

# **CMP475: Amendment to the BSUoS tariff reset process**

Workgroup 1, 30 April 2026

Online Meeting via Teams

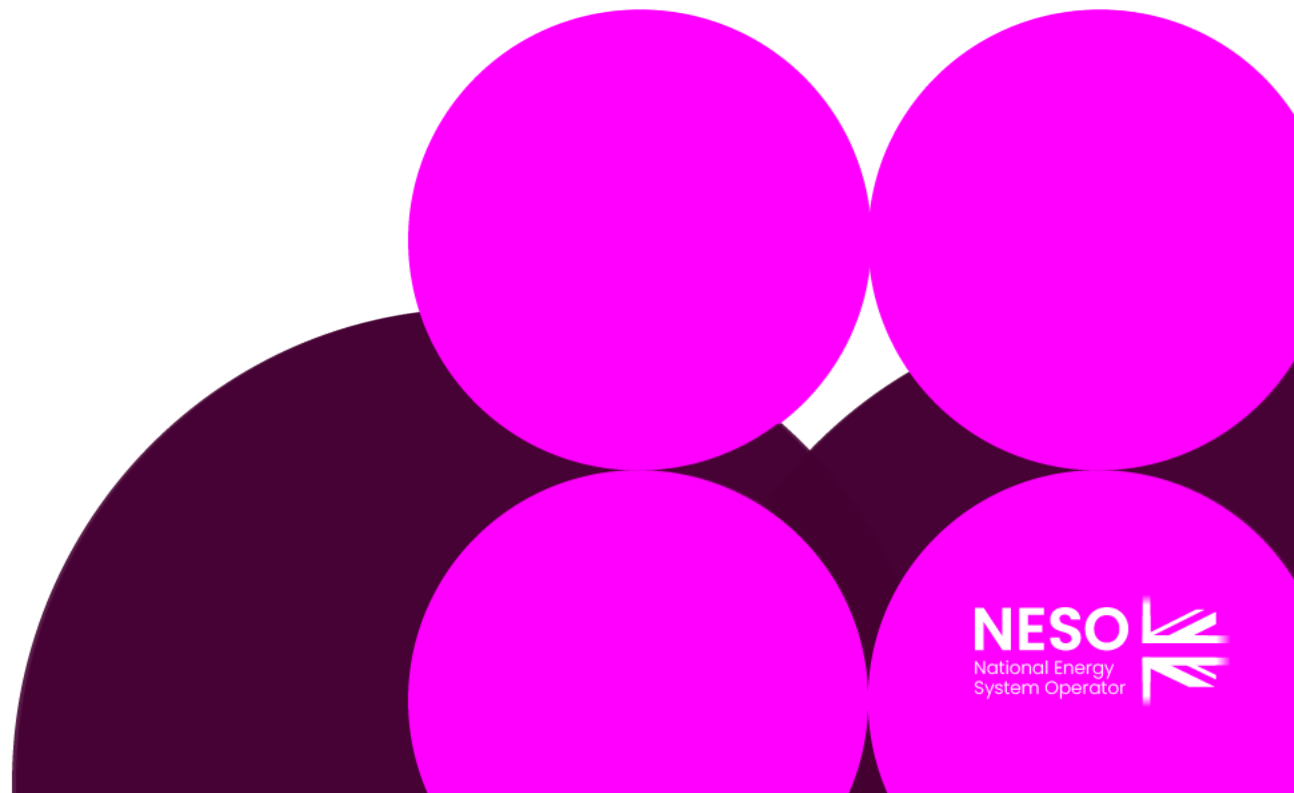
# WELCOME

# Agenda

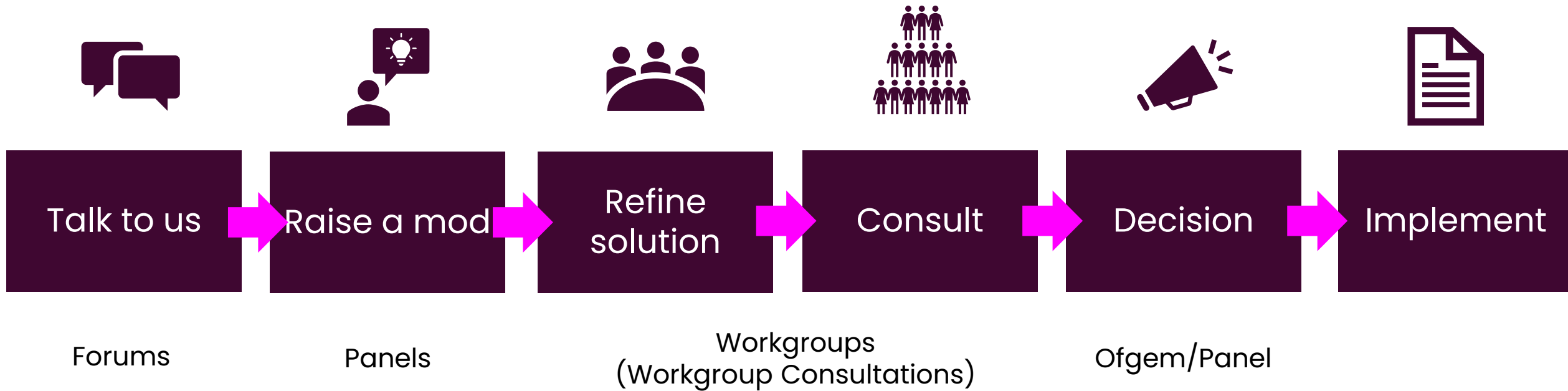
Topics to be discussed	Lead
Introductions	Chair
Code Modification Process Overview <ul style="list-style-type: none"><li>• Workgroup Responsibilities</li><li>• Workgroup Alternatives and Workgroup Vote</li></ul>	Chair
Objectives and Timeline <ul style="list-style-type: none"><li>• Walk-through of the timeline for the modification</li></ul>	Chair
Terms of Reference	All
Proposer presentation	Proposer
Agree Terms of Reference	All
Cross Code Impacts	All
Any Other Business	Chair
Next Steps	Chair

# Modification Process

Robert Hughes – NESO Code Administrator



# Code Modification Process Overview



# Refine Solution Workgroups



- If the proposed solution requires further input from industry in order to develop the solution, a Workgroup will be set up.
- The Workgroup will:
  - further refine the solution, in their discussions and by holding a **Workgroup Consultation**
  - Consider other solutions, and may raise **Alternative Modifications** to be considered alongside the Original Modification
  - Have a **Workgroup Vote** so views of the Workgroup members can be expressed in the Workgroup Report which is presented to Panel

# Consult Code Administrator Consultation

- The Code Administrator runs a consultation on the **final solution(s)**, to gather final views from industry before a decision is made on the modification.
- After this, the modification report is voted on by Panel who also give their views on the solution.



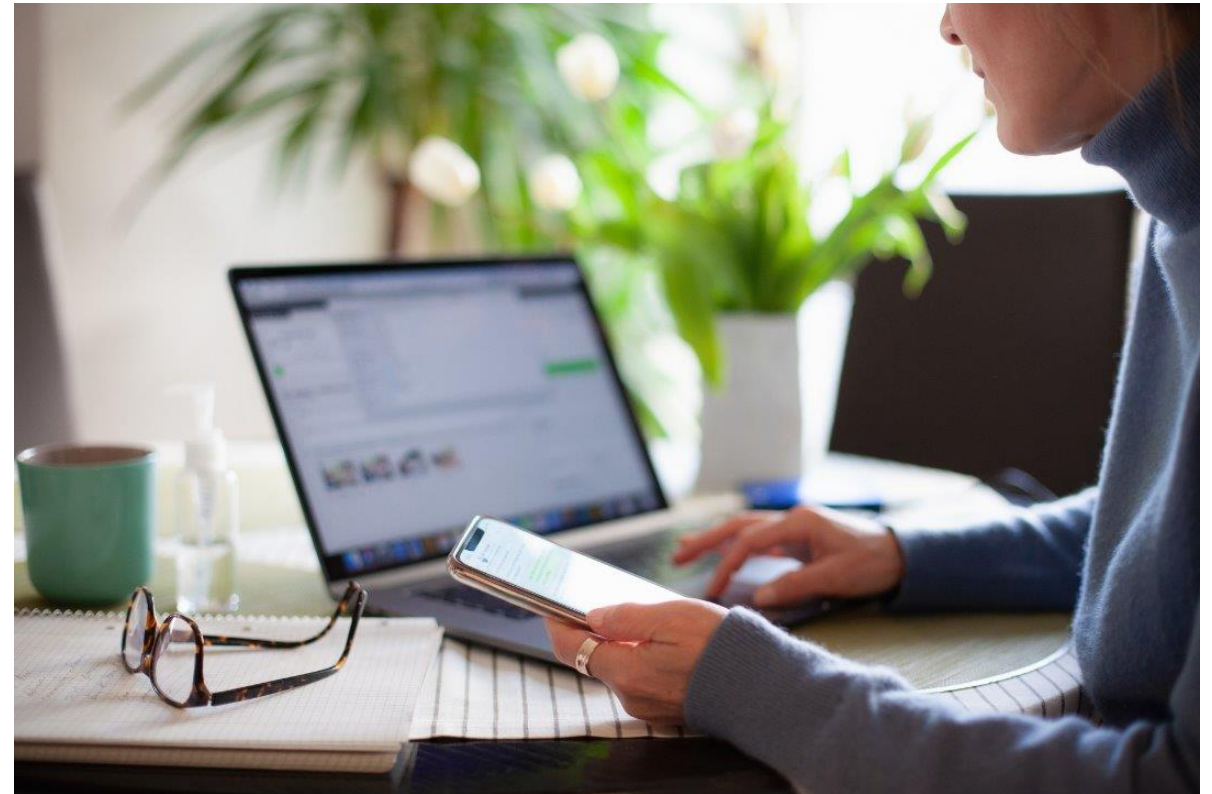
# Decision



- Dependent on the Governance Route that was decided by Panel when the modification was raised
- **Standard Governance:** Ofgem makes the decision on whether or not the modification is implemented
- **Self-Governance:** Panel makes the decision on whether or not the modification is implemented
  - an appeals window is opened for 15 days following the Final Self Governance Modification Report being published

