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## CUSC Modification Proposal Form

# CMP466: CMP456 Consequential Charging Modification

**Overview:** This modification is required to facilitate the implementation of CMP456. In discussions with the National Energy System Operator (NESO) it has become clear that a small change to the Balancing Services Use of System (BSUoS) within Section 14 'Charging Methodologies' will be required to ensure that any validated costs arising via the CMP456 solution are recovered, as happens today with black start costs, via BSUoS.

### Modification process & timetable

1	<b>Proposal Form</b> 02 December 2025
2	<b>Workgroup Consultation</b> 04 February 2026 – 11 February 2026
3	<b>Workgroup Report</b> 19 March 2026
4	<b>Code Administrator Consultation</b> 31 March 2026 – 07 April 2026
5	<b>Draft Final Modification Report</b> 16 April 2026
6	<b>Final Modification Report</b> 24 April 2026
7	<b>Implementation</b> TBC

**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**

On Generators and the System Operator

<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> Tim Ellingham <a href="mailto:Tim.ellingham@rwe.com">Tim.ellingham@rwe.com</a>	<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?

CMP456 if approved by the Authority, would allow Generators that face new obligations under GC0168 to seek to claim the reasonable, efficient and proportionate costs needed to comply with the obligations. It is the intention of CMP466 that any validated claims are recovered via Balancing Services Use of System (BSUoS) charging.

GC0168 is a modification proposal that will oblige Generators to provide NESO with Electromagnetic Transient (EMT) models. The reasons for this are set out in GC0168 proposal form.

The modification will apply retrospectively, requiring existing Generators – who typically lack EMT models – to undertake the complex task of creating one.

CMP456 looks to establish a process for Users to recover the cost of providing these models under a pre-determined process. The result financial figure then needs to be recovered by the BSUoS process.

## Why change?

EMT models are essential for the effective management of the National Electricity Transmission System (NETS) and to ensure that newly connecting Generation plant meet compliance standards. However, the main challenge arises with existing Generation plant, which were not originally designed with EMT models in mind. The control systems in such installations are often unique or outdated, making the process of developing retrospective models both complex and costly. As these efforts offer no direct benefit to the Generator, it is appropriate that the financial burden should not rest with them. Therefore, this modification will provide a suitable cost recovery mechanism is necessary to address this issue.

## What is the Proposer's solution?

It is envisaged that the recovery of costs will be via BSUoS External costs (BSUoS<sub>EXT</sub>). Any cashflow impact as a result of costs incurred should be managed through the existing BSUoS Working Capital Facility.

## Draft legal text

To be developed by a Workgroup.

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## What is the impact of this change?

This modification will impact NESO and Generators.

Proposer's assessment against CUSC Charging Objectives	
Relevant Objective	Identified impact
(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;	<b>Positive</b> By ensuring that validated costs incurred by CUSC Parties who are obligated by the Grid Code be recovered via BSUoS. This will aid competition in generation by equalising the associated costs faced by existing sites in comparison to new projects
(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);	<b>Neutral</b>
(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>Neutral</b>
(g) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency **; and	<b>Neutral</b>

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(h) Promoting efficiency in the implementation and administration of the system charging methodology.	<b>Neutral</b>
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\* 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.*

## When will this change take place?

### Implementation date:

10 Business Days after an Authority decision. Ideally this will be in line with GC0168 and CMP456 implementation.

### Date decision required by

The modification should go to the Authority alongside GC0168 and CMP456 so that it has full access to the package of changes proposed.

### Implementation approach

No process or system changes envisaged.

### Proposer's justification for governance route

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

Due to the impending finalisation of GC0168, there could be a window where models could be requested but a cost recovery mechanism will not be in place, CMP456 has requested urgency.

### Urgency Criteria

If you are proposing that your modification is Urgent, you must explain how it meets Ofgem's Urgent criteria (below). When modifications are granted Urgency, this enables the us to shorten the standard timescales for industry consultations. Note that we (Code Admin) must seek Authority approval for this option.

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Ofgem's current guidance states that 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); or
- b) A significant impact on the safety and security of the electricity and/or gas systems; or
- c) A party to be in breach of any relevant legal requirements.

The root modification of the Grid Code under GC0168 will expose Generators to significant costs that could put legacy in financially unviable positions (criteria a)). This modification and CMP456 will mitigate this situation and also aid in the security of supply by allowing the NESO to have an accurate system model and Generators to keep low merit order plant in service.

## Interactions

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

Interactions with CMP456 and GC0168 as together they offer the full package solution for the issue.

Potential impact on Distribution Connection and Use of System Agreement (DCUSA) if EMT models are required for Licence Exemptible Embedded Medium Power Stations, such parties are likely not party to the CUSC, so therefore cannot access the recovery mechanism.

## Acronyms, key terms and reference material

Acronym / key term	Meaning
BMU	Balancing Mechanism Unit
BOA	Bid Offer Acceptance
BSC	Balancing and Settlement Code
BSUoS	Balancing Services Use of System

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BSUoSEXT	BSUoS External costs
CCGT	Combined Cycle Gas Turbine
CUSC	Connection and Use of System Code
DCUSA	Distribution Connection and Use of System Agreement
EBR	Electricity Balancing Regulation
EMT	Electromagnetic Transient
GC	Grid Code
NESO	National Energy System Operator
NETS	National Electricity Transmission System
OEMs	Original Equipment Manufacturers
RMS	Root Mean Square
SQSS	Security and Quality of Supply Standards
STC	System Operator Transmission Owner Code
T&Cs	Terms and Conditions

## Reference material

- [GC0168](#): Submission of Electro Magnetic Transient (EMT) Models
- [CMP398](#): GC0156 Cost recovery mechanism for CUSC Parties
- [CMP456](#): Cost recovery for legacy plant in relation to GC0168