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## Meeting Summary

### Transmission Charging Methodologies Forum

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**Date:** 08/01/2026      **Location:** MS Teams  
**Start:** 10:00am      **End:** 12:00pm

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#	Topics to be discussed	
1.	Introduction, meeting objectives and review of previous actions	Alastair Owen, NESO
2.	New Mod: Transition from Mandatory Frequency Response to Dynamic Regulation	Vicky Allen, NESO
3.	Code Administrator update	Catia Gomes, Code Administrator NESO
4.	AOB and Meeting Close	Alastair Owen, NESO

### Discussion and details

These notes are produced as an accompaniment to the slide pack presented which can be found here; <https://www.neso.energy/industry-information/codes/connection-and-use-system-code-cusc/cusc-forum>

#	Topics to be discussed
1.	<p><b>Introduction, meeting objectives and review of previous actions - Alastair Owen, NESO</b></p> <p>Alastair Owen opened the meeting, providing an overview of the agenda items for discussion and led a review of the action log.</p> <ul style="list-style-type: none"> <li>Alastair Owen (AO) provided an update on previous actions. Regarding the first 3 actions AO advised that NESO has started issuing connections offers following all the reforms. Once this has concluded we will be able to report back on these actions. Regarding the 3<sup>rd</sup> action AO advised that in the interim, information is available on NESO’s website which has details on the current connections pipeline, the split of technologies and available capacity.</li> <li>Quarterly TNUoS Tariffs 5 Year View Updates. Nick Everitt (NE) advised that NESO’s revenue team over the past month had been on drafting new tariffs and the final BSUoS tariffs. He advised that the team will be able to provide more detailed plans for the STC modification at March’s TCMF. NE also noted that the modification will include considerations for longer-term projections which will also be share in March. Garth Graham (GG) requested details on timelines related to the 2029 tariff changes. NE confirmed that the revenue team are seeking the full forecasts and drafts that can be shared with industry before final tariffs are set.</li> <li>Storage Subgroup action. Stephen Dale (SD) advised that he go through slides in the AOB section of today’s forum to update regarding this action.</li> <li>The Final Open action – Ofgem are to provide an update at an upcoming TCMF.</li> </ul>

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### 2. **Transition from Mandatory Frequency Response to Dynamic Regulation - Vicky Allen, NESO**

Vicky Allen (VA) presented on the proposed transition from Mandatory Frequency Response (MFR) to Dynamic Regulation (DR).

VA advised TCMF that Ofgem has placed a derogation on MFR, requiring reform or replacement by the end of 2029, and that replacing MFR with DR is expected to yield significant consumer savings (with an initial estimated of £15 million pa, however there is a potential for further savings if over-procurement is reduced).

VA provided details on the transition roadmap and the proposed code changes needed, advising that there will be a phased transition. MFR and DR are to run in parallel during 2027 and 2028, with a full retirement of MFR planned for early 2029. The roadmap includes the necessary changes to the grid code and CUSC needed to facilitate the transition and eventual removal of MFR.

Clarification was provided by VA that DR would become mandatory for BMUs and remains commercial for non-BMUs. GG raised a question regarding market distortion and the impact on market competition. VA advised that these aspects will be further explored with industry during the workgroup process. GG also raised a further question, asking if existing providers transition to the new arrangement as BM's as well as a non-BM? VA confirmed that that they can, and providers will be able to start to transition from early 2027 if the modifications are approved.

Ruth Kemsley (RK) raised a question regarding the governance of T&C's when referencing of DR T&C's outside of the CUSC. RK expressed the opinion that providers do not have the same controls and reviews in CUSC, therefore stakeholders lose the ability to propose amendments directly. VA responded advising that this has been consider and on balance it is considered that the best place for this is within the T&Cs, as otherwise we may have divergence risk between GC & CUSC. VA however advised that this will be discussed in greater detail at the modification workgroups.

VA finished her presentation by inviting MFR providers to engage early in the transition process by identifying and addressing any issues. VA went on to share contact details for participants who would like to arrange one-to-one discussions to discuss in greater detail.

Full details on this agenda item can be found in the slides.

### 3. **CUSC Administrator Update – Catia Gomes, Code Administrator NESO**

Catia Gomes (CG) gave the code administrator update.

- CG provided updates on new modifications, decisions, implementations, and consultations, as well as information on the upcoming panel meetings and submission deadlines.
- There was a request from RK for more descriptive modification titles and summaries for the updates at TCMF, which CG agreed to provide at future TCMF's.

Full details on the update can be found on the slides.

### 4. **AOB and Meeting Close - Alastair Owen, NESO**

- Storage Sub-group update – Stephen Dale (SD)

SD presented slides detailing the updated analysis on storage assets and plans for interim and final reports. SD advised that the group's focus has been analysing infrastructure

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costs for storage assets, which is in line with Ofgem’s guidance in prioritising investment impacts over operational parameters.

TCMF were advised that the analysis showed that battery storage may both help and hinder during network constraints, depending on charge/discharge cycles, which further highlighted the importance of understanding constraint durations for effective locational signals.

SD shared with TCMF dates for the next meetings and advised that the group is aiming to produce an interim report in March with the final report expected in June, which will cover strategic options and recommendations for code modifications. Full details on the update can be found in the slides

GG requested for key subgroup report milestones updates to be provided at future TCMF’s. SD agreed to this.

- Upcoming Tariff Webinars and Communication

NE advised on the dates and times for the upcoming webinars for TNUoS and BSUoS tariffs and shared links to access them. Sally Ann Young (SY) advised that the current network model used for forecasting TNUoS tariffs is outdated, which may raise concerns about the accuracy and relevance of upcoming five-year tariffs. SY went on to raise the question if NESO plans to update the model or continue using the old version? NE advised that discussions are ongoing regarding the timing of an updated model, once a decision has been made NE will update TCMF.

GG raised the importance of aligning the network model with new connection offers under the reformed regime, noting the risk of discrepancies between model assumptions and actual connection data which NE acknowledged.

The meeting was closed.

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