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Nadir Hafeez
Ofgem
By email

Anthony Pygram
Independent Chair CUSC & Grid Code Panel

27 March 2026

CMP470 Request for Urgency

Dear Nadir

Connection and Use of System Code (CUSC) Modification Panel Request for Urgency and Recommended Timetable for **CMP470: Introducing an Oversubscribed Technologies Commitment Fee.**

On 20 March 2026, **Field Energy** raised **CMP470**. The Proposer sent a request to the CUSC Panel Secretary for this modification to be treated as urgent.

CMP470 seeks to introduce a floor on securities through an Oversubscribed Technologies Commitment Fee for all technologies which are oversubscribed relative to Clean Power 2030 capacity targets. All documentation for this modification can be located via the following [link](#).

The CUSC Modifications Panel ("the Panel") on 27 March 2026, considered **CMP470** and the associated request for urgency. This letter sets out the views of the Panel on the request for urgent treatment and the procedure and timetable that the Panel recommends.

The Proposer set out their rationale for Urgency against Ofgem's Urgency criteria (a) which is as follows:

a) A significant commercial impact on parties, consumers or other stakeholder(s).

If not quickly addressed, the issue of oversubscription will have a significant commercial impact on all developers of oversubscribed technologies, developers of other technologies, and in turn on end consumers.

- Developers of oversubscribed technologies: with no incentive for the least economic projects to leave the queue, the best projects are held up.*
- Developers of other technologies are being repeatedly impacted by delays to issuing connection offers. The most recent of these was published in February 2026, driven in part by "Updated background assumptions ... in some locations where the volume of projects at Gate 2 are higher than forecast.*
- End consumers will ultimately be impacted by the delay to good projects being able to progress.*

This has only recently come to light as an imminent issue due to two updates:

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- *The release of Gate 2 capacity data in January 2026 which revealed the extent of the oversubscription.*
- *The way NESO and TOs are handling Construction Planning Assumptions and network design. We now understand that NESO and TOs are seeking to allocate specific connection points to all Gate 2 projects, despite a strong likelihood that only ~one third of Gate 2 Battery Energy Storage System (BESS) will connect. In practice, these two factors combined means allocating substation bays to ~90GW of storage projects, even though that much is neither needed nor economically viable in the market. TOs are therefore being forced to design large new substations to accommodate large volumes of BESS which will never be built. Gate 2 Offers being issued over the coming months will be based on a network design which most stakeholders accept bears little resemblance to that which is actually needed. In order to avoid multiple repeats of this process, the queue must be reduced ahead of offers being issued after the next Gated Application Window. Without this change (or an alternative solution), this problem will persist until projects are terminated for failing to meet development milestones – a process which will take several years.*

Panel Consideration of the Request for Urgency

The Panel considered the request for urgency with reference to [Ofgem Guidance on Code Modification Urgency Criteria](#). The majority view of the Panel is that **CMP470 does meet** Ofgem's Urgency criteria¹. Therefore, the recommendation of the Panel is that **CMP470 should** be treated as an Urgent CUSC Modification Proposal.

Panel members set out their rationale behind this decision:

- A Panel member agreed with the Proposer rationale that this modification seeks to create the right incentive for Users to proceed with projects that are oversubscribed.
- The NESO Panel member noted they were supportive of both the proposal and the case for urgency – for similar reasons to their thinking on [CMP448](#). The NESO Panel member was supportive of a modification that seeks to improve significantly over-subscribed parts of the queue, as that will aid overall queue health, which will have a significant positive commercial impact on parties that remain in the queue. NESO does note that, as highlighted during CUSC Panel, the achievability of the modification – a factor which has previously led to other urgency requests being rejected – will depend on the solution which Workgroup develops.
- A Panel member agreed with the Proposer's justification for recommending urgency and also concurred with the NESO position, as set out at the Panel meeting, in respect of the

¹ Ofgem's current view is 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.

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CMP448 urgency justification (which was accepted by Ofgem) as in the reasoning then (for that Modification) is even more so now (with this Modification).

