Public

Workgroup Consultation

CMP445:

Pro-rating first year TNUoS for Generators

Overview: The Connection and Use of System Code (CUSC) should be amended to ensure that Generators only pay Transmission Network Use of System (TNUoS) charges on a pro-rated basis from their Charging Date, during the first year of connection.

Modification process & timetable

1. **Proposal Form**
   14 November 2024
2. **Workgroup Consultation**
   25 July 2025 - 22 August 2025
3. **Workgroup Report**
   20 February 2026
4. **Code Administrator Consultation**
   09 March 2026 - 30 March 2026
5. **Draft Final Modification Report**
   17 April 2026
6. **Final Modification Report**
   01 May 2026
7. **Implementation**
   01 April 2027

Have 5 minutes? Read our Executive summary
Have 60 minutes? Read the full Workgroup Consultation
Have 120 minutes? Read the full Workgroup Consultation and Annexes.

Status summary: The Workgroup are seeking your views on the work completed to date to form the final solutions to the issue raised.

This modification is expected to have a: High impact on Generators, Transmission System Operators and Transmission Owners

Governance route	Standard Governance modification with Workgroups	
Who can I talk to about the change?	**Proposer:** Angus Armstrong, Ocean Winds angus.armstrong@oceanwinds.com	**Code Administrator Chair**: Kat Higby, NESO Katharine.higby@neso.energy
How do I respond?	Send your response proforma to cusc.team@neso.energy by **5pm** on **22 August 2025**	

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Contents

Executive Summary

This modification proposes to amend the Connection and Use of System Code (CUSC) to ensure that Transmission Network Use of System (TNUoS) charges are pro-rated during a Generator's first year of connection, rather than being charged for the entire year regardless of the connection date.

What is the issue?

Generators are required to pay TNUoS charges for the entire year, regardless of when they connect. This means Generators pay the same TNUoS for the first year, whether they connect at the beginning or end of the charging year. This is particularly apparent when connection delays are caused by factors outside of the Generator's control.

It is proposed that the CUSC is amended to ensure that Generators are fairly charged on a pro-rated basis during their first year of connection.

What is the solution and when will it come into effect?

Proposer's solution: The proposal suggests amending the CUSC to ensure that TNUoS charges are only paid from the Charging Date, on a pro-rated basis, during the year in which a Charging Date occurs. This means that if a Generator connects for only part of the charging year, they will only pay TNUoS charges for the period they are connected. TNUoS charges will be apportioned based on the number of days connected from the Charging Date to the end of the financial year.
Implementation date: 01 April 2027

Summary of potential alternative solution and implementation date:

An Alternative Request has been raised that proposes prorating not only the charges for the year in which a Charging Date occurs but also the year in which a generating asset is decommissioned.
This Alternative Request is intended to cover the permanent reduction of capacity (such as a staged decommissioning) or complete closure of a whole or phase of a plant, and associated release of allocated Transmission Entry Capacity (TEC) back to the network, not to be used as a means of reducing network charges during temporary operational reductions during seasonal variations or maintenance periods.
Implementation date: 01 April 2027.

What is the impact if this change is made?

This modification is expected to have a high impact on Generators, Transmission System Operators (TSOs), and Transmission Owners (TOs). It will ensure that Generators only pay TNUoS charges for the period they are connected, which will facilitate effective competition, reflect the actual costs incurred by transmission licensees, and promote efficiency in the implementation and administration of the system charging methodology.

Interactions

Possible impacts on the System Operator Transmission Owner Code (STC) and Section 3 of the CUSC are being investigated.

What is the issue?

What is the defect the Proposer believes this modification will address?

The CUSC is not explicit on the payment date of TNUoS during the Generator's first year of connection (i.e. the charging year in which a Charging Date occurs under the Bilateral Connection Agreement (BCA)). In the absence of clarity around treatment of TNUoS during this charging year, the current working industry practice is that TNUoS is paid for the whole year, irrespective of when in the year the Charging Date occurs. This means that a Generator will pay the same TNUoS during the year in which the Charing Date occurs, regardless of whether it is connected at the beginning of the charging year or the end of the charging year.

