

Public

CUSC Panel

Friday 12 December 2025

Microsoft Teams Meeting

Public

WELCOME

Purpose of Panel & Duties of Panel Members

The **Panel** shall be the standing body to carry out the **functions** referred to in CUSC – Section 8 CUSC Modification (8.3.3)

The **Panel** shall endeavour at all time to operate:

- In an **efficient, economical and expeditious manner**, taking account of the complexity, importance and urgency of particular CUSC Modification Proposals; and
- With a view to ensuring that the CUSC facilitates **achievement of the Applicable CUSC Objectives**.

Duties of Panel Members & Alternates (8.3.4)

1. Shall act **impartially** and in accordance with the requirements of the **CUSC**; and
2. Shall not have any **conflicts of interest**.

Shall not be representative of, and shall act without undue regard to the particular interests of the persons or body of persons by whom he/she was appointed as Panel Member and any Related Person from time to time.

Approval of Panel Minutes

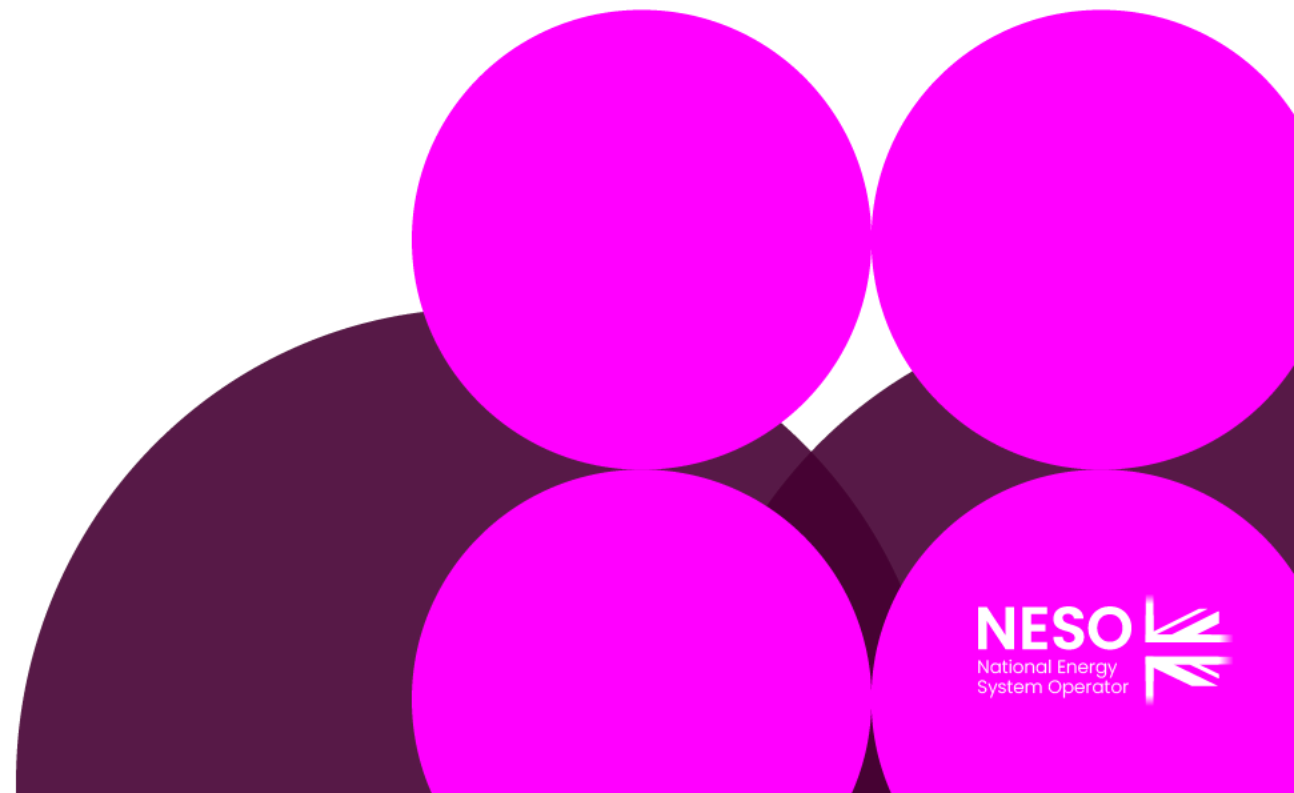
Approval of Panel Minutes from the meeting held on 14 November, 21 November and 28 November 2025

Action Log

Review of Action Log:

- Action 182

Chair's Update



Authority Decisions and Update (as of 04 December 2025)

