

Public

Transmission Charging Methodologies Forum and CUSC Issues Steering Group

8 May 2025

Agenda

| | | |
|---|---|---------------|
| 1 | Introduction, meeting objectives and review of previous actions – Alastair Owen, NESO | 10:00 – 10:10 |
| 2 | Update on NESO Interactivity Guidance – Izzie Sunnucks, NESO | 10:10 – 10:20 |
| 3 | NESO Connections update – Joe Stait, NESO | 10:20 – 10:30 |
| 4 | TLM values – Yuan Chen, NESO | 10:30 – 10:50 |
| 5 | Code Administrator update – Code Administrator NESO | 10:50 – 11:00 |
| 6 | CUSC Panel update on prioritisation of Modifications – Paul Jones, CUSC Panel member | 11:00 – 11:10 |
| 7 | Forecast of TNUoS Tariffs – Nick Everitt, NESO | 11:10 – 11:20 |
| 8 | AOB and Meeting Close – Alastair Owen, NESO | 11:20 – 11:30 |

TCMF Objective and Expectations

Objective

Develop ideas, understand impacts to industry and modification content discussion, related to the Charging and Connection matters.

Anyone can bring an agenda item (not just the NESO!).

Expectations

Explain acronyms and context of the update or change.

Be respectful of each other's opinions and polite when providing feedback and asking questions

Contribute to the discussion

Language and Conduct to be consistent with the values of equality and diversity

Keep to agreed scope

Review of previous action

| ID | Month | Description | Owner | Notes | Target Date | Status |
|-------|---------|---|-------|--|-----------------|---------|
| 24-12 | July | Post implementation analysis of CMP376: Inclusion of Queue Management process within the CUSC. | DA | NESO will reopen this action in April 2025, as that will be 12 months after CMP376 was included in contract terms. | From April 2025 | On Hold |
| 24-14 | October | Data post CMP376 implementation on the TEC register around projects moving forward, backward or staying the same. | DA | | May 2025 | Ongoing |

Public

Update on NESO Interactivity Guidance

Izzie Sunnucks, NESO

Interactivity Update

- We are updating our guidance document on Interactivity to align with the new Reform process.
- As per our process, we are sharing at this forum that we are consulting on the updates for a two-week period. The draft will be published next week (likely 13th May).
- Following publication, Customers can raise questions for two weeks at box.customerservice@nationalenergyso.com with 'updated Interactivity Policy – query' as subject line. We will publish the final version one week after the consultation close.

Overview of updates:

With the introduction of the Gate Process, the approach to network studies has been amended from an individual study for each offer to a batched approach with a focus on holistic study.

As a result, gated offers will no longer use interactivity to manage the possibility of offers not being signed; however, interactivity will still be used to manage this possibility in the case of non-gated offers.

Non-gated offers are identified by NESO's forthcoming Gated Modification Guidance.

