

Queue Management Guidance

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0.1	Kavita Patel	September 2023	First draft
0.2	Kavita Patel	November 2023	First published
0.3	Kavita Patel	January 2024	Removal of the calculator link and updated links for reference materials.
2.0	Izzie Sunnucks	June 2025	Update to reflect CMP 434 and 435 and to remove outdated sections
3.0	Ruth Matthew	December 2025	Update of exceptions

1. Introduction

On 13 November 2023, code change CMP376: *Inclusion of Queue Management process within the CUSC* was introduced to manage Transmission Construction Agreements. The code changes apply across Great Britain, including . CMP 376 introduced the right for the National Energy System Operator (NESO) to terminate Construction Agreements with Users which are not progressing against User Progression Milestones via the Queue Management process. It aims to enable full use of network capacity, to support more robust network investment decisions, and to allow projects which are progressing the best chance to connect. Queue Management was then aligned with Connections Reform by CMP434: *Implementing Connections Reform*, and the changes also apply in respect of CMP 435 (HYPERLINK "<https://www.neso.energy/industry-information/codes/cusc/modifications/cmp435-application-gate-2-criteria-existing-contracted-background>"Application of Gate 2 Criteria to existing contracted background). This updated guidance reflects the current arrangements.

There are similar, but separate, arrangements already in place for Distribution Connections (link to the ENA guidance can be found [here](#)).

2. Overview of the Transmission Queue Management process

2.1. General objectives and application

The key components of the Transmission Queue Management process are:

- A set of eight prescribed User Progression Milestones to be added into Users' Construction Agreements by the addition of an Appendix Q;
- Associated timescales by which each of the eight User Progression Milestones must be met by the connecting User;
- The acceptable forms of evidence that Users must provide to NESO to confirm User compliance with their eight User Progression Milestones, and associated checks that will be carried out;
- Requirements for ongoing compliance, including evidence and process; and
- Outcomes for resolving non-compliance, including an Exceptions process and powers for NESO to terminate Agreements where one (or more) of the User Progression Milestones has not been met.

Detailed provisions are set out in CUSC Section 16. Each User's Construction Agreement Appendix Q sets out project-specific User Progression Milestone dates.

The Transmission Queue Management process in CUSC does not apply to parties embedded in a distribution system as they are subject to the (separate) Distribution Queue Management process through their arrangements with the DNO.

This Transmission Queue Management process only applies to projects connected to the National Electricity Transmission System. This includes Offshore wind farm projects and other Offshore projects, but not any Offshore Transmission, including where being built by that wind farm (i.e. the 'OTSDUW') which will, on transfer to an Offshore Transmission Owner (OFTO), form part of the National Electricity Transmission System.

Applicants that apply for a Gate 1 Offer or do not meet the Gate 2 Criteria will receive a Gate 1 Agreement to Vary or Gate 1 Offer (depending on whether CMP434 or CMP435) and will not be required to meet User

Progression Milestone compliance¹ until (if and when) they subsequently meet the Gate 2 Criteria and sign a Gate 2 Agreement. The Gate 2 Agreement will include the User Progression Milestones.

2.2. Queue Management Milestones

The Queue Management Milestones can be divided into two categories based on NESO's termination rights: NESO will terminate projects that do not meet Conditional Progression Milestones, unless there is a valid exception in place (see Section 5 below). NESO has the right to terminate projects that do not meet Construction Progression Milestones.

Milestone	Detail	Milestone type
Milestone 1 - Initiated Statutory Consents and Planning Permission	Where statutory consents are needed for the construction of the User's project, the User must start the process of obtaining these consents, including Planning Permission, within the specified timescales and must be able to provide the necessary evidence of this.	Conditional Progression Milestone
Milestone 2 - Secured Statutory Consents and Planning Permission	Where statutory consents are required for the construction of the User's project, the User must have secured these consents, including Planning Permission, within the specified timescales and must be able to provide the necessary evidence.	
Milestone 3 - Secure Land Rights	The User must have secured the necessary land rights to enable project construction. This means the User may either be the owner/occupier of the land or have the required agreement from the owner/occupier.	
Milestone 4 - N/A	This milestone does not apply for Transmission	
Milestone 5 - Contestable Design Works Submission	This milestone will apply where a User has gone down the contestable route for connection.	Construction Progression Milestones
Milestone 6 - Agree Construction Plan	The User must have agreed on a construction plan for the detailed User's Works with NESO which demonstrates how they will be progressing the User's Works to achieve the Completion Date.	
Milestone 7 - Project Commitment	This milestone demonstrates that the project has the necessary commitment or backing for it to proceed.	
Milestone 8 - Initiate Construction	Project construction is the phase from when a User begins the site works to carry out the	

¹ As per CUSC Clause 16.1 "Although provision for this process is included within Gate 1 Agreements the process and provisions within this Section will only be actively applied in Gate 2 Agreements."

	construction of its project until the completion of the User's Works.	
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Table 1 - Queue Management Milestone types and details

2.3. Milestone calculation method

User Progression Milestones: The dates of the User Progression Milestones will be included in the Construction Agreement (Appendix Q). The dates for these will be calculated (except in the case of User Progression Milestone M1, as set out below) by working backwards from the contract Completion Date. Milestone duration time is determined from the look-up table as per CUSC Section 16.

Milestone	0 – 2 years (729 days)	2 - 3 years (730 – 1094 days)	3 – 4 years (1095 – 1459 days)	4 – 5 years (1460 – 1824 days)	5 years (1825 days) +
M1 – Initiated Statutory Consents and Planning Permission (see also below)	Bilaterally Negotiated	18 months	24 months	36 months	48 months
M2 – Secured Statutory Consents and Planning Permission		12 months	18 months	24 months	30 months
M3 – Secured Land Rights		21 months	27 months	39 months	51 months
M5 – Contestable Design Works Submission		12 months	15 months	18 months	21 months
M6 – Agree Construction Time		9 months	12 months	15 months	18 months
M7 – Project Commitment		6 months	9 months	12 months	15 months
M8 – Initiate Construction		3 months	6 months	12 months	15 months

Table 2 – Queue Management Milestone backwards calculation

Where durations are referred to as being “bilaterally negotiated”, NESO, the Relevant Transmission Licensee and the User will aim to agree the milestone durations during the Offer preparation period. If these have not been agreed, Appendix Q will reflect the durations proposed by NESO and Relevant Transmission Licensee and discussions will continue with a view to agreeing these during the Offer acceptance period.

