

Public

# CUSC Panel

Friday 24 April 2026

Faraday House



Public

# WELCOME



## Purpose of Panel & Duties of Panel Members

The **Panel** shall be the standing body to carry out the **functions** referred to in CUSC – Section 8 CUSC Modification (8.3.3)

The **Panel** shall endeavour at all time to operate:

- In an **efficient, economical and expeditious manner**, taking account of the complexity, importance and urgency of particular CUSC Modification Proposals; and
- With a view to ensuring that the CUSC facilitates **achievement of the Applicable CUSC Objectives**.

### Duties of Panel Members & Alternates (8.3.4)

1. Shall act **impartially** and in accordance with the requirements of the **CUSC**; and
2. Shall not have any **conflicts of interest**.

Shall not be representative of, and shall act without undue regard to the particular interests of the persons or body of persons by whom he/she was appointed as Panel Member and any Related Person from time to time.

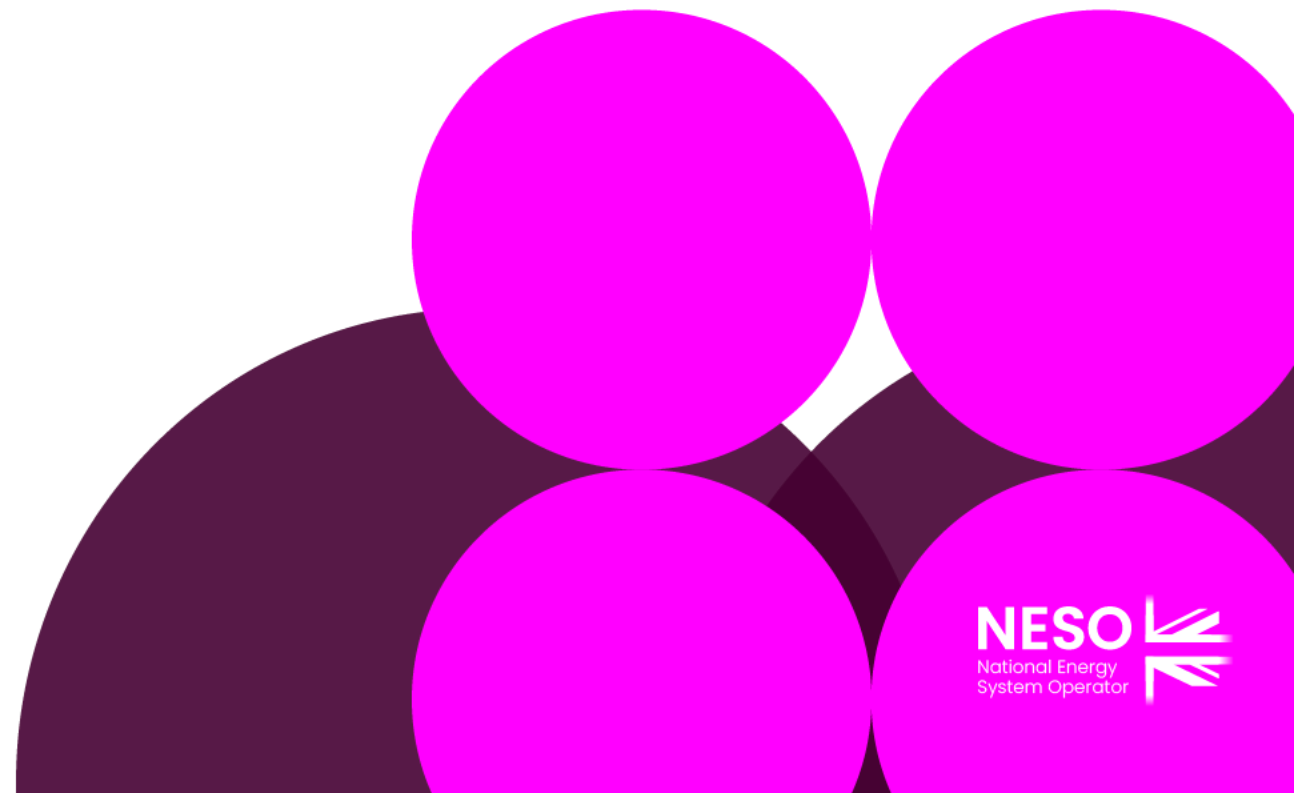
## Approval of Panel Minutes

Approval of Panel Minutes from the meeting held on 27 March 2026

# Action Log

Review of Action Log

## Chair's Update



# Authority Decisions and Update (as of 16 April 2026)

## Decisions Pending

Modification	Final Modification Report Received	Expected Decision Date
