

Anthony Pygram
Independent Chair
CUSC Panel

Email: Connections@ofgem.gov.uk

Date: 9 December 2025

Dear Mr Pygram,

**Decision on urgency for the Connections and Use of System Code (CUSC)
modification proposal CMP465: 'Construction Progression Milestones (M5-M8)
Neutrality'**

On 13 November 2025, SSE Generation (the 'Proposer') raised CUSC modification proposal CMP465.¹ Following the CUSC Modification Panel (the 'Panel') meeting on 21st November, we received a request for CMP465 to be treated as an urgent modification proposal.²

This letter sets out our decision that CMP465 will not progress on an urgent basis.

Background

The TMO4+ reform package³, approved by Ofgem in April 2025, reforms the existing connections queue to prioritise those projects in a firm Gate 2 connections queue that are 1) 'ready' and 2) 'needed' (ie meeting 'Strategic Alignment Criteria') under the CP2030 Action Plan. This reform of the existing queue and (via amendments to existing connection contracts) is achieved through a process known as the 'Gate 2 to Whole Queue' (G2tWQ) exercise. This is the one-off exercise that will streamline the existing connections queue so that it is focused on 'ready' and 'needed' projects.

In October 2025, NESO announced an updated timeline for the delivery of TMO4+, with extension to the time taken for delivery and issuing of the G2tWQ offers, from the end of December 2025 into 2026.⁴ Around the same time, NESO confirmed that for projects that

¹ [CMP465: Construction Progression Milestones \(M5-M8\) Neutrality | National Energy System Operator](#).

² References to the "Authority", "Ofgem", "we", and "our" are used interchangeable 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 [Decision on Connections Reform Package \(TMO4+\) | Ofgem](#).

⁴ [Connections reform timeline | National Energy System Operator](#).

had applied for a Gate 2 Connection Offer as part of G2tWQ, their existing Construction Progression Milestones (Milestone 5 to Milestone 8) dates did not need to be complied with until such time as a relevant Gate 2 offer with updated Milestones had been accepted by the User (ie following completion of G2tWQ).⁵ This marked a change from the previously understood approach where it was expected that existing Milestone obligations would remain in force until a revised Gate 2 connection offer post G2tWQ was signed.

Through stakeholder feedback and discussions at NESO Connection Reform stakeholder webinars, it was identified this timeline extension may adversely affect Users as they may consider pausing progression of their project whilst they await the outcome of G2tWQ. If any projects do so, there is a risk that the delay in progressing could ultimately result in non-compliance with one or more of the relevant Milestones, which would open up the option for NESO to terminate their agreement.

Panel View

On 13 November, SSE Generation raised CMP465. In light of the extension for delivering and issuing G2tWQ offers, CMP465 proposes giving affected Users the option to be placed in the position they would have been, in relation to the M5-M8 Milestones, had the extension not occurred.

Prior to the CUSC Modification Panel on 21 November 2025, the Proposer requested to the Panel Secretary for the modification to be treated as urgent. At the meeting, they outlined their rationale for urgency, citing criteria *a) A significant commercial impact on parties, consumers or other stakeholder(s) and c) A party to be in breach of any relevant legal requirements* of the Ofgem Code Modification Urgency Criteria.⁶ This was driven by the concern that Users could be at risk of termination for failing to comply with Milestones which could have a significant commercial impact on them. A majority of the Panel agreed to recommend to Ofgem that CMP465 should be treated as an urgent CUSC Modification Proposal.

A Panel member outlined that if a project has not been able to progress their project due to NESO delays to the timetable and is now in breach of their Appendix Q Milestones, their connection agreement may be terminated which could have a significant commercial impact on Users. They also outlined if they are not able to meet Appendix Q Milestones this may result in a breach of relevant legal requirements.

⁵ [1. CR General Update October 2025 .pdf](#) slides 10-11.

⁶ [Ofgem Guidance on Code Modification Urgency Criteria | Ofgem](#).

Another Panel member noted the importance of relying on codification of Users' options rather than a non-codified statement of intent. Panel members raised that a clear defect had been created by NESOs successive delays to G2tWQ and considered that the modification would provide legal certainty on extensions to Milestones M5-M8.

NESO acknowledged the concerns from the Proposer but did not believe this was a case for urgency as the defect does not appear clear. They also highlighted an existing mechanism, the Queue Management exceptions process within the CUSC, which they believe addresses the risk raised by the Proposer. NESO informed the Proposer that their intention is to use the exceptions process, highlighted in both the Queue Management Guidance⁷ and CUSC section 16.5, were the risk identified to occur.⁸

Our decision

In reaching our decision, we have considered the details within the Proposal, the justification for requesting urgency, the views of NESO and the views of the CUSC Panel. We have, in particular, assessed the request against the urgency criteria set out in our published guidance.