User Progression Milestone M1:

<u>Relevant Planning Regime / Technology Type</u>	<u>Timescale from Gate 2 Modification Offer date (CMP435) or Gate 2 Offer date (CMP434) to User Progression Milestone M1</u>
Town and Country Planning (England, Scotland and Wales)	2 years

Section 36 (England/Scotland)	3 years
Development of National Significance (Wales)	3 years
NSIP / DCO (England and Wales)	3 years
Offshore (including Offshore Wind, Interconnectors and OHAs)	5 years
Nuclear	Case by Case
Novel technologies	Case by Case

Table 3 – Queue Management Planning Regime and Technology Types

Where a specific technology type is referenced in Table 3, the M1 timescale associated with that technology type will take precedence over the planning type timescale. For example, for an offshore wind farm subject to Section 36 planning, the duration will be 5 years, even though the duration for Section 36 planning is 3 years.

All durations for milestones other than User Progression Milestone M1 are calculated back from the contract Completion Date.

M1 Adjustment Exception Process:

Unless M1 has already been met at the time of the Gate 2 Modification Offer date (CMP435) or Gate 2 Offer date (CMP434), the durations will be the earlier of:

- (a) the date calculated forwards from the Gate 2 Modification Offer date (CMP435) or Gate 2 Offer date (CMP434) to M1 as set out in Table 3; or
- (b) the date calculated back from the contract Completion Date.

If the forward calculated date is the earlier of the two, the User has (under CUSC Section 16) the possibility of an adjustment exception process. This process allows the User to demonstrate with evidence that a forward calculated M1 would have a detrimental impact on the project. If the evidence is accepted by NESO, the customer will be able to propose a new M1 date no later than the backwards calculated M1. Further detail is provided below at 4.1.2. For an example of how the calculation will work in practice, please see Appendix 1.

2.4. Queue Management Milestones and Modification Applications

Once Queue Management Milestones have been added to Construction Agreements, Modification Applications made by a User to realign the construction programme will not automatically change the User Progression Milestone Dates.

This section lists example Modification Application scenarios and the consequences to Appendix Q. This list is non-exhaustive.

Scenarios resulting in no adjustment to the contracted queue management milestone dates:

- As per NESO's Material Technology Change Guidance and Gated Modification Guidance, where an agreement includes an additional technology (or technologies) and/or Transmission Entry Capacity (TEC) which later meets the Gate 2 Criteria, will be provided with a new queue position and so will be provided with a new Appendix Q in respect of the additional technology (or technologies) and/or TEC. Therefore, the existing contracted queue management milestones for the existing technology (or technologies) and/or TEC will not be adjusted.
- Where the User requests a delay to the completion date of more than one year the contracted queue management milestones will not be adjusted (unless there is an exception in place – see below).

Scenarios resulting in an adjustment to the contracted queue management milestone dates:

- As per NESO's Material Technology Change and Gated Modification Application guidance, certain changes result in a new queue position being allocated and this will result in a new completion date being issued for some or all of the project. Consequently, new queue management milestone dates will be set for the project or relevant project stage(s) (as the associated new completion date(s) will be based on a later queue position).
- Where a valid exception allows queue milestone adjustment, as per Section 5 below, when assessing the exception, NESO will determine whether the completion date remains unchanged. If a new completion date is issued, the unmet milestones will be assessed to determine whether new milestone dates should be issued.
- As a result of CMP 435, where the contract completion date included within the Gate 2 Modification Offer is not the same as the contracted completion date within the existing agreement, (e.g if Advancement was requested and offered) the Queue Management milestone will be adjusted to reflect that date.

3. Population of User Construction Agreement Appendix Q and interaction with Appendix J

The Construction Agreement provides two appendices that specify target dates: Appendices J and Q. These are connected through the calculation method for Queue Management milestones, which are determined by working backwards from the Completion Date specified in Appendix J (except for M1, as detailed above).

- Appendix J outlines the construction programme as determined by the Relevant Transmission Licensee in the Transmission Owner Construction Agreement. This programme identifies the completion date, which is crucial for calculating the Queue Management milestones.
- Appendix Q provides the User Progression Milestones as calculated in Section 2.3 above.

While an agreement can comprise more than one Appendix Q, it cannot have more than one Appendix J, (which can include completion dates for stages if that is how the project/transmission works are designed).

Where Users have more than one technology in their Construction Agreement, there will be a separate Appendix Q for each technology (populated for the technology when it meets the gate 2 criteria) but only one Appendix J; however, Appendix J can include staged completion dates in some circumstances.

Where Users have multiple stages related to an initial non-firm connection at stage 1 and enduring firm connection at stage 2, with the entire TEC available from stage 1, there will only be one Appendix Q. However, if the project is for multiple technologies, there would be separate Appendix Q for each of the technologies.

Although the milestone dates in Appendix Q are calculated based on dates in Appendix J, they will not necessarily always align. Users will need to be mindful of this where they make Modification Applications to change the Construction Programme (as per Section 2 above).

Under the changes introduced by Connections Reform, Gate 1 contracts will include Queue Management clauses and a blank Appendix Q (Queue Management Process – User Progression Milestones); however, the milestone dates themselves will be provided only through Gate 2 Modification Offers based on the offered completion date (and, in the case of M1, the Gate 2 Modification Offer date).

4. Evidence Requirements, Submission and Checks

4.1. Overview of evidence required from Users to demonstrate progression against milestones

This section sets out the types of evidence NESO requires to verify Users meet each individual User Progression Milestone, as per CUSC Section 16. We also provide guidance on how compliance with M3 (Secure Land Rights) is measured against Users' Original Red Line Boundary and scenarios for potential exceptions. Evidence will be uploaded by the User to the Connections Portal for NESO approval.