<b>CMP315</b> 'TNUoS Review of the expansion constant and the elements of the transmission system charged for' and <b>CMP375</b> 'Enduring Expansion Constant & Expansion Factor Review'	07 February 2024	TBC pending update on National Pricing Reform (previously 07 February 2025)
<b>CMP316</b> 'TNUoS Charging Methodology for Co-located Generation'	08 August 2025	March 2026 (previously 27 February 2026)
<b>CMP330&amp;CMP374</b> '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
<b>CMP344</b> 'Clarification of Transmission Licensee revenue recovery and the treatment of revenue adjustments in the Charging Methodology'	09 July 2025	March 2026 (previously 27 February 2026)
<b>CMP397</b> 'Consequential changes required to CUSC Exhibits B and D to reflect CMP316 (Co-located Generation Sites)'	12 June 2024	March 2026 (previously 27 February 2026)
<b>CMP423</b> 'Generation-weighted Reference Node'	09 December 2025	TBC
<b>CMP453</b> 'To Bill BSUoS on a net basis at BSC Trading Units'	11 November 2025	September 2026

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

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

# Authority Decisions and Update (as at 16 April 2026)

## Received Final Modification Reports since last Panel Meeting

Modification	Final Modification Report Received	Expected Decision Date
<b>CMP440</b> 'Re-introduction of Demand TNUoS locational signals by removal of the zero price floor'	10 April 2026	30 September 2026

