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Independent Chair CUSC Panel
c/o National Energy System
Operator
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Email: cusc.team@neso.energy

Dear Anthony,

Approval for CUSC Modification Proposal (CMP) 462: *Provision for Alternate Panel Members to be treated as an urgent CUSC modification proposal*

On 24 October 2025, National Energy System Operator (NESO) (the ‘Proposer’) raised the Connection and Use of System Code (CUSC) modification proposal CMP462.¹ Following the CUSC Panel meeting on 31 October, we² received, in writing, a request on the same day from the CUSC Panel that CMP462 be treated as an urgent modification proposal.

This letter sets out the reasoning as to why Ofgem considers that CMP462 should be progressed on an urgent basis, in relation to its Code Modification Urgency Criteria.³

Background

¹ [CMP462: Provision for Alternate Panel Members | National Energy System Operator](#)

² References to the “Authority”, “Ofgem”, “we”, and “our” are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day-to-day work. This decision is made by or on behalf of GEMA.

³ [Ofgem Guidance on Code Modification Urgency Criteria](#)

CMP462 seeks to allow the CUSC Code Administrator to run an expedited Alternate Election Process where the CUSC election process has not resulted in the election of Alternate Panel Members to substitute for Panel Members who are not available at future Code meetings.

The CUSC Panel requires 6 panel members⁴ to make quorum. The CUSC Panel elected for the period 1 October 2025 to 30 September 2027 has 7 elected User Panel Members. If a member is unavailable, Alternate Panel Members normally step in. However, there are currently no Alternate Members, as none were elected at the most recent election held under the CUSC rules (31 July 2025). This is a reduction from prior to 1 October 2025, when there were 3 Alternate Panel Members.

As a result, there is an increased likelihood that future meetings may not have enough panel members to be quorate. This is particularly the case for special panel meetings, which are typically scheduled with less notice. Special panel meetings are ad hoc panel meetings convened outside of the scheduled monthly panel meetings, usually with the aim of considering urgent modifications. This increased risk of not reaching quoracy could mean meetings are cancelled or postponed, and urgent (and/or non-urgent) code modifications may not be considered by Panel in a timely manner.

According to Ofgem's Code Modification Urgency Criteria,⁵ 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)
- b. A significant impact on the safety and security of the electricity and/or gas systems
- c. A party to be in breach of any relevant legal requirements

The Proposer has indicated that criteria (a) is the reason for seeking urgency for this proposal. This is due to the risk presented by a potential lack of quoracy at CUSC Panel meetings, which could have a serious impact on the progress of CUSC modification

⁴ CUSC Section 8.10.2

⁵ [Ofgem Guidance on Code Modification Urgency Criteria](#)

proposals for commercial parties, particularly for those where special panel meetings are required at short notice.

It is proposed that CMP462 is progressed as urgent to allow a consideration of the need to change the CUSC rules to allow a re-election process to take place which is currently not provided for under the rules of the CUSC.⁶

Panel View

At the CUSC Panel meeting on 31 October 2025, the CUSC Panel unanimously agreed to recommend to Ofgem that CMP462 should be progressed as an urgent modification proposal.

We note the CUSC Panel agreed with the Proposer's justification for urgency.

Furthermore, the Panel consider there is a material governance risk to quoracy at CUSC panel meetings and especially at special panel meetings where urgent code modifications are considered. The CUSC Panel believe that granting urgency to this modification will expedite the process and limit the risk of quoracy not being reached.

Our decision

In reaching our decision on the urgency of CMP462 we have considered the proposal, the Proposer's justification for urgency, and the views of the CUSC Panel. We have also assessed the request against the urgency criteria set out in our published guidance.⁷

We agree with the CUSC Panel and the Proposer that having no Alternate panel members represents an imminent risk of quoracy not being achieved for panel meetings, going forward. We further agree that this risk is particularly acute for special panel meetings, which are typically scheduled with less advance notice. We note that this risk has increased significantly since 1 October 2025, when the current Panel's tenure began.

⁶ [CUSC Section 08 - CUSC Modification v1.39 \(31 July 2025\).pdf](#)

⁷ [Ofgem Guidance on Code Modification Urgency Criteria](#)

Additionally, we note from the proposal form the increased number of CUSC panel meetings that have been required over the course of this calendar year, indicating the high number of urgent modifications being raised. According to additional evidence we have sought from NESO, there have been 18 special panel meetings convened so far in 2025, in addition to the monthly panel meetings. This compares with 7 special panel meetings for the 2024 calendar year. We further note that Alternate members have been required for 17 of the 18 special panel meetings convened thus far in 2025. The high number of special panel meetings with no Alternate Panel Members has the potential to give rise to delay and cost to CUSC parties, and ultimately the consumer.

We consider that delays arising due to Panel quoracy have the potential to cause significant commercial impacts. This is particularly the case for urgent modifications, which may themselves relate to significant commercial risks for parties to the Code, or consumers. We note that a recent planned special meeting in relation to urgent modification CMP447⁸ on 15 October had to be rescheduled to 21 October due to lack of Panel Members to meet quorum.

We view such an occurrence to be indicative of an imminent issue that if not urgently addressed may cause a significant commercial impact on parties, consumers or other stakeholder(s) under Ofgem's Urgency Criteria (a). We cannot pre-empt the significance of the commercial impacts on parties, consumers or other stakeholders from any potential future code modifications, including those which may be delayed due to the Panel being unable to meet quorum. However, it is possible that delays to the progression of some CUSC code modifications, particularly those that are granted urgency (and therefore which may themselves relate to significant commercial impacts), could have significant impacts on the costs experienced by parties to the code, or consumers.

Therefore, without making an assessment as to the merits of the Proposal, and to mitigate the imminent risk of these significant impacts arising, we think that this issue should be considered with urgency. As such, we consent to this modification proposal being treated as urgent.

⁸[CMP447: Authority Decision on urgency | Ofgem](#)

We agree the modification should follow as closely as possible the urgent timetable set out in the CUSC Panel urgency request letter⁹ following this decision on urgency.

For the avoidance of doubt, in granting the request for urgency, we have made no assessment of the merits of the Proposal and nothing in this letter in any way fetters our discretion nor provides any expectation in respect of the Proposal.

If you have any comments or questions about this letter, please contact Nadir Hafeez at Nadir.Hafeez@ofgem.gov.uk.

Yours sincerely,

Mark Carolan

Interim Head of Industry Codes

Duly authorised on behalf of the Authority

⁹ [CMP462 Urgency Request](#)