Our guidance sets out 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.

After consideration of the request, we have decided CMP465 will not be progressed on an urgent basis. We are not satisfied that the criteria are met and in particular criteria a) or c) (as suggested in the urgency request letter). Below, we set out our reasons for rejecting urgency treatment of CMP465; in doing this, we recognise that the reason the Proposal has been raised and the argued bases for urgency are intrinsically linked.

G2tWQ and Queue Management Milestones

The Gate 2 connection offer dates that eligible existing Users receive following G2tWQ (from CMP435⁹) will have queue management (QM) Milestones applied and set proportionately according to their confirmed Gate 2 connection offer date. The effect of this

⁷ [Queue Management Guidance | NESO](#).

⁸ [CUSC Section 16 - Queue Management Process | NESO](#).

⁹ [CMP435-Final-Decision.pdf](#).

(and other provisions contained in more detail in the NESO Queue Management guidance¹⁰) is to avoid detriment to any Users that undergo G2tWQ in relation to QM Milestone compliance. Users are not expected to have any less time to comply with their QM Milestones than they would have had, were the reforms to not have occurred.

Under the CUSC, NESO has a discretion to terminate where a User misses one of the QM Milestones M5-M8; whereas if a User misses one of the earlier Milestones, M1-M3, NESO must terminate. NESO has committed to undertaking a reasonable and pragmatic approach to exercising its discretion for projects in Milestones M5-M8.

Exceptions Process

Additionally, contained in the NESO Queue Management Guidance is detail on what happens to QM Milestones where Users face exceptional circumstances. In the circumstance where an issue occurs outside a User's control which leads to delays in the User complying with their Milestones, the User may apply for an extension. One of these scenarios which is specifically prescribed for in the existing CUSC arrangements is where a delay is caused by a TO or the NESO.¹¹

We have considered whether there is an imminent or current issue which if not urgently addressed would cause either a significant commercial impact or any party to be in breach of their legal requirements. We have concluded there is not, given there is an Exceptions process already embedded in the CUSC which gives recourse to Users in this situation and the approach NESO has committed to taking in the circumstances. Section 16.5 of the CUSC provides a route for Users to seek extension to their Milestone compliance periods for unexpected delays outside of their control that may affect their ability to comply with their QM Milestone dates.

No User is at risk of termination directly as a result of the G2tWQ process in the absence of CMP465 (whether progressed on an urgent basis or not); the existing CUSC exceptions process allows Users to apply for extension to their QM Milestones dates, in order to ensure they have the right amount of time to comply, considering any delays they may have faced (caused by the delay to the NESO offer timeline in this instance, argued by the Proposer). Therefore, we deem criteria a) and c) of the urgency criteria are not met and we have decided CMP465 will not proceed on an urgent basis.

¹⁰ NESO Queue Management Guidance, page 9; <https://www.neso.energy/document/358986/download>.

¹¹ CUSC section 16.5.

Next Steps

We have liaised with NESO and can confirm that any User that applies for an extension under CUSC s16.5 due to the postponed timeline for connection offer rollout post-G2tWQ – where it is suitably evidenced that this delay has resulted in a User being unable to meet any of its QM Milestones – will have such an application granted by NESO. Their QM Milestone date(s) will be extended by a period proportionate to the delay the User has experienced in receiving their Gate 2 Offers; these Users will experience no detriment to their QM Milestone compliance period(s) as this delay was outwith their control. Further, NESO will update the QM guidance by the end of 2025 to confirm this position for the benefit of connection customers. NESO will also host explanatory webinars with Connection Customers in December 2025 and January 2026 to ensure customers are aware of the existing QM exceptions process, how and when to apply, and what it means for them.

We expect that only customers that are at risk of missing any of their QM Milestones (for a reason outwith their control) will seek to apply for extension. We therefore encourage any affected Users to consider applying to NESO for an extension to their QM Milestones, per s16.5 CUSC, in the timelines set by NESO in its updated QM guidance that will be issued by end of 2025. This will ensure User QM Milestones are still met and any commercial impact or breach of legal requirements can be avoided. We consider that this commitment from NESO gives sufficient reassurance to projects of the reasonable approach it will take in these circumstances.

For the avoidance of doubt, in assessing this request for urgency, nothing in this letter in any way fetters our discretion in respect of the Proposal.

If you have any comments or questions about this letter, please contact:
connections@ofgem.gov.uk.

Yours sincerely,

Neal McLaughlin
Head of Policy – Connections Reform and Governance
Duly authorised on behalf of the Authority