Milestone	Evidence Requirement in Code	Examples of acceptable evidence
Milestone 1 - Initiated Statutory Consents and Planning Permission	Submission of planning application to the relevant Statutory Authority or, if the User's project does not require a statutory consent, a declaration from the User to that effect.	<p>Planning application reference number, as provided to the User once they have submitted their application and it has been validated by the relevant Statutory Authority.</p> <p>The Planning Application accepted will be for full planning permissions rather than outline planning permissions or Planning in Principle.</p> <p>If the User's project does not require a statutory consent, then the User needs to provide a signed letter from the company's Director stating that no statutory consent is required.</p> <p>Under the Gate 2 Application process, a User seeking readiness via the planning route may provide their planning reference number later (but before Gate 2 is issued). In these cases, NESO will accept the User providing the application for planning consent under their Gate 2 Application.</p> <p>Further detail on how NESO checks compliance is provided in Section 4.1.3 below.</p>
Milestone 2 - Secured Statutory Consents and Planning Permission	The planning decision notice confirms planning permission has been granted and that this permission allows the User to meet the terms included in its Construction Agreement. Compliance with this milestone is ongoing.	<p>Local Authority issued Secured Statutory Consents and Planning Permission with details of the contracted project (i.e. site, technology and MW).</p> <p>Note: NESO will not accept Meeting minutes, Outline planning permission or Planning in Principle.</p> <p>Further detail on how NESO checks compliance is provided in Section 4.1.3 below.</p>
Milestone 3 - Secure Land Rights	The User shall provide documentation to demonstrate that: (i) the User is an owner or tenant of the land on which the	<p>The User shall provide documentation to NESO to demonstrate ongoing compliance with one of the code requirements.</p> <p>Note that Embedded Power Stations' User Progression Milestones and ongoing land</p>

	<p>(ii) proposed site is or will be situated; or the User has entered into an agreement to lease (which meets the requirement in the Gate 2 Criteria Methodology) the land from the owner of the land on which the proposed site is or will be situated; or</p> <p>(iii) the User has an option to purchase or to lease the land from the owner of the land on which the proposed site is or will be situated and this option meets the requirements and parameters set out in the Gate 2 Criteria Methodology; or</p> <p>(iv) For an Offshore Project, which depending on the type of Offshore Projects (and set out in the LoA Guidance) the land rights are provided by reference to the seabed or Onshore Connection Site (a) the User has entered into an agreement for occupation or use of the seabed upon which the User's project (excluding any OTSDUW) is or will be located or (b) the requirements at (ii) and (iii) above apply.</p> <p>Nb the obligation is to secure and evidence the land right for the site of the installation e.g. Power Station or demand site so the evidence does not relate to rights e.g. easements associated with that site or OTSDUW.</p> <p>Compliance with this milestone is ongoing and additionally measured against the requirements regarding the Original Red Line Boundary as set out in CUSC Paragraph 16.4.9.3.</p>	<p>compliance requirements will continue to be managed by the DNOs and Transmission Connected iDNOs.</p>
Milestone 4 - N/A for Transmission	<p>This milestone does not apply for Transmission Queue Management.</p>	
Milestone 5 - Contestable Design Works Submission This milestone will apply where a User has gone	<p>Written confirmation from the Relevant Transmission Licensee that design obligations as bilaterally agreed in a User-Self Build agreement have been received.</p>	<p>Email/Letter confirmation from the Relevant Transmission Licensee (RTL) to the User to state the design obligations are bilaterally agreed (between the RTL and the User).</p> <p>Note: If a User were to submit a Modification Application (to the NESO) to take on contestable works, this User</p>

down the contestable route for connection.		Progression Milestone will be included in their revised appendices provided with the Agreement to Vary.
Milestone 6 - Agree Construction Plan	The User's construction plan shall demonstrate how the User will be ready for the Commissioning Programme Commencement Date. This must include a detailed programme for the User's Works with a fixed start and end date as agreed with the Relevant Transmission Licensee, and be a programme aligned with the Commissioning Programme Commencement Date and Completion Date.	Email/Letter confirmation from Relevant Transmission Licensee to the User setting out that the Users Construction Programme has been agreed.
Milestone 7 - Project Commitment	<p>One of the following:</p> <ul style="list-style-type: none"> • Binding contract issued by the User for main plant equipment; or • Capital contribution payments made to NESO in advance of connection; or • A decision paper from a formal, minuted meeting of the User's board of directors evidencing Final Investment Decision (FID); or • Award of a governmental or regulatory subsidy which provides financial support or incentive to the User's project. 	<p>One of the following:</p> <ul style="list-style-type: none"> • A copy of a Binding contract, Civil/electrical or Balance of Plant contracts to show it relates to the specific project; or • A document to show award of a governmental or regulatory subsidy has been achieved for the specific project; or • Capital contribution - Not all projects require these and thus this option to evidence M7 will not be open to all Users. In any case, where it does apply, the understanding is that the User would have to have paid for the full value of all connection assets, pre-connection, and in practice this would mean by the time of milestone 7. This could be in lump sum or instalment, dictated by the Relevant Transmission Licensee; or • A signed paper from the User's Board of Directors evidencing a Final Investment Decision.
Milestone 8 - Initiate Construction	Commence construction according to the construction plan agreed under Milestone 6.	<p>Evidence for meeting this milestone will be a letter from the User's Board of Directors or equivalent to state construction has commenced.</p> <p>Additional evidence which can be provided alongside this letter are detailed below:</p> <p>Examples – Photos of the construction works underway at the site, invoice for</p>

	contractors for the construction works underway at the site.
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Table 4 – Queue Management Evidence Requirement and Examples

As per CUSC 16.4.9.3.1, the User is required to confirm at each User Progression Milestone that their project meets the minimum acreage requirements as set out in NESO's LoA Guidance i.e. that the land is equal to or greater than that provided for the technologies included in the 'Gate 2 Application'. Confirmation that the minimum acreage requirement continues to be met must be included when submitting evidence for each User Progression Milestone.

4.1.1. Milestone 1 Adjustment Exception Evidence

If NESO identifies that the M1 forward-looking date is earlier than the backward-looking date while processing the offer, the offer will be issued with the forward-looking date as M1.

It is acknowledged that planning consents are not indefinite. A misaligned timeframe may expose the User to the risk and expenses of facing opposition prematurely, particularly when plans or background circumstances may change. In this case, the User can request for the date to be adjusted to avoid unintended detrimental effects caused by an earlier application for planning. The same mechanism is found in Section 2.3 above and is covered in more detail in Appendix 1. The adjustment depends on NESO being satisfied with the evidence provided by the User, showing how an earlier date would be detrimental to the project; however, please note that any exception under this route only permits the forward-facing milestone to be adjusted to no later than a backwards-facing M1 calculation (unless other exceptions were to apply under CUSC Section 16).

4.1.2. M3 Ongoing Compliance relating to Original Red Line Boundary

The Original Red Line Boundary is provided in accordance with CUSC and the [Gate 2 Criteria Methodology](#).

As per CUSC 16.4.9.3.3, only 50% of any Installed Capacity built within the Original Red Line Boundary can be located outside of the Original Red Line Boundary. Where this Original Red Line Boundary MW calculation results in a number that is less than the total Installed Capacity, the total Installed Capacity will be reduced accordingly. This may result in a TEC and demand reduction and liability to pay cancellation charges. This requirement is set out further in CUSC, including Schedule 2 Exhibit 3 Clause 7.5 (Onshore) and CUSC Schedule 2 Exhibit 3A Clause 7.4 (Offshore) for directly connected projects.

