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CUSC Modification Proposal Form												
<h1>CMP473:</h1> <h2>Clarification of contract updates required with a Gate 2 Modification Offer</h2> <p>Overview: This modification intends to clarify which updates to Existing Agreements shall be implemented. Currently, updates to Existing Agreement appendices included within Gate 2 Modification Offers lack consistent treatment, particularly in relation to a network company causing a Completion Date delay.</p>		<h3>Modification process & timetable</h3> <table border="1"> <tr> <td>1</td> <td>Proposal Form 13 April 2026</td> </tr> <tr> <td>2</td> <td>Code Administrator Consultation 30 April 2026 to 05 May 2026</td> </tr> <tr> <td>3</td> <td>Draft Final Modification Report 07 May 2026</td> </tr> <tr> <td>4</td> <td>Final Modification Report 13 May 2026</td> </tr> <tr> <td>5</td> <td>Implementation 05 Business Days following Authority Decision</td> </tr> </table>	1	Proposal Form 13 April 2026	2	Code Administrator Consultation 30 April 2026 to 05 May 2026	3	Draft Final Modification Report 07 May 2026	4	Final Modification Report 13 May 2026	5	Implementation 05 Business Days following Authority Decision
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<p>Status summary: The Proposer has raised a modification and is seeking a decision from the Panel on the governance route to be taken.</p>												
<p>This modification is expected to have a: High impact Generators, Demand Customers, Transmission System Operators and Transmission Owners</p>												
<p>Proposer's recommendation of governance route Urgent modification to proceed under a timetable agreed by the Authority (with an Authority decision)</p>		<p>Modification Category CUSC Non-Charging Objectives</p>										
<p>Who can I talk to about the change?</p>	<p>Proposer: Andrew Allan andrew.allan@rwe.com</p>	<p>Code Administrator Contact: cusc.team@neso.energy</p>										

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What is the issue?

A substantial proportion of Gate 2 Modifications Offers issued to date, including for projects which should have had dates protected, have unexpectedly included a delay to the Completion Date due to a network company driven programme delay.

Connecting customers have expressed concerns and frustration that associated Gate 2 Modification Offers issued are not considered sufficiently accurate or robust to be able to accept and sign. In particular, there are often missing Construction Agreement appendices, or appendices which have not been updated to reflect the consequential changes of a revised Completion Date.

It is our understanding that Connection and Use of System Code (CUSC) Section 18, clause 18.14.2 was codified with the intention that any change to the Completion Date (a key date in the Construction Programme), and any consequential changes (eg. to other Existing Agreement appendices) required to ensure the Gate 2 Modification Offer is consistent with the form of a [CMP434](#) Gate 2 Offer, would be duly made by the National System Operator (NESO) before issuing a Gate 2 Modification Offer.

NESO have issued some guidance¹, on topics such as Construction Agreement Appendix Q – Queue Management milestones – in Dec 2025, stating “As a result of [CMP435](#), 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**” which, while arguably lacking specificity, we find consistent with CUSC Section 18.

However, on the Connection Reform webinar on 25th March 2026, NESO stated that Appendix J is not being updated, which we (industry) find inconsistent with CUSC Section 18.

While not clear, it does seem that a lack of updates to associated charging appendices such as Trigger Date, as is relevant to Cancellation Liabilities is an error, rather than a deliberate departure from the codified process. But, it is an issue affecting several Gate 2 Modification Offers.

¹ [Queue Management Guidance](#)

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The differing interpretations of NESO’s obligations with regards to the content of a Gate 2 Modification Offer demonstrates that the CUSC needs to include an explicit obligation on NESO as to what an updated connection offer will include. In absence of this clarification, it is not clear for example, whether Appendix J and Queue Management milestones will be adjusted. Therefore, creating uncertainty around what obligations can be expected to be placed on connecting customers with regards to their connection offers.

Why change?

There is a lack of clarity as to what should be expected to be updated in a Gate 2 Modification Offer. Due to apparent deviation from the codified text with respect to Appendix J in particular, this modification seeks to provide clarifications which will ensure all parties are clear on what will be included in an updated offer. This will maximise the efficiency of the Gate 2 to Whole Queue process and ensure there is clarity in contractual obligations at point of acceptance.

What is the Proposer’s solution?

Directly following CUSC Section 18, clause 18.14.3, this proposal would insert additional clarificatory text.