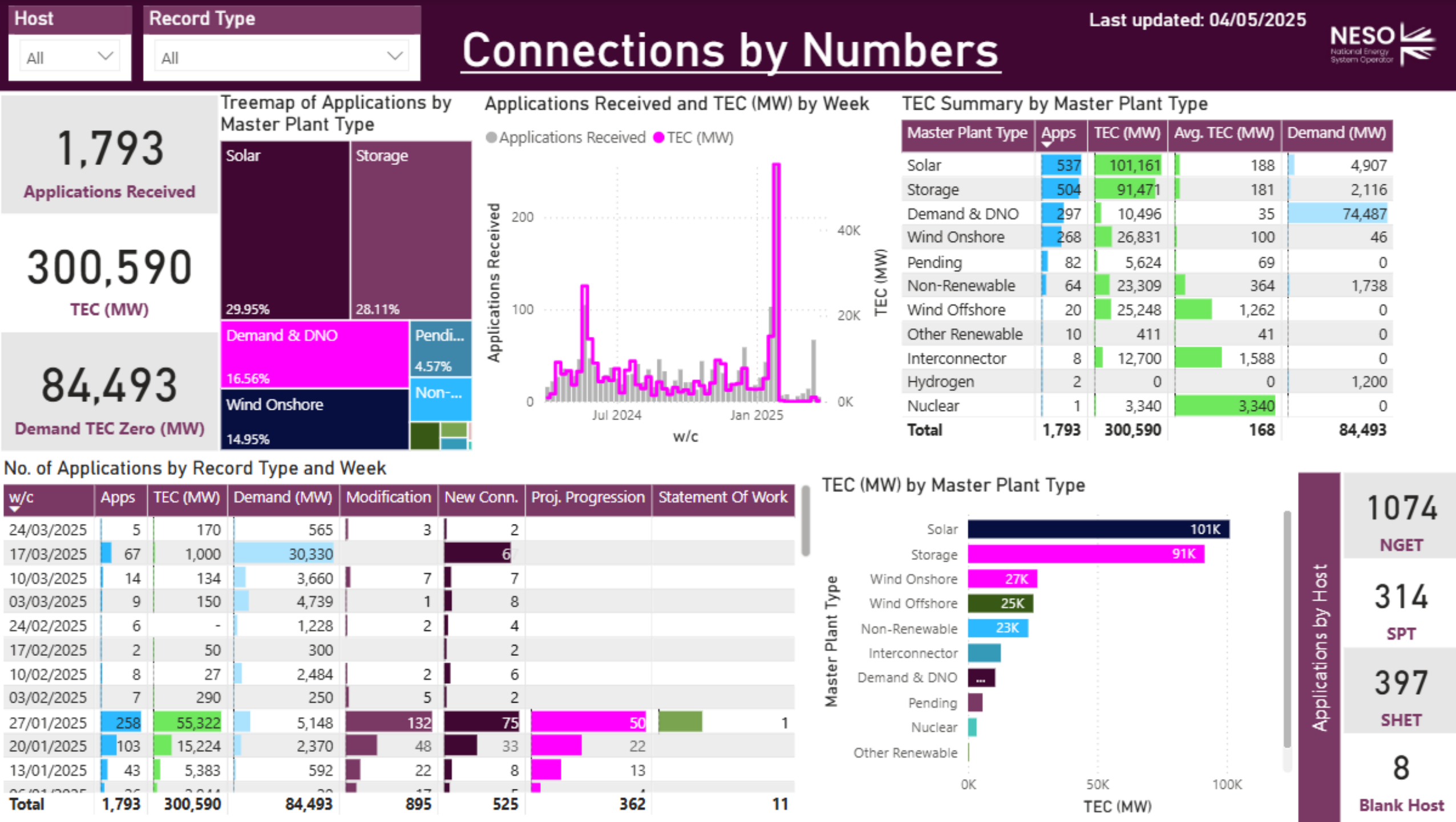
Although the application of the interactivity policy is reduced, this process for managing Interactive offers is unchanged.

Alongside minor wording changes, the document clarifies that gated offers are not in scope of the Interactivity policy

| Old Version | New Version |
|--|---|
| Applies to all connections offers, regardless of whether they are Mod Apps or New Projects | Applies to only non-gated offers as identified by the Gated Modification Guidance |
| Process: triggering interactivity, offers being issued with the same solution, conditional and unconditional offers form the interactivity queue, reoffers available where acceptances are unavailable, process following acceptance | No change |
| Triggering Interactivity where a Grid Supply Point has a Transmission Impact Assessment in place (Appendix G) | No longer applicable |

