

CUSC Panel 12 December 2025

CUSC Panel Minutes

Date: 12/12/2025	Location: Microsoft Teams
Start: 10:00	End: 13:25

Participants

Attendee	Initials	Representing
Anthony Pygram	AP	Independent Panel Chair
Catia Gomes	CG	Panel Secretary, Code Administrator
Ren Walker	RW	Panel Technical Secretary, Code Administrator
Andrew Enzor	AE	Users' Panel Member
Andy Pace	APa	Consumers' Panel Member
Camille Gilesnan	CGi	NESO Panel Member
Binoy Dharsi	BD	Users' Panel Member
Garth Graham	GG	Users' Panel Member
Joe Colebrook	JC	Users' Panel Member
Lauren Jauss	LJ	Users' Panel Member
Kyran Hanks	KH	Users' Panel Member

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Harriet Harmon	HH	Authority Representative
Rashmi Radhakrishnan	RR	ELEXON

Apologies

Attendee	Initials	Representing
Dan Arrowsmith	DA	NESO Representative
Shane Cracknell	SC	Users' Panel Member
Nadir Hafeez	NH	Authority Representative

Presenters

Attendee	Initials	Position
Tim Ellingham	TE	Proposer of CMP456 and CMP466

Observers

Attendee	Initials	Representing

1. Introductions, Apologies and Declarations of Interest

13108. Apologies were received from Dan Arrowsmith, Shane Cracknell and Nadir Hafeez.

13109. GG noted a declaration of interest for CMP463, as he is the Proposer of the modification. LJ also declared an interest in relation to CMP456 and CMP466 as her organisation is the Proposer of the modification.

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2. Minutes from previous meeting

13110. The meeting minutes from 14 November and 21 November 2025 were approved. The meeting minutes from 28 November 2025 will be presented at the Panel on 30 January 2026 for approval following minor comments from the Panel that will be incorporated.

3. Review of actions log

13111. The CUSC Panel reviewed the open actions from the meeting held on 28 November, which can be found on the Actions Log.

4. Chair’s update

13112. No updates for the Panel.

5. Authority Decisions

13113. HH provided an update on Modifications that have been decided upon, together with those currently awaiting their decision.

Decisions since last CUSC Panel

13114. HH confirmed the following decisions have been made on CUSC Modifications since the last CUSC Panel.

Modification	Decision	Implementation Date
<u>CMP448</u> ‘Introducing a Progression Commitment Fee to the Gate 2 Connections Queue’	On 08 December, the Authority approved the Original Solution.	02 January 2026

Awaiting Decisions

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Modification	FMR submitted	Expected Decision Date
<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 National Pricing Reform (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'	12 June 2024	January 2026 (previously 10 December 2025)

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Exhibits B and D to reflect CMP316 (Co-located Generation Sites)'		
<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

Other Updates

Energy Code Reform

13115. HH advised the Panel that the Progress Evaluation Session on 20 November brought together respondents to the spring 2025 workgroup Expression of Interest and covered the future code modification process, development of code manager performance metrics, and a general update on energy code reform. The Energy Act 2023 powers expire in 2030, with the aim to complete all three phases by 2029, and the code manager licence grant is now expected for autumn/winter 2026. Key publications include a December 2025 consultation on draft code manager guidance and competitive selection criteria, and early 2026 Expression of Interest for phase 2 code managers. Important 2026 publications will address responses to consultations, licence policy decisions, and modification proposals. Upcoming engagements in 2026 will focus on code consolidation (phase 2) and Strategic Direction Statement development.

6. New modifications

13116. Two new modifications were presented to the Panel.

CMP456: Cost recovery for legacy plant in relation to GC0168

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13117. TM delivered a presentation on CMP456. TM explained that this modification seeks to allow Generators to recover the cost of EMT model production from NESO.

13118. TM set out their rationale for Urgency against Ofgem’s Urgency criteria (a) *A significant commercial impact on parties, consumers or other stakeholder(s)*. TM explained that 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 more than £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). 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.

13119. The CUSC Panel discussed CMP456 and the associated request for urgency and noted the following:

- Some Panel members agreed with the Proposer’s rationale for urgency.
- A Panel member’s view was that CMP456 did not meet the urgency criteria as they believe that the modification can be addressed as a high priority modification through the standard governance route.