CUSC 16.4.9.3.4 allows a relaxation from the 50% requirement where justified and evidenced by the User in accordance with this guidance. It is at NESO's discretion whether to allow relaxation of the 50% requirement. Users will need to follow the Exceptions Process set out in this guidance if they wish to seek a relaxation from the 50% compliance requirement.

There are several areas that could be considered potentially acceptable exceptions to the 50% Original Red Line Boundary compliance requirement, provided NESO is satisfied with the evidence. These include:

- **Planning surveys** that identify archaeological or environmental risks in specific locations within the Original Red Line Boundary that require avoidance, such as noise or protected species; or
- **Directions from the relevant Planning Authority** to move all or part of the Project Site from within the Original Red Line Boundary; or
- **Using land within the existing Original Red Line Boundary** for community amenity, ecological, and biodiversity enhancements, which may require more capacity to be located outside the Original Red Line Boundary as a result of such enhancements.

If a User wants to explore relaxations for Original Red Line Boundary compliance, we recommend contacting NESO as soon as possible to discuss whether such a relaxation may be granted at NESO's reasonable discretion, including in relation to the above.

If the User is following the Planning route² to meet the Gate 2 Readiness Criteria, the ongoing Original Red Line Boundary compliance requirements will apply once the User has met Queue Management Milestone 2 and then provided the necessary Original Red Line Boundary and Installed Capacity information in accordance with the Gate 2 Criteria Methodology. Please note that Users seeking to meet the Gate 2 Readiness Criteria through the Planning route, who have met Queue Management Milestone M2 at the time of submitting the Readiness Declaration (or where they meet it prior to signature of the Gate 2 Modification Offer), only need to provide the Original Red Line Boundary, Installed Capacity and evidence of minimum acreage requirements upon their signature of the Gate 2 Modification Offer.

4.1.3. Additional evidence checks performed by NESO

Milestone 1 Evidence Check

NESO will confirm against the Planning Portal (if the site is located in England and Wales) or Scottish Government - Energy Consents Unit - Application Search (if the site is located in Scotland) or alternatively it will confirm with relevant Statutory Authority.

Checks will ensure that the application for planning consent is valid and that the site location, technology and capacity are in line with the data submitted to and/ or held by NESO.

Where the User has provided the application for planning consent with their Gate 2 Application, NESO will perform the same verification checks on that document as are done where the planning reference number is required.

Milestone 2 Evidence Check

NESO will validate consents have been secured on the Local Authority website.

Checks will ensure that the site location, technology and capacity are in line with data submitted to and / or held by NESO.

For both Milestones 1 and 2 the capacities checked against the planning portals will adhere to the following rules:

- Where the MW capacity is available in the planning documents, the MW will be higher or equal to the contracted TEC; if a range is provided in the planning documents, the upper limit will be used
- Where the MW capacity is indicative in the planning documents, the MW will be higher or equal to the contracted TEC, and equal to or lower than the upper MW limit of the relevant planning regime (where applicable)
- Where the MW capacity is not available, the MW will be higher than or equal to the TEC, and equal to or lower than the upper MW limit of the relevant planning regime (where applicable).

The table below provides the current upper MW limit of various planning regimes to support customer submissions.

Planning Regime	England	Wales	Scotland
Section 36	Offshore only: 1MW – 100MW + Marine Licence	Offshore only: up to 350MW + Marine Licence	Onshore: over 50MW Offshore: over 1MW + Marine Licence

² For information on the ‘Land’ or ‘Planning’ route, please see NESO’s Gate 2 Criteria Methodology

Town and Country Planning	Onshore: under 50MW ³ Offshore: under 1MW + Marine Licence	Onshore: under 10MW	Onshore: under 50MW Offshore: under 1MW + Marine Licence
Development of National Significance	n/a	10 to 350MW	n/a
Development Consent Order - used for NSIPs⁴	Onshore: over 50 MW ⁵ Offshore: over 100MW	Onshore and Offshore: Over 350MW	n/a Scottish equivalent of a NSIP is Section 36 consent for all over 50MW projects

Table 5 – Queue Management Planning Regime and Capacities

4.1.4. Evidence submission

NESO will notify the User 60 days before each User Progression Milestone is due if the milestone has not been met⁶. NESO will also send a reminder 30 calendar days before the milestone is due if it still has not been met. These notifications will be issued via the customer portal.

NESO and the User should actively engage during project progression meetings to identify and address any risks where the User feels a User Progression Milestone date may not be met. For each User Progression Milestone, the User must submit the required evidence on or before the milestone due date.

NESO will assess the evidence provided and inform the User in writing within 10 business days via the Connections Portal whether or not the evidence submitted is sufficient. If NESO finds the evidence insufficient, it will provide an explanation.

If the evidence for the User Progression Milestone has not been provided to NESO by the User Progression Milestone due date, or if submitted by the due date the evidence is not accepted by NESO as sufficient, the Termination Process will be followed unless one of the exceptional issues (as set out in CUSC Section 16 – and above) is met. It is the responsibility of the User to identify, apply for and provide evidence for any exceptions.

Example 1 for submission of Milestone 1, Conditional Progression Milestones – Automatic NESO Termination

