

Transmission Charging Methodologies Forum and CUSC Issues Steering Group

8 January 2026

Agenda

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|---|--|---------------|
| 1 | Introduction, meeting objectives and review of previous actions - Alastair Owen, NESO | 10:00 - 10:10 |
| 2 | Transition from Mandatory Frequency Response to Dynamic Regulation - Vicky Allen, NESO | 10:10 - 10:30 |
| 3 | Code Administrator update, Catia Gomes, Code Administrator NESO | 10:30 - 10:45 |
| 4 | AOB and Meeting Close - Alastair Owen, NESO | 10:45 - 11:15 |
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TCMF Objective and Expectations

Objective

Develop ideas, understand impacts to industry and modification content discussion, related to the Charging and Connection matters.

Anyone can bring an agenda item (not just the NESO!).

Expectations

Explain acronyms and context of the update or change.

Be respectful of each other's opinions and polite when providing feedback and asking questions

Contribute to the discussion

Language and Conduct to be consistent with the values of equality and diversity

Keep to agreed scope

Review of previous actions

| ID | Month | Description | Owner | Notes | Target Date | Status |
|-------|---------|---|-------|--|----------------------|---------|
| 24-12 | July | Post implementation analysis of CMP376: Inclusion of Queue Management process within the CUSC. | DA | NESO will reopen this action in April 2025, as that will be 12 months after CMP376 was included in contract terms. | Pending formed queue | On Hold |
| 24-14 | October | Data post CMP376 implementation on the TEC register around projects moving forward, backward or staying the same. | DA | | Pending formed queue | On Hold |
| 24-15 | May | Consider how to report meaningful connections data following the recent 'Pause' in connections reform activity. | JS | Whilst there is a pause in the new connection data being shared at TCMF, JS to consider how data can be made more accessible to Industry | Pending formed queue | On Hold |
| 24-16 | Sept | TNUoS Tariffs 5 Year View Updates | NE | NESO to provide quarterly updates on the progress of the STC modification. | TBC | Ongoing |

Review of previous actions

| ID | Month | Description | Owner | Notes | Target Date | Status |
|-------|-------|---|-------|--|-------------|---------|
| 24-17 | Nov | Updates on the storage subgroup. | SD | NESO to provide terms of reference and updates from the subgroup | Jan 26 | Ongoing |
| 24-18 | Nov | Overview on national pricing and market reform developments | Ofgem | Ofgem to arrange for an overview presentation on national pricing and market reform developments at TCMF | Q1 26 | Ongoing |

Transition from Mandatory Frequency Response to Dynamic Regulation

Vicky Allen, NESO

Why transition from MFR to DR?

Ofgem Derogation on MFR

Ofgem have placed a derogation on MFR that NESO must either reform or replace it by the end of 2029.

After assessing the options replacing MFR with DR was identified as the best.

Reduce Barriers to Entry

This will allow easier entry to the BM for some assets who find it difficult to deliver MFR

Consumer Savings

Significant consumer saving have been identified by moving from MFR to DR.

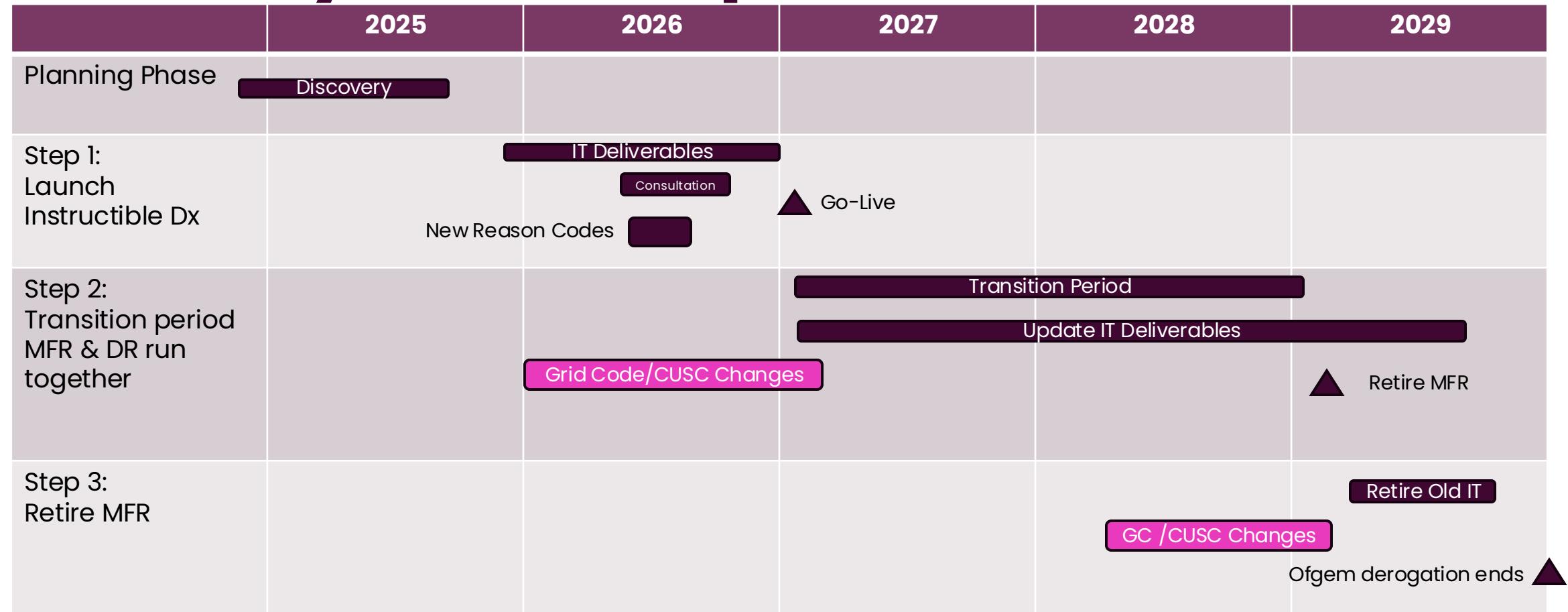
Estimates show that we can expect a reduce in the costs of frequency response of approx. £15m pa.