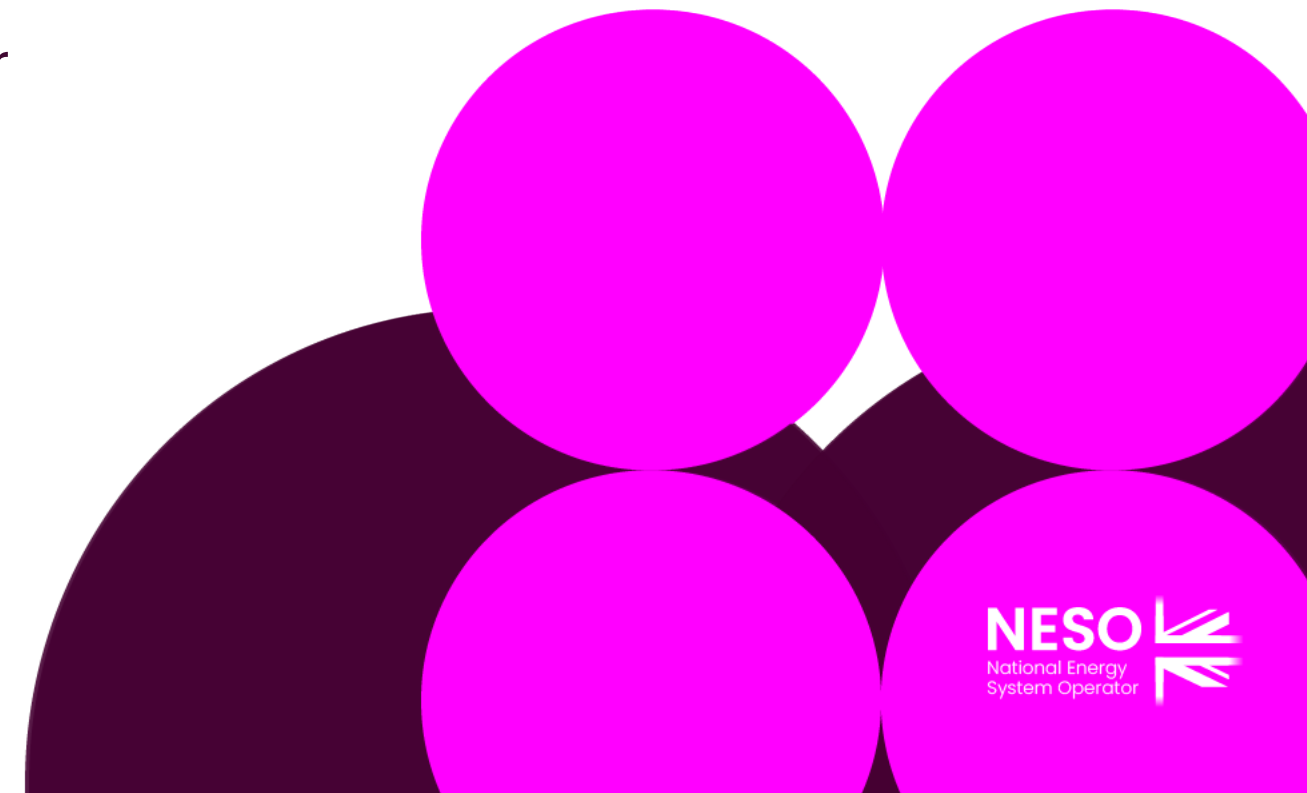
# Implement

- The Code Administrator implements the final change which was decided by the Panel / Ofgem on the agreed date.



# Workgroup Responsibilities and Membership

Robert Hughes – NESO Code Administrator



## 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

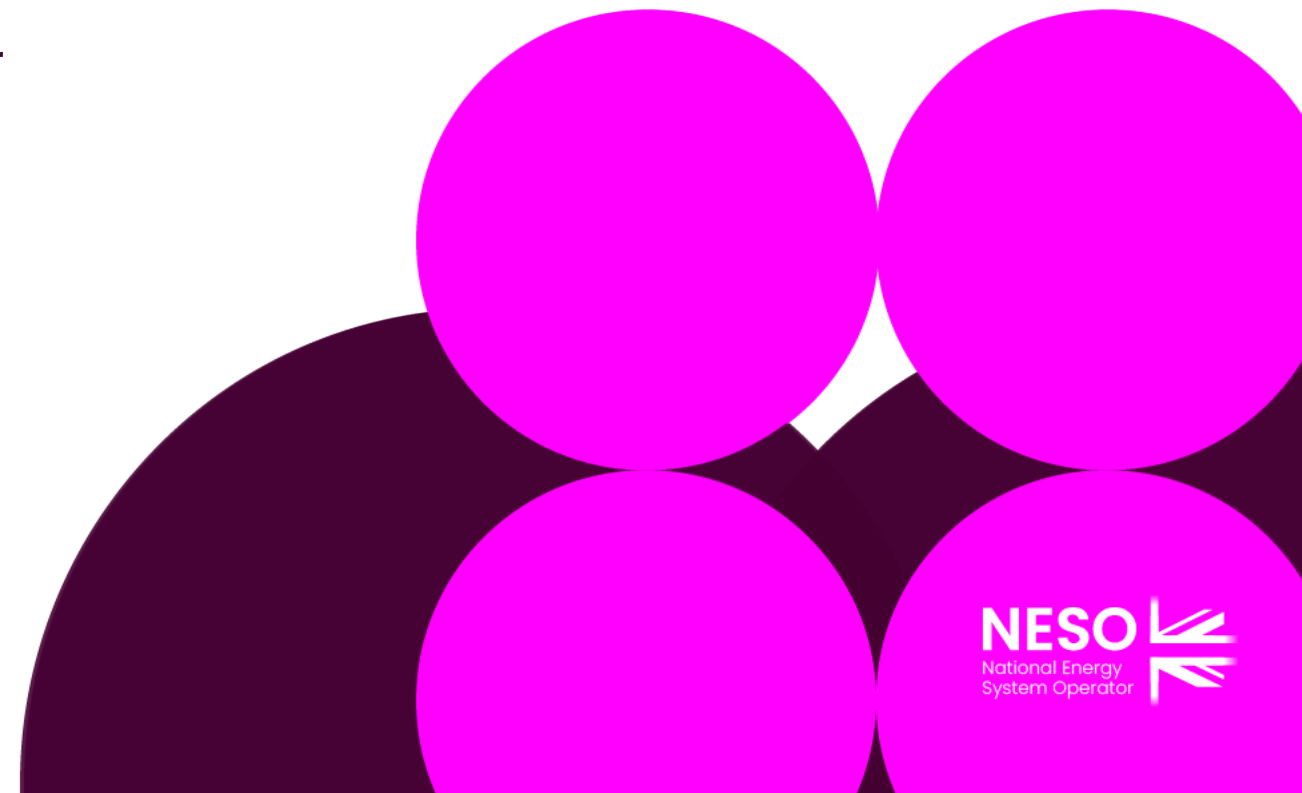
Vote on whether the solution(s) better facilitate the Code Objectives

# Workgroup Membership

Role	Name	Alternate	Company
Proposer	Alex Curtis	Martin Cahill	NESO
Workgroup Member	Damian Clough	Andy Colley	SSE
Workgroup Member	Gareth Evans	Andrew Green	Waterswye Associates (nominated by Corona Energy)
Workgroup Member	James Knight	Gregory Edwards	Centrica
Workgroup Member	Karl Maryon	Paul Youngman	Drax Energy Solutions Limited
Workgroup Member	Louise Hellyer	William Cartwright	TotalEnergies Gas And Power
Workgroup Member	Pawel Czarnowski	Ross Davidson	Scottish Power
Authority Representative	Ghulam Haider		Ofgem

# Workgroup Alternatives and Workgroup Vote

Robert Hughes – NESO Code Administrator



# What is the Alternative Request?

**What is an Alternative Request?** The formal starting point for a Workgroup Alternative Modification to be developed which can be raised up until the Workgroup Vote.

**What do I need to include in my Alternative Request form?** The requirements are the same for a Modification Proposal you need to articulate in writing:

- a description (in reasonable but not excessive detail) of the issue or defect which the proposal seeks to address compared to the current proposed solution(s);
- the reasons why you believe that the proposed alternative request would better facilitate the Applicable Objectives compared with the current proposed solution(s) together with background information;
- where possible, an indication of those parts of the Code which would need amending in order to give effect to (and/or would otherwise be affected by) the proposed alternative request and an indication of the impacts of those amendments or effects; and
- where possible, an indication of the impact of the proposed alternative request on relevant computer systems and processes.

**How do Alternative Requests become formal Workgroup Alternative Modifications?** The Workgroup will carry out a Vote on Alternatives Requests. If the majority of the Workgroup members or the Workgroup Chair believe the Alternative Request will better facilitate the Applicable Objectives than the current proposed Original solution, the Workgroup will develop it as a Workgroup Alternative Modification.

**Who develops the legal text for Workgroup Alternative Modifications?** NESO will assist Proposers and Workgroups with the production of draft legal text once a clear solution has been developed to support discussion and understanding of the Workgroup Alternative Modifications.

# Can I vote? And What is the Alternative Vote?

To participate in any votes, Workgroup members need to have attended at least 50% of meetings. The vote shall be decided by simple majority of those present at the meeting at which the vote takes place (whether in person or by teleconference)

## Stage 1 – Alternative Vote

- Vote on whether Workgroup Alternative Requests should become Workgroup Alternative CUSC Modifications.
- The Alternative vote is carried out to identify the level of Workgroup support there is for any potential alternative options that have been brought forward by either any member of the Workgroup OR an Industry Participant as part of the Workgroup Consultation.
- **Should the majority of the Workgroup OR the Chair believe that the potential alternative solution may better facilitate the CUSC objectives than the Original then the potential alternative will be fully developed by the Workgroup with legal text to form a Workgroup Alternative CUSC modification (WACM)** and submitted to the Panel and Authority alongside the Original solution for the Panel Recommendation vote and the Authority decision.

# Can I vote? And What is the Workgroup Vote?

To participate in any votes, Workgroup members need to have attended at least 50% of meetings. The vote shall be decided by simple majority of those present at the meeting at which the vote takes place (whether in person or by teleconference)

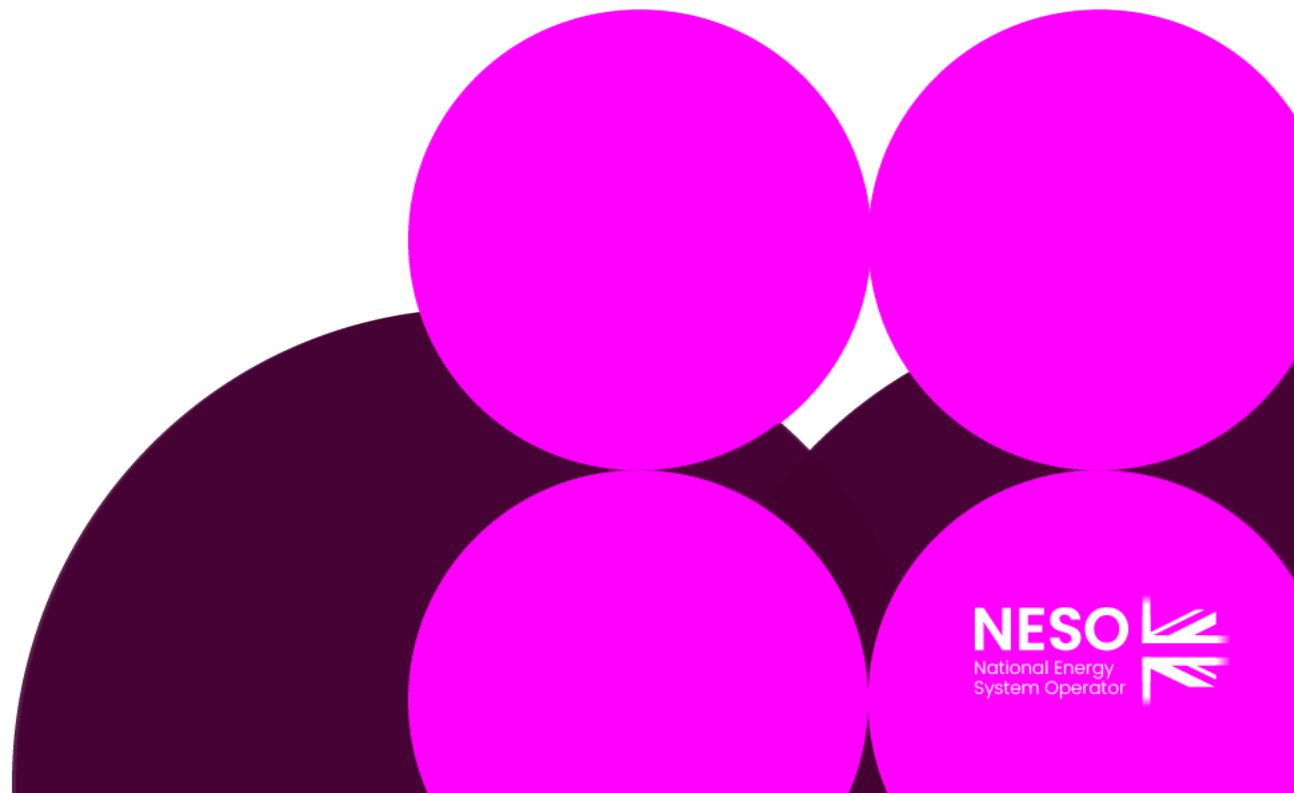
## Stage 2 – Workgroup Vote

- 2a) Assess the original and Workgroup Alternative (if there are any) against the relevant Applicable Objectives compared to the baseline (the current code)
- 2b) Vote on which of the options is best.

