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## CUSC Modification Proposal Form

# CMP459: Charging TNUoS on a monthly basis

**Overview:** The proposal seeks to change charging TNUoS on a monthly basis rather than the current annual basis.

### Modification process & timetable

1	<b>Proposal Form</b> 07 August 2025
2	<b>Workgroup Consultation</b> 09 September 2025 - 12 September
3	<b>Workgroup Report</b> 03 October 2025
4	<b>Code Administrator Consultation</b> 03 October 2025 - 07 October 2025
5	<b>Draft Final Modification Report</b> 09 October 2025
6	<b>Final Modification Report</b> 15 October 2025
7	<b>Implementation</b> 01 April 2026

**Status summary:** The Proposer has raised a modification and is seeking a decision from the Panel on the governance route to be taken.

### This modification is expected to have a: **Medium impact**

A small subset of Generators would be affected, those connecting during a charging year. There would be no impact on suppliers, NESO or the Transmission Operators

<b>Proposer's recommendation of governance route</b>	Urgent modification to proceed under a timetable agreed by the Authority (with an Authority decision)	
<b>Who can I talk to about the change?</b>	<b>Proposer:</b> Richard Buckland <a href="mailto:Richard.buckland@brockwellenergy.co.uk">Richard.buckland@brockwellenergy.co.uk</a> / 0131 370 0000	<b>Code Administrator Contact:</b> Catia Gomes <a href="mailto:Catia.gomes@neso.energy">Catia.gomes@neso.energy</a>

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## What is the issue?

The Charging Methodology sets Chargeable Capacity as the highest Transmission Entry Capacity (TEC) applicable to that Power Station for that financial year. Where a Generator is in a stable state, this is not an issue. However, a connecting Generator will most likely connect in mid-year, or in stages. For Generators connecting in mid-year, [CMP445](#) proposes that the Transmission Network Use of System (TNUoS) is pro-rated from the charging date.

This separate proposal addresses the situation where a Generator connects in stages. That is, the charging date has passed, but charges are still disproportionate. As such, the Proposer is of the view that this is separate defect to [CMP445](#) – what are the charges for a Generator already connected – as opposed to the charges for newly connected Generators. In passing, the Proposer notes that the current [CMP445](#) proposal – currently out to Workgroup Consultation – would not address the issue being raised in this proposal. The Proposer is aware that another route would be raise a Workgroup Alternative CUSC Modification (WACM) for [CMP445](#) but considers that this would not address the request for urgency.

## Why change?

Without a change in the Charging Methodology, a Generator would face a year's charges when they did not receive a year's TEC. This is manifestly discriminatory. Transmission charges are intended to be cost-reflective. Charging Generators for a level of TEC that is not being delivered is not cost-reflective. Further, where delays are caused by the Transmission Operators – this connection is running almost 2 years late – it is even more important that charges reflect costs.

The Proposer had been offered a connection agreement, for 212MW, in 2024. This has been delayed 3 times and might now be due in January 2026. The Proposer was offered an initial capacity of 79MW, which is currently being utilised. The current charging regime will mean that the Proposer will pay capacity based on 212MW (assuming the Transmission Owner (TO) does not delay again) for the whole charging year. The impact of this amounts to millions of pounds.

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## What is the Proposer's solution?

14.18.10 of the CUSC defines the Chargeable Capacity for the purposes of charging. This is defined as the highest TEC applicable to that Power Station for that financial year. This modification proposes that this definition is changed so that Chargeable Capacity is defined as the highest TEC applicable to that Power Station in any month.

CMP445 addresses the issue where the charging date occurs mid-year and charges are nevertheless due for the entire year. This proposal addresses the situation where the charging date has passed and nevertheless the charges are disproportionate. As such, CMP445 does not address the defect that is proposed to be addressed by this proposal.

### Draft legal text

The Chargeable Capacity for Power Stations with positive wider generation tariffs is the highest TEC applicable to that Power Station for any month in which that Power Station is connected to the system.

## What is the impact of this change?

There is a significant impact on Generators with staged connection offers where a change in capacity occurs mid-year. Given the TOs are price-controlled, this change in revenue collection will be neutral. There is no impact on other Generators or Suppliers.

Since TNUoS charges are already billed on a monthly basis, we consider that the impact on NESO or the TOs, in terms of systems, would be minimal. The vast number of Generators, who do not change TEC during a charging year, would not be affected by this proposal.