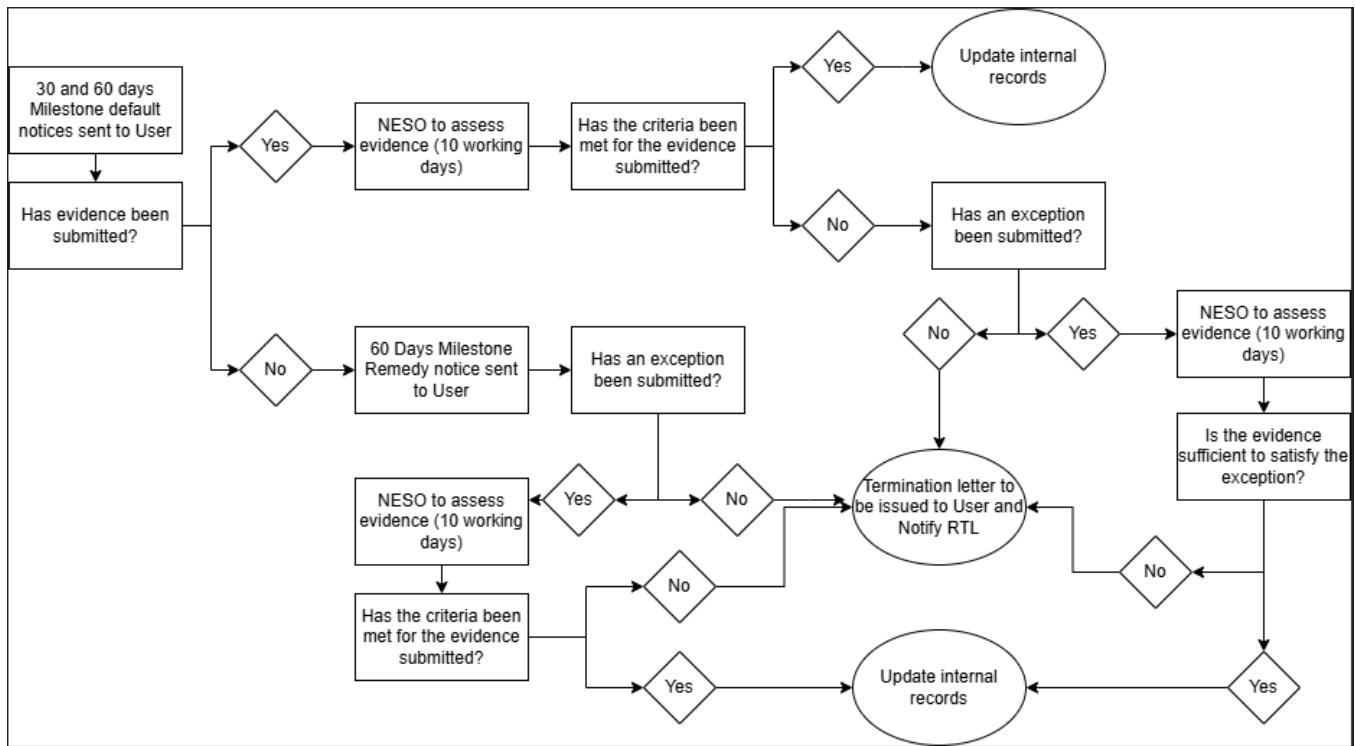
Users are encouraged to submit evidence ahead of the 60- and 30-calendar day reminders being sent.

³ This threshold does not apply to energy storage projects, which are exempt from the NSIP regime (excluding pumped hydro) and are determined under the Town and Country Planning route, regardless of their size

⁴ <https://www.gov.uk/government/consultations/proposed-reforms-to-the-national-planning-policy-framework-and-other-changes-to-the-planning-system/outcome/government-response-to-the-proposed-reforms-to-the-national-planning-policy-framework-and-other-changes-to-the-planning-system-consultation> - see responses to questions 76 and 77

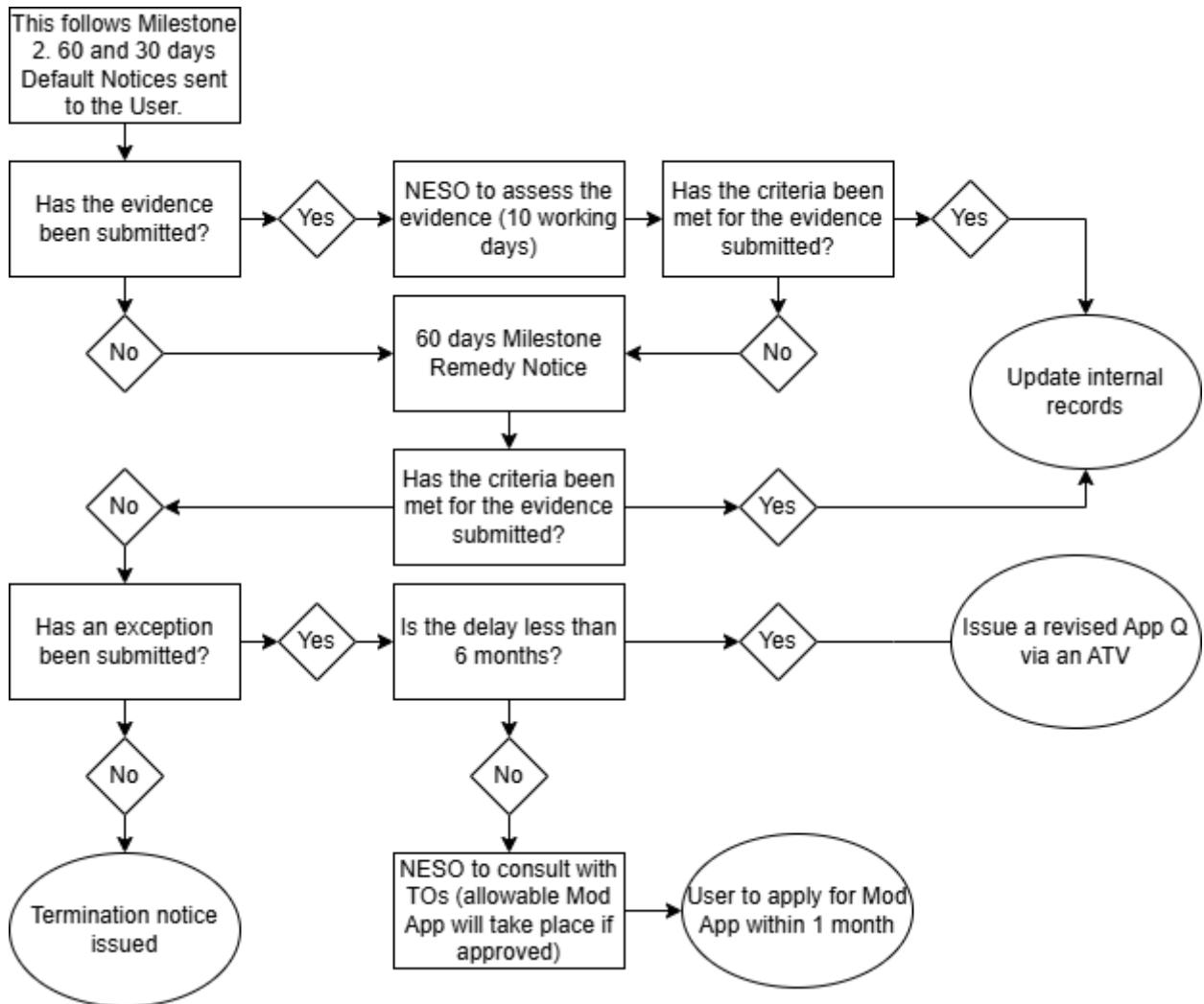
⁵ This will be changed to 100MW for wind and solar later in 2025 when the Infrastructure Planning (Onshore Wind and Solar Generation) Order 2025 comes into force. Other technologies remain unchanged at 50MW and energy storage (excluding pumped hydro) is excluded from the NSIP regime