Generators should not be subject to TNUoS charges during times when they are not connected to the grid. Additionally, in scenarios where a Generator's assumed Charging Date is delayed for factors outside of its control, such as a TO delivery delay, the resulting impacts are seen to be particularly unjust and illogical as TNUoS charges are still levied during the delay period.

The CUSC should be amended to clarify how TNUoS charges are applied during the first year of connection to ensure Generators are fairly and logically charged for their use of the grid on a prorated basis.

Why change?

There are several reasons to introduce the pro-rating of TNUoS charges with reference to Generator Charging Dates, from a commercial and policy standpoint.

The commercial impact of being liable for TNUoS charges for periods prior to grid connection can be very severe, particularly on larger Generators and those in areas of high TNUoS tariffs. By contrast, this practice provides an uplift to those Generators in negative TNUoS zones who will receive a payment reflecting periods prior to their Charging Date.

The current position incentivises Generators to request connection dates near the start of the charging year. This places undue pressure on the TOs and makes it increasingly difficult to deliver on-time connections. This means that connections are being delivered inefficiently and unreliably for system needs due to disproportionate TNUoS charges altering Generator behaviour. The current practice also risks Generators in positive TNUoS zones pricing additional TNUoS costs into their business cases when it should not be required. This could ultimately result in competition distortion and inflated Contract for Difference (CfD) bids in future Allocation Rounds.

Significant transformation of the energy system is required between now and 2030, and the delivery of connections and generation must be done strategically and at-pace to achieve clean power by the turn of the decade. This instance of ambiguity in the CUSC poses a material and logistical problem that will result in connections-related bottlenecks and CfD distortions that will only increase if left unaddressed expeditiously.

This proposal will also contribute to TOs and National Energy System Operator (NESO) being incentivised to deliver much needed renewable energy connections on time to ensure that they recover TNUoS in line with their forecast and business plans.

The Original Proposal form can be found in **Annex 01**.

Workgroup considerations

The Workgroup convened 4 times to discuss the issue as identified by the Proposer within the scope of the defect, develop potential solutions, and evaluate the proposal in relation to the Applicable Code Objectives.

Workgroup Discussion ahead of the Workgroup Consultation

The Proposer introduced the solution to the Workgroup and discussions were held on several aspects of the proposal.

Clarification on the Cash Flow and Revenue Recovery Process

NESO Representatives provided a high-level overview diagram of the cash flow and revenue recovery process, explaining how money flows between different parties within the industry. This included TOs, TSOs, and industry participants.

This diagram has been included in **Annex 03.**

The following process steps were noted by the Workgroup:

Revenue Forecasting:

TOs create cash and revenue forecasts based on the costs of operating, maintaining and developing the network. These forecasts are submitted to Ofgem, leading to their final allowed revenue for each price control period.

Annually, TOs provide expenditure forecasts to the System Operator to prepare annual transmission charging tariffs.

Engagement with Industry Participants:

Industry participants, including new Generators, engage with TOs and the System Operator. Once connected, the System Operator is notified, and tariffs are calculated based on the connection date.

Tariff Calculation (process step affected by CMP447):

Currently, tariffs are levied for the entire financial year (running from April), but this proposal suggests pro-rating the charges based on the actual connection period. This would mean calculating charges for the number of days from the actual date of connection to the end of the financial charging year.

Payment and Reconciliation:

Generators pay the System Operator, who then passes on payment to the TO. At the end of the year, a reconciliation process occurs to adjust charges based on actual usage during peak periods. This ensures that the charges reflect the actual usage rather than the forecasted usage.

Impact of this Modification on the Cash Flow and Revenue Recovery Process

The Workgroup noted that this modification aims to prorate TNUoS charges based on the actual period of connection within the year that the Generator connects.

Workgroup Members discussed the impact of unexpected delays in connections, noting that forecasting smaller amounts for partial years could reduce the impact of such delays on revenue forecasts. This modification is expected to reduce the impact of unexpected connection delays and provide a more accurate reflection of the Generator's usage of the Transmission System.

Workgroup members noted that this modification will not materially impact the overall process.

