltd	Alternate	Cameron Gall
Workgroup member	Binoy Dharsi	EDF	Alternate	Simon Vicary
Workgroup member	Paul Jones	Uniper	Alternate	Sean Gauton
Workgroup member	Dennis Gowland	Research Relay Ltd (Nominated by European Marine Energy Centre (EMEC))	Alternate	Chris White
Workgroup member	Nina Brundage	Ocean Winds	Alternate	Aaron Priest
Workgroup member	Emanuele Dentis	Northland Power	Alternate	Als Scrope
Workgroup member	Darshak Shah	BP (nominated by BP Alternative Energy)	Alternate	Joao Varejao
Workgroup member	Simon Lord	Engie	Alternate	Andrew Rimmer
Workgroup member	Tom Palmer	Zenobe	Alternate	Archie Campbell
Workgroup member	Chiamaka Nwajagu	Orsted	Alternate	James Jackson

Action Update

Chair Catia Gomes/ Proposer Niall Coyle - NESO

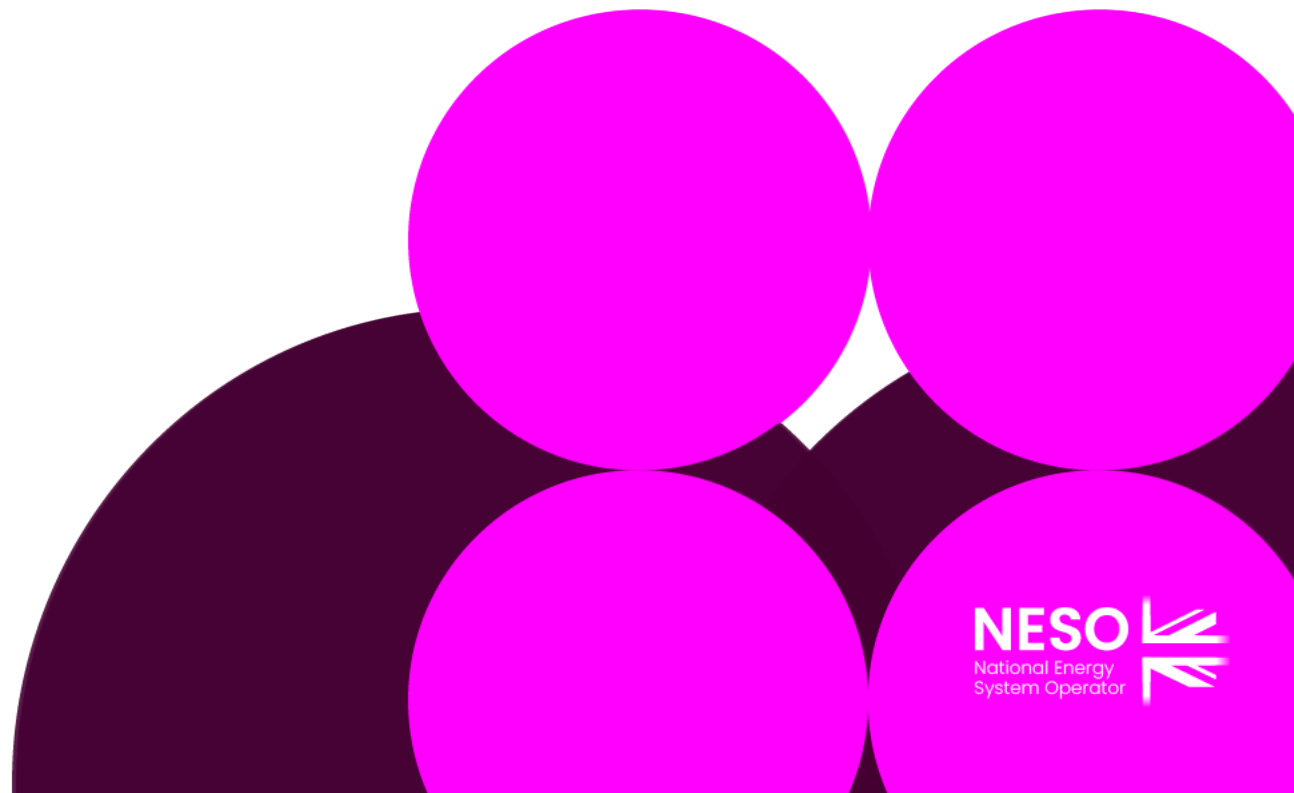


Action Updates – CMP444

Action	Description	Owner	Status
4	What major infrastructure assets are included in the 5-year forecast	Proposer	Open
5	Explain the degree of alignment with CP30 that is included into the forecast	Proposer	Open
6	Consider additional modelling	Proposer	Open
9	Create a diagrammatic explanation of the methodology for the potential alternative solution.	Proposer	Open