⁶ Noting 60 days' notice will not be issued where a milestone is part of Readiness Declaration submission



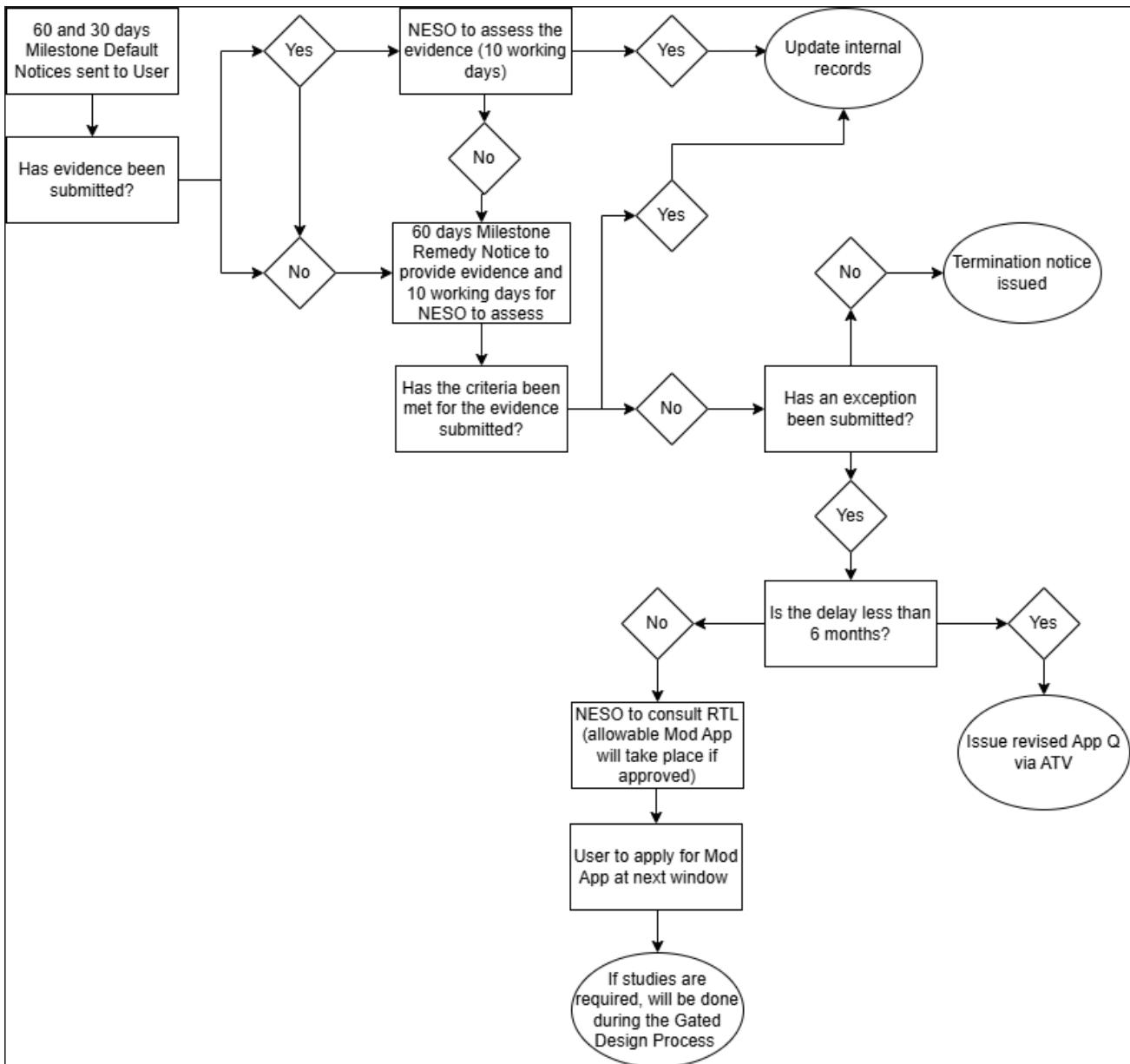
*Example 2 for submission of **Milestone 5**, Contestable Design Works Submission – NESO right to terminate.*

Users are encouraged to submit evidence ahead of the 60- and 30- calendar day reminders being sent.



Example 3 for submission of evidence for staged connections. In this example the User has a Battery connecting in 2033 and a Solar project connecting in 2035. Although the completion dates are different for each technology, the same process will be followed for each milestone. In this example we follow the progress of the Battery connection.

Users are encouraged to submit evidence ahead of the 60- and 30-calendarday reminders being sent.



5. Exceptions process

There may be a small number of exceptional issues (set out in CUSC 16.5) outside a User's control, which may lead to legitimate project delays and therefore directly impact on compliance with the User Progression Milestone date(s).

The following process applies to the exceptions set out in CUSC 16.5:

Users are encouraged to apply for an extension on the basis of an exception as soon as they are aware of any risk associated that will cause a delay.

In such instances, the User must apply to NESO for an extension of the User Progression Milestone date(s) via the customer portal and specify the below:

- The reason(s) for missing the User Progression Milestone and milestone for which the extension is requested.
- How long is the expected delay, with the User to provide a realistic time frame of when the milestone can be achieved.
 - Less than 6 months – if accepted, NESO will update the requested User Progression Milestone date and inform the Relevant Transmission Licensee of this change (see process maps above); or
 - More than 6 months – if accepted, NESO will work with the Relevant Transmission Licensee to agree on an allowable modification application which will contain a new Appendix Q Milestones where applicable. The Modification Application must be submitted within 1 month of the exception being accepted (see process maps above).
- Whether this delay creates a knock-on impact on the User's ability to meet future User Progression Milestones. If so which one(s), the reason for and, and whether it will impact on the User's project Completion Date.

Note, a separate exception will need to be applied for each individual User Progression Milestone, but conversations need to continue with NESO Connections Contract Managers during the progression of the project.