Applicability to Negative Charging Zones:

Workgroup members noted that current process is that in negative charging zones, Generators receive credits based not on their TEC but on their actual output during the months of November to February. This is designed to reflect their contribution to reducing peak demand during these critical months.

Workgroup members highlighted a potential issue where a Generator connecting later in the year (e.g. January) might not have sufficient time to generate the required output to earn the full credits. This could potentially result in an unfair disadvantage for the Generator. Another view is that by connecting later in the financial year where the Generator is not contributing to the relevant months, that therefore a lower credit contribution is proportionate.

Workgroup members noted that in line with the defect identified, it would be inappropriate to pay out a full year's worth of credits to a Generator for contribution to reducing network load, that was only operational for a short period within the charging year, in a similar way to charging Generators for periods they are not receiving the benefit of TEC and increasing the network load.

Workgroup members discussed the possibility of pro-rating the credits based on the actual connection period within the November to February window. This would ensure that Generators are fairly compensated for their contribution to reducing peak demand, without overcompensating those who are only operational for a short period.

Workgroup members sought clarification on how the testing period for output works for Generators connecting mid-year. A NESO Representative explained that the Generator's output is assessed at the end of the year based on their maximum output during the

November to February period, and any necessary adjustments are made during the reconciliation process.

After further discussion, it was clarified that two different calculations are in effect. The Chargeable Capacity is different in negative charging zones, and may be less than the full TEC amount, as recalculated each year. The effective chargeable time period would be different in the first year of connection if this modification were to be approved, scaling any TNUoS charge or credit by the proportion of the whole financial year for which the connection is made.

One Workgroup member explained their view that the calculation of Chargeable Capacity in relation to winter months was precisely to determine the appropriate capacity for the TNUoS calculation, and that the applicable time period for that year's TNUoS is validly a separate consideration, dealt with appropriately by this modification, to which the Workgroup were largely supportive.

Another Workgroup member agreed and added that also on grounds of simplicity this proposal did not warrant differential treatment for negative charging zones.

Workgroup consultation question 7: In negative charging zones, Generators receive credits based on output from November to February, unlike the TEC-based approach used in positive charging zones.
The Workgroup propose that the prorating should be applied equally to all zones without distinction between positive or negatively charged zones. Do you agree? Please explain your rationale.

Applying the Solution to Users Who Reduce or Increase TEC Within Year

The Workgroup discussed whether the same principle should apply to users who voluntarily reduce or increase their TEC within the year. This includes scenarios where a Generator might close or reduce its capacity, or conversely, increase its capacity mid-year.

Workgroup members raised concerns about the complexity of applying the solution to TEC changes within the year, pointing out that this could lead to significant changes in the operational aspects of charging, potentially requiring frequent adjustments and creating administrative challenges.

Workgroup members emphasised the need to differentiate between permanent changes in TEC, such as commissioning, phased connections, or decommissioning, and temporary

operational adjustments. Workgroup members suggested that the latter could lead to gaming the system, where users might adjust their TEC strategically to minimise charges.

The Workgroup generally agreed that applying the solution to TEC changes within the year would introduce complexities that are outside the scope of the current modification. The Workgroup felt that the original proposal should remain focused on the year in which a Charging Date occurs.

It was suggested that a separate modification would be needed to address the specific defect related to TEC profiling and operational changes. This would allow for a more thorough examination of the implications and potential solutions.

A NESO Representative proposed raising an Alternative Request that includes prorating charges for both the start and end of the generation cycle. This approach would ensure that charges are prorated for both the initial connection and final disconnection, addressing the same defect but from both ends of the generation lifecycle. This proposal was seen as a logical alternative solution to the original modification.

The Alternative Request was raised and voted in by the Workgroup. Further details of the Alternative Request are located within **Annex 05** of this report.

Recovery of Over/Under Recovery:

Workgroup members noted that the current reconciliation process involves forecasting the costs and revenues for the year based on expected connections and usage. Any over or under recovery is typically managed through adjustments to the demand residual tariff, which is applied in the following year (t + 1). 1

The Workgroup discussed whether the over or under recovery should be treated differently under the proposed modification. This includes considering whether adjustments should be made immediately within the charging year or deferred to the next year (t + 1 or t + 2).