NESO Connections update

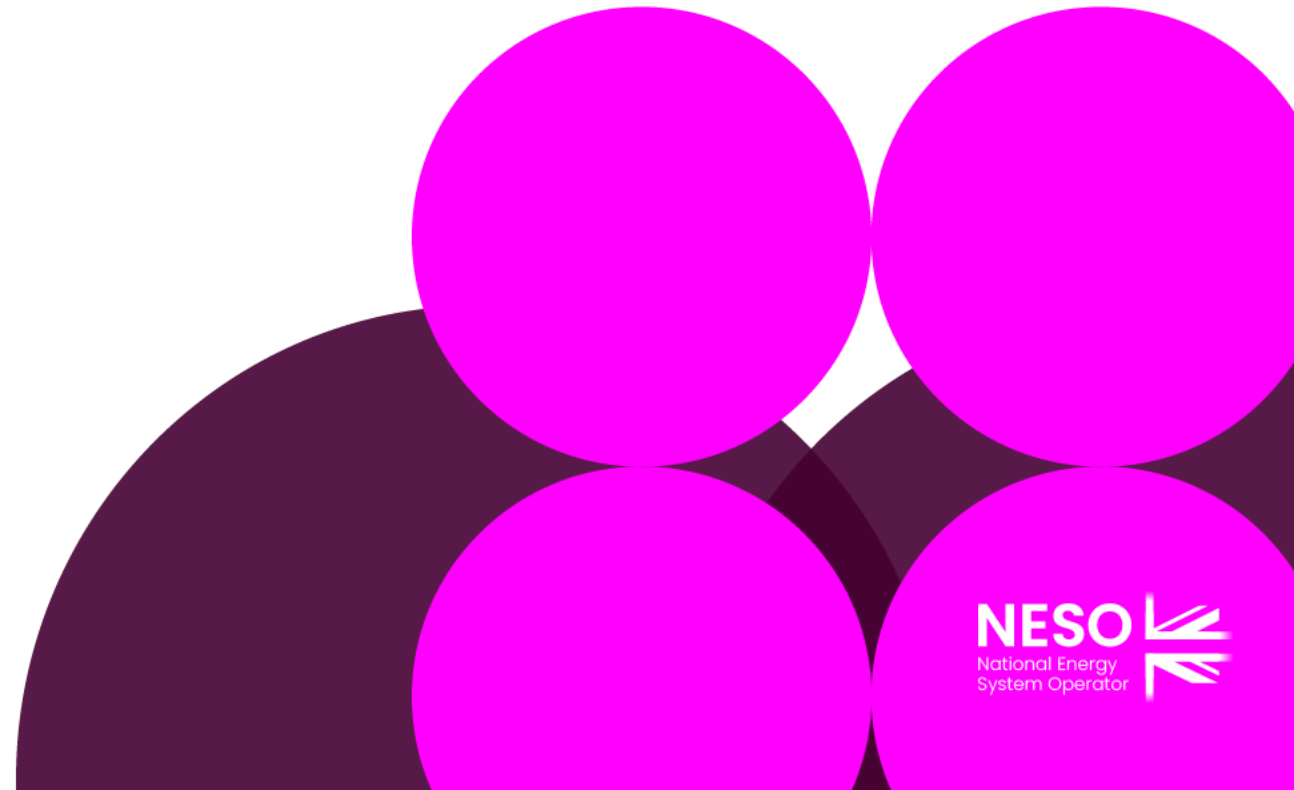
Joe Stait, NESO



TLM Values

Yuan Chen, NESO

Code Administrator Update



Key Updates since last TCMF

New Modifications / Nominations

- **CMP453** Bill BSUoS on a net basis at BSC Trading Units – raised on 30 April

Decisions

- **CMP403** Introducing Competitively Appointed Transmission Owners & Transmission Service Providers (Section 14) – On 25 March, the Authority approved the Original solution
- **CMP404** Introducing Competitively Appointed Transmission Owners & Transmission Service Providers (Section 11) – On 25 March, the Authority approved the Original solution
- **CMP434** 'Implementing Connections Reform' – On 15 April, the Authority approved WACM2
- **CMP435** 'Application of Gate 2 Criteria to existing contracted background' – On 15 April, the Authority approved the Original solution
- **CMP436** Update CUSC arrangements to replace the Electricity Arbitration Association with the London Court of International Arbitration (LCIA) (Non – Charging) – On 20 March, the Authority approved the Original solution
- **CMP437** Update CUSC arrangements to replace the Electricity Arbitration Association with the London Court of International Arbitration (LCIA) (Charging) – On 20 March, the Authority approved the Original solution
- **CMP443** Removing references to "Fax" or "Facsimile" within the CUSC – On 14 March, the Authority approved the Original solution
- **CMP452** Suspension of TNUoS Payments for generators connecting during the 2024/25 charging year – On 13 March, the Authority decided that CMP452 should not be progressed on an urgent basis.

Key Updates since last TCMF

Implementations

- CMP392** Transparency and legal certainty as to the calculation of TNUoS in conformance with the Limiting Regulation – **01 April**
- CMP403** Introducing Competitively Appointed Transmission Owners & Transmission Service Providers (Section 14) – **08 April**
- CMP404** Introducing Competitively Appointed Transmission Owners & Transmission Service Providers (Section 11) – **08 April**
- CMP408** Allowing consideration of a different notice period for BSUoS tariff settings – **01 April**
- CMP411** Introduction of Anticipatory Investment (AI) within the Section 14 charging methodologies – **01 April**