Alternate Requests cannot be raised after the Stage 2 – Workgroup Vote

# Objectives and Timeline

Robert Hughes – NESO Code Administrator



## Urgent Timeline for CMP475 as at 21 April 2026

Milestone	Date	Milestone	Date
Modification presented to Panel	21 April 2026	Workgroup report issued to Panel	16 June 2026
Workgroup Nominations (4 Business Days)	21 April 2026 to 27 April 2026	Panel sign off that Workgroup Report has met its Terms of Reference	19 June 2026
Ofgem grant Urgency Ideally maximum of 3 Business Days from date presented to Panel	27 April 2026 (5pm)	Code Administrator Consultation (4 Business Days)	23 June 2026 to 29 June 2026
Workgroup 1	30 April 2026	Draft Final Modification Report (DFMR) issued to Panel	07 July 2026
Workgroup 2	07 May 2026	Panel undertake DFMR recommendation vote	10 July 2026
Workgroup 3	11 May 2026	Final Modification Report issued to Panel to check votes recorded correctly	10 July 2026
Workgroup 4	15 May 2026	Final Modification Report issued to Ofgem	10 July 2026
Workgroup Consultation ( 4 Business Days)	19 May 2026 to 25 May 2026	Ofgem decision	17 July 2026
Workgroup 5	28 May 2026	Implementation Date	24 July 2026
Workgroup 6	02 June 2026		
Workgroup 7	05 June 2026		
Workgroup 8	10 June 2026		

# Review Terms of Reference

Robert Hughes – NESO Code Administrator

# Terms of Reference

## Workgroup Term of Reference

a) Consider EBR implications

b) Consider the scope of work identified and whether this is achievable within the timeframe outlined in the Ofgem Urgency decision letter.

c) Consider the trade-off between NESO and Supplier cashflow risks

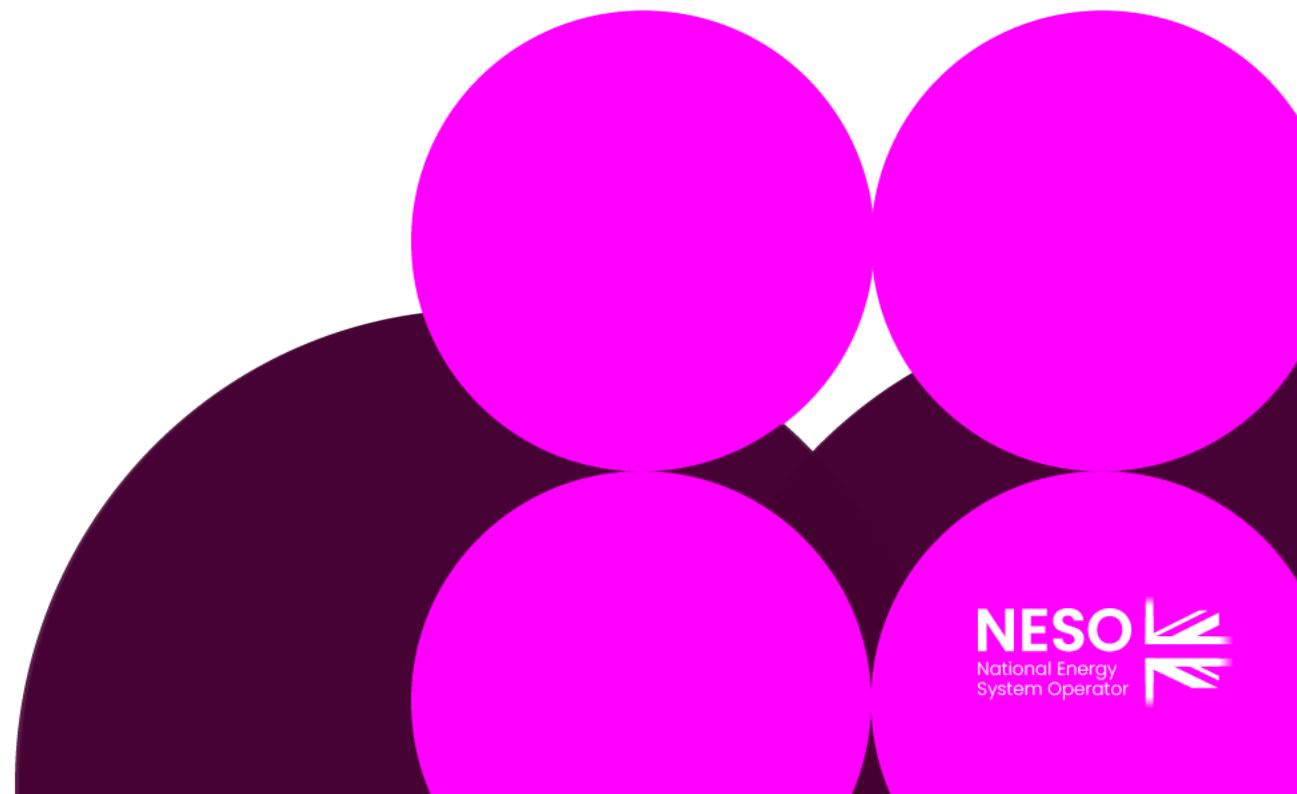
d) Consider the interactions between CMP475 and any other in-flight urgent BSUoS mods

e) Consider how CMP475 interacts with the energy price cap and in turn how CMP475 will impact consumer bills

f) Consider the impacts on the security and safety of the system

# Proposer's presentation

Alex Curtis – NESO



# Amendment to the BSUoS tariff reset process – Overview

30 April 2026

# What is the issue?

Global conditions have meant NESO is spending more on balancing actions than it forecasted

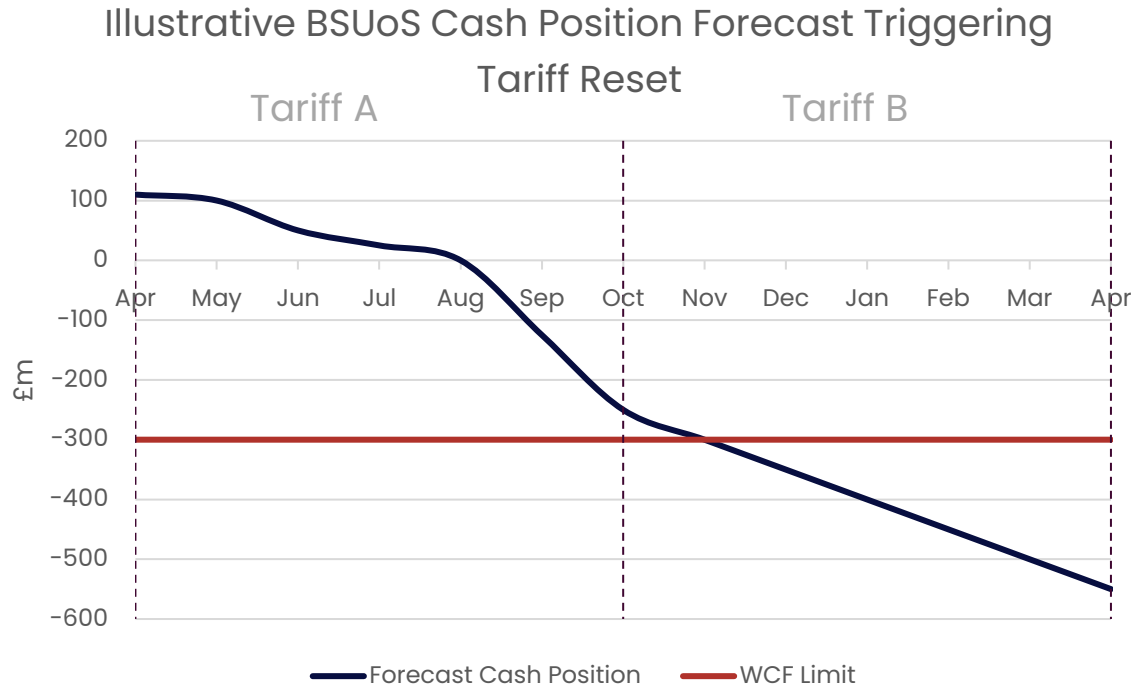


The current methodology around BSUoS tariffs are insufficiently flexible in these circumstances

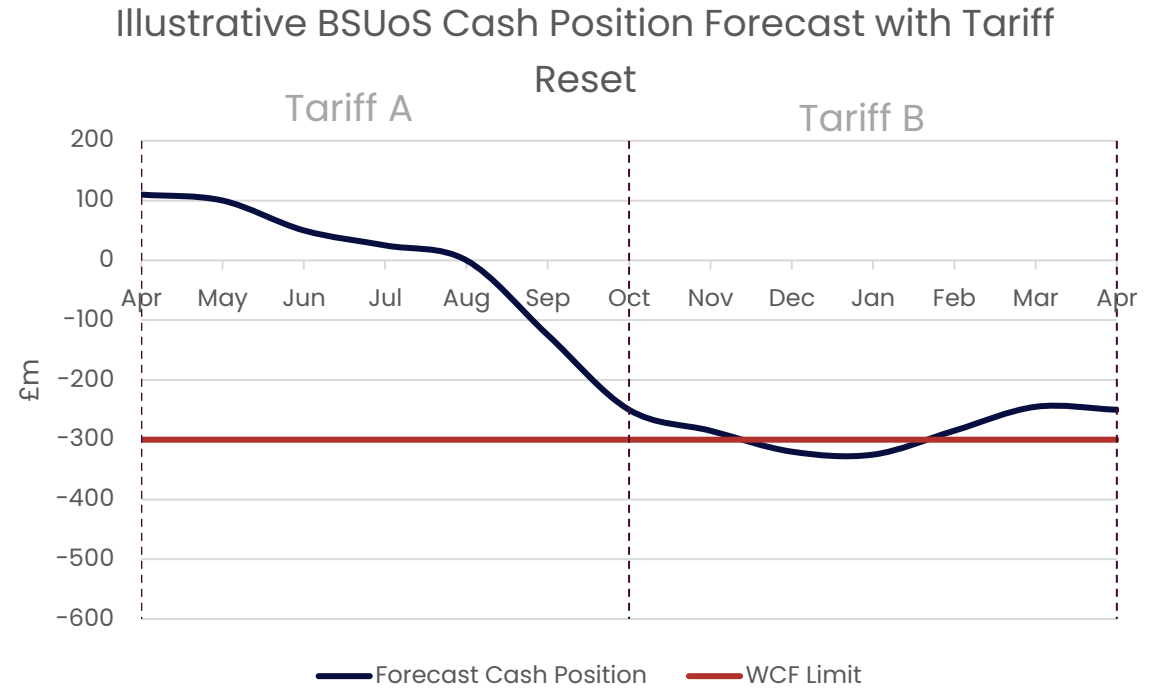


This therefore causes notable potential concerns for NESO managing the Working Capital Fund, that supports NESO role in balancing the system.