- If NESO accepts that there is an exceptional issue with a User Progression Milestone, and it impacts the Completion Date and requires re-study, this will be managed through the normal CUSC Modification Application process to update the Construction Programme (Appendix J) In this specific circumstance, the User Progression Milestone(s) date (Appendix Q) will be adjusted accordingly.
- If NESO accepts that there is an exceptional issue with a User Progression Milestone, then the User Progression Milestone(s) date (in Appendix Q) will be updated to reflect the new User Progression Milestone date(s) for the missed Milestone(s).

NESO will engage with Users continuously to understand their overall project progress, including in relation to participation in the UK Government funding rounds like Contracts for Difference or the Capacity Market. This ongoing engagement helps NESO make informed and reasonable decisions regarding the application of discretion on the termination of any Users, where NESO's discretion is engaged.

We recommend that Users also engage with NESO proactively. Users at risk of missing any User Progression Milestones should keep NESO regularly informed of this risk in advance of any milestone being missed. This helps NESO make informed decisions regarding possible terminations.

NESO will coordinate with the User and, if necessary, the Relevant Transmission Licencee. NESO will have 10 working days to notify the User whether the exceptional issue for a User Progression Milestone is agreed upon after submission.

If NESO does not agree that there is an exceptional issue for a User Progression Milestone and the required evidence has not been provided, the Termination process will begin. Termination will only be exercised after completing an internal escalation process within NESO.

For Users seeking Gate 2 Readiness through the planning route within the Gate 2 Criteria Methodology, if their M3 milestone is calculated to be in the past (without them having met the milestone), or the near future (to the extent that it cannot realistically be met), when they are provided with their Gate 2 Modification Offer, NESO will not then send the Milestone Default Notice (for a reasonable and appropriate period determined by NESO following discussion with the User). This is so that the 60-day rectification period does not start and so that the User contract does not get terminated for missing the Conditional Progression Milestone M3. This is an interim solution to ensure that the small number of Users who may be in this situation are able to use the planning route to readiness without risk of termination in such circumstances. We will continue to consider the extent to which this interim solution could become the enduring solution or whether a code change is required in future to recognise circumstances where M3 may legitimately follow M1 and/or M2 in sequence.

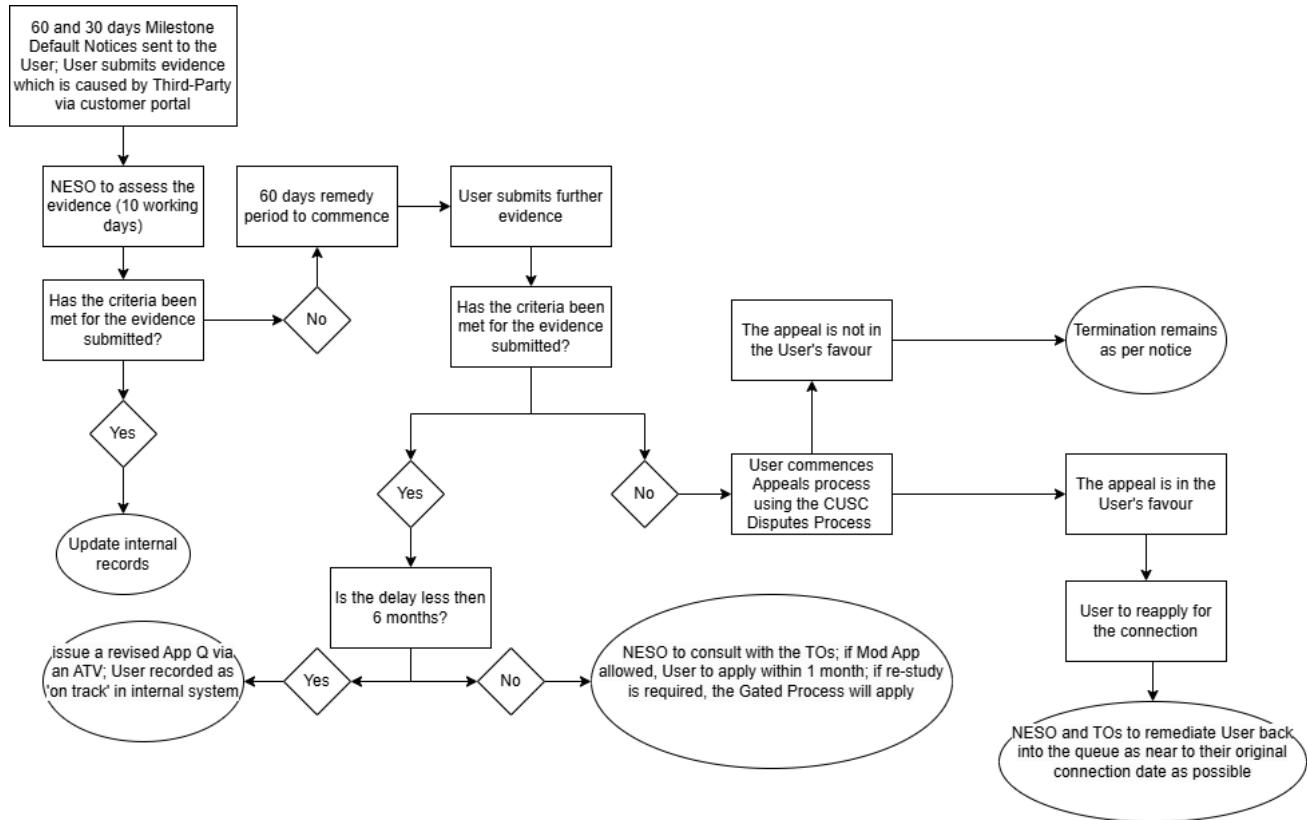
In line with the general principle that exceptions apply for events outside of a User's control, we have included an additional exception reason for Users receiving initial Gate 2 Modification Offers issued as part CMP 435 only ("G2tWQ Exception"). This will apply where Users, that have received a Gate 2 Modification Offer, can evidence that the delay period⁷, as described below, has negatively impacted on the User's ability to meet any of the User Progression Milestones M5 – M8 in Appendix Q in its Gate 2 Modification Agreement.