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

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



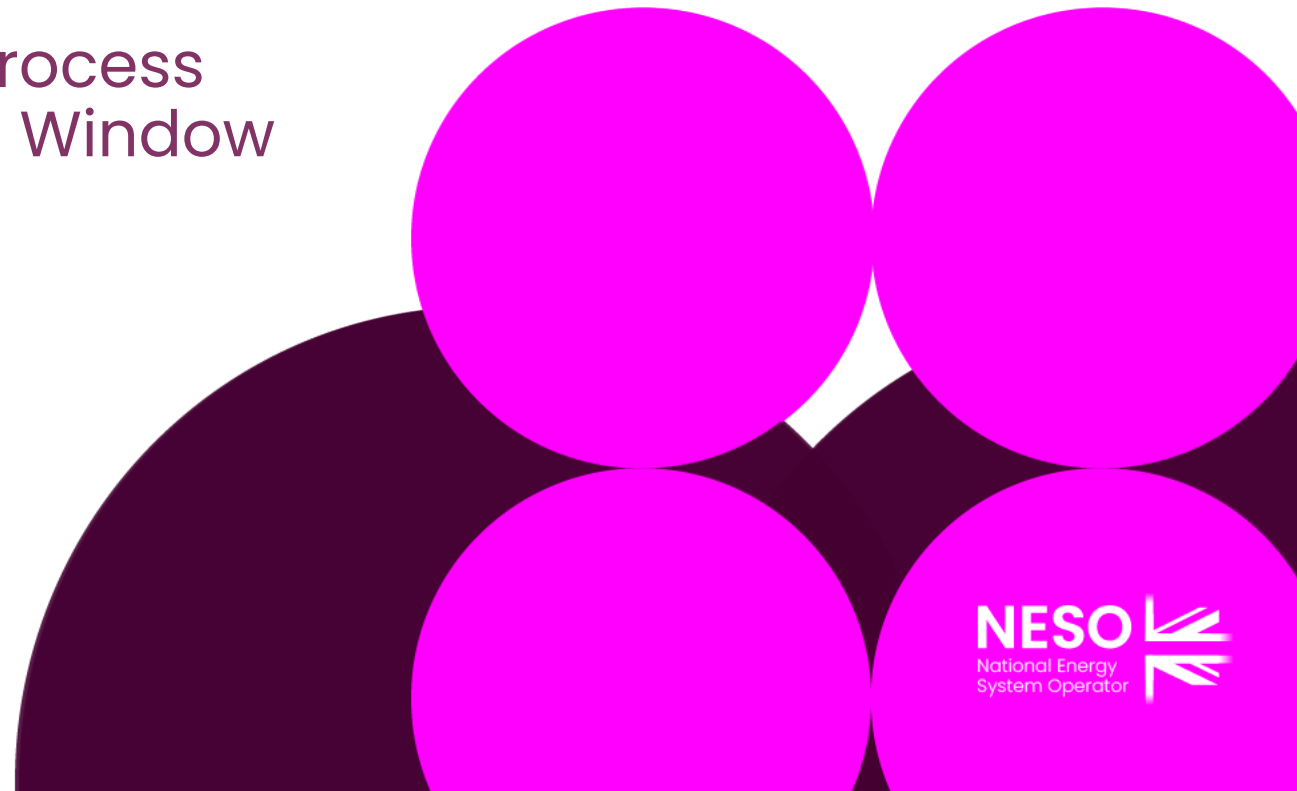
## New Modifications

- **CMP471:** Interim Contract Variation Process Ahead of CMP434 Gated Application Window
- **CMP469:** GC0186 Cost Recovery mechanism for CUSC Parties
- **CMP472:** Large Embedded Generators Original Red Line Boundary Sharing Without Customer Consent

# New Modification

CMP471: Interim Contract Variation Process  
Ahead of CMP434 Gated Application Window

Matthew Dowds, Muirhall Energy



Critical Friend Feedback: CMP471

Code Administrator comments	Amendments made by the Proposer
Slightly tweaked summary overview. Updated font sizes. Included links to referenced modifications. Updated Acronyms. Suggested amendment to the correct ACO.	All agreed.

# **Connection Date Variation Process Ahead of CMP434 Gated Application Window**

CUSC Modification Proposal - April 2026

Matthew Dowds - Muirhall Energy

# (1) Defect and Objective

## Reason for Change

- ▶ ~30-month freeze (until post-April 2027) prevents Users from updating connection dates, causing growing misalignment with evolving projects.
- ▶ Increased exposure to outdated and disproportionate cost liabilities (e.g. capital contributions, security).
- ▶ Increased risk of non-acceptance of Gate 2 Offers.

## Defect

- ▶ Lack of an interim mechanism to reflect changes in project timelines.
- ▶ Framework results in inefficient contract management and avoidable administrative burden.
- ▶ Users face cost risks and reduced certainty due to inability to align contracts with current project status.

## Objective

- ▶ Introduce a targeted, interim mechanism to allow connection date delays, improving alignment and reducing avoidable cost and risk.