There could be additional savings if NESO is able to reduce over procurement of dynamic response services at day ahead.

Comparison of MFR & DR

| | MFR | DR |
|---------------|--|-----------------------------------|
| Market | Mandatory | Commercial |
| Participants | BMUs Only | BMUs & NBMUs |
| Speed | 10 seconds (PSH) 30 seconds (SH) | 10 seconds |
| Duration | 30 mins (LF), Indefinite (HF) | Up to 60 mins |
| Direction | Bundled High & Low | High & Low |
| Purpose | Design as pre- and post-fault, but now only operating as pre-fault | Pre-fault |
| Documentation | Grid Code & CUSC | Service Terms & Procurement Rules |

Delivery Roadmap



CUSC Change Methodology

Aim for 2026

The aim is to allow DR as an alternative to MFR. The approach will be to add a reference to the Dynamic Response Terms & Conditions for the payment calculation.

Any place where 'PSH', 'MFR' or 'Mode A' is referred to in the CUSC will have a phrased added saying 'or Dynamic Regulation'

Aim for 2028

The aim here will be to remove MFR as a way of meeting the frequency response requirement. The approach will be to remove the payment calculation for MFR and leave the reference to the Dynamic Response Terms & Conditions as the only payment calculation.

References to 'PSH', 'MFR' or 'Mode A' will be removed leaving only 'Dynamic Regulation' references.

Affected CUSC Clauses

4.1.3 – Frequency Response

11.3 – Definitions

Appendix 1

Appendix 3 – definition of “frequency sensitive mode” and “Mode A”

Grid Code Change Methodology

Aim for 2026

The aim is to allow DR as an alternative to MFR. The approach will be to add the phases

"or dynamic regulation low"
wherever **"primary"** and/or
"secondary" response is mentioned

And

"or dynamic regulation high"
wherever **"high"** response is mentioned

Aim for 2028

The aim here will be to remove MFR as a way of meeting the frequency response requirement in the GC. The approach will be to look to remove the phrases:

"Primary", **"Secondary"** and **"High"** response

This will leave only **"dynamic regulation low"** and **"dynamic regulation high"** as the only frequency response services for GC parties.

Affected Grid Code Clauses

Glossary & Definitions

New entries for DRH & DRL

Insert into relevant other definitions

Connection Conditions (CC)

CC 6.3.7

CC A.3.1, CC A3.2, CC A3.3, CC A3.4

European Connection Conditions (ECC)

ECC 6.3.7

ECC A.3.1, ECC A.3.2, ECC A.3.3, ECC A.3.4

Planning Code (PC)

PC A.5.5

PC A.9.3.2

Data Registration Code (DRC)

DRC 6.1.4

Post Gate Closure Process (BC2)

BC 2.9.5.1

BC 2.A.2.5

Frequency Control Process (BC3)

BC 3.5.4(a), BC 3.5.4(b)

BC 3.7.1 (a), BC 3.7.1 (b) (i), BC 3.7.1 (c)

BC 3.7.2.1 (a), BC 3.7.2.1 (c)

Operational Planning & Data Provision (OC2)

OC 2.4.6.2

Call for Early Engagement

NESO are looking for providers of MFR to engage with our transition process early to help us identify any issues as early as possible.

NESO are also interested in holding 1-2-1 discussions with any providers of MFR who have any concerns or would like any clarifications on the process.

