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CUSC Panel Headline Report

03 September 2025

The Headline Report is produced after every Panel and aims to provide an overview of the key decisions made. Minutes for this meeting will be published separately.

Approval of Panel Minutes

The meeting minutes from the Panel on 27 June, 04 July, 25 July, 07 August and 14 August 2025 will be presented for approval at the Panel meeting on 26 September 2025.

New Modifications

The following new Modification Proposal was presented to the Panel:

CMP457: Revision of the Obligatory Reactive Power Service (ORPS)

The rising cost of ORPS provision reflects the compensation rate for ORPS, being reflective of gas prices. The increasing shift away from gas to low carbon generation requires a re-evaluation of compensation principles rather than a simple updating of values. This update to the Connection and Use of System Code (CUSC) will incorporate the output from the ORPS project to introduce a fair and transparent payment methodology.

The Panel agreed that CMP457 will come back to the October Panel meeting for Panel to agree the governance route and timeline.

New / Pending Authority Decisions

Decisions since the last Panel

Modification	Decision	Implementation Date
<u>CMP418 'Refine the allocation of</u>	On 04 August 2025 the Authority rejected the modification.	N/A

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Dynamic Reactive Compensation Equipment (DRCE) costs at OFTO transfer'		
<u>CMP441</u> 'Reducing the credit risk of supplying non-embedded hydrogen Electrolysers	On 28 July 2025 the Authority sent – back this modification.	N/A
<u>CMP450</u> 'Introducing the definition of Dynamic Reactive Compensation Equipment (DRCE) in the CUSC	On 04 August 2025 the Authority rejected the modification.	N/A

Awaiting Decisions

Modification	FMR submitted	Expected Decision Date
<u>CMP315</u> 'TNUoS Review of the expansion constant and the elements of the transmission system charged for' and <u>CMP375</u> 'Enduring Expansion Constant & Expansion Factor Review' 'Enduring Expansion Constant & Expansion Factor Review'	07 February 2024	TBC pending update on REMA (previously 07 February 2025)
<u>CMP316</u> 'TNUoS Charging Methodology for Co-located Generation'	08 August 2025	30 September 2025
<u>CMP330&CMP374</u> 'Allowing new Transmission Connected	10 August 2023	TBC subject to CMP414 send back

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parties to build Connection Assets greater than 2km in length and Extending contestability for Transmission Connections'		
<u>CMP397</u> 'Consequential changes required to CUSC Exhibits B and D to reflect CMP316 (Co-located Generation Sites)'	12 June 2024	30 September 2025
<u>CMP432</u> 'Improve "Locational Onshore Security Factor" for TNUoS Wider Tariffs'	15 May 2025	30 September 2025
<u>CMP444</u> 'Introducing a cap and floor to wider generation TNUoS charges'	28 March 2025	TBC
<u>CMP448</u> 'Introducing a Progression Commitment Fee to the Gate 2 Connections Queue'	04 July 2025	TBC

Ofgem publish a table that provides the expected decision date, or date they intend to publish an impact assessment or consultation, for code modifications/proposals that are with them for decision. This was last updated on 26 August 2025 and is published [here](#).

Prioritisation Stack

The Panel held a deep dive of the Prioritisation Stack. To help this discussion, the Authority provided their current thinking on the relative priority rating of each CUSC modification proposal which will be published shortly.

The CUSC Panel considered Ofgem's view on the prioritisation of CUSC Modifications and while taking into consideration the prioritisation criteria, the Panel acknowledged the importance of alignment with ongoing external policy developments and there was consideration for a further prioritisation criteria which is External Policy design.