Decisions Received since last Panel Meeting

Modification	Decisions	Implementation Date
None		

Decisions Pending

Modification	Final Modification Report Received	Expected Decision Date
CMP315 'TNUoS Review of the expansion constant and the elements of the transmission system charged for' and CMP375 'Enduring Expansion Constant & Expansion Factor Review'	07 February 2024	TBC pending update on National Pricing Reform (previously 07 February 2025)
CMP316 'TNUoS Charging Methodology for Co-located Generation'	08 August 2025	10 December 2025 (previously October 2025)
CMP330&CMP374 'Allowing new Transmission Connected parties to build Connection Assets greater than 2km in length and Extending contestability for Transmission Connections'	10 August 2023	TBC subject to CMP414 send back
CMP344 'Clarification of Transmission Licensee revenue recovery and the treatment of revenue adjustments in the Charging Methodology'	09 July 2025	10 December 2025 (previously October 2025)
CMP397 'Consequential changes required to CUSC Exhibits B and D to reflect CMP316 (Co-located Generation Sites)'	12 June 2024	10 December 2025 (previously October 2025)
CMP447 'Removal of designated strategic works from cancellation charges/securitisation'	21 October 2025	10 December 2025 (previously November 2025)
CMP448 'Introducing a Progression Commitment Fee to the Gate 2 Connections Queue'	04 July 2025	08 December 2025 (previously November 2025)
CMP453 'To Bill BSUoS on a net basis at BSC Trading Units'	11 November 2025	TBC

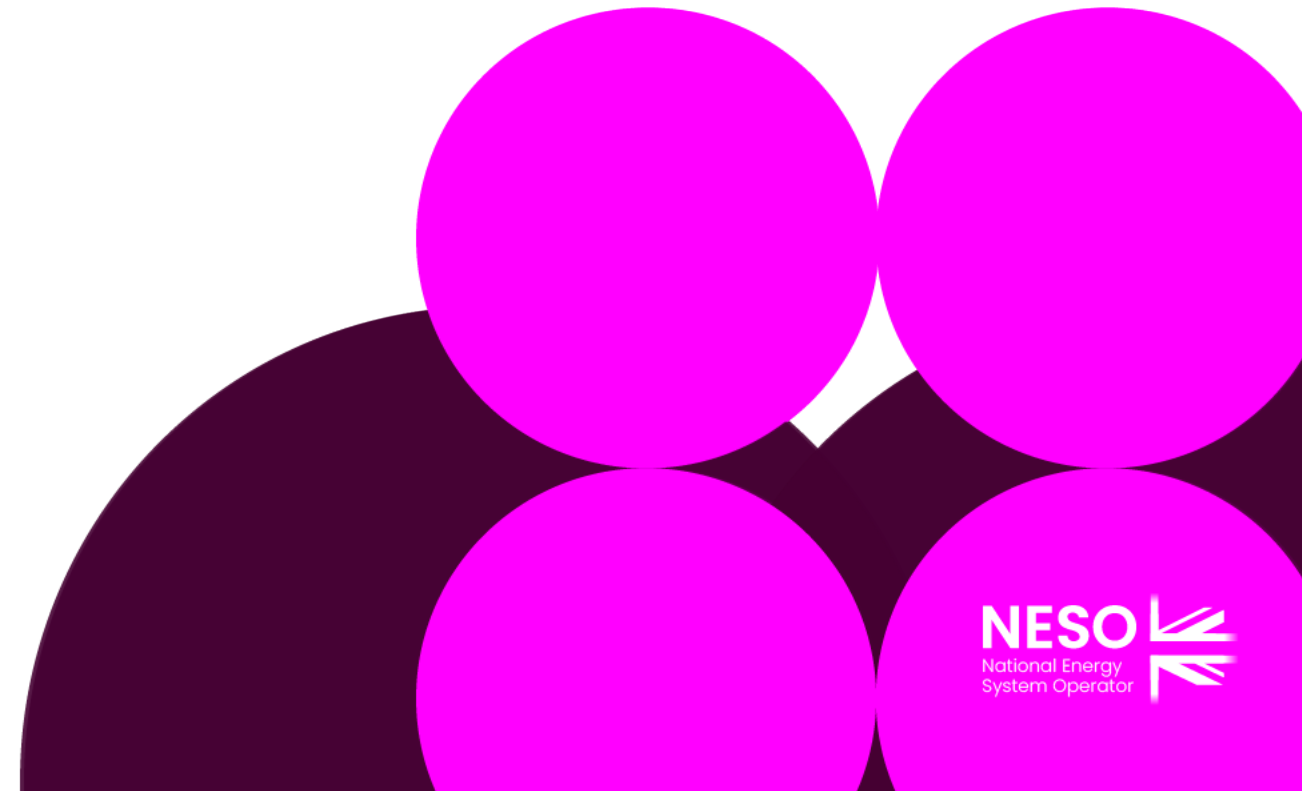
The Authority's publication on decisions can be found on their website below:

<https://www.ofgem.gov.uk/publications/code-modificationmodification-proposals-ofgem-decision-expected-publication-dates-timetable>

New Modification

CMP456: Cost recovery for legacy plant in relation to GC0168

Tim Ellingham, RWE



CMP456 Critical Friend Feedback

Code Administrator comments	Amendments made by the Proposer
Formatting changes made Overview reworded Acronyms added Clarification required on Proposer’s solution and Code objectives Request for more information on urgency criteria Reference material added	Proposer accepted all amendments made by the Code Administrator

