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Nadir Hafeez
Ofgem
By email

Penny Garner
Acting Independent Chair CUSC Panel

Catia Gomes
CUSC Panel Secretary

09 June 2025

CMP447 Urgency Request Letter

Dear Nadir

Connection and Use of System Code (CUSC) Modification Panel Request for Urgency and Recommended Timetable for **CMP447: Removal of designated strategic works from cancellation charges/securitisation.**

On 17 January 2025, NESO raised **CMP447**. The Proposer sent a request to the CUSC Panel Secretary on 03 June for this modification to change governance route, and as such be treated as urgent.

CMP447 seeks to adjust the fixed Attributable Works of relevant Generators where CMP447 would have benefited them had they not fixed (by removing the relevant element of their fix, the rest of the fix remaining as an intact fix). The principle otherwise remains undisturbed that fixing of Attributable Works is permanent and irreversible.

All documentation for this modification can be located via the following link:

<https://www.neso.energy/industry-information/codes/cusc/modifications/cmp447-follow-modification-cmp428>

The CUSC Modifications Panel ("the Panel") on 09 June 2025 considered **CMP447** and the associated request for urgency. This letter sets out the views of the Panel on the request for urgent treatment and the procedure and timetable that the Panel recommends.

The Proposer set out their rationale for Urgency against Ofgem's Urgency criteria (a), which is as follows:

a) A significant commercial impact on parties, consumers or other stakeholder(s).

There are pre-commissioning Generators that are either already posting large securities in relation to their attributable works, which would be much less if this modification were passed, or which will face posting large securities absent this mod, from when Gate 2 offers begin to go out

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from October Some of the contracts that already have ASTI/LOTI works included as liabilities (attributable works) are not necessarily large projects (e.g. 30MW BELLAs) and the ASTI/LOTI works add a lot to what they have to securitise. Some of the Generators already having to post excessive securities have told NESO they may cancel as these securities are so high, when (if you accept the logic of CMP447) they shouldn't be, and won't if it is passed. There is no deadline to this in each instance, it is an ongoing possibility; it could impede our ability to achieve CP30 having projects cancel for this reason due to slow progress of CMP447. The above two paragraphs also explain why the mod relates to something "imminent" – on the high priority timeline, the mod could not be determined by Ofgem until after Gate 2 offers; it is not fast enough.

Panel Consideration of the Request for Urgency

The Panel considered the request for urgency with reference to [Ofgem Guidance on Code Modification Urgency Criteria](#). The unanimous view of the Panel is that **CMP447 does meet** Ofgem's Urgency criteria¹. Therefore, the recommendation of the Panel is that **CMP447 should** be treated as an Urgent CUSC Modification Proposal.

Panel members set out their rationale behind this decision:

- A view of a Panel Member was that this modification satisfies the criteria to seek urgency. It has now been identified to have a significant commercial impact to Users. From the very outset of the modification being raised, it was clear that the defect would have a commercial impact on Users, however there was no evidence provided to quantify how much (perhaps likely due to commercial sensitivity of providing this information). Since early May 2025 there has been further evidence provided by impacted CUSC parties to both NESO and Ofgem who are able to quantify this commercial impact. It therefore seems reasonable that, in light of this new information, an urgent timescale is sought.
- A Panel Member believed that the criteria for urgency is met as there is clearly a significant commercial impact on connecting Generators. In addition, the context has changed with the approval of CMP434 and CMP435, so clarity must be available to Generators prior to decisions on Gate 2 offers.
- A view of another Panel Member was that based on the comments contained in some of the Authority's recent urgency decision letters, in terms of other proposals that have been seeking urgency, it is a 'fine line' judgement as to whether CMP447, in terms of urgency, is referencing an *imminent issue* that could not reasonably have been known ahead of this request for urgency.

¹ Ofgem's current view is that an urgent modification should be linked to an imminent issue or a current issue that if not urgently addressed may cause:

- a) A significant commercial impact on parties, consumers or other stakeholder(s); or
- b) A significant impact on the safety and security of the electricity and/or gas systems; or
- c) A party to be in breach of any relevant legal requirements.