Workgroup members expressed concerns about the practicality of making mid-year tariff changes. Workgroup members noted that the amounts involved in over or under recovery from individual Generators are unlikely to be significant enough to warrant such changes, given the overall scale of revenue collection. A NESO Representative highlighted that the proposed modification does not fundamentally change the current process. Generators' connection dates are already forecasted, and any deviations are managed through the existing reconciliation process.

The consensus of Workgroup members was that the proposed modification does not necessitate changes to the current process of managing over or under recovery. The

existing reconciliation process is seen as sufficient to handle any deviations in forecasted connections and usage.

Following these discussions, Workgroup members unanimously agreed that the topic of potential midterm tariff adjustments was outside the scope of the modification. The potential for the modification proposal to trigger such an event did not pose a significant risk and should therefore not be included in the Workgroup Consultation.

Class of Users for Recovery:

Workgroup members noted that the current process indirectly contributes to managing over or under recovery through adjustments to the demand residual tariff, which ultimately impacts demand users.

The Workgroup discussed whether the recovery should be made from Generators only, demand users only, or both generation and demand Users.

A NESO Representative highlighted that the proposed modification does not fundamentally change the current process. The existing reconciliation process already manages deviations in forecasted connections and usage, and any under recovery typically flows through to the demand residual tariff. The Workgroup consensus was that the existing reconciliation process is sufficient.

Following these discussions, Workgroup members unanimously agreed that the topic of classes of Users for recovery was outside of the scope of the modification, which is focused on charging Users for what they use in the initial year of connection and does not involve changing the classes of users for recovery. Workgroup members agreed that for this reason, this topic should not be included in the Workgroup consultation.

Daily vs Monthly Prorated Charging

The Workgroup discussed the complexity of prorating charges on a daily versus monthly basis.

The Proposer noted that the originally proposed draft Legal Text includes a two-step approach, prorating charges for each complete calendar month and then for each part of a calendar month based on the number of days. This was in keeping with the wording in the CUSC which is applicable to Connection Charges.

The NESO Representative suggested simplifying the wording to make it clearer. They proposed checking with the Revenue Team to determine if charging down to the day would be feasible and preferred. The NESO Revenue Team have subsequently stated that charging down to the day is the simplest and preferred method, calculating the charge with each day of applicable charging being 1/365th of the annual charge.

Workgroup members raised a concern about defining what constitutes a day, especially if a connection occurs partway through a day. It was suggested that a clear definition is needed to avoid complications. It was clarified by the NESO Revenue Team that when prorating a charge down to a day, if a Generator connects at any point on the initial day, a part day would be considered as a chargeable day when calculating the tariff liability for the initial period. For charging purposes a day is a calendar day running from 00:00 to 23:59.

Workgroup members emphasised the importance of fairness and consistency in the charging methodology, whether it is daily or monthly. The Workgroup agreed that the decision should be based on what is most practical and clear for implementation.

Workgroup members unanimously agreed that charging should be calculated based on each chargeable day being 1/365th (1/356 on a leap year) of the annual charge. This approach was considered simpler and more consistent than the previously proposed method, which involved monthly and daily calculations.

Workgroup consultation question 8: Do you have any views on the specific calculation proposed for prorating charges? Please provide your views.

Alternative Requests

An Alternative Request was submitted by NESO. **(Annex 05)**.

The Workgroup reviewed this Alternative Request, and the table below provides an overview of the Request (and who raised it) along with its status.

Solution and Outcome of Alternative Vote	Party	Characteristic	Mechanism of Workgroup Vote
Alternative Request 1 **(WACM1)**	NESO	Prorating first and final year of charging	Voted in by Workgroup on 15 July 2025

WACM1 - Pro-rating permanent changes in TNUoS TEC values for Network Connected Generators

Overview: This Workgroup Alternative CUSC Modification (WACM) proposes that TNUoS charges for Generators be pro-rated, not only from the date of connection (as in the original CMP445 proposal), but also up to the date of disconnection or TEC reduction. This ensures that Generators are charged only for the period during which they are physically connected and using the Transmission System in their first year and final year of operation.