The modification should also be applicable in respect of any Gate 2 Modifications Offers already issued, as well as all issued going forward.

Draft legal text

The proposed legal text changes can be found in **Annex 01**.

What is the impact of this change?

The impact of this change is clarificatory in nature, simply confirming that NESO and therefore also Transmission Owners, are required to duly update all relevant aspects of an Existing Agreement in a Gate 2 Modification Offer.

No new requirements will be introduced. However, the impact is High in terms of benefits to Connecting Customers, in so much as they will have confidence in what they should expect to receive. Post clarification, if there continue to be deviations from defined

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requirements, connecting customers will have confidence they are raising valid queries, and there would be reasonable grounds to request extension to the standard acceptance period, should any such queries not be resolved in a timely manner.

Proposer’s assessment against CUSC Non-Charging Objectives	
Relevant Objective	Identified impact
(i) The efficient discharge by the Licensee of the obligations imposed on it by the Act and by this licence*;	Positive Ensures there is clarity and common understanding of obligations
(ii) Facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity;	Positive There is an inconsistency in connecting users and NESO’s interpretation of what milestones require updating. There’s inconsistency in what milestones are being updated, given that it appears NESO have internally inconsistent views of their obligation. This modification helps ensure a level playing field in terms of contractual content and quality.
(iii) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency **; and	Neutral
(iv) Promoting efficiency in the implementation and administration of the CUSC arrangements.	Positive

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	Currently, offers issued are going through query loops, with unclear valid reasons. Gate 2 Modification Offers should be issued correctly in the first place.
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* See Electricity System Operator Licence

**The Electricity Regulation referred to in objective (iii) is Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast) as it has effect immediately before IP completion day as read with the modifications set out in the SI 2020/1006.

Proposer’s assessment of the impact of the modification on the stakeholder / consumer benefit categories

Stakeholder / consumer benefit categories	Identified impact
Improved safety and reliability of the system	Neutral
Lower bills than would otherwise be the case	Positive Reduced time and administrative burden when Gate 2 Modification Offers are issued correctly the first time. This modification should mitigate unnecessary query loops.
Benefits for society as a whole	Neutral
Reduced environmental damage	Positive When Gate 2 to Whole Queue is most efficiently implemented, pace of decarbonisation and the chance to achieve Clean Power 2030 is maximised. This is not only good for bills, but also the legally

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	binding decarbonisation journey is in the societal and national interest.
Improved quality of service	Neutral

When will this change take place?

Implementation date:

05 Business Days following Authority decision with retroactive application in respect of any Gate 2 Modifications Offers already issued.

Date decision required by

20 May 2026

Implementation approach

None.

Proposer’s justification for governance route

Governance route: Urgent modification to proceed under a timeline agreed by the Authority (with an Authority Decision)

It is essential that connecting Users are issued with accurate offers. There is a limited window for acceptance of offers, and Users should not be expected to take on the significant commercial risk of signing inaccurate or non-compliant offers. We believe the NESO may currently be in breach of its obligations under CUSC Section 18, clause 18.14.2, and this modification should resolve any discrepancy moving forward. In order that clarity is achieved at the earliest opportunity to have effect in relation to the maximum number of Gate 2 Modification Offers still to be issued, urgency is required.

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Interactions

- | | | | |
|--|--|---|--------------------------------|
| <input type="checkbox"/> Grid Code | <input type="checkbox"/> BSC | <input type="checkbox"/> STC | <input type="checkbox"/> SQSS |
| <input type="checkbox"/> European
Network Codes | <input type="checkbox"/> EBR Article 18
T&Cs ¹ | <input type="checkbox"/> Other
modifications | <input type="checkbox"/> Other |

No cross-code interactions have been identified.

Acronyms, key terms and reference material

Acronym / key term	Meaning
BSC	Balancing and Settlement Code
CUSC	Connection and Use of System Code
EBR	Electricity Balancing Regulation
GC	Grid Code
NESO	National Energy System Operator
SQSS	Security and Quality of Supply Standards
STC	System Operator Transmission Owner Code
T&Cs	Terms and Conditions

Reference material

- [Queue Management Guidance](#)
- [CMP434 'Implementing Connections Reform'](#)
- [CMP435 'Application of Gate 2 Criteria to existing contracted background'](#)

Annex	Information
Annex 01	Legal Text