- CMP415** Amending the Fixed Price Period from 6 to 12 months – **01 April**
- CMP424** Amendments to Scaling Factors used for Year Round TNUoS Charges – **01 April**
- CMP430** Adjustments to TNUoS Charging from 2025 to support the Market Wide Half Hourly Settlement (MHHS) Programme – **01 April**
- CMP436** Update CUSC arrangements to replace the Electricity Arbitration Association with the London Court of International Arbitration (LCIA) (Non – Charging) – **03 April**
- CMP437** Update CUSC arrangements to replace the Electricity Arbitration Association with the London Court of International Arbitration (LCIA) (Charging) – **03 April**
- CMP443** Removing references to “Fax” or “Facsimile” within the CUSC – **28 March**
- CMP449** Rectifications to pending 01 April 2025 implementation legal text – **01 April**

Authority Expected Decision Date

| Modification | FMR submitted | Expected Decision Date |
|--|------------------|--|
| CMP315 'TNUoS Review of the expansion constant and the elements of the transmission system charged for' and CMP375 'Enduring Expansion Constant & Expansion Factor Review' | 07 February 2024 | TBC (Previously 29 November 2024) |
| CMP330 & CMP374 'Allowing new Transmission Connected parties to build Connection Assets greater than 2km in length and Extending contestability for Transmission Connections' | 10 August 2023 | TBC Subject to CMP414 send back |
| CMP397 'Consequential changes required to CUSC Exhibits B and D to reflect CMP316 (Co-Located Generation Sites)' | 12 June 2024 | 30 September 2025 (previously 31 October 2024) |
| CMP418 'Refine the allocation of Dynamic Reactive Compensation Equipment (DRCE) costs at OFTO transfer' | 11 March 2025 | TBC |
| CMP441 'Reducing the credit risk of supplying non – embedded hydrogen Electrolysers' | 23 December 2024 | 30 April 2025 (previously 18 April 2025) |
| CMP444 'Introducing a cap and floor to wider generation TNUoS charges' | 28 March 2025 | TBC |
| CMP446 'Increasing the lower threshold in England and Wales for Evaluation of Transmission Impact Assessment (TIA)' | 28 March 2025 | 07 May 2026 |

The Authority's publication on decisions can be found on their website below:

<https://www.ofgem.gov.uk/publications/code-modificationmodification-proposals-ofgem-decision-expected-publication-dates-timetable>