The rationale behind this proposal would be to ensure fairness and proportionality in charging. Just as it could be seen as unfair to charge for a full year when a Generator is only connected for part of the year, it could also be seen as unfair to charge for a full year when a Generator disconnects partway through the year.

Recognising the principle of charges that are appropriate and proportional to costs and benefits to the network, this alternative would involve prorating charges based on the actual period of connection within the year, both at the start and at the end of the generation lifecycle. If the baseline proposal was progressed and members of industry were to raise a subsequent change to address a similar defect for prorating of TNUoS at decommissioning in a proportionate way, in addition to duplicating the effort of all concerned to raise a modification and run Workgroups, as the changes will require adjustments to the billing system to accommodate these changes, NESO Revenue Team would need to amend the billing systems again. All of which would seem of little value when industry time is at a premium. Applying the same principles in one go to both the start and the end of the Generator's operation standardises the approach and avoids the complexity of two different charging models.

Workgroup discussion:

The Workgroup agreed that this alternative solution addresses the same defect as the original proposal but from both ends of the generation lifecycle. They felt that it would ensure a more comprehensive and fair approach to charging.

A Workgroup member raised the issue of distinguishing between permanent and temporary TEC reductions and suggested that there should be a time limitation to prevent Users from temporarily reducing their TEC to avoid charges and then increasing it again shortly after. This would ensure that the system is not gamed and that TEC reductions are genuinely permanent.

The Workgroup discussed the possibility of implementing a time limitation, such as requiring a clear financial year in between TEC reductions and increases, to ensure that reductions are permanent. It was suggested that this is aligned with existing timelines in CUSC Section 15, which deals with investment cancellation charges.

The NESO Representative took an action to speak with the NESO Revenue Team to clarify how charges would be reconciled, especially in cases where peak output figures are not available. This would ensure that the pro rata approach is applied consistently and accurately.

The Workgroup agreed to continue to develop the WACM1 solution post-Workgroup Consultation.

Workgroup consultation question 9: Do you agree that a similar solution should be applied to operational users who permanently reduce their TEC, such as when decommissioning capacity or closing a generating station (or phase of a generating station)? please explain your rationale.

What is the solution?

Proposer's Original solution

The CUSC is not explicit on the treatment of TNUoS charges during the year in which a Generator's Charging Date occurs. The CUSC must therefore be amended to both provide certainty and reflect the principle that TNUoS should only be paid in respect of the part of the year that the Generator has access to the Transmission System i.e. the annual value should be pro-rated from a relevant Charging Date to the end of the relevant charging year.

Clause 5 of the standard BCA states that Use of System Charges shall be payable by the User from the Charging Date. As a principle, TNUoS should only be payable from the Charging Date, not for the full charging year during which a Generator's Charging Date occurs.

For example, if a Generator is able to connect for only 6 months of the charging year, the Generator should only be responsible to pay half of the TNUoS tariff for that charging year. This solution ensures that Generators do not pay TNUoS

charges for periods prior to their Charging Date or (in the case of those in negative TNUoS zones) receive TNUoS payments prior to their Charging Date.

Workgroup WACM 1

This WACM **(Annex 05)** enhances fairness and cost-reflectivity by extending the principles of the original modification by ensuring that Generators are not overcharged during periods when they are decommissioning assets and releasing TEC and ceased operations. It aligns with the principles of efficient network charging and supports new and retiring Generators by reducing financial barriers. This approach aims to smooth out the demand on TO's and the System Operator connections team, seeks to simplify the approach, encourages the release of network capacity as soon as is practical and contributes to mitigating risk such as under over recovery requiring revenue reconciliation.

Draft Legal Text

The draft Legal Text for the original solution can be found in **Annex 04.**

Legal Text for WACM1 will be drafted after the Workgroup Consultation has been completed.

What is the impact of this change?

This change will positively impact Generators by reducing their commercial burden, incentivise TSOs and TOs to deliver connections on time, and support offshore wind targets and net zero goals.