## (2) Challenges facing Impacted Parties

- ▶ There is industry support for expanding the allowable changes to include a 'Connection Date Delay' option. This modification is expected to benefit both Transmission Owners/NESO and Users.
- ▶ Transmission Owners/NESO
  - ▶ Ofgem has noted that 62% of protected 2026/27 projects are affected by 'network-driven' connection date delays.
  - ▶ Transmission Owners/NESO have stated that they have 'regulatory reporting requirements and a statutory duty' to provide Users with the earliest possible connection date, even where the site would operate under severe export restrictions. This approach places connections at risk.
- ▶ Users
  - ▶ Although 62% of 2026/27 projects are required to be delayed, Users continue to pay Capital Contributions based on profiles that do not reflect actual project programmes. It is expected that many projects between 2027 and 2030 will also face unnecessary payment requests.
  - ▶ The next trigger date is 1<sup>st</sup> April 2027, and there is currently no mechanism for Users to avoid this, which will increase their liability risk. This risk was not anticipated before the Connections Reform began, as it was expected that the first CMP434 window would open beforehand. However, delays in Connections Reform have prevented this.
  - ▶ Once a User reaches a liability year, they cannot revert to a previous period, resulting in higher cancellation charges.

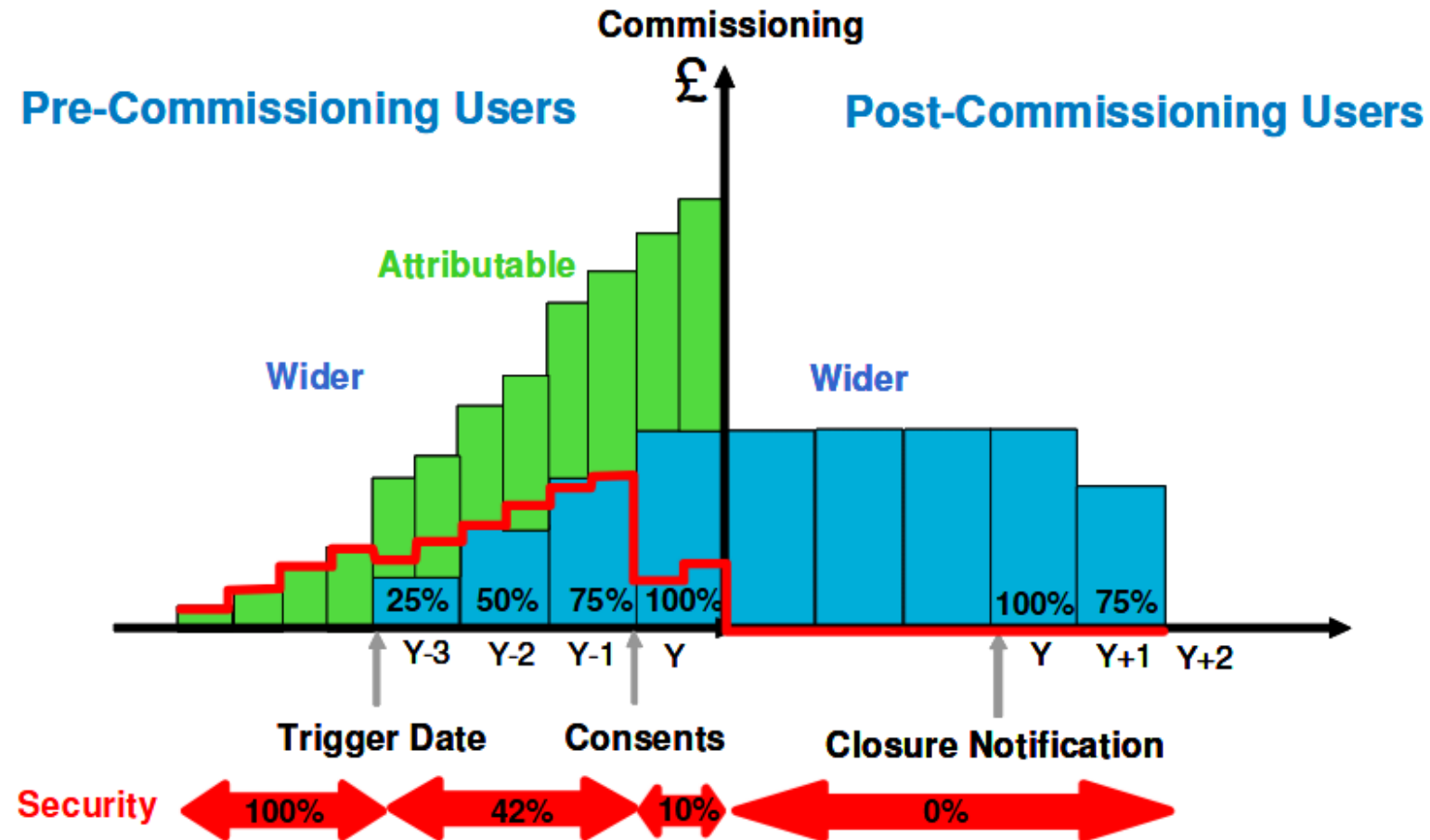
## (2.1) Illustration of App B Capital Contributions