CMP456

Cost recovery for Grid Code Modification GC0168

Issue

- GC0168 enables the NESO to request Electromagnetic Transient Models from Generators where one has not been provided previously
- These models are non-trivial to produce, particularly for legacy plant where they may need to be produced by interrogating installed equipment
- This can be a specialist task that even OEMs are not prepared to undertake
- Modelling costs have been seen into the multiple £ 200+ per BMU, looking at legacy CCGTs this could be 30 BMUs. Long established windfarms also lack these models
- The benefit of the model is purely for the NESO
- Urgency required due to Ofgem openly backing GC0168 without a link to CMP456. Will incentivise a move for model request prior to a cost recovery mechanism being in place

Proposal

- Allow Generators to recover the cost of EMT model production from the NESO and subsequently BSuoS (subsequent charging mod required) in a similar fashion to the ESRS recovery in CMP398
- Costs to be recovered
- It is proposed that recoverable costs encapsulate:
 1. EMT model production:
 - a. Procurement of a suitable contractor
 - b. Physical interrogation of existing control system
 - c. Production of equivalent model in PSCad (version#) as required by NESO
 - d. Model User guide and report creation
 - e. Liaison with NESO for verification, see below
 2. Model verification physical test runs (when the plant is to be run out-of-merit):
 - a. Out of the money market equalisation (possibly by a pre-arranged BOA/7a trade)
 - b. Contractor on-site fees

Proposal

Outline Process to be followed (detail to be developed by workgroup)

- NESO request the EMT model and agree the parameters of the model.
- Generators assess the cost of providing the EMT model. Generators seek ex ante pre-expenditure approval requests for costs in excess of £[200]k.
- Generators develop the EMT model and make ex post claim for costs.
- NESO panel assess costs and can request further information if needed.
- Dispute resolution process to be discussed by workgroup.
- Payment of agreed costs by NESO to generator either in single sum or instalments, in a time frame to be discussed by the workgroup.
- There will need to be a cut-off date such that generators connected after a certain date will not be eligible to apply for refund of EMT model costs. This should be determined by the workgroup.

Proposer's Justification vs Ofgem's Urgency Criteria

The Proposer recommends that this modification should be treated as an Urgent Modification proposal and be assessed by a Workgroup.

Ofgem's Urgency Criteria	Proposer's Justification
a) A significant commercial impact on parties, consumers or other stakeholder(s).	<p>If a large focus of the retrospective modelling requirement is aimed at legacy plant, then this will capture most, if not all, Combined Cycle Gas Turbine power stations in the country. EMT and Root Mean Square model requirements were not present when these sites were built, so it follows that these sites are unlikely to have one prepared. There is currently circa 30GW of CCGT with around 26GW likely pre-dating an EMT model requirement, representing about 31 Balancing Mechanism Units. Costs for EMT models from OEMs can run far in excess of £200k per unit. Without this modification being in place there is a significant cost exposure to the industry parties could, in certain circumstances, call in to question the viability of low merit order sites, leading to the request for urgency on point a).</p> <p>The required models are considered to be of essential use by NESO and this modification will enable timely acquisition of these models, which without cost recovery may result in delays in obtaining. Therefore, there are societal benefits to be gained in relation to operating a stable and secure system.</p>
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	

CMP456 Proposed Urgent Timeline

Milestone	Date	Milestone	Date
Modification presented to Panel	12/12/2025	Code Administrator Consultation (5 Business Days)	31/03/2026 – 07/04/2026
Workgroup Nominations (3 Business Days)	12/12/2025 – 19/12/2025	Draft Final Modification Report (DFMR) issued to Panel	16/04/2026
Ofgem grant Urgency	19/12/2025 (5pm)	Panel undertake DFMR recommendation vote	24/04/2026
Assuming Ofgem have granted Urgency: Workgroup 1 Workgroup 2 Workgroup 3 Workgroup 4 Workgroup 5	06/01/2026 14/01/2026 21/01/2026 28/01/2026 02/02/2026	Final Modification Report issued to Panel to check votes recorded correctly	24/04/2026
Workgroup Consultation (5 Business Days)	04/02/2026 – 11/02/2026	Final Modification Report issued to Ofgem Ideally within same business day as Panel held (however 1 business day maximum)	24/04/2026
Workgroup 6 – Assess Workgroup Consultation Responses Workgroup 7 Workgroup 8 Workgroup 9 – Workgroup Vote	17/02/2026 25/02/2026 04/03/2026 10/03/2026	Ofgem decision (X Business Days)	TBC
Workgroup report issued to Panel	19/03/2026	Implementation Date	TBC
Panel sign off that Workgroup Report has met its Terms of Reference	27/03/2026		