Key Consultations in May

Workgroup Consultations

- [CMP423](#) opens 28 May and **closes 19 June**

Code Administrator Consultations

- [CMP344](#) opens 12 May and **closes 03 June**
- [CMP432](#) opens 28 April and **closes 06 May**

Appeals Window

Useful Links

Ofgem's expected decision dates/ date they intend to publish an impact assessment or consultation, for code modifications that are with them for decision are available [here](#)

Updates on all Modifications are available on the Modification Tracker [here](#)

The latest CUSC Panel Headline Report and prioritisation stack are available [here](#)

If you would like to receive updates from the Code Administrator on CUSC modifications, please join the distribution list [here](#)

CUSC 2025 - Panel dates

| | Panel Dates | Papers Day | Modification Submission Date | (TCMF) CUSC Development Forum |
|---------------------|-------------|------------|------------------------------|-------------------------------|
| December | 13 | 5 | 28 November | 21 November (cancelled) |
| January | 31 | 23 | 16 | 9 |
| February | 28 | 20 | 13 | 6 |
| March | 28 | 20 | 13 | 6 |
| May (April's Panel) | 02 | 24 April | 15 April | 10 April (cancelled) |
| May | 23 | 15 | 8 | 8 |
| June | 27 | 19 | 12 | 5 |
| July | 25 | 17 | 10 | 3 |
| August | 22 | 14 | 7 | 7 |
| September | 26 | 18 | 11 | 4 |
| October | 31 | 23 | 16 | 2 |
| November | 28 | 20 | 13 | 6 |
| December | 12 | 4 | 16 | 20 November |

CUSC Panel update on prioritisation of Modifications

- Regarding the Prioritisation of CUSC modifications, please refer to the [Prioritisation Stack](#).
- Should you require any assistance regarding this going forward, please reach out to a CUSC Panel representatives (details on the next slide)

Your CUSC Panel representatives

- Industry is represented at CUSC Panel by representatives, who would love your input. Their contact details can be found [here](#).
- Panel members represent their industry segments at Panel; the more input they have, the more your voice can be heard.

| | | | | | | | |
|-----------------------|---|--|----------------------|------------------------|--|-----------------------------|-------------------------------|
| Trisha McAuley | Independent Panel Chair | | Joseph Dunn | Panel Member | | Camille Gilsenan | NESO Representative |
| Catia Gomes | Panel Secretary and Code Administrator Representative | | Kyran Hanks | Panel Member | | Daniel Arrowsmith | NESO Representative |
| Ren Walker | Panel Technical Secretary | | Paul Jones | Panel Member | | Andy Pace | Consumer Panel Representative |
| Andrew Enzor | Panel Member | | Cem Suleyman | Alternate Panel Member | | Rashmi Radhakrishnan | BSC Representative |
| Binoy Dharsi | Panel Member | | Mark Duffield | Alternate Panel Member | | Nadir Hafeez | Ofgem Representative |
| Garth Graham | Panel Member | | Lauren Jauss | Alternate Panel Member | | Harriet Harmon | Ofgem Representative |
| Joe Colebrook | Panel Member | | | | | | |

Forecast of TNUoS Tariffs

Nick Everitt, NESO

Initial Forecast of TNUoS Tariffs for 2026/27 Webinar

We have published the Initial Forecast of TNUoS Tariffs for 2026/27, the report and the tables can be accessed through the links below.

- [Download the Report](#)
- [Download the Tables File](#)

In addition to the forecast tariffs for the 2026/27 charging year, we have also published a table to show a view of the onshore Transmission Owners' revenues for the next 5 years. This is in response to a request from industry, due to the [revised timetable](#) that we are following this year, with the 5-Year View of TNUoS Tariffs being published later in the year to allow for additional calculations ahead of the RII0-ET3 price control.

We are hosting a webinar on Thursday 15 May to go through the key findings and answer your queries on this publication. Register for the webinar at the link below.

[Webinar Sign Up Here](#)

AOB – NESO email address

Meeting Close