

Connection and Use of System Code (CUSC) CMP330: ‘Allowing new Transmission Connected parties to build Connection Assets greater than 2km in length & CMP374: Extending contestability for Transmission Connections’

Decision: The Authority¹ has decided to reject² this modification proposal

Target audience: National Energy System Operator (NESO), Parties to the CUSC, the CUSC Panel and other interested parties

Date of publication: 07 October 2026

Background

Under the current arrangements, Users may, subject to agreement from the relevant Transmission Owner (TO), self-build and transfer Connection Assets, which are 2km, or less, in length.

As summarised clearly and concisely in the relevant Final Modification Report (FMR): in December 2019, Energie Kontor (the Proposer) raised CUSC Modification Proposal CMP330, “Allowing new Transmission Connected parties to build Connection Assets greater than 2km in length” to amend the definition of “Connection Assets” in section 14 of the CUSC to allow cable and overhead line lengths over 2km to be contestable where agreed between the TO and the User.

¹ References to the “Authority”, “Ofgem”, “we” and “our” are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day-to-day work. This decision is made by or on behalf of GEMA.

² This document is notice of the reasons for this decision as required by section 49A of the Electricity Act 1989.

The Proposer subsequently raised CMP374, “Extending contestability for Transmission Connections”. CMP374 sought to allow new connectees to construct any length of connection assets, except where those connection assets are for shared use. CMP374 was raised to separate the principle of contestability from charging and to provide more flexibility than could be considered under CMP330. The CUSC Panel agreed on 28 May 2021 that CMP330 and CMP374 should be amalgamated into a single code modification proposal CMP330/374.

CMP330/374 proposed to introduce contestability in the construction of sole-use connection assets. The intention was to provide greater flexibility for users seeking to connect to the transmission network, with the potential to support quicker and lower-cost connections.

During the Workgroup consultation phase, the Workgroup concluded that the contestability framework should sit in a new Part IV within Section 2 of the CUSC, rather than being assessed only against the charging arrangements in Section 14. As a charging modification cannot amend another section of the CUSC, CMP330/374 was confined to deleting the existing contestability provisions from Section 14. As a result, CMP414 was raised separately on 13 April 2023 as a consequential modification intended to introduce the replacement framework in Section 2, Section 11 and Exhibit B.

On 23 August 2023, the Final Modification Report (FMR)³ for CMP414 was submitted to the Authority for decision. Following consideration of that FMR for CMP414, the Authority published its decision⁴ on 8 July 2024 stating that it was unable to properly form an opinion

³ [CMP330 CMP374 Final Modification Report](#) [CMP330 CMP374 Final Modification Report](#)

⁴ [CMP414 Ofgem Decision Send Back Final Draft July 2024.pdf](#)

on CMP414 and therefore sent the proposal back to the CUSC Panel for further consideration. CMP414 was sent back because the evidence and analysis presented were insufficient for Ofgem to assess whether the proposal would deliver a net benefit and better facilitate the Applicable CUSC Objectives.

On 29 June 2026, the proposer of CMP414, NESO, withdrew CMP414 following Ofgem's June update on Demand Connections Reform⁵. In its June 2026 Connect update, Ofgem set out its intention to consult on a package to enable greater self-build and asset transfer arrangements using powers under the Planning and Infrastructure Act. This would build on work progressed by industry through relevant modifications and would consider both demand, generation, and storage connections. The precise scope and design would be further developed and consulted on but would include changes to licences and other supporting documents.

Alongside this decision letter we have published our consultation⁶ on expanding the scope of self-build and transfer. This details our initial view on the outcomes which we want to achieve and what is needed to achieve these outcomes. Many of the potential benefits outlined in this consultation align with what the Proposer has outlined, namely the potential for quicker and cheaper delivery of these assets and introducing greater competition into the market. However, based on the policy development we have undertaken our view is that wider changes are needed to achieve these outcomes than was contained in the CMP330/374 proposal. This includes the need for licence changes, and other measures, to protect the wider consumer interest, which is outside the scope and capability of the CUSC modification procedures.

⁵ [Connect update: demand connections reform | Ofgem](#)

⁶ [footnote for hyperlink to self build and transfer consult required]

The modification proposal

CMP330/CMP374 originally sought to amend the CUSC to expand the scope of assets that may be delivered contestably by a connecting user. The original proposal was focused on amending the definition of Connection Assets in Section 14 of the CUSC so that cable and overhead line lengths greater than 2km could be treated as contestable, where agreed between the TO and the User.