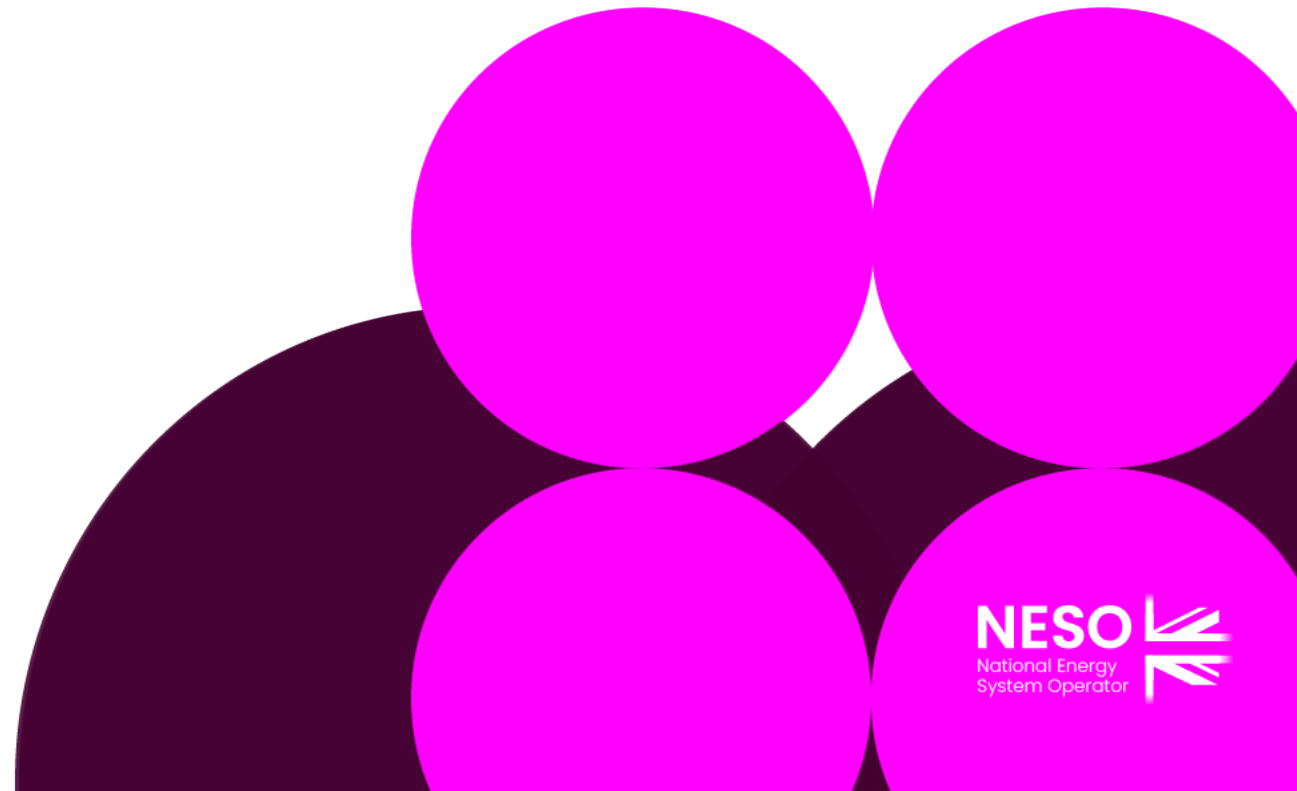
CMP456 Asks of Panel

- **AGREE** that this Modification has a clearly defined defect and scope
- **AGREE** that this Modification should proceed to Workgroup
- **NOTE** that there appear not to be any impacts on the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the CUSC
- **VOTE** whether or not to recommend Urgency
- **AGREE** timetable for Urgency
- **AGREE** Workgroup Terms of Reference
- **NOTE** next steps:
 - Under CUSC Section 8.24.4, we will now consult the Authority as to whether this Modification is an Urgent CUSC Modification Proposal
 - Letter to be sent to Ofgem 12 December 2025
 - Ofgem approval of Urgent treatment sought by 5pm on 19 December 2025
 - 1st Workgroup to be held 06 January 2025

New Modification

CMP466: CMP456 Consequential Charging Modification

Tim Ellingham, RWE



CMP466 Critical Friend Feedback

Code Administrator comments	Amendments made by the Proposer
<p>Formatting changes made</p> <p>Acronyms added</p> <p>Clarification required on Proposer's solution</p> <p>Request for more information on urgency criteria</p> <p>Reference material added</p>	<p>Proposer accepted all amendments made by the Code Administrator</p>

CMP466

CMP456 Consequential Charging Modification

Cost Recovery

- NESO to cover the cost impact of CMP456
- Recovery process required for NESO passthrough
- BSUoS external costs may be the route?
- Change to Section 14 may be required
- Which term to adjust not clear (CMP412 was a similar change but had an explicit term in Section 14 to use)

Proposer's Justification vs Ofgem's Urgency Criteria

The Proposer recommends that this modification should be treated as an Urgent Modification proposal and be assessed by a Workgroup.