Original and WACM1 Proposer's assessment against Code Objectives

Proposer's assessment against CUSC Charging Objectives	
Relevant Applicable Objective	**Identified impact**
(d) That compliance with the use of system charging methodology facilitates effective competition in the generation and supply of electricity and (so far as is consistent therewith) facilitates competition in the sale, distribution and purchase of electricity;	**Positive** Ensures that Generators only pay use of system charges in the first year of connection, for the period that they enjoy the use of system. This will ensure that: (i) Generator bids in competitive CfD auctions are not distorted by (a) those in positive TNUoS zones including unnecessary provision for extra periods of TNUoS that cannot be recovered through generation and/or (b) those in negative TNUoS zones receiving an unjustified benefit during such periods, which in turn should drive down competitive pricing; and (ii) Generators competing for grid connections request the most appropriate dates of connection, not dates driven by the TNUoS charging year (which distorts the market). Competition is better facilitated in the generation, supply, sale, distribution and purchase of electricity because Generators will have more realistic TNUoS profiles which are based on actual connection dates, removing the potential distortion to competition outlined above.
(e) That compliance with the use of system charging methodology results in charges which reflect, as far as is	**Positive** Ensures that transmission licensees only receive use of system charges once the

reasonably practicable, the costs (excluding any payments between transmission licensees which are made under and accordance with the STC) incurred by transmission licensees in their transmission businesses and which are compatible with standard licence condition C26 requirements of a connect and manage connection);	Generator receives use of system, thereby not unnecessarily increasing the value recovered from TNUoS in the first year of connection.
(f) That, so far as is consistent with sub-paragraphs (a) and (b), the use of system charging methodology, as far as is reasonably practicable, properly takes account of the developments in transmission licensees' transmission businesses;	**Positive** This proposal takes account of developments in transmission licensees' transmission businesses in the following ways. Accurate forecasting of connection dates by NESO will ensure that TOs recover all necessary charges. The implementation of this change will remove the issue referred to above (i.e. Generators seeking connection dates to align with the charging year). Generators will (if this change is implemented) seek, and NESO/TOs will offer, connection dates more appropriately aligned with Generators' programmes and the optimum timing for the system. This will mean that NESO and the TOs will be better resourced and prepared for delivering connections, as they will not all be condensed into April (which inevitably leads to issues with deliverability and resource). This is particularly important given the number of very large developers seeking connections in Northern Scotland following the ScotWind process where we understand

	the most optimum connection timing for the TO's is following the summer outrage programme – not April. Furthermore, it is recognised that TOs will be submitting RIIO-3 Business Plans imminently and so it is important that a decision is reached on this proposal as soon as possible.
(g) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and	**Neutral**
(h) Promoting efficiency in the implementation and administration of the system charging methodology.	**Positive** Encourages the most efficient connection dates for generation, ensuring that: (i) generation licensees are able to deliver power for the most efficient price (without the need for consideration of additional charges for periods where they are unable to generate and recover those costs); and (ii) provides transmission licensees with a more realistic (less condensed) connection profile across each charging year, whilst also encouraging transmission licensees to deliver on time in order to recover TNUoS in line with forecast. Furthermore, this proposal would provide much needed clarity in the administration of the CUSC. Ambiguity is damaging to investor certainty. Certainty on this point, and a change to ensure that Generators do not pay more TNUoS than is necessary or fair will lead to

	greater efficiency. With less room for disagreement and dispute, the implementation and administration of CUSC arrangements will be more efficient. Certainty on this topic will, in turn, serve to increase investor certainty in the area of TNUoS charging.

WACM1 Proposer's assessment against CUSC Charging Objectives	
Relevant Applicable Objective	**Identified impact**
(d) That compliance with the use of system charging methodology facilitates effective competition in the generation and supply of electricity and (so far as is consistent therewith) facilitates competition in the sale, distribution and purchase of electricity;	**Positive** Our view is that the proposal better facilitates charging and competition by aligning charges with the benefit Generators receive from their connection to the network both in terms of charges or payments.
(e) That compliance with the use of system charging methodology results in charges which reflect, as far as is reasonably practicable, the costs (excluding any payments between transmission licensees which are made under and accordance with the STC) incurred by transmission licensees in their transmission businesses and which are compatible with standard licence condition C11 requirements of a connect and manage connection);	**Positive** We believe the proposal better meets the objective of cost reflectivity.
(f) That, so far as is consistent with sub-paragraphs (d) and (e), the use of system charging methodology, as far as	**Positive** We believe the growth in phased developments and competition is better