Following Workgroup discussions, the proposed solution evolved so that the wider contestability arrangements would be relocated from Section 14 to Section 2 of the CUSC through CMP414. The CMP330/374 FMR explained that CMP330/374 formed part of a wider package of industry changes intended to expand transmission connection contestability. While CMP330/374 amended the existing Section 14 provisions, the detailed legal and operational framework required to implement the broader contestability arrangements was proposed through CMP414 and associated industry code changes. The FMR therefore stated that CMP330/374 and CMP414 were intended to be approved and implemented together.

During the modification process, a Workgroup Alternative CUSC Modification (WACM1)⁷ was raised. WACM1 was substantively the same as the Original Proposal but proposed an implementation date six months later than that proposed under the Original Proposal.

⁷ See summary of alternative solution(s) and implementation date(s): in the CMP330/374 FMR "To extend the implementation date from the original proposal (of six months) by an additional six months following Ofgem's decision. This would extend the implementation timeline to twelve months following Ofgem's decision."

CUSC Panel⁸ recommendation

The CUSC Panel (the Panel) met on 28 July 2023 to carry out its recommendation vote.

The Panel unanimously recommended that both the Original Proposal and WACM1⁹ better facilitated the Applicable CUSC Objectives¹⁰(a), facilitating effective competition in the generation and supply of electricity, and Applicable CUSC Objective (c), efficiently discharging the obligations imposed upon the licensee by the Electricity Act and other relevant legislation. The Panel considered the proposals to be neutral against Applicable CUSC Objectives (b), (d) and (e).

The Panel's view was that extending contestability for transmission connection works could increase competition and user choice in the delivery of eligible connection assets while supporting more efficient connection arrangements. Accordingly, it recommended that the Authority approve both the Original Proposal and WACM1, while expressing a preference for the Original Proposal based on its earlier implementation date.

Our Decision

We have considered the CMP330/374 FMR, including the Workgroup's analysis, responses to the Workgroup Consultation, and the Code Administrator Consultation, the Workgroup and Panel voting outcomes, and the recommendation of the CUSC Panel. We have also considered the subsequent withdrawal of CMP414 and the implications of that withdrawal for the implementation of CMP330/374.

⁸ The CUSC Panel is established and constituted from time to time pursuant to and in accordance with section 8 of the CUSC.

⁹ See Panel recommendation in the CMP330/374 FMR

¹⁰ See Electricity System Operator Licence, Condition E2 (Connection and Use of System Code), Applicable CUSC Objectives. [annex-e-electricity-system-operator-licence-conditions.pdf](#)

The Authority has decided not to approve either the Original Proposal or WACM1. We conclude that, following the withdrawal of CMP414, neither proposal better facilitates the Applicable CUSC Objectives.

Reasons for our decision

In reaching our decision, we have considered the material submitted to us, we note that the FMR consistently describes CMP330/374 and CMP414 as interdependent proposals that require to be approved and implemented together. The legal text proposed through CMP330/374 would remove the existing Section 14 contestability provisions, while the wider framework necessary to support expanded transmission contestability was proposed through CMP414.

We have also considered developments after the submission of the FMR, including the Authority's decision to send back¹¹ CMP414 and the subsequent withdrawal of that proposal. Having reviewed the material submitted through the modification process, we have considered whether the Original Proposal and WACM1 continue to better facilitate the Applicable CUSC Objectives following the withdrawal of CMP414.

Following the withdrawal of CMP414, to approve CMP330/374 would in effect remove the existing contestability provisions from Section 14 of the CUSC without the replacement legal and operational framework needed to implement and administer the expanded arrangements. This means CMP330/374 (either the Original Proposal or WACM1) does not better facilitate the Applicable CUSC Objectives which the FMR and CUSC Panel identified.

¹¹ [Authority decision to send back CUSC modification proposal CMP414 | Ofgem](#)

Decision notice

In accordance with Standard Condition E2 of the Electricity System Operator Licence, the Authority has decided that modification proposal CMP330/374 “Allowing new Transmission Connected parties to build Connection Assets greater than 2km in length” and “Extending contestability for Transmission Connections” is not made.

Liam King

Head of Strategic Demand Connections

Signed on behalf of the Authority and authorised for that purpose.