- A Panel member stated that the connection queue reform process has not worked in producing a queue that is in line with the Strategic Plan. As such, the TOs appear to be constructing to deliver the over-subscribed queue. That is clearly inefficient. This inefficiency will be locked in if developers proceed to sign connection agreements that commit TOs to over-invest. Agreements are being issued now and during the Summer. As such, the problem is now and as such is urgent and could not have been predicted. Finally, if urgency was appropriate for CMP448, it is even more appropriate for CMP470.
- A view of a Panel member was that this modification does not meet the urgency criteria as the defect does not have a significant commercial impact on stakeholders. The defect identified does not change the costs associated with delivering or operating generation connected to or connecting to the electricity network. The defect suggests that projects are being issued with a later connection date than they would otherwise expect if the oversubscribed projects were not part of the connections queue. Bringing forward connection dates increases the value of the project rights associated with a proposed development and therefore increases the monetary returns to the project owner. Although this is a commercial impact, they do not think it is significant enough to require an urgency for CMP470.
- The same Panel member further explained that there has been clear evidence of oversubscribed batteries since April 2025. [Regens dashboard](#) highlighted the oversubscription. The process Transmission Owners (TOs) and NESO use to develop new connections has been well known and has not changed in the last 12 months, therefore this modification could have been raised earlier to ensure it was in place for when Gate 2 offers were issued. There is no commercial impact on customers if this modification is implemented after Gate 2 offers are issued. Projects will be able to make an investment decision to keep the connection as and when the commitment fee is issued.
- A view from another Panel member was that this modification did not meet the urgency criteria as in their view, this has been a long-known issue, and the materiality is not necessarily higher than other code changes. Any net benefit to the consumer is not entirely clear.

Procedure and Timetable

The Panel discussed an appropriate timetable for **CMP470** in the instance that urgency is granted.

The Panel agreed that **CMP470** subject to Ofgem's decision on Urgency should follow the attached Code Administrator's proposed timetable (Appendix 1 **Urgent recommendation**). In Appendix 2 of this letter, the Code Administrator has also provided the timeline if this follows standard timescales with the assumption that Panel prioritises this high in the prioritisation stack.

Panel noted that if urgency is required, there would be;

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- A Workgroup Consultation period of less than 15 Business Days
- Code Administrator Consultation period of less than 15 Business Days
- There would be less than 5 clear Business Days between publication of the Draft Final Modification Report and Panel’s recommendation; and
- There would be less than 5 clear Business Days for Panel to check that their Recommendation Vote had been recorded correctly

Under CUSC Section 8.24.4, we are now consulting the Authority as to whether this Modification is an Urgent CUSC Modification Proposal.

Please do not hesitate to contact me if you have any questions on this letter or the proposed process and timetable. I look forward to receiving your response

Yours sincerely

Anthony Pygram

Anthony Pygram
Independent Chair of the CUSC and Grid Code Panel

Appendix 1– Urgent Timeline

Modification Stage	Date
Modification presented to Panel	27 March 2026
Workgroup Nominations	30 March – 02 April 2026
Ofgem decision on Urgency	By 5pm on 02 April 2026
Workgroups 1- 4	09 April 2026 14 April 2026 16 April 2026 21 April 2026
Workgroup Consultation	24 April 2026 – 30 April
Workgroups 5-8	06 May 2026 12 May 2026 14 May 2026 19 May 2026
Workgroup Report issued to Panel	28 May 2026
Panel sign off that Workgroup Report has met its Terms of Reference	05 June (Special Panel)
Code Administrator Consultation	08 June 2026 – 15 June 2026
Draft Final Modification Report (DFMR) issued to Panel	18 June 2026

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Panel undertake DFMR recommendation vote	26 June 2026
Final Modification Report issued to Panel to check votes recorded correctly	26 - 29 June 2026
Final Modification Report issued to Ofgem	30 June 2026
Ofgem decision	TBC
Implementation Date	TBC

Appendix 2 – Standard Timeline

Modification Stage	Date
Modification presented to Panel	27 March 2026
Workgroup Nominations	30 March – 22 April 2026 (2 bank holidays)
Workgroups 1- 5	05 May 2026 28 May 2026 23 June 2026 21 July 2026 13 August 2026
Workgroup Consultation	20 August 2026 – 16 September 2026
Workgroups 6-9	01 October 2026 29 October 2026 24 November 2026 7 January 2027
Workgroup Report issued to Panel	21 January 2027
Panel sign off that Workgroup Report has met its Terms of Reference	29 January 2027
Code Administrator Consultation	8 February 2027 – 01 March 2027
Draft Final Modification Report (DFMR) issued to Panel	18 March 2027
Panel undertake DFMR recommendation vote	26 March 2027
Final Modification Report issued to Panel to check votes recorded correctly	31 March – 07 April 2027
Final Modification Report issued to Ofgem	12 April 2027
Ofgem decision	TBC
Implementation Date	TBC

Appendix 3 – Panel Urgency Vote

See separate attachment