### Forecast of One Off Instalments/Capital Contributions Yet to Make

For indication only, the Capital Contribution sum in respect of those assets installed for this agreement and specified in Appendix A Part 2 and Appendix A Part 3 of this agreement will be £12,479,501.00 in October 2022 prices, and payable in accordance with Schedule below.

Invoice Date	Excluding VAT	
31 January, 2024	£	121,724.00
30 July, 2024	£	177,449.00
31 January, 2026	£	840,679.00
30 July, 2026	£	2,537,006.00
31 January, 2028	£	3,335,533.00
30 July, 2028	£	3,189,761.00
31 January, 2029	£	2,277,349.00
Total	£	12,479,501.00

## (2.2) Illustration of Fixed Liability Profile



# (3) Proposed Solution

- ▶ Users have welcomed NESO's recent decision to permit the following contractual changes to a Gate 2 offer:
  - ▶ Request a decrease of CEC, TEC, Developer Capacity, Demand MW or Installed Capacity
  - ▶ Remove a tech type
  - ▶ Novation
  - ▶ Address details or admin changes
  - ▶ Terminate
- ▶ This modification would expand the scope of allowable variations to include a 'Connection Date Delay' option.
- ▶ Where Users have already received a Gate 2 offer and have therefore missed the opportunity to utilise a 'Connection Date Delay' request, an alternative mechanism (e.g. modification, agreement to vary, or waiver) will be introduced and be available until September 2026.
- ▶ Eligibility would be restricted to Users expected to receive a Gate 2 Offer.
- ▶ This approach provides a targeted interim solution that improves alignment while minimising network planning impacts, as it only permits delay requests.

## (4) Governance Route and Timeline

- ▶ This proposal seeks the Urgent modification governance route due to potentially significant and imminent commercial impacts. The key drivers are:
  - ▶ Users risk entering the first CMP434 Gate window with misaligned contractual positions.
  - ▶ Misalignment could result in inefficient Gate 2 outcomes or even the rejection of offers.
  - ▶ The absence of pre-window connection date amendments creates a critical timing constraint and a missed opportunity for adjustments.
  - ▶ Delays would increase inefficiencies, raise cost exposure, and reduce the effectiveness of the Gate 2 process.
- ▶ Users would benefit from the immediate implementation of this modification, allowing capital contribution timelines to be revised. The backstop date for implementation is September, which ensures that Users can amend their contracts before the 1<sup>st</sup> April 2027 trigger period and avoid incurring unnecessary additional liabilities.
  - ▶ 31<sup>st</sup> July 2026 has been proposed as the Urgent Implementation date within the CMP.



# Proposer's Justification vs Ofgem's Urgency Criteria

The Proposer recommends that this modification should be treated as an Urgent Modification proposal and proceed directly to Code Administrator Consultation.