To apply for the G2tWQ Exception, a User must first accept the Gate 2 Modification Offer and then apply within 28 calendar days from signature of the Gate 2 Modification Offer and submit evidence that their project's ability to meet any of the User Progression Milestones M5 – M8 has been impacted due to the delay in issuing CMP 435 offers. The delay period would be considered to be calculated from 31st December 2025 through to the date the User receives their Gate 2 Modification Offer. Where a User can evidence (for example) paused progression of their project, delay due to the Gate 2 to Whole Queue Process an extension to some or all of M5 – M8 User's Progression Milestones may be sought from this date – even if this date is prior to 31 December 2025. The User Progression Milestones will be extended by a period proportionate to the delay the User has experienced, for example a 30-day delay would result in a 30-day extension. NESO will co-ordinate with the User and adopt a pragmatic approach to the nature and assessment of the evidence provided by the User to demonstrate the delay was as a consequence of the delay in issuing CMP 435 offers (an example could be, confirmation of a pause in works), for a reason out of their control. Provided this is suitably evidenced, the extension will be granted. In relation to evidence assessment, matters will be considered on the facts and on a case-by-case basis. This additional extension of the exceptions will ensure User Progression Milestones remain appropriate to the circumstances.

Potential applicants should note that even if an exception is not applied for, the right to terminate would be carefully considered and applied pragmatically taking account of the specific circumstances of that project and the CMP 435 process should a milestone not be met.

*Example for submission of **exception** and the appeals process following a delay caused by **Third-party**.*

⁷ Original timelines were revised in October 2025 ([Connections reform timeline | National Energy System Operator](#))



6. Termination process

A User's Construction Agreement will be classified as "Termination" where:

- The required evidence for the User Progression Milestone has not been provided to NESO by the User Progression Milestone due date; or
- the evidence provided is considered by NESO to be insufficient⁸; or
- NESO has not agreed there is an exceptional issue with a User Progression Milestone (see section above)

NESO will start the Termination Process by issuing a "Default Milestone Remedy Period Notice" to the User. This notice informs the User that the project is classified as "Termination" and provides 60 calendar days to rectify the missed User Progression Milestone evidence.

If the User Progression Milestone is not achieved by the end of Default Milestone Remedy Period, the following applies based on the progression of the project.

- **For User Progression Milestones 1 to 3 inclusive (the Conditional Progression Milestones),** NESO will issue a notice to the User terminating the Construction Agreement.

⁸ To enable other stakeholders to better understand what evidence is considered by NESO to be insufficient (and thus share the 'lessons learnt') NESO will provide an anonymised copy of the insufficient evidence that they have 'rejected' on their website in a timely manner.

- **For User Progression Milestones 5 to 8 (Construction Progression Milestones)**, NESO will consider whether it is appropriate to exercise its right to terminate. This decision will be made after internal escalation within NESO and engagement with the User and the Relevant Transmission Licencee to assess the likelihood of progression to the contracted Completion Date.

Where a decision to terminate has been reached, NESO will notify the User of its decision and reasoning.

Where a decision has been made to **not** terminate, the project will be categorised as terminated and kept under review until the milestone date is met. Once the milestone date is met, the status will change to 'on track'. The User will be informed of this categorisation in a timely manner.

7. Disputes process

Under CUSC, any dispute in the application of the Queue Management Process will be treated as an Other Dispute under the CUSC disputes process at CUSC Section 7. According to this process, initial discussions between NESO and the User will take place to seek a resolution before raising a dispute. If necessary, either party may then refer the dispute to the London Court of International Arbitration.

Appendix 1 –M1 specific additional exception

An additional adjustment exception has been included in CUSC Section 16 for M1 to mitigate the risk of a User having to submit their application for planning too early in their development cycle. This is:

*Where a **User** can demonstrate that a forward looking M1 would have a detrimental impact on developing the **User's** project provided that any adjustment cannot be later than the backwards looking M1.*

Below is an example of how the adjustment exception works for M1. The following Queue Management Milestone Dates have been identified for an offer:

- Completion Date of 1st January 2035
- Issued on 1st December 2025
- Subject to consents under Section 36

Milestones	Backwards Calculated	Forwards Calculated (Section 36 planning, 3 years)
M1	01 January 2031	01 December 2028
M2	01 July 2032	
M3	01 October 2030	Not calculated forwards i.e. calculated backwards from Completion Date
M4	N/A	
M5	01 April 2030	
M6	01 July 2033	
M7	01 October 2033	
M8	01 January 2034	

The customer receives an offer with M1 as 1st December 2028, satisfying the criteria set in CUSC Section 16. The Offer Letter will set out the criteria for M1 as the earlier of the backwards or forwards calculated dates and will give the customer (as the forwards calculated date for M1 has been offered in this example):

1. The option to demonstrate, with evidence during the post offer negotiation period, that the earlier date negatively impacts the project; and
2. The ability to propose an alternative M1 milestone date of no later than 1st January 2031 (being the backwards calculated date).

If during the post offer negotiations period the customer does not apply for an adjustment and so accepts the offer, the earlier date provided for M1 will become the enduring M1 date, unless the customer applies for an exception through the standard process.

As this adjustment exception only applies to M1 the process is as follows:

- While processing the offer NESO identifies that the forwards-calculated M1 is earlier than the backwards-calculated M1 date. The Offer Letter will contain extra paragraphs to explain the reason and advise the customer on next steps, while also providing the backwards calculated M1 for information.
- Once the offer is issued, the customer can submit evidence of any detrimental effect the forward date would have on the project, and its proposed alternative M1 date. The proposed alternative date cannot be

later than the backwards calculated M1. The customer will be able to submit evidence up to the last 15 working days of the offer acceptance period.

- NESO will evaluate the evidence submitted will decide whether the M1 date should be adjusted and will inform the customer. NESO will have 10 working days to evaluate the evidence and make a decision.
- If NESO determines that the M1 date should be adjusted, Appendix Q will be reissued with a new M1.
- If NESO determines that the M1 date should **not** be adjusted, the customer will be informed that the offer will not be amended.
- Regardless of NESO's decision whether to amend the M1 date, the acceptance period is not impacted.
- The decision will be communicated to the customer before the last 5 working days of the acceptance period. The customer will then have the final 5 working days to decide whether to accept the offer and return the signed documents to NESO.

Acronym / key term	Meaning
ATV	Agreement to Vary
BEGA	Bilateral Embedded Generator Agreement
BSC	Balancing and Settlement Code
CCM	Connections Contract Manager
CMP	CUSC Modification Proposal
CUSC	Connection and Use of System Code
DG	Distributed Generator
DNO	Distribution Network Operator
EBGL	Electricity Balancing Guideline
EBR	Electricity Balancing Regulation
ENA	Energy Networks Association
NETS	National Electricity Transmission System
STC	System Operator Transmission Owner Code
RTL	Relevant Transmission Licensee
SQSS	Security and Quality of Supply Standards
T&Cs	Terms and Conditions
TEC	Transmission Entry Capacity
TO	Transmission Owner
NESO	National Energy System Operator