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- A view of another Panel member was that they do not assess CMP456 as urgent as the basis for the urgency application is through its linkage to GC0168 which is not yet approved by the Authority and has uncertain timelines for when it will be implemented (if approved).
- A Panel member noted that GC0168 has not been approved, and it is unclear when a decision will be made on GC0168. It is unclear how CMP456 will impact when Users choose to start the work to meet the EMT model requirement that may be put in place due to GC0168. Any responsible User should consider the risk of GC0168 being approved and ensure the EMT model is provided to NESO to comply with the Grid Code. The Panel member believes the time allowed for a company to comply with the Grid Code without spending money at risk (i.e. before GC0168 is approved/rejected) is not in scope of CMP456 and therefore the impact of security of supply is part of the scope for GC0168. It is useful to note that GC0168 has not requested urgency.
- The Panel member further explained that, from GC0168, it is unclear when Users will need to provide NESO with an EMT model, and therefore, if the current uncertainty on cost recovery will have a significant commercial impact on Users. In addition, the non-urgent timeline appears to provide sufficient time for CMP456 to be sent to Ofgem for a decision before GC0168 is sent to Ofgem for a decision.
- A Panel member did not consider the urgency criteria have been met for either CMP456 (nor the combination of both modifications). GC0168 is in progress, and while a timeline exists, there remains uncertainty on when it will be fully developed, and a modification report presented to Ofgem. Hence, they do not agree with the proposer that the modification is linked to “an imminent issue or a current issue that if not urgently addressed” will have a significant impact on parties. If CMP456 were progressed on a non-urgent basis, then, as the timeline and solution for GC0168 is developed over time, it may become apparent that the urgency criteria are met in the future. At that point, it may be appropriate for the Proposer to submit a further request for urgency and reconsideration by the Panel and Ofgem.
- A Panel member said that there is an unexpected and significant impact on Users. It therefore meets urgency criteria a). Whilst they appreciate that there is a possibility that assigning a high priority to this modification may achieve a similar outcome, with the expected high workloads expected in 2026 there is a possible

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danger of this timeline slipping and thus not providing affected Users with the certainty they require.

- The view of another Panel member was that GC0168 was raised in March 2024, with the Final Modification Report due to be submitted in June 2026, so this is not an imminent issue. A commercial impact has been stated in the proposal form, but a more detailed view of materiality, impacts and potential alternatives should be carried out through the nonurgent route.

13120. The Panel discussed the proposed timeline for CMP465 and agreed with the Proposer that only four Workgroups would be required for CMP456. The proposed timeline for CMP465 can be found within the urgency letter.

13121. The Panel by majority agreed that CMP456 did not meet the Authority's Urgency criteria (a) and therefore did not recommended urgent treatment. Panel's recommendation was sent on 12 December 2025 seeking an Authority decision by 5pm on 19 December 2025. The Panel also recommended that CMP456 proceed to a Workgroup. The Panel will agree the Terms of Reference for the Workgroup via circulation.

CMP466: CMP456 Consequential Charging Modification

13122. TM delivered a presentation on CMP466. TM explained that this modification is required to facilitate the implementation of CMP456. In discussions with NESO it has become clear that a small change to the Balancing Services Use of System (BSUoS) within Section 14 'Charging Methodologies' will be required to ensure that any validated costs arising via the CMP456 solution are recovered, as happens today with black start costs, via BSUoS.

13123. TM set out their rationale for Urgency against Ofgem's Urgency criteria (a) *A significant commercial impact on parties, consumers or other stakeholder(s)*. TM explained that the root modification of the Grid Code under GC0168 will expose Generators to significant costs that could put

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legacy in financially unviable positions. This modification and CMP456 will mitigate this situation and also aid in the security of supply by allowing NESO to have an accurate system model and Generators to keep low merit order plant in service.

13124. The CUSC Panel discussed CMP466 and the associated request for urgency and noted the following:

- Some Panel members agreed with the Proposer’s rationale for urgency.
- A Panel member did not consider the urgency criteria have been met for either CMP466 (nor the combination of both modifications). GC0168 is in progress, and while a timeline exists, there remains uncertainty on when it will be fully developed, and a modification report presented to Ofgem. Hence, they do not agree with the proposer that the modification is linked to “an imminent issue or a current issue that if not urgently addressed” will have a significant impact on parties. If CMP466 were progressed on a non-urgent basis, then, as the timeline and solution for GC0168 is developed over time, it may become apparent that the urgency criteria are met in the future. At that point, it may be appropriate for the Proposer to submit a further request for urgency and reconsideration by the Panel and Ofgem.
- A Panel member did not assess CMP466 as urgent as the basis for the urgency application is through its linkage to GC0168 which is not yet approved by the Authority and as has uncertain timelines for when it will be implemented (if approved).
- The view of a Panel member was, whilst this is intrinsically linked to CMP456, Ofgem has the discretion to aligning implementation for both modifications. Users are more impacted from CMP456 which determines if costs for impacted Users are recoverable. Whilst accurate collection of charges is important, it is not deemed to have a material impact on specific Users.