Ofgem's Urgency Criteria	Proposer's Justification
a) A significant commercial impact on parties, consumers or other stakeholder(s).	The root modification of the Grid Code under GC0168 will expose Generators to significant costs that could put legacy in financially unviable positions. 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.
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	

CMP466 Proposed Urgent Timeline

Milestone	Date	Milestone	Date
Modification presented to Panel	12/12/2025	Code Administrator Consultation (5 Business Days)	31/03/2026 – 07/04/2026
Workgroup Nominations (3 Business Days)	12/12/2025 – 19/12/2025	Draft Final Modification Report (DFMR) issued to Panel	16/04/2026
Ofgem grant Urgency	19/12/2025 (5pm)	Panel undertake DFMR recommendation vote	24/04/2026
Assuming Ofgem have granted Urgency: Workgroup 1 Workgroup 2 Workgroup 3 Workgroup 4 Workgroup 5	06/01/2026 14/01/2026 21/01/2026 28/01/2026 02/02/2026	Final Modification Report issued to Panel to check votes recorded correctly	24/04/2026
Workgroup Consultation (5 Business Days)	04/02/2026 – 11/02/2026	Final Modification Report issued to Ofgem	24/04/2026
Workgroup 6 – Assess Workgroup Consultation Responses Workgroup 7 Workgroup 8 Workgroup 9 – Workgroup Vote	17/02/2026 25/02/2026 04/03/2026 10/03/2026	Ofgem decision	TBC
Workgroup report issued to Panel	19/03/2026	Implementation Date	TBC
Panel sign off that Workgroup Report has met its Terms of Reference	27/03/2026		

CMP466 Asks of Panel

- **AGREE** that this Modification has a clearly defined defect and scope
- **AGREE** that this Modification should proceed to Workgroup
- **NOTE** that there appear not to be any impacts on the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the CUSC
- **VOTE** whether or not to recommend Urgency
- **AGREE** timetable for Urgency
- **AGREE** Workgroup Terms of Reference
- **NOTE** next steps:
 - Under CUSC Section 8.24.4, we will now consult the Authority as to whether this Modification is an Urgent CUSC Modification Proposal
 - Letter to be sent to Ofgem 12 December 2025
 - Ofgem approval of Urgent treatment sought by 5pm on 19 December 2025
 - 1st Workgroup to be held 06 January 2025

Inflight Modification Updates

- CMP440: Re-introduction of Demand TNUoS locational signals by removal of the zero-price floor
Timeline Update

CMP440: Re-introduction of Demand TNUoS locational signals by removal of the zero price floor Timeline Update

	Workgroup Report issued to Panel	DFMR issued to Panel	FMR issued to Ofgem	Decision Date	Implementation Date
Previous timeline	04 December 2025	19 February 2026	13 March 2026	30 September 2026	01 April 2027
New timeline	22 January 2026	19 March 2026	09 April 2026	30 September 2026	01 April 2027

Rationale: Timeline extended by one month due to a lack of Proposer availability to attend the final Workgroup meeting.