Ofgem's Urgency Criteria	Proposer's Justification
a) A significant commercial impact on parties, consumers or other stakeholder(s).	<p>This modification meets Ofgem's urgency criteria as it relates to an imminent and time-bound issue with significant commercial implications for Users.</p> <p>Users require the ability to amend connection dates ahead of the first CMP434 Gated Application Window and prior to the 01 April 2027 liability trigger. Without this, Users may be exposed to increased cost and liability profiles that do not reflect deliverable project timelines.</p> <p>The timing of implementation is therefore critical. A backstop implementation date of September 2026 is required to ensure that Users can utilise the proposed variation process before the relevant liability milestone is reached.</p> <p>Without urgent implementation, Users will be required to enter the first CMP434 Gated Application Window with contractual connection dates that do not reflect current project delivery assumptions. This misalignment may lead to inefficient Gate 2 outcomes, including an increased risk of Users rejecting Gate 2 Offers due to inaccurate programme assumptions and associated cost exposure.</p> <p>The inability to amend connection dates ahead of the Gated Application Window creates a clear timing constraint. If not addressed in advance of this window, Users will lose the opportunity to make proportionate adjustments within the scope of this proposal, resulting in avoidable inefficiencies and increased cost risk.</p>
b) A significant impact on the safety and security of the electricity and/or gas systems.	
c) A party to be in breach of any relevant legal requirements	



## CMP471 Proposed Timeline – Urgent Timeline

Milestone	Date	Milestone	Date
Modification presented to Panel	24 April 2026	Code Administrator Consultation	23 June 2026 – 30 June 2026
Workgroup Nominations (5 Business Days)	24 April 2026 – 01 May 2026	Draft Final Modification Report (DFMR) issued to Panel (5 Business Days)	07 July 2026
Workgroup 1 Workgroup 2 Workgroup 3 Workgroup 4	07 May 2026 12 May 2026 15 May 2026 21 May 2026	Panel undertake DFMR recommendation vote	10 July 2026 (Special Panel)
Workgroup Consultation (4 Business Days – Urgency)	26 May 2026 – 01 June 2026	Final Modification Report issued to Panel to check votes recorded correctly	10 July 2026
Workgroup 5 Workgroup 6 Workgroup 7	04 June 2026 09 June 2026 12 June 2026	Final Modification Report issued to Ofgem	10 July 2026
Workgroup report issued to Panel (5 Business Days)	16 June 2026	Ofgem decision	17 July 2026
Panel sign off that Workgroup Report has met its Terms of Reference	19 June 2026 (Special Panel)	Implementation Date	31 July 2026

# CMP471 Asks of Panel

- **AGREE** that this Modification has a clearly defined defect, scope and solution
- **AGREE** that this Modification should proceed directly to Code Administrator Consultation
- **NOTE** that there appear not to be any impacts on the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the CUSC
- **VOTE** whether or not to recommend Urgency
- **AGREE** timetable for Urgency
- **NOTE** next steps:
  - Under CUSC Section 8.24.4, we will now consult the Authority as to whether this Modification is an Urgent CUSC Modification Proposal
    - Letter to be sent to Ofgem 24 April 2026
    - Ofgem approval of Urgent treatment sought by 5pm on 01 May 2026
    - 1st Workgroup to be held 07 May 2026

# New Modification

CMP469: GC0186 Cost Recovery mechanism  
for CUSC Parties

# CMP469 Proposed Timeline

Milestone	Date
Modification presented to Panel	24 April 2026
Code Administrator Consultation (15 Business Days)	27 April – 19 May 2026
Draft Final Modification Report (DFMR) issued to Panel (5 Business Days)	18 June 2026
Panel undertake DFMR recommendation vote	26 June 2026
Final Modification Report issued to Panel to check votes recorded correctly	29 June 2026
Final Modification Report issued to Ofgem	07 July 2026
Ofgem decision	TBC
Implementation Date	10 Business Days following Authority Decision



# CMP469 Asks of Panel

- **AGREE** that this Modification has a clearly defined defect, scope and solution
- **AGREE** that this Modification should follow Standard Governance (Ofgem decision) rather than the Self-Governance Criteria (Panel decision)
- **AGREE** that this Modification should proceed to Code Administrator Consultation
- **NOTE** that there appear not to be any impacts on the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the CUSC
- **NOTE** the proposed timeline

