

Public

## Draft Final Self – Governance Modification Report

# CMP454: CMP434/CMP435 Section 11 Changes

**Overview:** Following the Authority’s decision on approving CMP434/CMP435 on 15 April 2025, two resultant definition changes are recommended to CUSC Section 11 to define concepts of “Gated Offers” and “Variations Clause” as respectively used in the CMP434/CMP435.

### Modification process & timetable



**Have 20 minutes?** Read the full Draft Final Self – Governance Modification Report

**Have 40 minutes?** Read the full Draft Final Self – Governance Modification Report and Annexes.

**Status summary:** The Draft Final Self – Governance Modification Report has been prepared for the determination vote at Panel.

**Panel determination:** The Panel will meet on 03 September 2025 to carry out their determination vote.

**This modification is expected to have a: Low impact** on CUSC Schedule 1 Signatories, National Energy System Operator.

<b>Governance route</b>	Self-Governance modification to proceed to Code Administrator Consultation	
<b>Who can I talk to about the change?</b>	<b>Proposer:</b> Alex Curtis <a href="mailto:Alex.Curtis@neso.energy">Alex.Curtis@neso.energy</a>	<b>Code Administrator Contact:</b> <a href="mailto:cusc.team@neso.energy">cusc.team@neso.energy</a>

Public

## Contents

<b>What is the issue?</b> .....	<b>3</b>
Why change? .....	3
<b>What is the Proposer's solution?</b> .....	<b>3</b>
Legal text.....	3
<b>What is the impact of this change?</b> .....	<b>4</b>
Proposer's assessment of the impact of the modification on the stakeholder / consumer benefit categories.....	5
<b>Code Administrator Consultation Summary</b> .....	<b>5</b>
<b>Panel Determination vote</b> .....	<b>6</b>
<b>When will this change take place?</b> .....	<b>6</b>
Implementation approach.....	6
<b>Interactions</b> .....	<b>7</b>
<b>Acronyms, key terms and reference material</b> .....	<b>7</b>
Reference material.....	7
<b>Annexes</b> .....	<b>8</b>

Public

## What is the issue?

On 15 April 2025, the Authority approved modifications CMP434 – Implementing Connections Reform and CMP435 – Application of Gate 2 Criteria to existing contracted background. These modifications introduced the concepts of “Gated Offers” and a “Variations Clause”, however two changes to Section 11 ‘Interpretation and Definitions’ to introduce these definitions were not included in the legal text of the approved modifications.

Whilst the intent of these references in CMP434 and CMP435 legal text can generally be inferred from the approved text, adding them as explicit definitions provides additional clarity to Section 11 of the CUSC and removes the need for such inference. Following the approval of the modifications by the Authority these definitions should be included.

## Why change?

For the approved processes to be fully understood by the User within the context of CUSC, the additional definitions will be clearly defined within CUSC Section 11.

## What is the Proposer’s solution?

Insert definitions of “Gated Offers” and “Variations Clause” into Section 11 of the CUSC at the earliest opportunity to align with the implementation on CMP434 and CMP435.

## Legal text

Section 11 will be amended to add the following definitions:

Concept	Definition
“Gated Offers”	offers made by <b>The Company</b> in response to a <b>Gated Application</b> ;
“Variations Clause”	the Clause in the <b>Existing Agreements</b> providing that <b>The Company</b> and the <b>User</b> effect any amendment required to be made to those by the <b>Authority</b> as a result of a change in the <b>CUSC</b> , the <b>ESO Licence</b> or <b>Transmission Licence</b> , an order or direction made pursuant to the <b>Act</b> or a <b>Licence</b> or as a result of settling any of the terms thereof;

The full legal text can be found in **Annex 02**.

Public

## What is the impact of this change?

This change is of low impact to CUSC Schedule 1 Parties and The Company. It will enable Users to clearly understand the highlighted concepts and remove potential ambiguity in the CUSC as a result of CMP434 and CMP435.