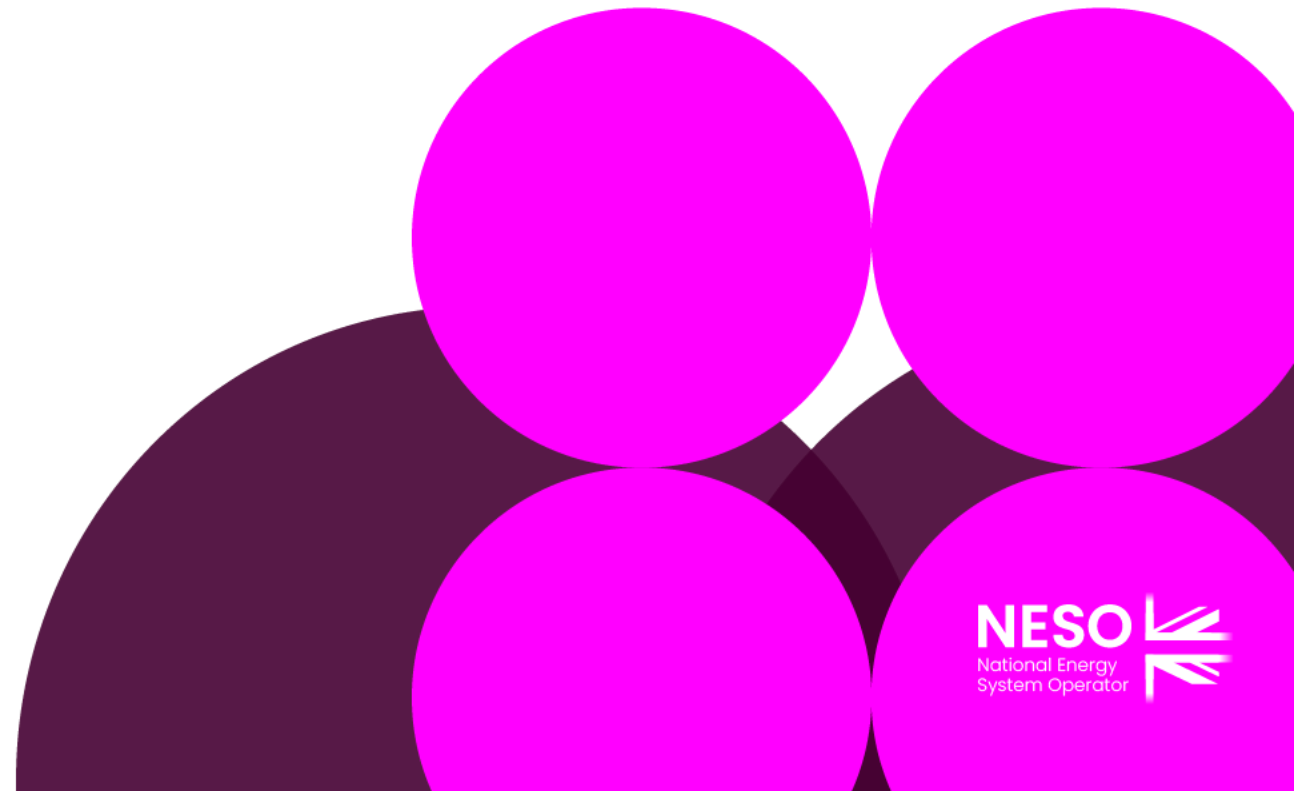
Workgroup Remaining: 1

CMP440– the asks of Panel

- **AGREE** revised timeline

Panel Modification Tracker

Catia Gomes, Code
Administrator



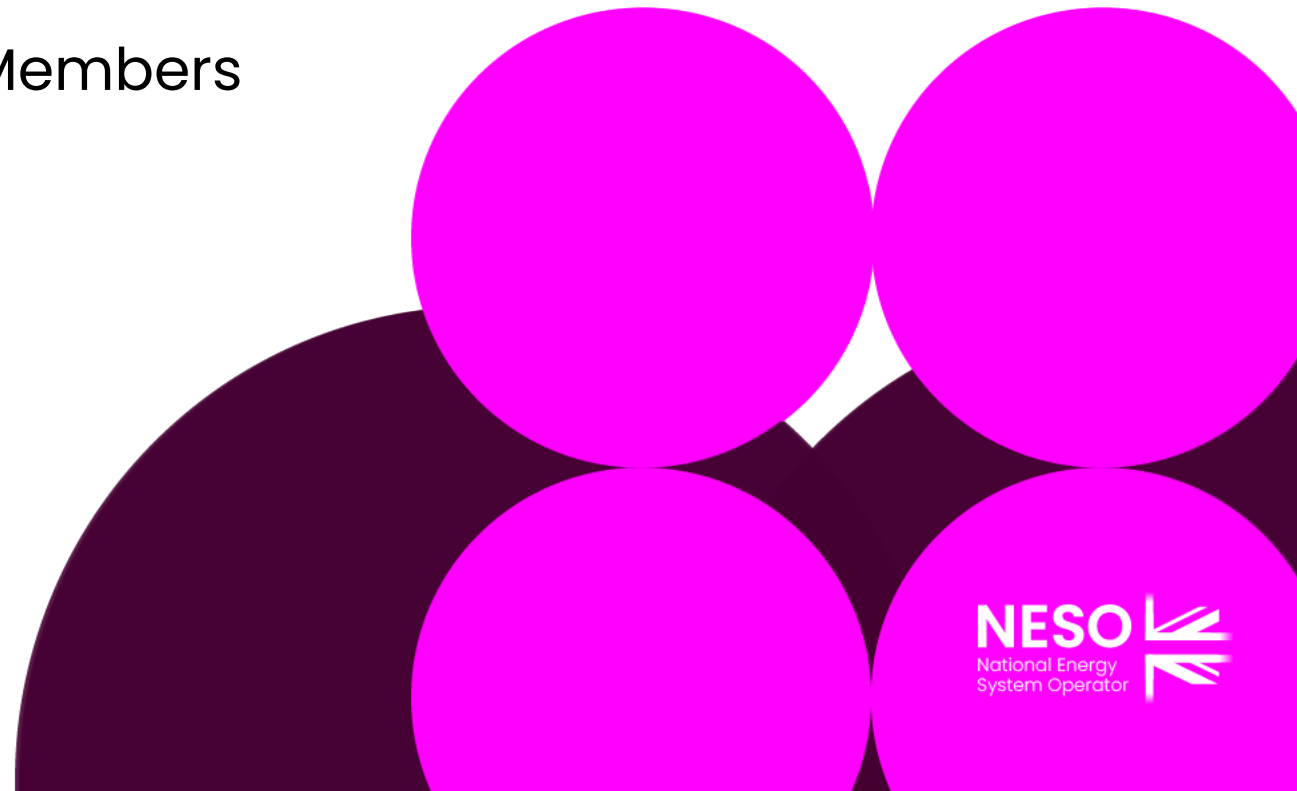
Draft Final Modification Reports

- [CMP462](#): Provision for Alternate Panel Members
- [CMP463](#): Stabilising the Specific Onshore Expansion Factors from 1st April 2026

Draft Final Modification Report

CMP462: Provision for Alternate Panel Members

Catia Gomes



Solution

Solution:

The purpose of this modification is to 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.