# New Modification

CMP472: Large Embedded Generators  
Original Red Line Boundary Sharing Without Customer  
Consent

Muki Liu, NESO

# CMP472 Critical Friend Feedback

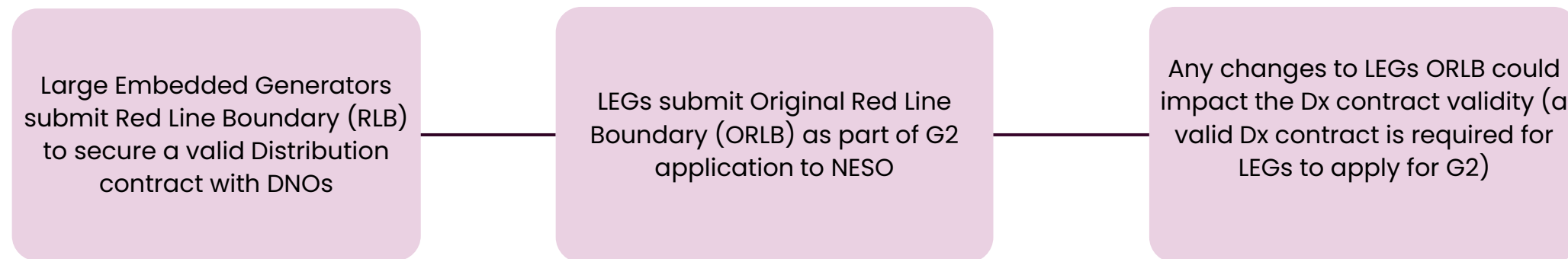
Code Administrator comments	Amendments made by the Proposer
<p>Confirmation on decision date and implementation date</p> <p>CUSC charging objectives removed</p> <p>Acronyms referenced correctly and expanded once in the document. Acronyms missing from the table added.</p> <p>Minor typographical changes suggested</p>	<p>Proposer accepted all amendments made by the Code Administrator</p>

# Contents

1. Context and problem statement
2. Proposed solution and its direct impact
3. The ask: proposed route and rationale based on April TCMF feedback
4. Implementation approach and impact assessment

## Context and problem statement

If Large Embedded Generators (LEGs) want a G2 offer from NESO



### Current situation

1. CUSC doesn't specify NESO can share LEG ORLB with DNOs without customer consent
- Some boundary changes would make a Dx contract invalid

### Problem statement:

- NESO might still take LEGs to the next phase when their Dx contracts are no longer valid, creating unnecessary work at the Network Design stage.

## Proposed solution and its direct impact

### Solution

Introduce a new clause in CUSC Section 17 to explicitly permit NESO to share ORLB data submitted by LEGs with the relevant DNOs without requiring customer consent, solely for the purpose of verifying ongoing distribution contract compliance

- *The new clause doesn't conflict with any existing CUSC clauses.*
- *Invalid Dx contract can be detected early, avoiding taking ineligible LEGs to the Network Design stage.*



### Impact of the modification (if implemented)

Stakeholders	Impact
LEGs	Low
NESO, TOs and DNOs	Positive

### Draft legal text

#### CUSC 17.7.3.3

The Original Red Line Boundary submitted by a Large Embedded Power Station as part of a Gate 2 Application or Gated Modification Application shall be shared by the Company with the relevant Distribution Network Operator for the purpose of verifying continued compliance with Distribution system connection requirements.

## The ask: proposed route and rationale based on April TCMF feedback

We ask for CUSC panel support in using [Standard Governance route progressing to Code Administrator Consultation](#)

### TCMF/Industry feedback

### NESO Response

Consider the issue as straightforward & low impact

- NESO agrees with the industry judgement

Supportive of the proposal, with explicit industry support for NESO sharing ORLB data with the relevant DNOs.