# Illustrative Example of the Issue



BSUoS Cash Position forecast to reach -£300m in November, therefore may reset Tariff B



Starting cash position of Reset Tariff B: £-250m  
Ending cash position of Reset Tariff B: -£250m

# Why Change?

Electricity market prices have become increasingly volatile due to global energy price movements.

The UK market has experienced similar shocks in recent years, including COVID-19, the invasion of Ukraine and now the Middle East crisis.

This volatility has made NESO's balancing actions to manage the NETS significantly more expensive.

Ongoing global instability may require NESO to amend BSUoS charges more frequently to maintain sufficient cash flows.

# What is the proposed solution?

Where NESO forecasts that the Working Capital Fund (WCF) will be exceeded in a Fixed Price Period, NESO would be permitted to reopen & amend one or both Fixed Price Periods.

Secondly a new concept of a “Top-Up Tariff” (or similar) would be introduced.

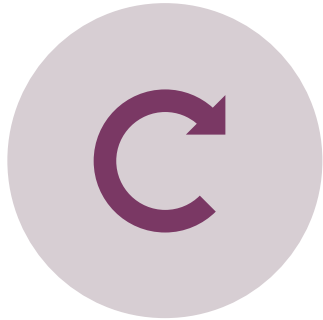
The Top-Up Tariff would enable NESO to begin recovering the WCF back towards a neutral (£0) position, addressing the defect highlighted in previous slides

The aim is to support WCF recovery with the minimum possible market disruption.

# Amendment to the BSUoS tariff reset process – Detail

30 April 2026

# Trigger a tariff reset in either Fixed period



NESO can currently trigger a reset in the Fixed period/s where we forecast to exceed the NESO Working Capital Facility (WCF)



In a period of market volatility this makes managing the BSUoS Tariff and the WCF much harder for NESO and industry, as have less foresight of any potentially required reset



NESO has and always will look to avoid triggering a tariff reset as it recognises the impact it has



Any solutions that are put in place needs to work for all likely scenarios, not just the current issues that we face.

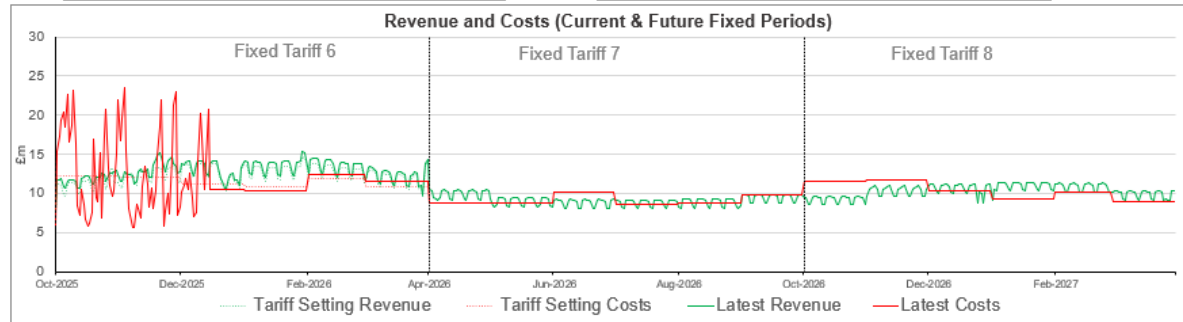
# 15 December 2025

Fixed Tariffs 7 and 8 were set with the aim for our forecast cash position to reach neutral by March 2027

Today's Date	15/12/2025
Latest Revenue in Fixed Period to date	8,811,933,441
Latest Costs in Fixed Period to date	8,861,833,124
Over / (Under) Recovery to Date	-49,899,683

Last date Control Room data available	14/12/2025
Last date II data entered	07/12/2025
Last date SF data entered	20/11/2025
Latest published forecast	January 26

Today  
15/12/2025

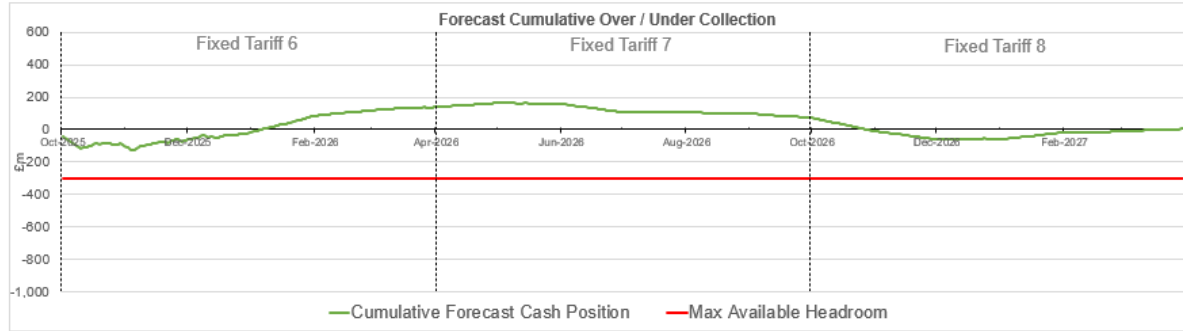


Forecast cash position at the end of fixed tariff 5  
**-£41m**

Forecast cash position at the end of fixed tariff 6  
**£139m**

Forecast cash position at the end of fixed tariff 7  
**£74m**

Forecast cash position at the end of fixed tariff 8  
**£5m**



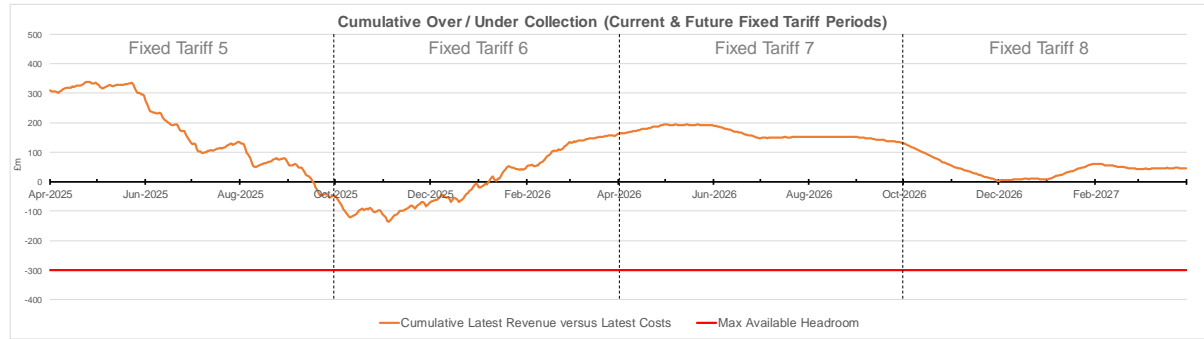
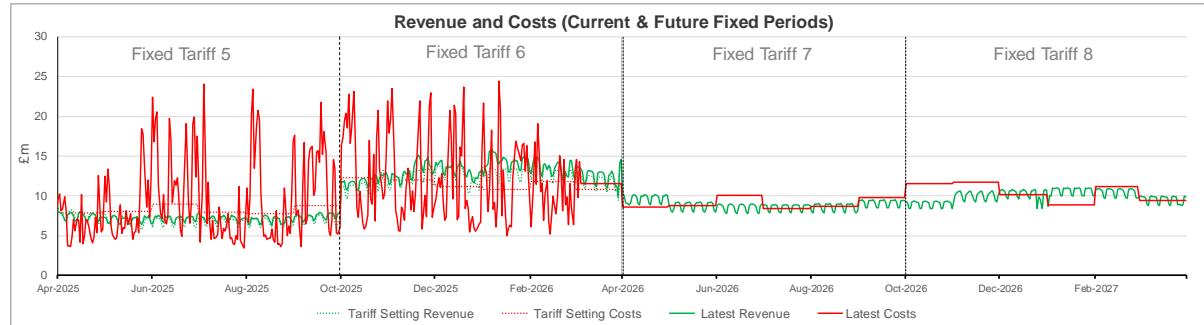
# 05 Mar 2026

Since Tariffs 7 and 8 were set, there had been £22m – £41m increase in our forecast cash position

Today's Date	05/03/2026
Latest Revenue in Fixed Period to date	9,908,739,409
Latest Costs in Fixed Period to date	9,771,597,292
Over / (Under) Recovery to Date	137,142,117

Last date Control Room data available	04/03/2026
Last date II data entered	25/02/2026
Last date SF data entered	10/02/2026
Latest published forecast	March 26

Today  
05/03/2026



**Forecast cash position at the end of fixed tariff 5**

**-£48m**

Change from Last Report (26/02/2026) ↓ -£1m

Change from Final Tariff 7&8 Setting ↓ -£7m

**Forecast cash position at the end of fixed tariff 6**

**£161m**

Change from Last Report (26/02/2026) ↑ £4m

Change from Final Tariff 7&8 Setting ↑ £22m

**Forecast cash position at the end of fixed tariff 7**

**£133m**

Change from Last Report (26/02/2026) ↑ £4m

Change from Final Tariff 7&8 Setting ↑ £58m

**Forecast cash position at the end of fixed tariff 8**

**£46m**

Change from Last Report (26/02/2026) ↑ £4m

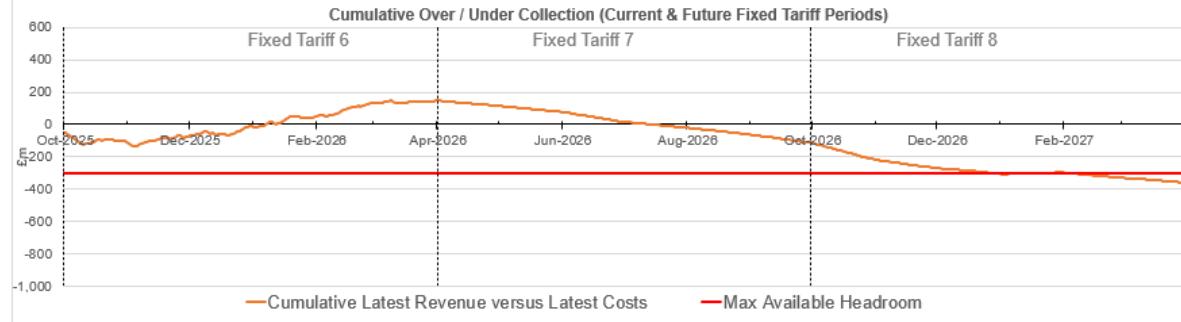
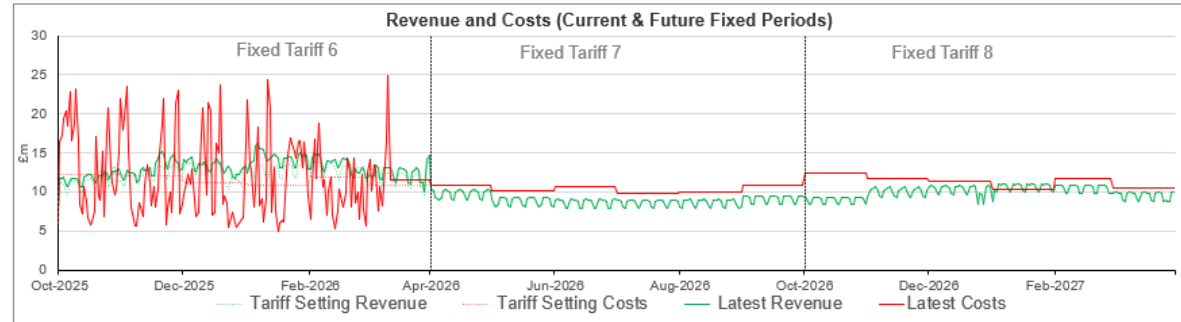
Change from Final Tariff 7&8 Setting ↑ £41m