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- One Panel Member stated that there is at least a £40m commercial impact from this modification, which is significant – this number coming from just four parties who have provided specific (albeit confidential) information to NESO on the reduction they would see to their securities, were CMP447 to be approved before March 2026. There are several other parties who have stated that they also have high securities which would be reduced by this modification, but have not provided specific numbers to NESO, so are not included in the high-level £40m figure. Several parties have also shared that investment decisions on whether to accept Connections Reform offers depend on having a decision on CMP447 by the end of the calendar year.
- The same Panel Member addressed the question of "why is NESO choosing to raise this urgency request now?": NESO's view has always been that the priority of CMP447 should be based on when parties would start to see large liabilities, and associated securities, for relevant works that CMP447 would remove. It has only been in the last month that industry parties have approached NESO with specific information highlighting the more immediate commercial impacts if CMP447 isn't implemented earlier than the current timeline, and on that basis, we are now raising this urgency request. NESO did not have this information earlier, so were not in a position to request urgency until now.
- A Panel Member stated that NESO agreed to freeze security payments and recalculation of cancellation charges in October 2024, and this is expected to last. There are pre-commissioning Generators that are either already posting large securities in relation to their attributable works, which would be much less if this modification were passed, or which will face posting large securities when securities and liabilities are unfrozen by NESO in March 2026, or when Gate 2 offers start to be issued from October 2025.
- The same Panel Member stated that it has become clear in recent months that some of the Generators are already having to post excessive securities and have told NESO they may terminate viable projects as these securities are so high (many millions), when (if you accept the proposed solution for CMP447) they shouldn't be, and won't if CMP447 is approved. The decision by NESO to freeze securities has provided a window of opportunity to solve this defect, and therefore, it is vital the CUSC modification is implemented. Due to the high workload across other prioritised CUSC modifications, the deadline for CMP447 has been pushed back, and it has recently become clear that a decision would not be made before NESO unfreeze securities and liabilities; the high priority status given to CMP447 by the CUSC Panel is no longer sufficient. Connection Reform was implemented on 15th April, and the timeline for the issuing of Gate 2 offers has become clearer in the last 2 months. The Panel Member believes the benefit of CMP447 will be the highest if it is implemented before Gate 2 offers are issued so that certainty is provided to customers in advance of securities being unfrozen in March 2026, this is only achievable if CMP447 is granted urgency.

Procedure and Timetable

The Panel discussed an appropriate timetable for **CMP447** in the instance that urgency is granted.

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The Panel agreed that **CMP447** subject to Ofgem’s decision on Urgency should follow the attached Code Administrator’s proposed timetable (Appendix 1 **Urgent recommendation**). In Appendix 2 of this letter, the Code Administrator has also provided the timeline if this follows standard timescales with the assumption that Panel prioritise this high in the prioritisation stack.

Panel noted that if urgency is required, there would be;

- A Workgroup Consultation period of less than 15 Business Days
- Code Administrator Consultation period of less than 15 Business Days
- There would be less than 5 clear Business Days between publication of the Draft Final Modification Report and Panel’s recommendation; and
- There would be less than 5 clear Business Days for Panel to check that their Recommendation Vote had been recorded correctly

Under CUSC Section 8.24.4 we are now consulting the Authority as to whether this Modification is an Urgent CUSC Modification Proposal.

Please do not hesitate to contact me if you have any questions on this letter or the proposed process and timetable. I look forward to receiving your response

Yours sincerely



Penny Garner
Acting Independent Chair of the CUSC and Grid Code Panel

Ren Walker
CUSC Panel Technical Secretary

Appendix 1– Urgent Timeline

Modification Stage	Date
Modification presented to Panel (Urgency Request)	09 June 2025
Further Workgroup Nominations (5 Business Days)	09 June – 16 June 2025
Ofgem grant Urgency	13 June 2025 (5pm)

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Workgroup 1 – 5 (assuming Ofgem have granted Urgency)	19 June 2025 26 June 2025 03 July 2025 10 July 2025 17 July 2025
Workgroup Consultation (10 Business Days)	21 July – 04 August 2025
Workgroup 6 – 10 – Assess Workgroup Consultation Responses and Workgroup Vote	11 August 2025 18 August 2025 26 August 2025 02 September 2025 08 September 2025
Workgroup Report issued to Panel (3 Business Days)	12 September 2025
Panel sign off that Workgroup Report has met its Terms of Reference	18 September 2025
Code Administrator Consultation (10 Business Days)	19 September – 03 October 2025
Draft Final Modification Report (DFMR) issued to Panel (3 Business Days)	09 October 2025
Panel undertake Recommendation Vote	15 October 2025
Final Modification Report issued to Panel to check votes recorded correctly	15 October 2025
Final Modification Report issued to Ofgem	15 October 2025
Ofgem Decision	December 2025
Implementation Date	10 Business days after Authority Decision

Appendix 2 – Standard Timeline

Modification Stage	Date
Modification presented to Panel	17 January 2025
Workgroup Nominations (15 Business Days)	03 February – 24 February 2025
Workgroup 1 – 5	20 June 2025 02 July 2025 23 July 2025 13 August 2025 03 September 2025
Workgroup Consultation (15 Business Days)	10 September – 01 October 2025
Workgroup 6 – 10 – Assess Workgroup Consultation Responses and Workgroup Vote	15 October 2025 05 November 2025

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	26 November 2025 17 December 2025 07 January 2025
Workgroup Report issued to Panel (5 Business Days)	22 January 2026
Panel sign off that Workgroup Report has met its Terms of Reference	30 January 2026
Code Administrator Consultation (15 Business Days)	03 February – 24 February 2026
Draft Final Modification Report (DFMR) issued to Panel (5 Business Days)	20 March 2026
Panel undertake Recommendation Vote	27 March 2026
Final Modification Report issued to Panel to check votes recorded correctly	31 March 2026
Final Modification Report issued to Ofgem	08 April 2025
Ofgem Decision	TBC
Implementation Date	10 Business days after Authority Decision

Appendix 3 – Panel Urgency Vote

See separate attachment