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Modification	Panel Comments	Position in Prioritisation Stack
<u>CMP447</u> 'Follow on modification for CMP428'	Urgent modification so remains high on the prioritisation stack.	High
<u>CMP423</u> 'Generation Weighted Reference Node'	Modification remains as high priority. Noting that the Workgroup has concluded and the Report will be presented at the September Panel meeting.	High
<u>CMP440</u> 'Re-Introduction of Demand TNUoS Locational Signals by removal of the zero – price floor'	The Panel agreed that CMP440 should remain as a high priority modification due to the importance of what the modification is seeking to address.	High
<u>CMP417</u> 'Extending principles of CUSC Section 15 to all Users'	Modification remains as a high priority.	High
<u>CMP445</u> 'Pro -rating first year TNUoS for Generators'	Modification remains as high priority.	High
<u>CMP453</u> 'To bill BSUoS on a net basis at BSC Trading Units'	Modification remains as high priority. Noting that the Workgroup has concluded and the Report will be presented at the September Panel meeting.	High
<u>CMP414</u> 'CMP330/CMP374 Consequential Modification'	The Panel agreed that CMP414 should be placed high on the prioritisation stack due to the dependences with CMP330/CMP374's currently with the Authority for decision.	High
<u>CMP442</u> 'Introducing the option to fix Generator TNUoS'	The Panel considered CMP442 as a medium priority modification. This is due to its potential alignment with a new regime	Medium

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	and the need to manage expectations on fixing options.	
<u>CMP426</u> 'TNUoS charges for Transmission circuits identified for the HND as Onshore transmission'	The Panel agreed CMP426 should be placed as medium on the prioritisation stack due to allowing consideration of further impacts (such as SSEP and internal modelling by NESO).	Medium
<u>CMP433</u> 'Optimised Transmission Investment Cost Model (OptIC)	The Panel agreed that CMP433 remains a medium priority modification.	Medium
<u>CMP419</u> 'Generation Zoning Methodology review'	The Panel agreed this modification should be moved to a low priority on the stack.	Low
<u>CMP405</u> 'TNUoS Locational Demand Signals for Storage'	The Panel agreed that this modification should be placed as low on the stack due to the ongoing work by the storage sub- group.	Low
<u>CMP402</u> 'Introduction of Anticipatory Investment (AI) principles within the User Commitment Arrangements'	The Panel agreed that CMP402 should be placed low on the prioritisation stack as the proposal is underdeveloped with no commercial impact driving it. The Panel agreed to review this again and consider any industry feedback.	Low
<u>CMP288</u> 'Explicit charging arrangements for customer delays and backfeeds'	The Panel agree for this modification to remain as low priority.	Low
<u>CMP304</u> 'Improving the Enhanced Reactive Power Service by making it fit for purpose'	The Panel noted that the priority of CMP304 (and CMP305) may need to be adjusted, depending on where CMP457 is placed on the prioritisation stack. The Panel noted that it is important to	Low

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	understand the link between these modifications and ensure alignment from a competition and industry perspective.	
<u>CMP328</u> 'Connections Triggering Distribution Impact Assessment'	The Panel agreed that CMP328 should be place as a low modification.	Low
<u>CMP341</u> 'CUSC Sandbox: Enabling derogation from certain obligations to support small -scale trials of innovative propositions'	Modification remains as low priority.	Low
<u>CMP441</u> 'Reducing the credit risk of supplying non – embedded hydrogen electrolyzers'	The Panel acknowledged that CMP441 has recently been sent back by the Authority and note that a potential RFI (Request For Information) may be in scope to address the send back points, therefore Panel agreed that CMP441 should be placed as a low priority modification.	Low

Every quarter the CUSC Panel hold a more in-depth review, the next in-depth review scheduled for the October 2025 Panel.

The latest prioritisation stack can be found [here](#)

In flight Modifications

CMP458 'Prorating of Transmission Residual Demand Charges

The Panel agreed to the withdrawal of the modification under CUSC 8.16.10(c).

The next [Modification Tracker](#) will be published on 07 October 2025.

Workgroup Reports

No Workgroup Reports were presented to the Panel.

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Draft Final Modification Reports

The following Draft Final Modification Report was presented to the Panel:

CMP454 'CMP434/CMP435 Section 11 Changes

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.

The Panel has determined unanimously that the Proposer's solution better facilitate the CUSC Applicable Objectives. The Appeals window will open on 11 September, and this will close on 02 October 2025. With an implementation date of 07 October 2025.

CMP454 documentation can be found [here](#)

Key Activities ahead of next panel

Transmission Charging Methodologies Forum: 04 September 2025

Modification Proposal Deadline for September Panel: 11 September 2025

Papers Day: 18 September 2025

Questions or feedback?

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