Code Administrator Consultation Responses

Summary of Code Administrator Consultation Responses:

The Code Administrator Consultation was issued on the 11 November closed on 25 November 2025 and received 03 non-confidential responses and 0 confidential responses. Key points were:

- Two respondents agreed that the CMP462 Original Proposal better facilitates CUSC Applicable Objective (iv).
- One respondent did not believe that increasing the administrative burden on the CUSC Election Process will better facilitate the Applicable CUSC Objectives than the Baseline.
- All respondents are supportive of the implementation approach.
- One respondent stated that by implementing this modification will enable the election of Alternate Panel Members, reducing delays in modification proposals and ensuring robust governance by addressing quoracy issues that have led to rearranged or cancelled special.
- One respondent noted it is unlikely that an Alternate Election Process would change the CUSC Election Process outcome.
- No legal text issues identified.

Further Points of Consideration

- Do Panel members want to raise any further points of consideration for the modification before the vote takes place?

CMP462 Asks of Panel

- **NOTE** that this Modification does not impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the CUSC
- **VOTE** whether or not to recommend implementation
- **NOTE** next steps

CMP462 Next Steps

Milestone	Date
Final Modification Report issued to Panel to check votes recorded correctly (5 Business Days)	04 December 2025
Submission of Final Modification Report to Ofgem	12 December 2025
Ofgem decision date	TBC
Implementation Date	5 Business Days after Authority Decision

EBR Article 3 Objectives

For reference, the Electricity Balancing Regulation (EBR) Article 3 (Objectives and regulator aspects) are:

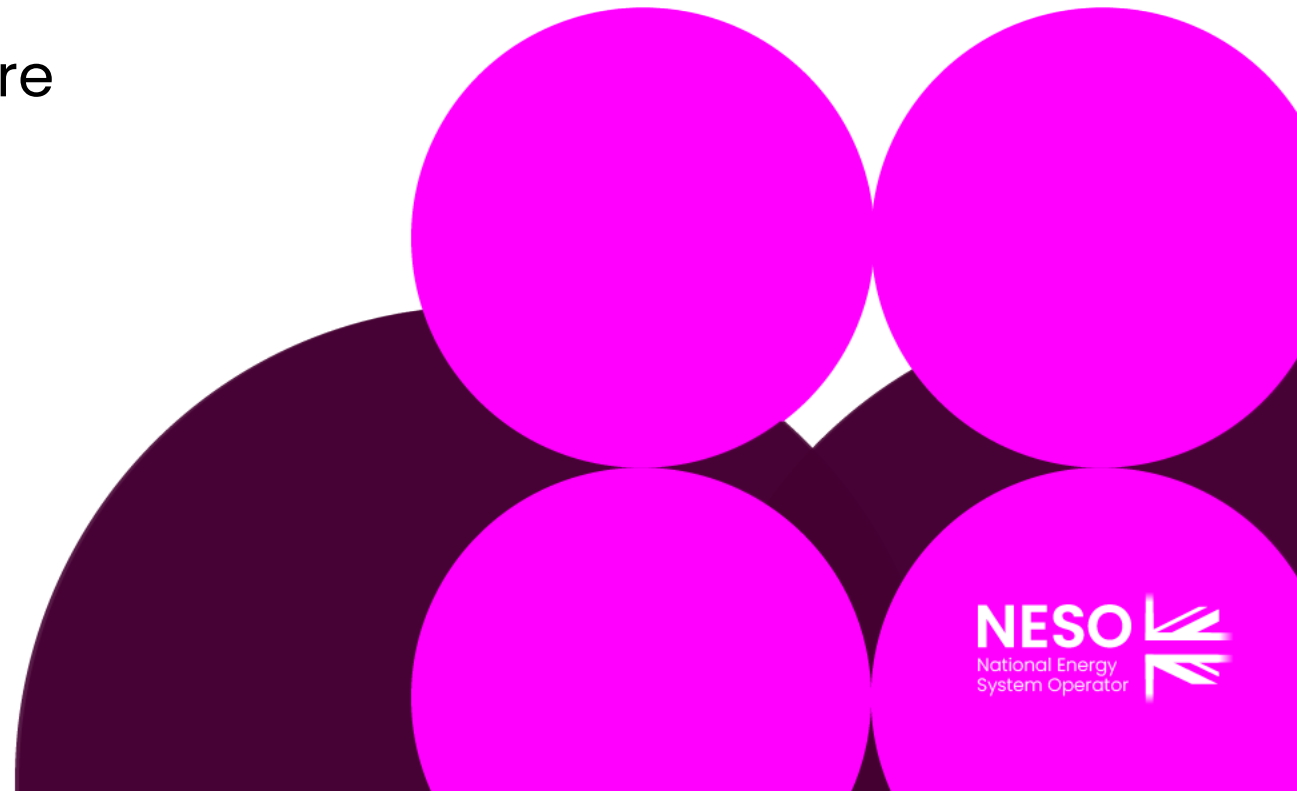
This Regulations aims at:

1. Fostering effective competition, non-discrimination and transparency in balancing markets;
2. enhancing efficiency of balancing as well as efficiency of national balancing markets;
3. integrating balancing markets and promoting the possibilities for exchanges of balancing services while contributing to operational security;
4. contributing to the efficient long-term operation and development of the electricity transmission system and electricity sector while facilitating the efficient and consistent functioning of day-ahead, intraday and balancing markets;
5. ensuring that the procurement of balancing services is fair, objective, transparent and market-based, avoids undue barriers to entry for new entrants, fosters the liquidity of balancing markets while preventing undue market distortions;
6. facilitating the participation of demand response including aggregation facilities and energy storage while ensuring they compete with other balancing services at a level playing field and, where necessary, act independently when serving a single demand facility;
7. facilitating the participation of renewable energy sources and supporting the achievement of any target specified in an enactment for the share of energy from renewable sources.