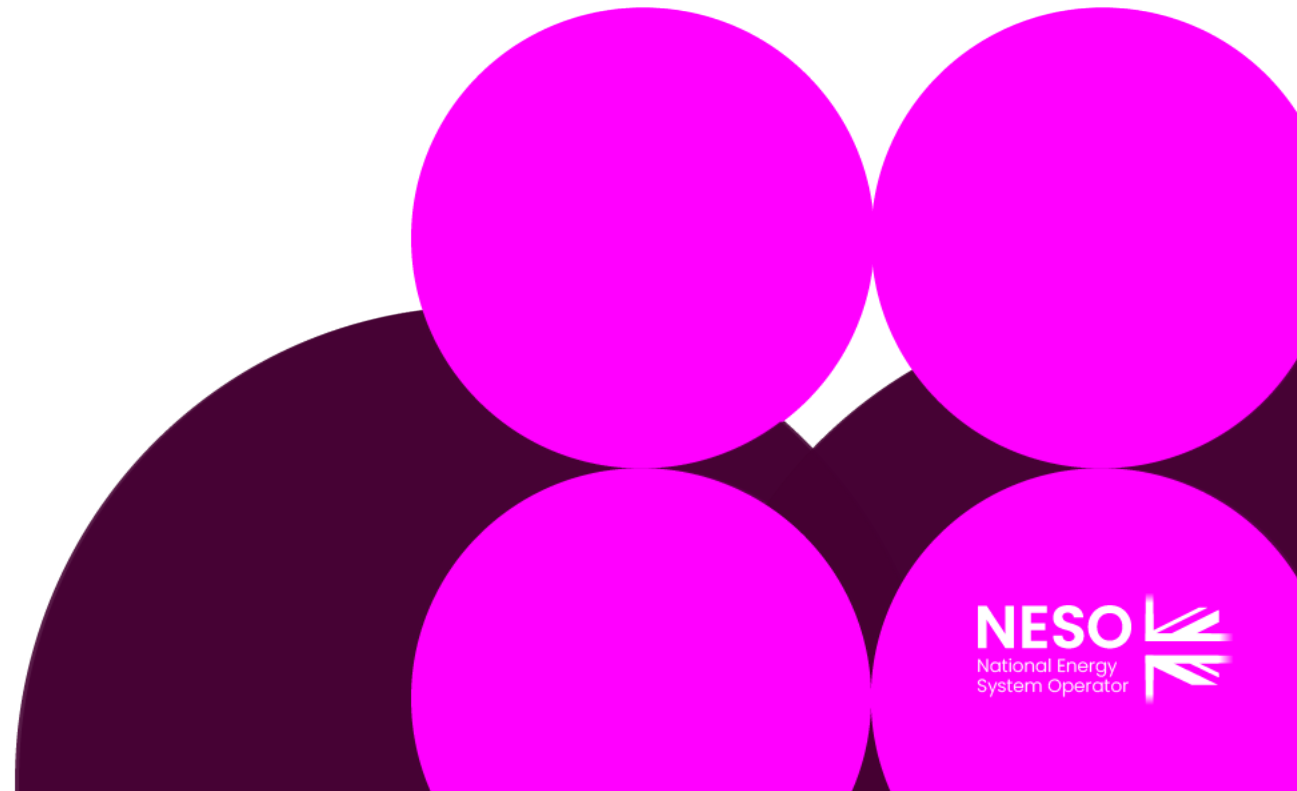
Alternative Requests Review

Catia Gomes - NESO



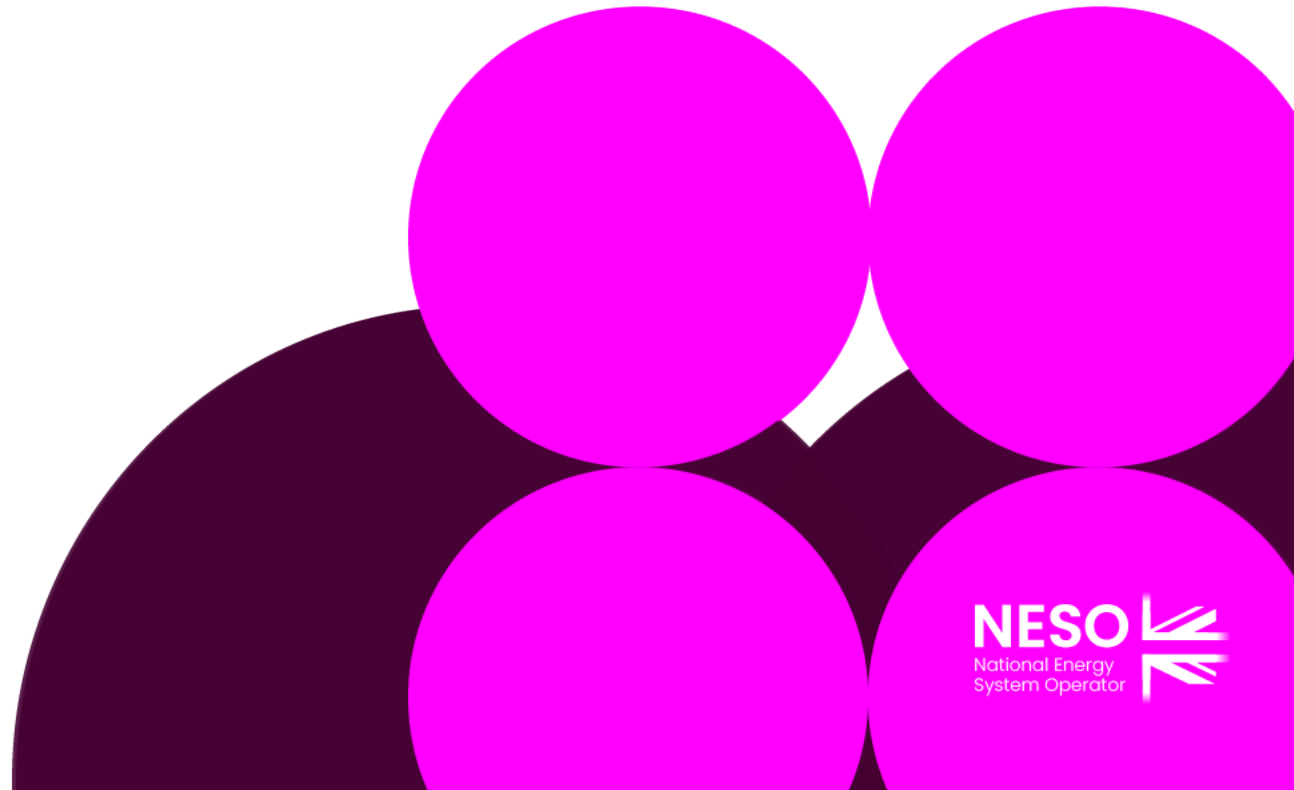
WACMs Legal Text

All



Terms of Reference Review

All

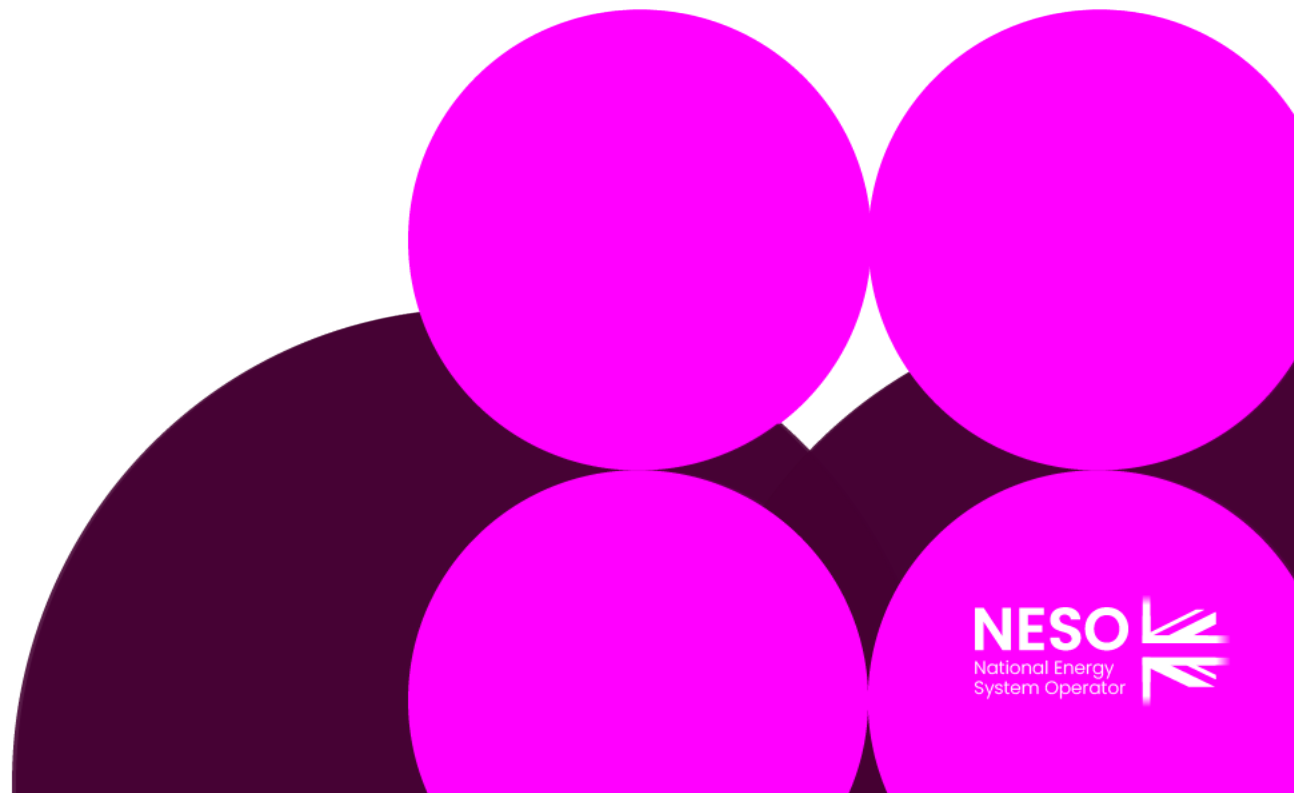


Terms of Reference updated (November 2024 CUSC Panel)

Workgroup Term of Reference	Location in Workgroup Report (to be completed at Workgroup Report stage)
a) Consider EBR implications	
b) Consider the scope of work identified and whether this is achievable within the timeframe outlined in the Ofgem Urgency letter.	
c) Consider the appropriate levels of the cap and floor for each element of wider generation TNUoS	
d) Consider appropriate indexation for the cap and floor levels	
e) Consider interaction with EC 838/2010 and ongoing compliance with the "limiting regulation"	
f) Consider the duration of the cap and floor	
g) Consider what TNUoS data set should be used for CMP444	
h) Consider the Open Letter on Seeking industry action to mitigate the investment impacts of very high projected TNUoS charges	
i) Consider any additional protection required for Generators who make an investment decision while the Cap and Floor are in place.	