# 12 Mar 2026

April 2026 Forecast, reflected a 28% increase in wholesale market prices and £200m increase in constraint cost forecast

Today's Date	12/03/2026	Last date Control Room data available	11/03/2026
Latest Revenue in Fixed Period to date	9,992,890,846	Last date II data entered	04/03/2026
Latest Costs in Fixed Period to date	9,860,547,428	Last date SF data entered	17/02/2026
Over / (Under) Recovery to Date	132,343,418	Latest published forecast	April 26

Today  
12/03/2026



**Forecast cash position at the end of fixed tariff 5**  
**-£48m**

Change from Last Report (05/03/2026) ↓ £0m  
Change from Final Tariff 7&8 Setting ↓ -£7m

**Forecast cash position at the end of fixed tariff 6**  
**£148m**

Change from Last Report (05/03/2026) ↓ -£13m  
Change from Final Tariff 7&8 Setting ↑ £9m

**Forecast cash position at the end of fixed tariff 7**  
**-£111m**

Change from Last Report (05/03/2026) ↓ -£244m  
Change from Final Tariff 7&8 Setting ↓ -£185m

**Forecast cash position at the end of fixed tariff 8**  
**-£356m**

Change from Last Report (05/03/2026) ↓ -£402m  
Change from Final Tariff 7&8 Setting ↓ -£361m

# 19 Mar 2026

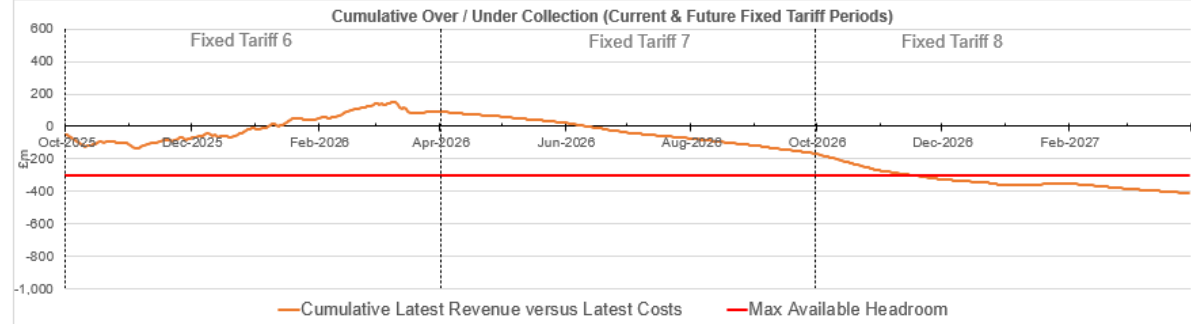
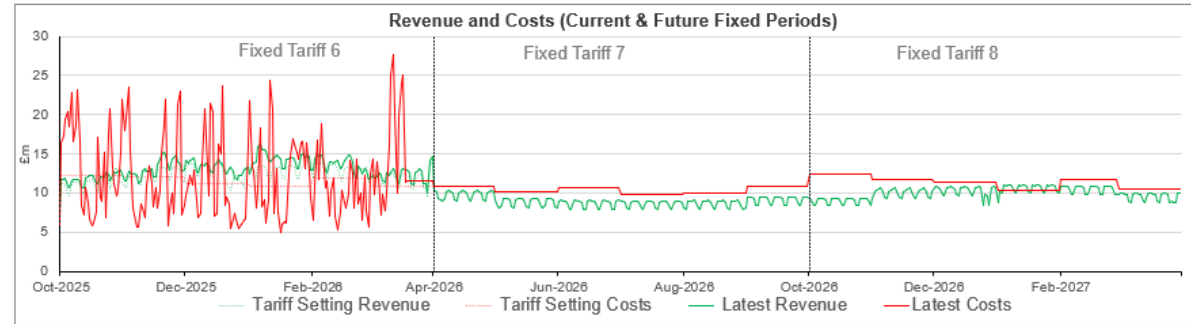
£55m decrease in cash position following latest outturns.

Sustained high wind output associated with multiple transmission constraints, particularly in Scotland.

Today's Date	19/03/2026
Latest Revenue in Fixed Period to date	10,079,418,994
Latest Costs in Fixed Period to date	9,994,983,410
Over / (Under) Recovery to Date	84,435,584

Last date Control Room data available	18/03/2026
Last date II data entered	10/03/2026
Last date SF data entered	23/02/2026
Latest published forecast	April 26

Today  
19/03/2026



<b>Forecast cash position at the end of fixed tariff 5</b>		
	<b>-£48m</b>	
Change from Last Report (12/03/2026)	£0m	↔
Change from Final Tariff 7&8 Setting	-£7m	↓

<b>Forecast cash position at the end of fixed tariff 6</b>		
	<b>£93m</b>	
Change from Last Report (12/03/2026)	-£55m	↓
Change from Final Tariff 7&8 Setting	-£46m	↓

<b>Forecast cash position at the end of fixed tariff 7</b>		
	<b>-£166m</b>	
Change from Last Report (12/03/2026)	-£55m	↓
Change from Final Tariff 7&8 Setting	-£240m	↓

<b>Forecast cash position at the end of fixed tariff 8</b>		
	<b>-£411m</b>	
Change from Last Report (12/03/2026)	-£55m	↓
Change from Final Tariff 7&8 Setting	-£416m	↓

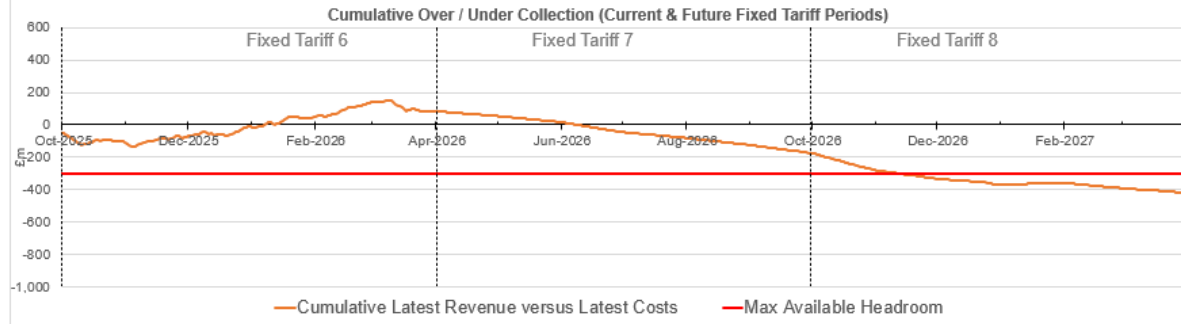
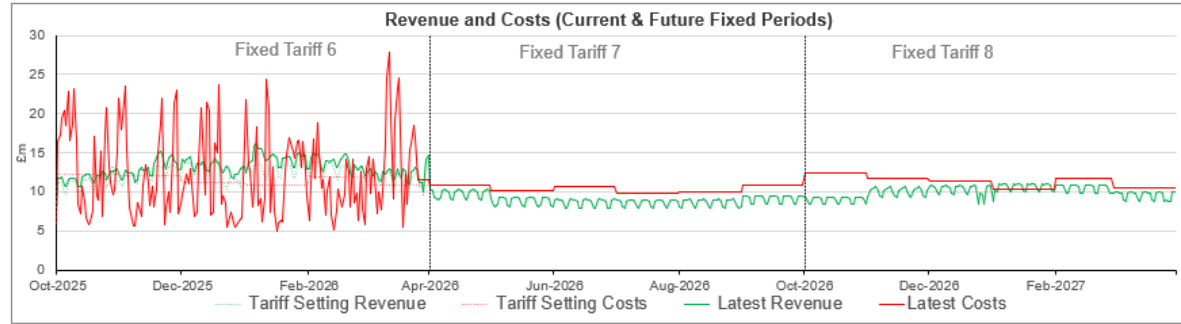
# 26 March 2026

£7m decrease in cash position from latest actual data

Today's Date	26/03/2026
Latest Revenue in Fixed Period to date	10,166,655,086
Latest Costs in Fixed Period to date	10,084,099,051
Over / (Under) Recovery to Date	82,556,035

Last date Control Room data available	25/03/2026
Last date II data entered	17/03/2026
Last date SF data entered	02/03/2026
Latest published forecast	April 26

Today  
26/03/2026



<b>Forecast cash position at the end of fixed tariff 5</b>		
		<b>-£48m</b>
Change from Last Report (19/03/2026)	£0m	
Change from Final Tariff 7&8 Setting	↓	-£7m

<b>Forecast cash position at the end of fixed tariff 6</b>		
		<b>£86m</b>
Change from Last Report (19/03/2026)	↓	-£7m
Change from Final Tariff 7&8 Setting	↓	-£53m

<b>Forecast cash position at the end of fixed tariff 7</b>		
		<b>-£173m</b>
Change from Last Report (19/03/2026)	↓	-£7m
Change from Final Tariff 7&8 Setting	↓	-£247m

<b>Forecast cash position at the end of fixed tariff 8</b>		
		<b>-£418m</b>
Change from Last Report (19/03/2026)	↓	-£7m
Change from Final Tariff 7&8 Setting	↓	-£423m

# 02 April 2026

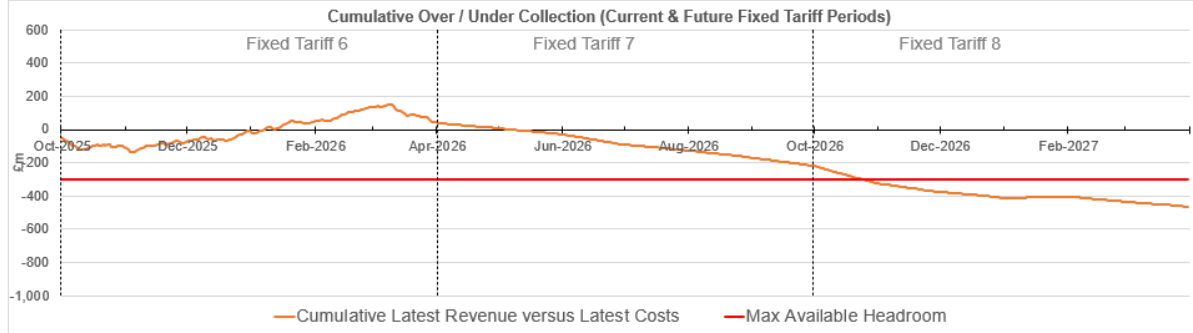
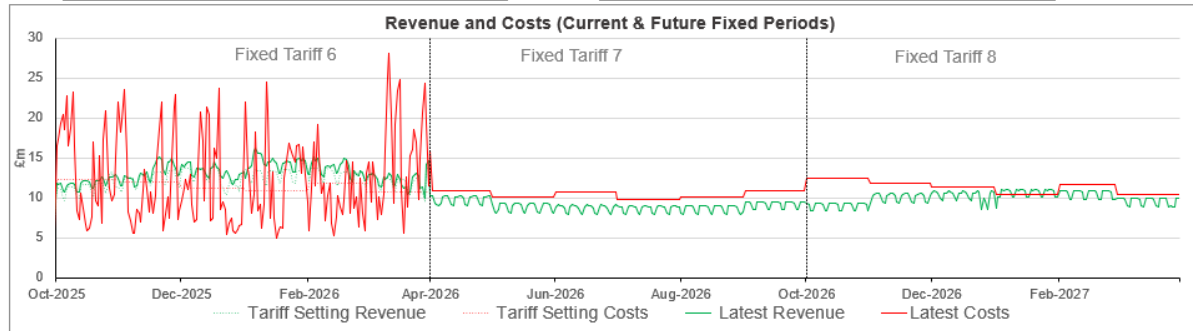
£40m decrease in cash position from latest actual data.