Draft Final Modification Report

CMP463: Stabilising the Specific Onshore
Expansion Factors from 1st April 2026

Catia Gomes



Solution

Solution:

Similar to CMP353; which held that the Non-Specific Expansion Factors be held at the rate prior to the Price Control (RIIO-T2 at the time of CMP353, now RIIO-T3 in this case of this CMP463 modification); CMP463 modification proposes consistent treatment for the Specific Expansion Factors until such time as the new baseline is replaced by a different methodology (as we see with CMP315¹³/375¹⁴).

The existing Specific Expansion Factors; already calculated and in use; will be held at the same rates as for the Financial Year 2025/26 and will remain at those rates (for subsequent Financial Years, starting with 2026/27) until any further changes arising from Ofgem's TNUoS review is made to the Section 14 methodology.

Code Administrator Consultation Responses

Summary of Code Administrator Consultation Responses:

The Code Administrator Consultation was issued on the 21 November closed on 25 November 2025 and received 08 non-confidential responses and 0 confidential responses, including no late responses. Key points:

- 7 out of 8 respondents believe that CMP463 Original proposal better facilitates Applicable Objectives (d) and (e).
- One respondent believes that CMP463 Original proposal also better facilitates Applicable Objective (f).
- One respondent disagrees that the CMP463 Original proposal would better facilitate any of the Applicable CUSC Objectives.
- Seven respondents support the proposed implementation approach.

Further Points of Consideration

- Do Panel members want to raise any further points of consideration for the modification before the vote takes place?

CMP463 Asks of Panel

- **NOTE** that this Modification does not impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the CUSC
- **VOTE** whether or not to recommend implementation
- **NOTE** next steps

CMP463 Next Steps

Milestone	Date
Final Modification Report issued to Panel to check votes recorded correctly (5 Business Days)	04 December 2025
Submission of Final Modification Report to Ofgem	12 December 2025
Ofgem decision date	13 January 2026
Implementation Date	01 April 2026

EBR Article 3 Objectives

For reference, the Electricity Balancing Regulation (EBR) Article 3 (Objectives and regulator aspects) are:

This Regulations aims at:

1. Fostering effective competition, non-discrimination and transparency in balancing markets;
2. enhancing efficiency of balancing as well as efficiency of national balancing markets;
3. integrating balancing markets and promoting the possibilities for exchanges of balancing services while contributing to operational security;
4. contributing to the efficient long-term operation and development of the electricity transmission system and electricity sector while facilitating the efficient and consistent functioning of day-ahead, intraday and balancing markets;
5. ensuring that the procurement of balancing services is fair, objective, transparent and market-based, avoids undue barriers to entry for new entrants, fosters the liquidity of balancing markets while preventing undue market distortions;
6. facilitating the participation of demand response including aggregation facilities and energy storage while ensuring they compete with other balancing services at a level playing field and, where necessary, act independently when serving a single demand facility;
7. facilitating the participation of renewable energy sources and supporting the achievement of any target specified in an enactment for the share of energy from renewable sources.

Discussions on Prioritisation

- Monthly review of the prioritisation stack

Standing Groups

Updates on all standing groups relevant to CUSC Panel e.g. potential for future governance changes or modifications

TCMF – NESO Panel Member

- Previous meeting – 20 November 2025 [Meeting materials and Headline Report](#)
- Next meeting – 08 January 2026

European Updates

Updates on all European developments relevant to CUSC panel e.g. potential for future governance changes or modifications

- European Code Development – Nadir Hafeez
- Joint European Stakeholder Group – Garth Graham
 - Previous meeting – 09 December 2025
 - Next meeting – 13 January 2026

Updates on other industry codes

27 November 2025 Special Grid Code Review [Panel Papers and Headline Report](#)

05 December 2025 SQSS [Panel Papers and Headline Report](#)

10 December 2025 STC [Panel Papers and Headline Report](#)

11 December 2025 Grid Code Review [Panel Papers and Headline Report](#)

BSC Updates– JS

DCUSA Update – KH

Any other business

- Ofgem Demand connections update

Activities ahead of the next Panel Meeting

Transmission Charging Methodologies Forum	08 January 2026
Modification Proposal Deadline for January Panel	15 January 2026
Papers Day	22 January 2026
Panel Meeting	30 January 2026 (Faraday House)

Close

Anthony Pygram
Independent Chair,
CUSC Panel