### Proposer's assessment against CUSC Charging Objectives

Relevant Objective	Identified impact
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<p>(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;</p>	<p><b>Positive</b></p> <p>Having TNUoS charges reflect the provision of TNUoS is cost reflective. Having charges that are cost-reflective means that Generators will be able to bid lower prices into various markets in which they participate. Generators would be encourage to connect as soon as practicable rather than waiting for the start of a charging year. Competition is therefore enhanced as generation comes on earlier than would otherwise be the case.</p>
<p>(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);</p>	<p><b>Positive</b></p> <p>Generators being charged only for the capacity that is being provided is clearly a better reflection of costs than Generators being charged for capacity that is not being provided.</p>

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(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 and the ISOP business*;	<b>Positive</b> Charges reflecting the capacity that is being delivered, and no more than that, reflects that development of the Transmission Operators' businesses.
(g) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency **; and	<b>Neutral</b>
(h) Promoting efficiency in the implementation and administration of the system charging methodology.	<b>Neutral</b>

\* See *Electricity System Operator Licence*

\*\**The Electricity Regulation referred to in objective (g) is Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast) as it has effect immediately before IP completion day as read with the modifications set out in the SI 2020/1006.*

Proposer's assessment of the impact of the modification on the stakeholder / consumer benefit categories	
Stakeholder / consumer benefit categories	Identified impact
Improved safety and reliability of the system	<b>Positive</b> Bringing generation on as soon as practicable, rather than waiting until the start of the charging year is likely to increase the quantity of generation

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	connected, and is therefore likely to improve the safety of the system.
Lower bills than would otherwise be the case	<b>Positive</b> Addressing the overcharging of Generators who are connecting in a staged manner will lead to lower generation prices which will feed through to lower consumer bills.
Benefits for society as a whole	<b>Neutral</b>
Reduced environmental damage	<b>Neutral</b>
Improved quality of service	<b>Neutral</b>

## When will this change take place?

### Implementation date:

1 April 2026, with retrospection as necessary. This proposal requests retrospective treatment noting that charging changes should be made by 30 September 2025 for implementation on 1 April 2026 although it is noted that Ofgem has signalled that this is not a hard deadline. It is also noted that [CMP425](#) was implemented retrospectively, and the Proposer considers the commercial impact of this modification to be equally significant. Given the correction factor, revenue recovery has no impact on the Transmission Operators.

### Date decision required by

30 September 2025

### Implementation approach

Slight changes to the TNUoS invoicing systems. The Proposer is requesting implementation from the start of the 2026 charging year on the basis that mid-year changes impact on all Generators and Suppliers. However, the request for

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retrospection would result in charges for Generators with mid-year connection dates, or mid-year increases in capacity, being altered from the April 2026 charging date.

## Proposer's justification for governance route

Governance route: Urgent modification to proceed under a timeline agreed by the Authority (with an Authority Decision)

The 212MW connection was originally to be delivered in April 2024. This has now turned into a constrained 79MW (which is operational) with 212MW now about to be delayed for the third time, to January 2026. The impact will be many millions of pounds. As such, the Proposer considers there is a "Significant Commercial Impact" as such meets the criteria set out by Ofgem.

It is noted the comments by Ofgem in rejecting the urgency request for [CMP445](#) and [CMP452](#) that, in the view of Ofgem, the requirement to pay TNUoS based on the highest TEC during a year is well established and predictable. The Proposer does not disagree. However, the commercial impact is not introduced by the TNUoS charging regime. Rather it is the multiple failures of the Transmission Operators to deliver capacity that is the source of the "Significant Commercial Impact". This could not, and was not, foreseen.

## Interactions

- |  |   |                                |                                |
|--|---|--------------------------------|--------------------------------|
| <input checked="" type="checkbox"/> CUSC | <input type="checkbox"/> BSC            | <input type="checkbox"/> STC   | <input type="checkbox"/> SQSS  |
| <input type="checkbox"/> European        | <input type="checkbox"/> EBR Article 18 | <input type="checkbox"/> Other | <input type="checkbox"/> Other |
| Network Codes                            | T&Cs <sup>1</sup>                       | modifications                  |                                |



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## Acronyms, key terms and reference material

Acronym / key term	Meaning
BSC	Balancing and Settlement Code
CUSC	Connection and Use of System Code
CMP	CUSC Modification Proposal
EBR	Electricity Balancing Regulation
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
WACM	Workgroup Alternative CUSC Modification

### Reference material

- TNUoS charging statement