High weekend and early week costs, as a result of high wind output and sustained Scottish constraints

Today's Date	02/04/2026
Latest Revenue in Fixed Period to date	10,245,043,279
Latest Costs in Fixed Period to date	10,204,918,080
Over / (Under) Recovery to Date	40,125,199

Last date Control Room data available	01/04/2026
Last date II data entered	22/03/2026
Last date SF data entered	05/03/2026
Latest published forecast	April 26

Today  
02/04/2026



<b>Forecast cash position at the end of fixed tariff 5</b>		
	<b>-£48m</b>	
Change from Last Report (26/03/2026)	↓	£0m
Change from Final Tariff 7&8 Setting	↓	-£7m
<b>Forecast cash position at the end of fixed tariff 6</b>		
	<b>£46m</b>	
Change from Last Report (26/03/2026)	↓	-£40m
Change from Final Tariff 7&8 Setting	↓	-£93m
<b>Forecast cash position at the end of fixed tariff 7</b>		
	<b>-£218m</b>	
Change from Last Report (26/03/2026)	↓	-£45m
Change from Final Tariff 7&8 Setting	↓	-£292m
<b>Forecast cash position at the end of fixed tariff 8</b>		
	<b>-£463m</b>	
Change from Last Report (26/03/2026)	↓	-£45m
Change from Final Tariff 7&8 Setting	↓	-£468m

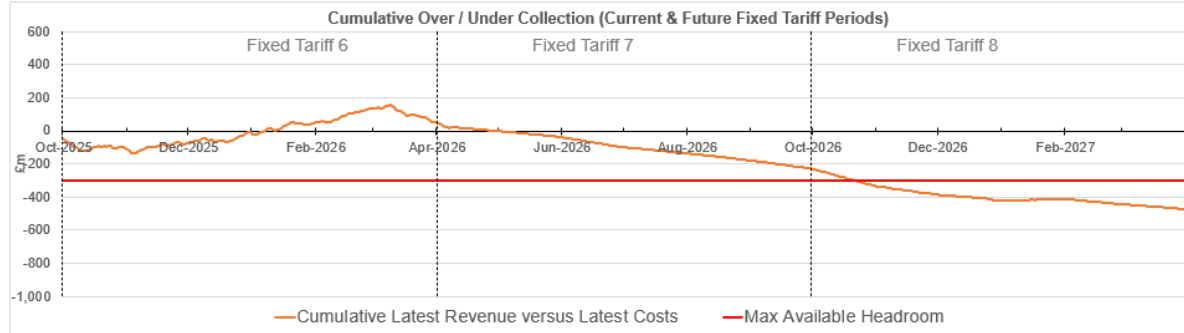
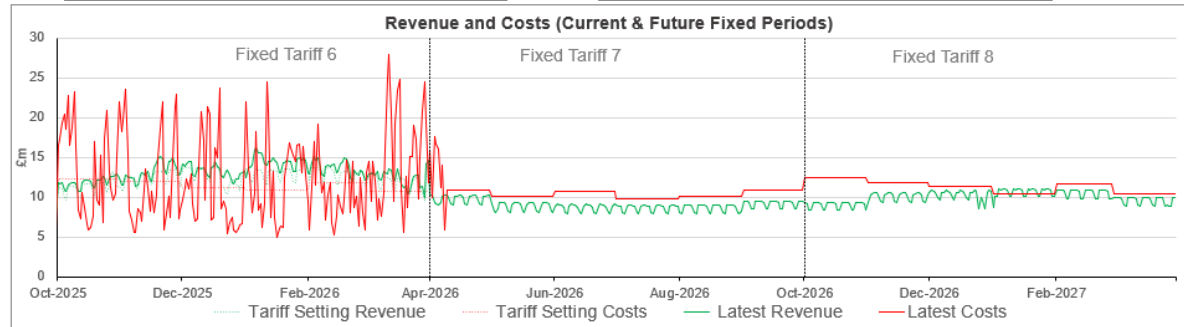
# 9 April 2026

£9m decrease in cash position from latest actual data

Today's Date	09/04/2026
Latest Revenue in Fixed Period to date	10,318,260,777
Latest Costs in Fixed Period to date	10,296,153,462
Over / (Under) Recovery to Date	22,107,315

Last date Control Room data available	08/04/2026
Last date II data entered	26/03/2026
Last date SF data entered	14/03/2026
Latest published forecast	April 26

Today  
09/04/2026



<b>Forecast cash position at the end of fixed tariff 5</b>	
	<b>-£48m</b>
Change from Last Report (02/04/2026)	£0m
Change from Final Tariff 7&8 Setting	-£7m
<b>Forecast cash position at the end of fixed tariff 6</b>	
	<b>£52m</b>
Change from Last Report (02/04/2026)	£6m
Change from Final Tariff 7&8 Setting	-£87m
<b>Forecast cash position at the end of fixed tariff 7</b>	
	<b>-£227m</b>
Change from Last Report (02/04/2026)	-£9m
Change from Final Tariff 7&8 Setting	-£301m
<b>Forecast cash position at the end of fixed tariff 8</b>	
	<b>-£472m</b>
Change from Last Report (02/04/2026)	-£9m
Change from Final Tariff 7&8 Setting	-£477m

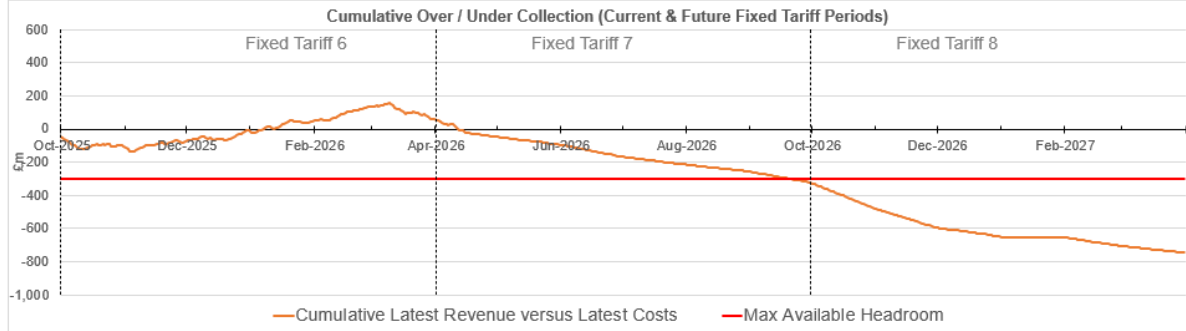
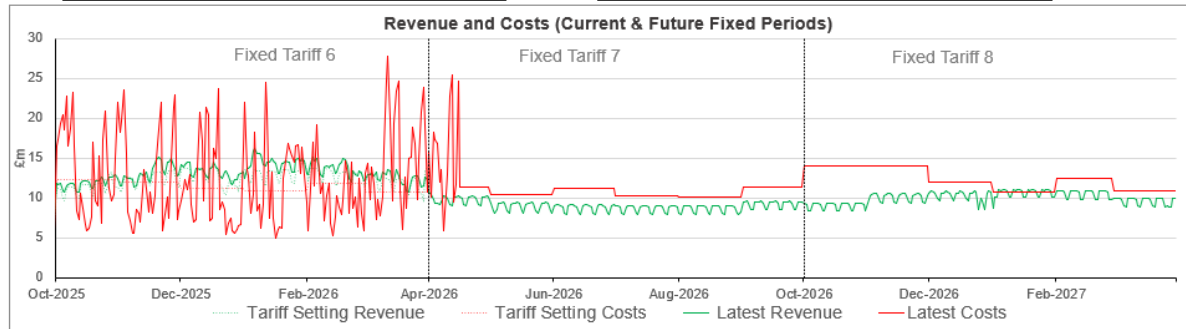
# 16 April 2026

May BSUoS Forecast  
 Average 15% increase in forecast market prices  
 51% increase in gas prices within constraint forecast inputs

Today's Date	16/04/2026
Latest Revenue in Fixed Period to date	10,388,954,660
Latest Costs in Fixed Period to date	10,411,598,208
Over / (Under) Recovery to Date	-22,643,548

Last date Control Room data available	15/04/2026
Last date II data entered	07/04/2026
Last date SF data entered	21/03/2026
Latest published forecast	May 26

Today  
16/04/2026



**Forecast cash position at the end of fixed tariff 5**  
**-£48m**

Change from Last Report (09/04/2026) ▬ £0m  
 Change from Final Tariff 7&8 Setting ▾ -£7m

**Forecast cash position at the end of fixed tariff 6**  
**£58m**

Change from Last Report (09/04/2026) ▴ £6m  
 Change from Final Tariff 7&8 Setting ▾ -£81m

**Forecast cash position at the end of fixed tariff 7**  
**-£322m**

Change from Last Report (09/04/2026) ▾ -£95m  
 Change from Final Tariff 7&8 Setting ▾ -£396m

**Forecast cash position at the end of fixed tariff 8**  
**-£747m**

Change from Last Report (09/04/2026) ▾ -£274m  
 Change from Final Tariff 7&8 Setting ▾ -£751m

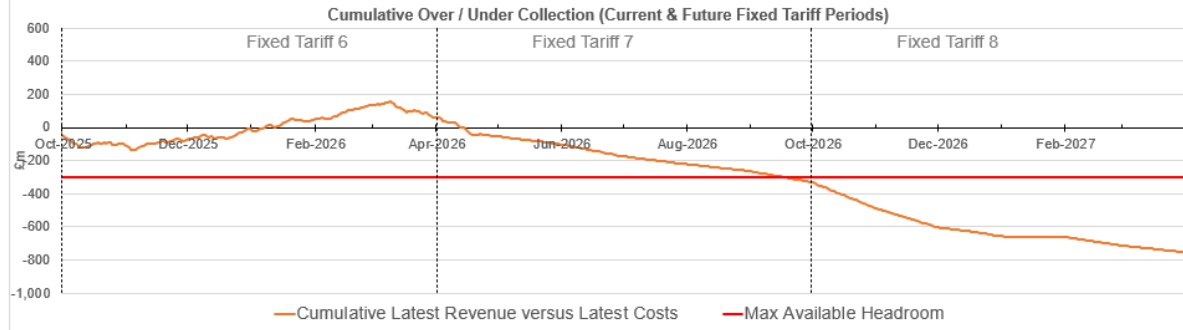
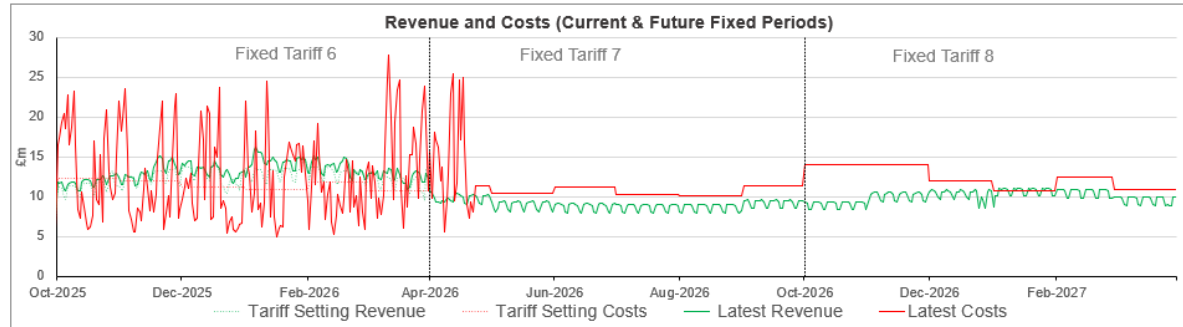
# 23 April 2026