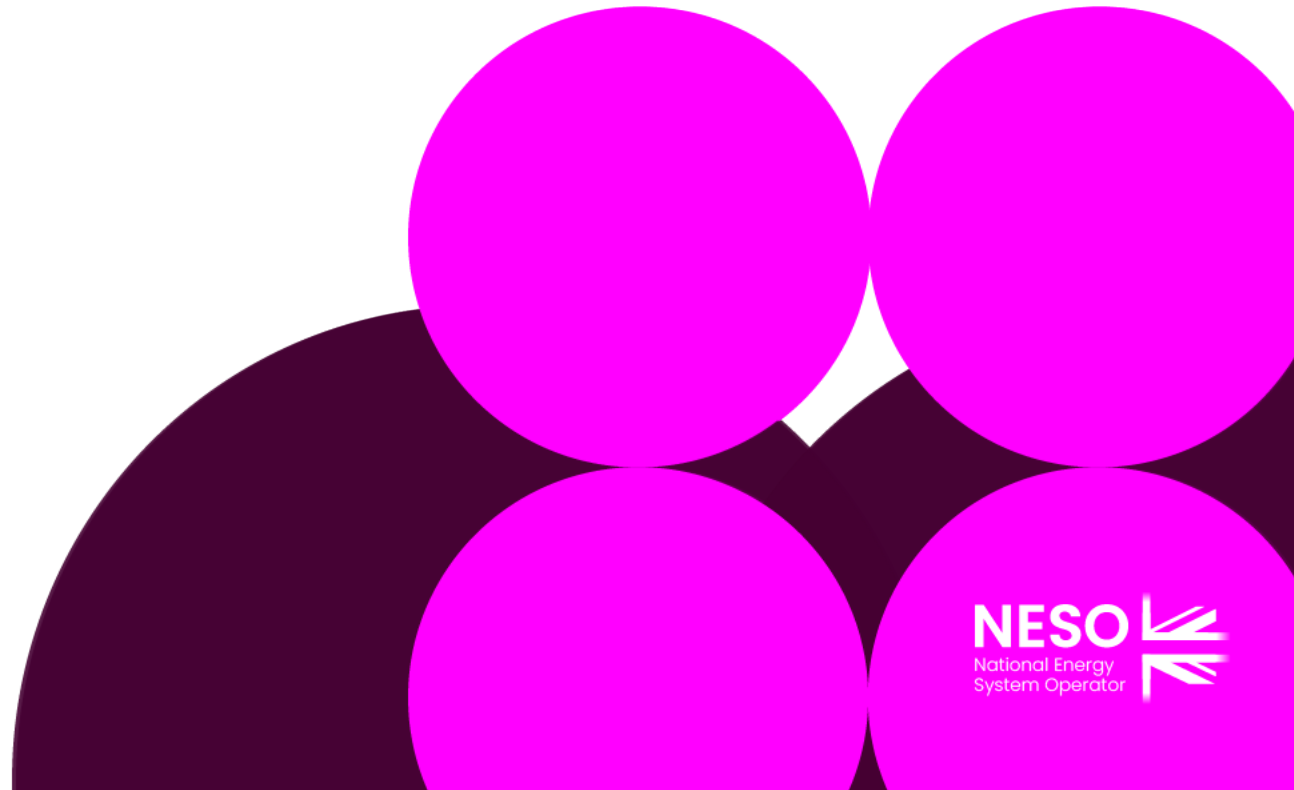
Analysis Discussion

All



Grandfathering Discussion

All



CMP444 Workgroup Consultation Responses Review

Investors' Confidence

- Some respondents believe that the Original proposal (without an end date) would provide developers with the confidence to make investment decisions, as a cap and floor proposal with an end date would add a degree of uncertainty which does not help investment decisions.
- One respondent does not support a sunset clause and believes full grandfathering is essential for existing assets and committed investments decisions.
- Another respondent believes avoiding grandfathering arrangements is crucial to prevent market distortions that complicate future reforms.
- Some respondents emphasize the necessity of full grandfathering for existing assets and committed investments, ensuring investors can recover expected revenue based on the market structure at the time of investment.
- One respondent believes grandfathering investments' TNUoS charges that have been made under the scheme is justifiable and reasonable.
- Another respondent does not believe the Original Proposal gives developers confidence to make investment decisions but provides more certainty than what is currently in place.
- Some respondents suggest that Ofgem, NESO, and DESNZ should protect existing assets and consider grandfathering assumptions for projects to avoid unnecessary risks and costs to consumer.
- One respondent does not support grandfathering.

CMP444 Workgroup Consultation Responses Review

Investors' Confidence

- Concerns were raised about long-term uncertainty regarding charges, which may raise costs for generators, inflate CfD prices, and hinder investment, jeopardizing the goal of a clean power system by 2030.
- Some respondents support additional protection as the lack of confidence that TNUoS charges post-2030 won't be prohibitive, contributing to a risk premium in CfD bids.
- One respondent believes a 'grandfathering clause' shouldn't be included in this CUSC modification and suggests that UK policymakers should provide clear signals to investors regarding tapering, grandfathering, or alternatives.

Any Other Business

Catia Gomes – NESO Code Administrator

