

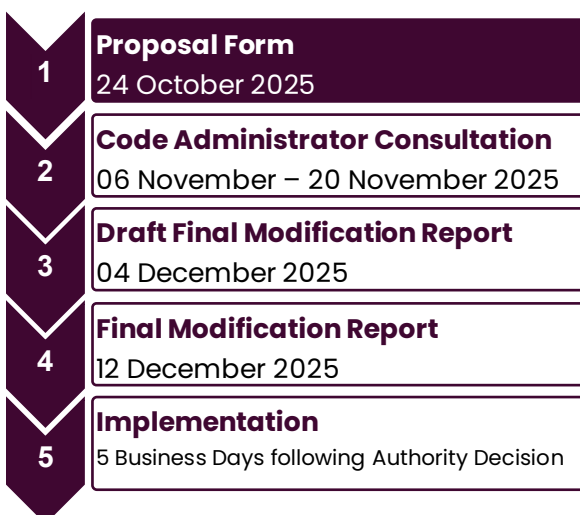
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CUSC Modification Proposal Form

CMP462: Provision for Alternate Panel Members

Overview: This modification will give provision for the Code Administrator to run an expedited Alternate Election Process where the CUSC election process has not resulted in the election of Alternate Panel Members.

Modification process & timetable



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: High impact
National Energy System Operator and CUSC Schedule 1 Parties

Proposer's recommendation of governance route	Urgent modification to proceed under a timetable agreed by the Authority (with an Authority decision)
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Who can I talk to about the change?	Proposer: Niall Coyle Niall.Coyle@neso.energy	Code Administrator Contact: Catia Gomes Catia.gomes@neso.energy
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What is the issue?

The 2025 CUSC Panel Election did not result in the election of Alternate Members for the CUSC Panel, as sufficient nominations were not received during the Elections Process (as per CUSC Annex 8A). The election resulted in the nomination of the minimum of 7 Panel Members. This means that the CUSC Modifications Panel for the period of 01 October 2025 – 30 September 2027 is made up of seven Users' Panel Members in addition to the National Energy System Operator (NESO) Panel Member and Consumers' Panel Member, with no Alternate Members for the Users' Panel Members.

Alternate Members are an important part of a fully operational and functioning CUSC Panel as they replace Panel Members when they are unable to attend CUSC Panel meetings. For quoracy purposes, six Panel Members are required to hold a quorate Panel meeting, as per CUSC Section 8.10.2.

Due to only seven Panel Members being elected via the 2025 CUSC Panel elections process, the risk of non-quorate Panel meetings is high. This situation could inhibit progress of CUSC Modification Proposals at a time where there are a high number of important modifications to CUSC, as well as the potential of a similarly high number of modifications during the tenure of the new CUSC Panel, which begun on 01 October 2025, and will conclude on 30 September 2027.

Why change?

At the time of raising this proposal, there have been 37 CUSC Panel meetings in 2025 so far. Without Alternate Panel Members, the risk of meetings being inquorate increases significantly, meaning that a substantial number of scheduled meetings could fail to proceed effectively. This would not only inhibit progress of CUSC Modification Proposals and other critical Panel business but also create ongoing uncertainty and disruption for industry parties who rely on timely and robust governance procedures.

What is the Proposer's solution?

Introduce provision within CUSC Annex 8A for the Code Administrator to run an expedited Alternate Election Process where the CUSC Election Process has not resulted in the election of Alternate Panel Members.

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Draft legal text

The full legal text for this change can be found in **Annex 01**, with the substantive changes summarised below.

The draft legal text contains the addition of a new clause to Paragraph 8A.2.2.5:

*“Where the election has resulted in zero (0) **Alternate Members**, **Alternate Members** shall be elected in accordance with the **Alternate Election Process** as set out in Paragraph 8A.4.4.”*

8A.4.4 has been renamed to “Alternate Election Process” and with the addition of the clause 8A.4.4.1 below has been extended to cover the scenario where the election process has not resulted in the election of Alternate Members:

*“Where there are no **Alternate Members** in office following an election, as set out in 8A.2.2.5, **Alternate Members** shall be elected in accordance with Paragraphs 8A.2, 8A.3 and subject to the following paragraphs 8A.4.4.3 to 8A.4.4.5 (inclusive) (the “**Alternate Election Process**”).”*

8A.4.4.5 has been amended to set out the minimum timelines for the expedited Alternate Election Process:

*“The timetable for the **Alternate Election Process** shall be expedited and the **Code Administrator** shall prepare a timetable accordingly, setting out:*

- (a) the date by which nominations of candidates are to be received, which shall not be less than one (1) week after the timetable is circulated;*
- (b) the date by which the **Code Administrator** shall circulate a list of candidates and voting papers;*
- (c) the date by which voting papers are to be submitted, which shall not be less than one (1) week after the date for circulating voting papers;*
- (d) the date by which the results of the election will be made known.”*

What is the impact of this change?

This modification will allow Alternate Members to be elected where the CUSC Election Process did not result in the election of Alternate Members. This will increase the likelihood of quoracy at CUSC Panel Meetings, preventing a delay to modification proceedings, which will have a positive impact on CUSC Parties.

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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*;	Neutral
(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;	Neutral
(iii) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency **; and	Neutral
(iv) Promoting efficiency in the implementation and administration of the CUSC arrangements.	Positive This change will result in a higher likelihood of quoracy at CUSC Panel Meetings, preventing undue delay to progress of CUSC Modification Proposals.

* 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.

When will this change take place?

Implementation date:

5 Business Days following an Authority Decision.

Date decision required by

As soon as reasonably practicable.

Implementation approach

No systems or processes will require change as a result of this Proposal.

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Proposer's justification for governance route

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

NESO believes that this modification meets Ofgem's Urgency Criteria (a): **A significant commercial impact on parties, consumers or other stakeholder(s)**. This is due to the risk presented by a possible lack of quoracy at CUSC Panel meetings, which could have a serious impact on the progress of CUSC Modification Proposals, particularly for those where Special Panel meetings are required at short notice.

Interactions

☐ Grid Code ☐ BSC ☐ STC ☐ SQSS
☐ European Network Codes ☐ EBR Article 18 T&Cs¹ ☐ Other modifications ☐ Other

No interactions with other codes have been identified.

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
GC	Grid Code
NESO	National Energy System Operator
SQSS	Security and Quality of Supply Standards
STC	System Operator Transmission Owner Code
T&Cs	Terms and Conditions

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Annexes

Annex	Information
Annex 01	CMP462 Draft Legal Text