£7m decrease in cash position from latest actual data

Today's Date	23/04/2026
Latest Revenue in Fixed Period to date	10,460,616,615
Latest Costs in Fixed Period to date	10,501,850,535
Over / (Under) Recovery to Date	-41,233,920

Last date Control Room data available	22/04/2026
Last date II data entered	14/04/2026
Last date SF data entered	28/03/2026
Latest published forecast	May 26

Today  
23/04/2026



**Forecast cash position at the end of fixed tariff 5**  
**-£48m**

Change from Last Report (16/04/2026) ↓ £0m

Change from Final Tariff 7&8 Setting ↓ -£7m

**Forecast cash position at the end of fixed tariff 6**  
**£62m**

Change from Last Report (16/04/2026) ↑ £4m

Change from Final Tariff 7&8 Setting ↓ -£77m

**Forecast cash position at the end of fixed tariff 7**  
**-£329m**

Change from Last Report (16/04/2026) ↓ -£7m

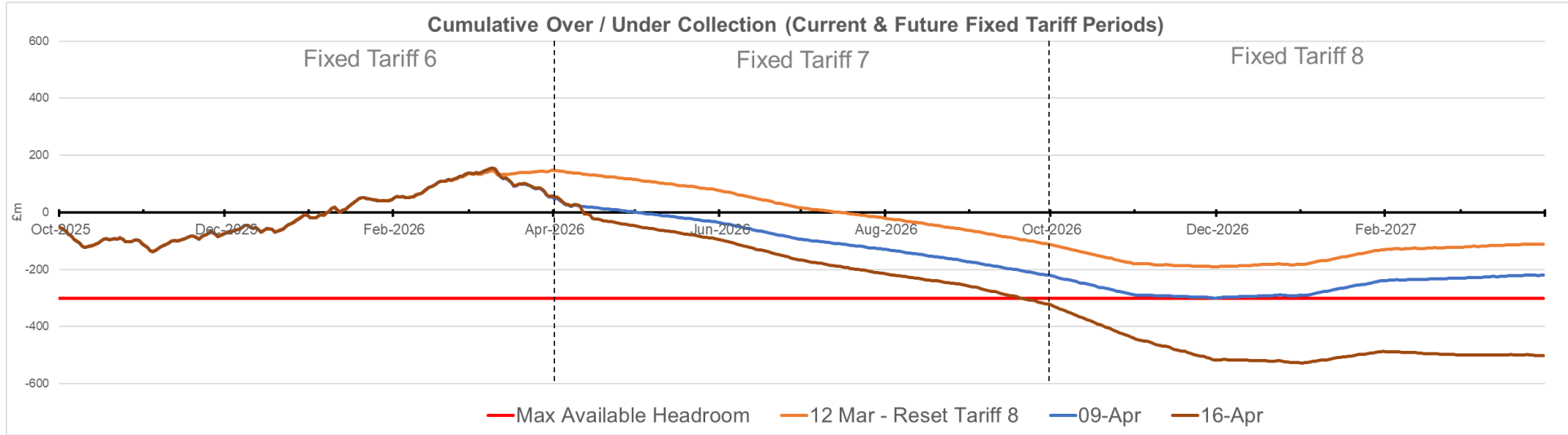
Change from Final Tariff 7&8 Setting ↓ -£403m

**Forecast cash position at the end of fixed tariff 8**  
**-£754m**

Change from Last Report (16/04/2026) ↓ -£7m

Change from Final Tariff 7&8 Setting ↓ -£759m

# Tariff Reset Scenario



	Date	Tariff 7 (£/MWh)	Tariff 8 (£/MWh)	End of Tariff 7 Forecast Cash Position	End of Tariff 8 Forecast Cash Position	Lowest Cash Position
	12 March	13.74	12.49	-£111m	-£356m	31 Mar 27 -£356m
—	12 March – FT8 Reset	13.74	14.18	-£111m	-£111m	30 Nov 26 £-191m
—	09 April – FT8 Reset	13.74	14.18	-£220m	-£219m	30 Nov 26 £-300m
—	16 April – FT8 Reset	13.74	14.18	-£332m	-£500m	01 Jan 2027 -£527m

# BSUoS Data provided by NESO to industry

NESO currently provides industry regular updates

- Daily - Current BSUoS costs ( II, SF, RF)
- Weekly - BSUoS revenue Vs Cost report
- M

They are all designed to help give industry a better view of the current BSUoS position

NESO appreciates industry needs as much information as possible to enable them to forecast as well

Would industry like to see NESO provide extra data to help give greater visibility, if yes what?

# Tariff Reset Process

## Monitor

- **Costs**
  - >£30m/day
  - >£120m/week
  - >£150m month
- **WCF usage**
  - >£200m

## Assess

- Do we need further data for consistency?
- Rerun BSUoS forecast

## Recommend

- Prepare tariff options
- Produce RAPID

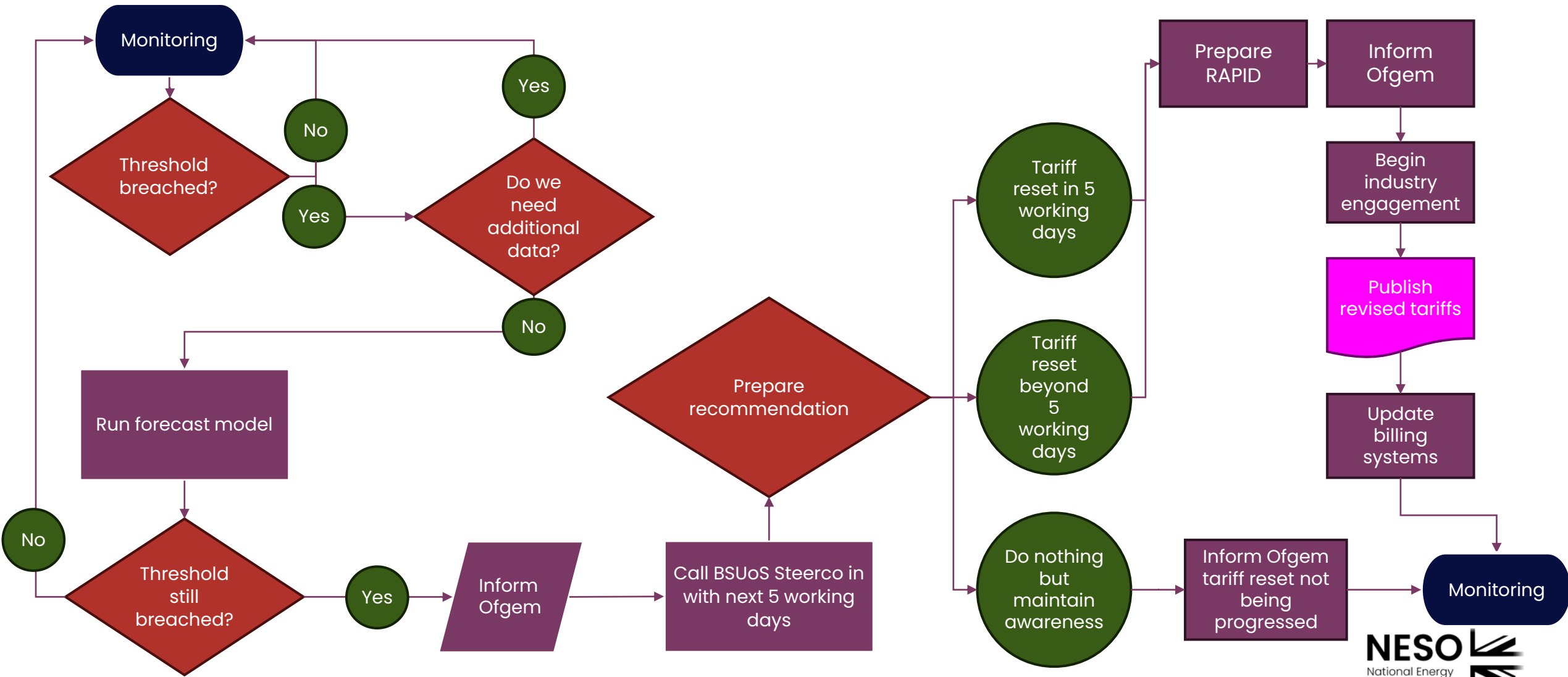
## Inform

- Ofgem
- Industry
- Billing

## Implement

- Minimum 5 working days notice

# Tariff Reset Process



# Trigger for a Tariff reset

The trigger is not just the -£300m, it depends how far in the future the breach will occur

NESO has not forecast to hit -£300m in the Fixed Tariff era until now, closest we have had so far was -£250m

NESO is in discussions with DESNZ, OFGEM, HMT and UKGI around extending the WCF but this is a long term solution as need to agree an appropriate new WCF level, that works for all parties & scenarios

Even if have a larger WCF it still could be breached

# Notice period for a Tariff Reset



NESO does not want to trigger a reset and appreciates the impact it could have on industry and that is why we have not, triggered a reset to date



NESO spends a very significant amount of time and effort on forecasting BSUoS but it is not possible to forecast for the events and subsequent spikes we have seen in the past 5+ years



This means that the WCF could be depleted in a few weeks

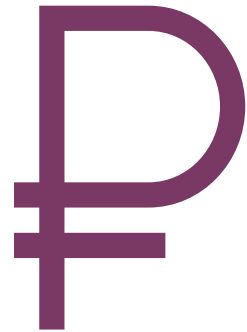


Therefore NESO believes that the 5 working days notice minimum (in exceptional circumstances) is needed



Prior to CMP361 suppliers held all of the risk as ~ 4 weeks after a spike in the market the costs would be passed to Suppliers. Fixed pricing has changed that structure.

# Reset approach for current and forecast period



The approach would be the same for both periods, if needed, but the key is the top up tariff will start to move the WCF back towards neutrality



Otherwise in this scenario NESO could have to trigger multiple resets in the Fixed period/s to keep the WCF at manageable levels

# Top up tariff



NESO proposal is to have a top up tariff to bring the WCF back towards £0m



This would mean that if a reset was triggered the current tariff would remain in place but a second charge would be added to increase the BSUoS Tariff Total value



NESO would look to get the WCF back to £0m within the Fixed tariff cycle at the longest, but ideally in one period.