is reasonably practicable, properly takes account of the developments in transmission licensees' transmission businesses and the Independent System Operator and Planner (ISOP) business*;	facilitated by the approach outlined in the proposal. The approach should facilitate connections aligned to the developer's implementation schedule rather than charging cycles. A benefit of this could be an incentive to smooth out demand and ease congestion in demand from TOs and connections teams.
(g) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency **; and	**Neutral** We do not envisage any impacts.
(h) Promoting efficiency in the implementation and administration of the system charging methodology.	**Positive** We believe charging for TNUoS during the initial and final periods represents an improvement in the approach and will provide more accurate forecasting of revenues/costs for impacted parties. It should negate the need for developers to build in costs to cover charging for periods during which no benefit is gained from the connection. The potential for smoothing out the peaks in demand associated with current charging principles should provide administrative improvements.

When will this change take place?

Implementation date

01 April 2027

Date decision required by

30 September 2026

Implementation approach

An amendment to Section 14 of the CUSC in line with the legal text proposed.

Interactions

Possible impacts on the STC and Section 3 of the CUSC.

How to respond

Standard Workgroup Consultation questions

1. Do you believe that the Original Proposal and/or WACM1 better facilitate the Applicable Objectives versus the current baseline?
2. Do you support the proposed implementation approach?
3. Do you have any other comments?
4. Do you wish to raise a Workgroup Consultation Alternative request for the Workgroup to consider?
5. Does the draft Legal Text satisfy the intent of the modification?
6. Do you agree with the Workgroup's assessment that the modification does not impact the European Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the Connection and Use of System Code (CUSC)?

Specific Workgroup Consultation questions

7. In negative charging zones, Generators receive credits based on output from November to February, unlike the TEC-based approach used in positive charging zones. The Workgroup propose that the prorating should be applied equally to all zones without distinction between positive or negatively charged zones. Do you agree? Please explain your rationale.
8. Do you have any views on the specific calculation proposed for prorating charges? Please provide your views.
9. Do you agree that a similar solution should be applied to operational users who permanently reduce their TEC, such as when decommissioning capacity or closing a generating station (or phase of a generating station)? please explain your rationale.

The Workgroup is seeking the views of CUSC Users and other interested parties in relation to the issues noted in this document and specifically in response to the questions above.

Please send your response to cusc.team@neso.energy the response pro-forma which can be found on the CMP445 modification page.

In accordance with Governance Rules if you wish to raise a Workgroup Consultation Alternative Request, please fill in the form which you can find at the above link.

If you wish to submit a confidential response, mark the relevant box on your consultation proforma. Confidential responses will be disclosed to the Authority in full but, unless agreed otherwise, will not be shared with the Panel, Workgroup or the industry and may therefore not influence the debate to the same extent as a non-confidential response.

Acronyms, key terms and reference material

Acronym / key term	Meaning
BSC	Balancing and Settlement Code
BCA	Bilateral Connection Agreement
CfD	Contract for Difference
CMP	CUSC Modification Proposal
CUSC	Connection and Use of System Code
EBR	Electricity Balancing Guideline
ISOP	Independent System Operator and Planner
NESO	National Energy System Operator
STC	System Operator Transmission Owner Code
SQSS	Security and Quality of Supply Standards
T&Cs	Terms and Conditions
TEC	Transmission Entry Capacity

TNUoS	Transmission Network Use of System
TO	Transmission Owner
TSO	Transmission System Operator
WACM	Workgroup Alternative CUSC Modification

Annexes

Annex	Information
Annex 01	CMP445 Proposal form
Annex 02	CMP445 Terms of Reference
Annex 03	CMP445 Diagram of High Level TNUoS Charging Process
Annex 04	CMP445 Draft Legal Text
Annex 05	CMP445 WACM1 Proposal Form