Please contact us here:

vicky.allen@neso.energy and
laura.burdis@neso.energy

Any Questions

Code Administrator Update

Catia Gomes - Code Administrator NESO

Key Updates since last TCMF

New Modifications / Nominations

- [**CMP466**](#) 'CMP456 Consequential Charging Modification'

Decisions

- [**CMP448**](#) 'Introducing a Progression Commitment Fee to the Gate 2 Connections Queue' approved on 08 January with implementation scheduled for 02 January 2026.
- [**CMP465**](#) 'Construction Progression Milestones (M5-M8) Neutrality' on 09 December the Authority decided that CMP465 should not be progressed on an urgent basis.

Key Updates since last TCMF

Implementations

CMP461 'Rectifications to Legal Text following various implementations' implemented on 08 December 2025.

Authority Expected Decision Date

| Modification | FMR submitted | Expected Decision Date |
|---|------------------|--|
| Review ' <u>CMP315</u> 'TNUoS Review of the expansion constant and the elements of the transmission system charged for' and <u>CMP375</u> 'Enduring Expansion Constant & Expansion Factor Review' | 07 February 2024 | TBC pending update on REMA (previously 07 February 2025) |
| <u>CMP316</u> 'TNUoS Charging Methodology for Co-located Generation' | 08 August 2025 | January 2026 (previously 10 December 2025) |
| <u>CMP330 & CMP374</u> '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 |
| <u>CMP344</u> : Clarification of Transmission Licensee revenue recovery and the treatment of revenue adjustments in the Charging Methodology | 09 July 2025 | January 2026 (previously 10 December 2025) |
| <u>CMP397</u> 'Consequential changes required to CUSC Exhibits B and D to reflect CMP316 (Co-Located Generation Sites)' | 12 June 2024 | January 2026 (previously 10 December 2025) |
| <u>CMP423</u> 'Generation-weighted Reference Node' | 09 December 2025 | TBC |
| <u>CMP447</u> 'Removal of designated strategic works from cancellation charges/securitisation' | 21 October 2025 | January 2026 (previously 10 December 2025) |
| <u>CMP453</u> 'To Bill BSUoS on a net basis at BSC Trading Units' | 11 November 2025 | TBC |
| <u>CMP462</u> 'Provision for Alternate Panel Members' | 12 December 2025 | TBC |
| <u>CMP463</u> 'Stabilising the Specific Onshore Expansion Factors from 1st April 2026' | 12 December 2025 | TBC |

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

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

Key Consultations in January

Workgroup Consultations

- [**CMP414**](#) 'CMP330/CMP374 Consequential Modification' opens on 26 January and **closes 16 February**.
- [**CMP417**](#) 'Extending principles of CUSC Section 15 to all Users' opens 19 January and **closes 6 February**.
- [**CMP460**](#) 'Improving Transmission Connection Asset Charging' opens 27 January and **closes 18 February**.

Code Administrator Consultations

- None.

Appeals Window

- None.

Useful Links

Ofgem's expected decision dates/ date they intend to publish an impact assessment or consultation, for code modifications that are with them for decision are available [here](#)

Updates on all Modifications are available on the Modification Tracker [here](#)

The latest CUSC Panel Headline Report and prioritisation stack are available [here](#)

If you would like to receive updates from the Code Administrator on CUSC modifications, please join the distribution list [here](#)

CUSC 2026 - Panel dates

| | Panel Dates | Papers Day | Modification Submission Date | (TCMF) CUSC Development Forum |
|----------------|-------------|------------|------------------------------|-------------------------------|
| January | 30 | 22 | 15 | 8 |
| February | 27 | 19 | 12 | 5 |
| March | 27 | 19 | 12 | 5 |
| April | 24 | 16 | 9 | 2 |
| May | 22 | 14 | 7 | 30 April |
| June | 26 | 18 | 11 | 4 |
| July | 31 | 23 | 16 | 9 |
| August | 28 | 20 | 13 | 6 |
| September | 25 | 17 | 10 | 3 |
| October | 30 | 22 | 15 | 8 |
| November | 27 | 19 | 12 | 5 |
| December | 11 | 3 | 26 November | 19 November |

Your CUSC Panel representatives

- Industry is represented at CUSC Panel by representatives, who would love your input. Their contact details can be found [here](#).
- Panel members represent their industry segments at Panel; the more input they have, the more your voice can be heard.

| | | | | |
|-----------------------|---|-----------------------------|-------------------------------|--|
| Anthony Pygram | Independent Panel Chair | Lauren Jauss | Panel Member | |
| Catia Gomes | Panel Secretary and Code Administrator Representative | Shane Cracknell | Panel Member | |
| Ren Walker | Panel Technical Secretary | Camille Gilsenan | NESO Representative | |
| Andrew Enzor | Panel Member | Daniel Arrowsmith | NESO Representative | |
| Binoy Dharsi | Panel Member | Andy Pace | Consumer Panel Representative | |
| Garth Graham | Panel Member | Rashmi Radhakrishnan | BSC Representative | |
| Joe Colebrook | Panel Member | Nadir Hafeez | Ofgem Representative | |
| Kyran Hanks | Panel Member | Harriet Harmon | Ofgem Representative | |

AOB and meeting close