Follow current CUSC guidelines as worst case but NESO would always work on best endeavours to give industry the most notice possible

# Key changes proposed

Where NESO forecasts that the Working Capital Fund (WCF) will be exceeded in a Fixed Price Period, NESO would be permitted to reopen & amend one or both Fixed Price Periods.

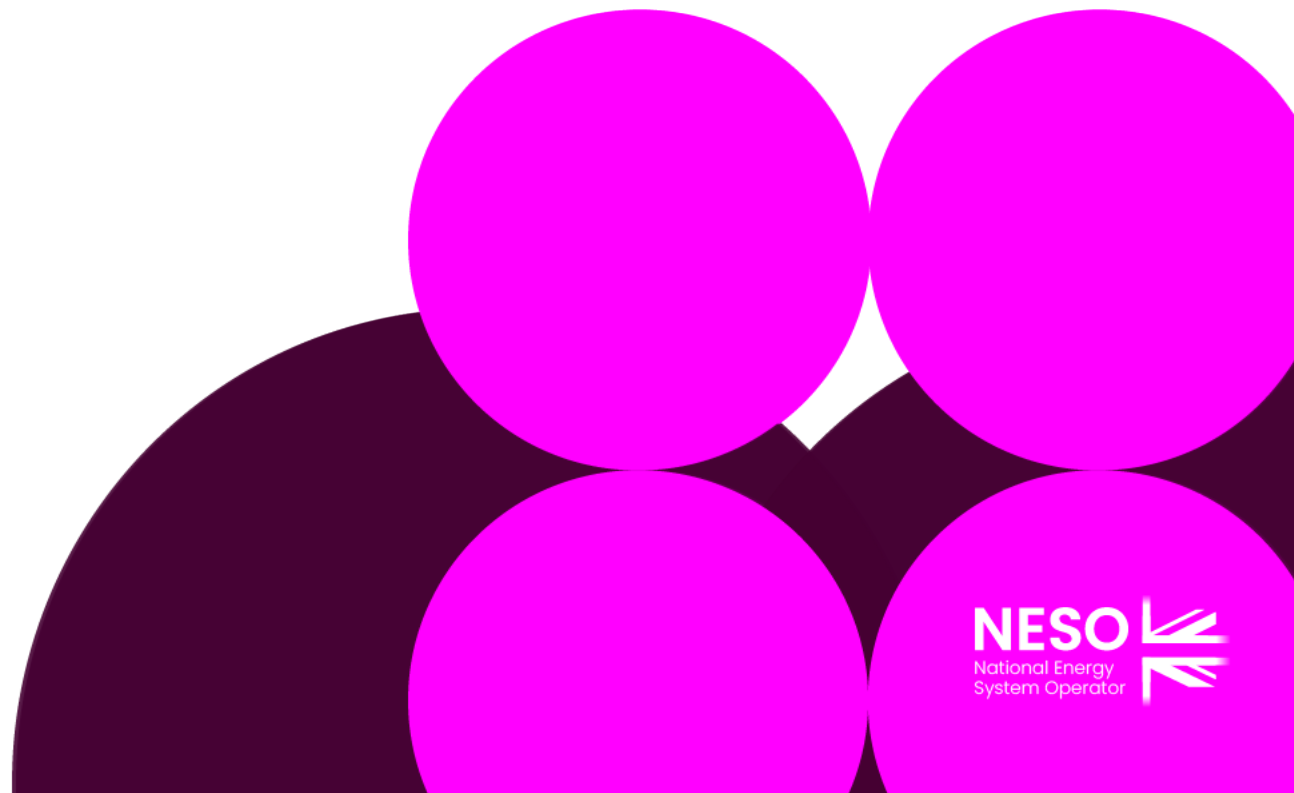
Secondly a new concept of a “Top-Up Tariff” (or similar) would be introduced.

The Top-Up Tariff would enable NESO to begin recovering the WCF back towards a neutral (£0) position, addressing the defect highlighted in previous slides

The aim is to support WCF recovery with the minimum possible market disruption.

# Agree Terms of Reference

Robert Hughes – NESO Code Administrator



# Agree Terms of Reference

## Workgroup Term of Reference

a) Consider EBR implications

b) Consider the scope of work identified and whether this is achievable within the timeframe outlined in the Ofgem Urgency decision letter.

c) Consider the trade-off between NESO and Supplier cashflow risks

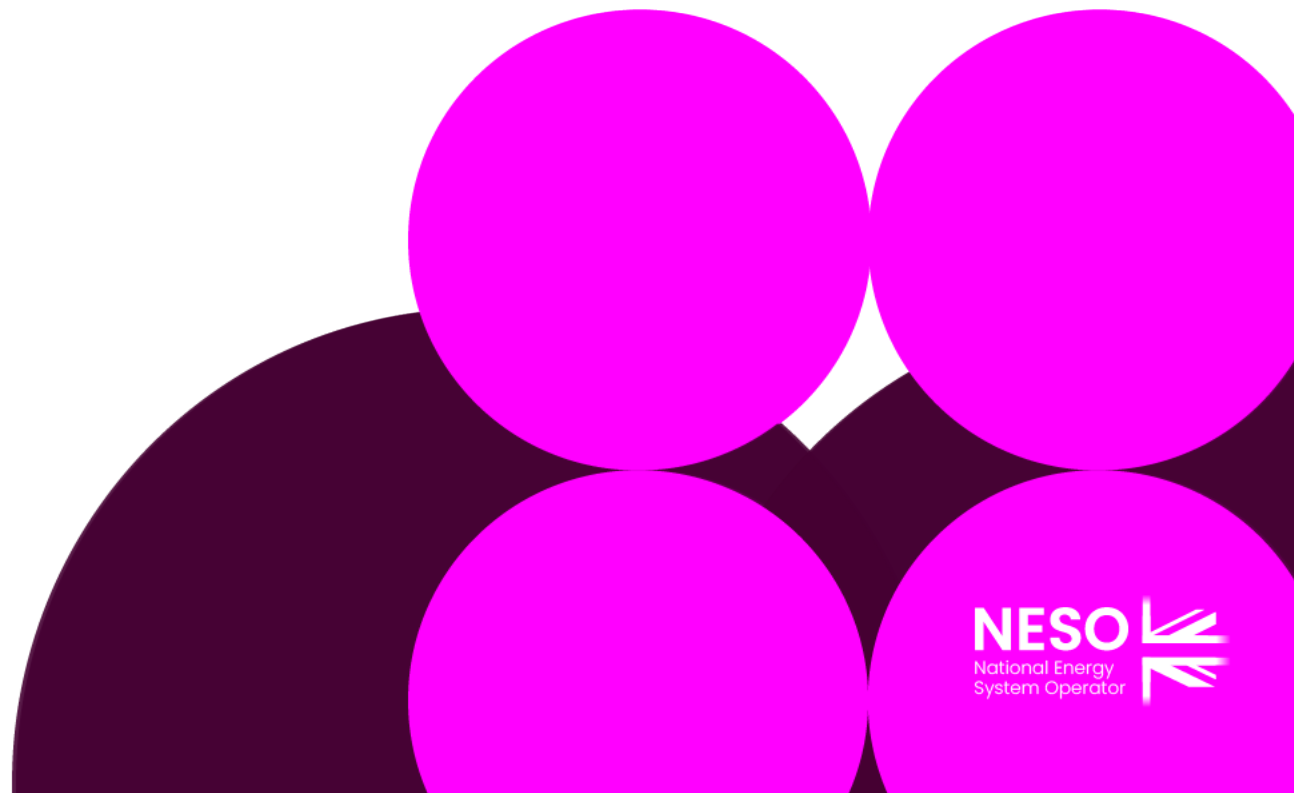
d) Consider the interactions between CMP475 and any other in-flight urgent BSUoS mods

e) Consider how CMP475 interacts with the energy price cap and in turn how CMP475 will impact consumer bills

f) Consider the impacts on the security and safety of the system

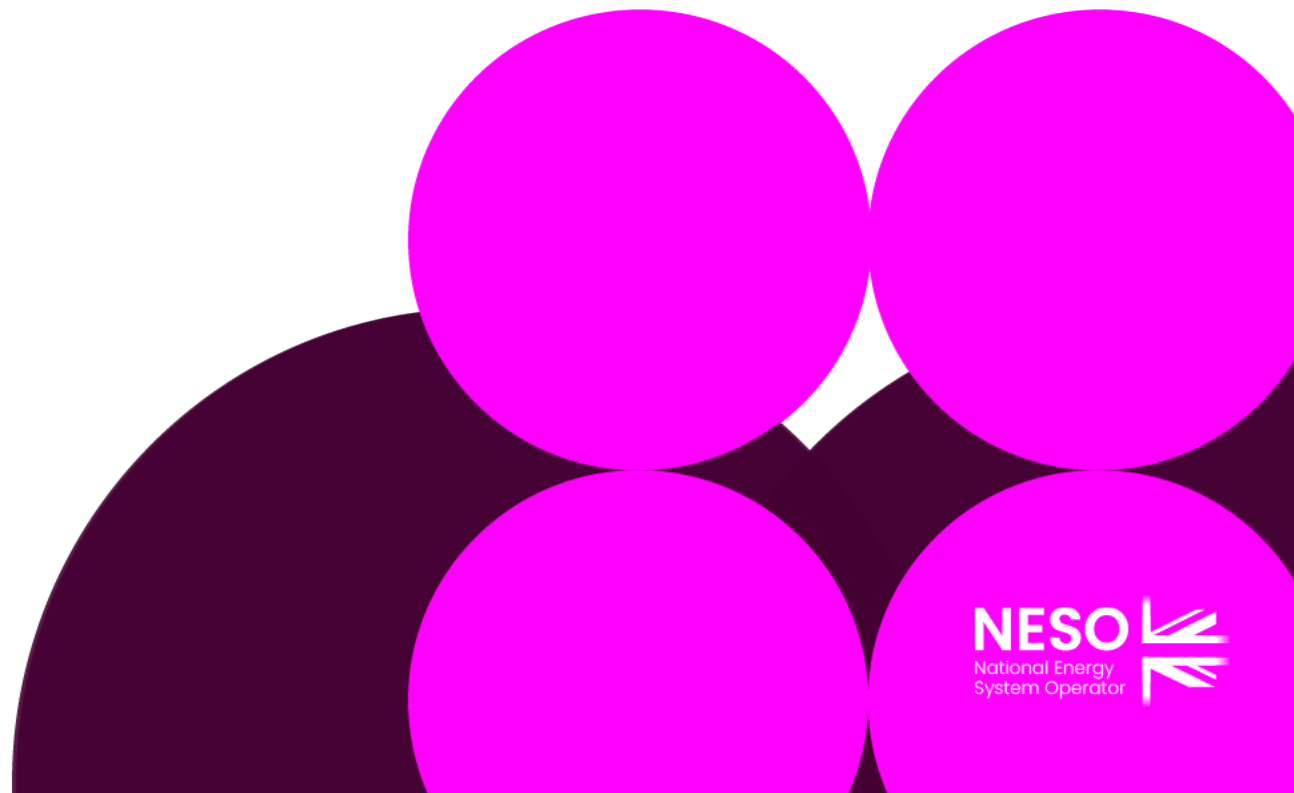
# Cross Code Impacts

Robert Hughes – NESO Code Administrator



# Any Other Business

Robert Hughes – NESO Code Administrator



# Next Steps

Robert Hughes – NESO Code Administrator