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- A Panel member noted that GC0168 was raised in March 2024, with the FMR due to be submitted in June 2026, so this is not an imminent issue. A commercial impact has been stated in the proposal form, but a more detailed view of materiality, impacts and potential alternatives should be carried out through the non-urgent route.
- A view of a Panel member was that as GC0168 has not been approved, and it is unclear when a decision will be made on GC0168. It is unclear how CMP466 will impact when Users choose to start the work to meet the EMT model requirement that may be put in place due to GC0168. Any responsible User should consider the risk of GC0168 being approved and ensure the EMT model is provided to NESO to comply with the Grid Code. They believe the time allowed for a company to comply with the Grid Code without spending money at risk (i.e. before GC0168 is approved/rejected) is not in scope of CMP466 and therefore the impact of security of supply is part of the scope for GC0168. It is useful to note that GC0168 has not requested urgency.
- The Panel member further explained that, from GC0168, it is unclear when Users will need to provide NESO an EMT model, and therefore, if the current uncertainty on cost recovery will have a significant commercial impact on Users. In addition, the non-urgent timeline appears to provide sufficient time for CMP466 to be sent to Ofgem for a decision before GC0168 is sent to Ofgem for a decision.
- A Panel member's view was that CMP466 did not meet the urgency criteria as they believe that the modification can be addressed as a high priority modification through the standard governance route.

13125. The Panel discussed the proposed timeline for CMP466 and agreed that both CMP466 and CMP456 should progress together with the same

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timeline. The proposed timeline for CMP466 can be found within the urgency letter.

13126. The Panel by majority agreed that CMP456 did not meet the Authority's Urgency criteria (a) and therefore did not recommended urgent treatment. Panel's recommendation was sent on 12 December 2025 seeking an Authority decision by 5pm on 19 December 2025. The Panel also recommended that CMP466 proceed to a Workgroup. The Panel will agree the Terms of Reference for the Workgroup via circulation.

7. In flight modification updates

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

13127. The Panel reviewed and approved the revised timeline for CMP440.

8. Workgroup Reports

13128. No Workgroup Reports were presented to the Panel.

9. Draft Final Modification Reports

13129. The following Draft Final Modification Report was presented to the Panel

CMP462: Provision for Alternate Panel Members

13130. CG delivered a presentation on CMP462. CG explained that this modification will give provision 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.

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13131. 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. The key points from the consultation 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.

13132. The Panel carried out their recommendation vote. The Panel has recommended by majority that the Proposer’s solution better facilitates the CUSC Applicable Objectives. The Final Modification Report was submitted to Ofgem on 12 December 2025.

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

13133. CG delivered a presentation on CMP463. CG explained that 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 the case of this CMP463 modification), the CMP463 modification proposes consistent treatment for the Specific

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Expansion Factors until such time as the new baseline is replaced by a different methodology. 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.

13134. CG advised that the Code Administrator Consultation was issued on 21 November closed on 25 November 2025 and received 08 non-confidential responses and 0 confidential responses, including no late responses. The key points were:

- 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.

13135. The Panel carried out their recommendation vote. The Panel has recommended by majority that the Proposer’s solution better facilitates the CUSC Applicable Objectives. The Final Modification Report was sent to Ofgem on 12 December 2025.

10. Discussion on Prioritisation

13136. The Panel reviewed the prioritisation stack and agreed a deep dive of the prioritisation stack would be more suitable at the January 2026 Panel following Ofgem’s publication.

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The latest prioritisation stack can be found [here](#)

11. Standing Groups

Transmission Charging Methodology Forum (TCMF)

13137. DA confirmed that the next TCMF will be held on 08 January 2026.

<https://www.neso.energy/calendar/transmission-charging-methodologies-forum-tcmf-cusc-issues-steering-group-cisg-8-january-2026>

12. European Updates

Joint European Stakeholder Group (JESG)

13138. GG confirmed that the JESG meeting was held on 09 December. The meeting materials can be found using the following link:

<https://www.neso.energy/calendar/joint-european-stakeholder-group-jesg-9-december-2025>

13. Update on other Industry Codes

13139. The Panel papers and Headline Report for the following meetings can be found at the below links:

- 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](#)

14. Relevant Interruptions Claim Report

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13140. No further updates for the Panel.

15. Governance

13141. No further updates for the Panel.

16. Horizon Scan

13142. No further updates for the Panel.

17. Code Administrator Update

13143. No further updates for the Panel.

18. Any Other Business (AOB)

Ofgem – Demand Connections Update

13144. The Panel agreed to move this agenda item to the January Panel to ensure the correct representation from Ofgem are present at the Panel. CG advised that NESO are still reviewing the Ofgem open letter on Demand Connections, with more information expected in January.

19. Close

13145. The Chair thanked the Panel for their time and contribution and brought the meeting to a close. The Chair and Panel members expressed their thanks to APa for all his valuable contributions during his time on the Panel and wished him all the success for the future.

13146. The Chair thanked the Panel for their time and contribution and brought the meeting to a close.

The next CUSC Panel meeting will be held on 30 January 2026.

New Modification Proposals to be submitted by 15 January.

CUSC Panel Papers Day is 22 January.