Proposer's assessment against CUSC Non-Charging Objectives	
Relevant Objective	Identified impact
(i) The efficient discharge by the Licensee of the obligations imposed on it by the Act and by this licence*;	<b>Neutral</b>
(ii) Facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity;	<b>Neutral</b>
(iii) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency **; and	<b>Neutral</b>
(iv) Promoting efficiency in the implementation and administration of the CUSC arrangements.	<b>Positive</b>  This modification will ensure that additional relevant definitions (within CUSC Section 11 as a result of <u>CMP434</u> and <u>CMP435</u> ) are included.

\* See Electricity System Operator Licence

\*\*The Electricity Regulation referred to in objective (iii) 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.

Public

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	Neutral
Lower bills than would otherwise be the case	Neutral
Benefits for society as a whole	Neutral
Reduced environmental damage	Neutral
Improved quality of service	<b>Positive</b> This modification ensures additional definitions resultant of modifications <a href="#">CMP434</a> and <a href="#">CMP435</a> are included within Section 11, allowing for the concepts to be clearly defined aiding User understanding and removing potential ambiguity.

## Code Administrator Consultation Summary

The Code Administrator Consultation was issued on the 03 July 2025 and closed on 31 July 2025 and received 2 non-confidential responses. A summary of the responses can be found in the table below, and the full responses can be found in **Annex 03**.

Code Administrator Consultation summary	
Question	
Do you believe that the CMP454 better facilitates the CUSC Applicable Objectives?	Both respondents believed this modification promoted efficiency in the implementation and of the CUSC arrangements.
Do you support the proposed implementation approach?	Both respondents supported the implementation approach.

## Public

Do you have any other comments?	One respondent suggested an amendment to the legal text, see below.
<b>Legal text issues raised in the consultation</b>	
<p>A respondent suggested the following amendment be made:</p> <p><i>'Variations Clause':</i></p> <p><i>the Clause in the <b>Existing Agreements</b> <del>providing that</del> <b>requires The Company</b> and the <b>User</b> to effect any amendment required to be made to those by the <b>Authority</b> as a result of a change in the <b>CUSC</b>, the <b>ESO Licence</b> or <b>Transmission Licence</b>, an order or direction made pursuant to the <b>Act</b> or a <b>Licence</b> or as a result of settling any of the terms thereof;</i></p>	
<b>EBR issues raised in the consultation</b>	
No EBR issues were raised	

## Panel Determination vote

The Panel will meet on 03 September 2025 to carry out their determination vote.

They will assess whether a change should be made to the CUSC by assessing the proposed change and any alternatives against the Applicable Objectives.

### Panel comments on Legal text

Ahead of the vote taking place, the Panel will consider the legal text amendments proposed as part of the Code Administrator Consultation and agree next steps.

## When will this change take place?

### Implementation date:

07 October 2025.

### Date decision required by

03 September 2025.

### Implementation approach

Section 11 to be updated in line with implementation of [CMP434](#)/[CMP435](#).

Public

## Interactions

☒ CUSC      ☐ BSC      ☐ STC      ☐ SQSS  
☐ European Network    ☐ EBR Article 18 T&Cs<sup>1</sup>    ☐ Other      ☐ Other  
 Codes      modifications

This proposal has been raised as a result of the implementation of CMP434/CMP435 but has no further interactions with any other code modifications.

## Acronyms, key terms and reference material

Acronym / key term	Meaning
BSC	Balancing and Settlement Code
CUSC	Connection and Use of System Code
EBR	Electricity Balancing Regulation
NETS	National Electricity Transmission System
GC	Grid Code
SQSS	Security and Quality of Supply Standards
STC	System Operator Transmission Owner Code
T&Cs	Terms and Conditions

## Reference material

The modification pages, including all documents and decision letters from the Authority, can be found here:

- [CMP434 Implementing Connections Reform | National Energy System Operator](#)
- [CMP435 Application of Gate 2 Criteria to existing contracted background | National Energy System Operator](#)

Public

## Annexes

Annex	Information
Annex 01	CMP454 Proposal Form
Annex 02	CMP454 Legal Text
Annex 03	CMP454 Code Administrator Consultation Responses
Annex 04	CMP454 Self - Governance Statement