- To avoid potential future disputes, NESO decides to explicitly codify ORLB data sharing in the legally binding CUSC

Proposed alternative routes for the proposal instead of code modification

- Alternative routes – Application form, Grid Code and Technical data submission guidance – were considered but discounted

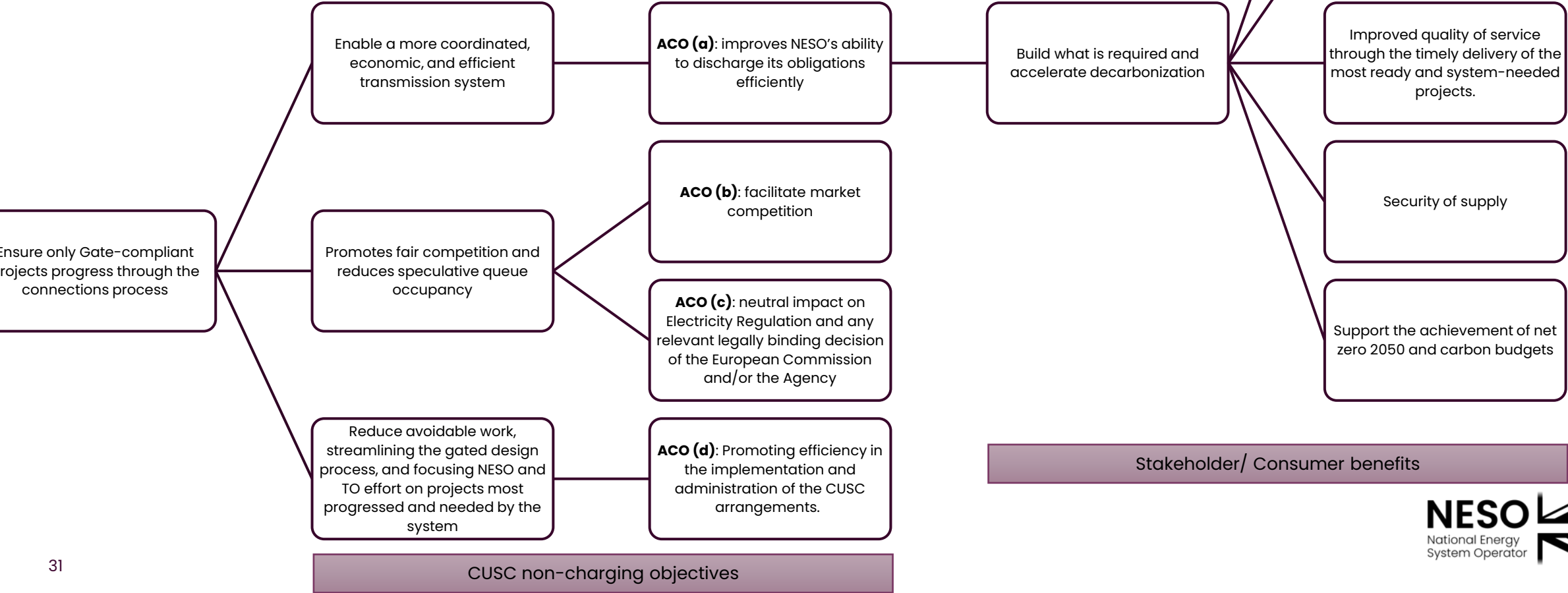
Commercial sensitivity of customer data has been raised in other modification workstreams

- NESO is aware of the concern – ORLB information will remain confidential and subject to appropriate data-handling controls by both NESO and DNOs

Public

# Implementation approach and impact assessment

**Implementation:** Once the code change is approved, an acknowledgement will be added to the form of Gated Applications and Gated Modification Applications, where LEG applicants would be informed that their ORLB submitted to NESO will be shared with respective DNOs as part of the Distribution compliance.





# CMP472 Proposed Timeline

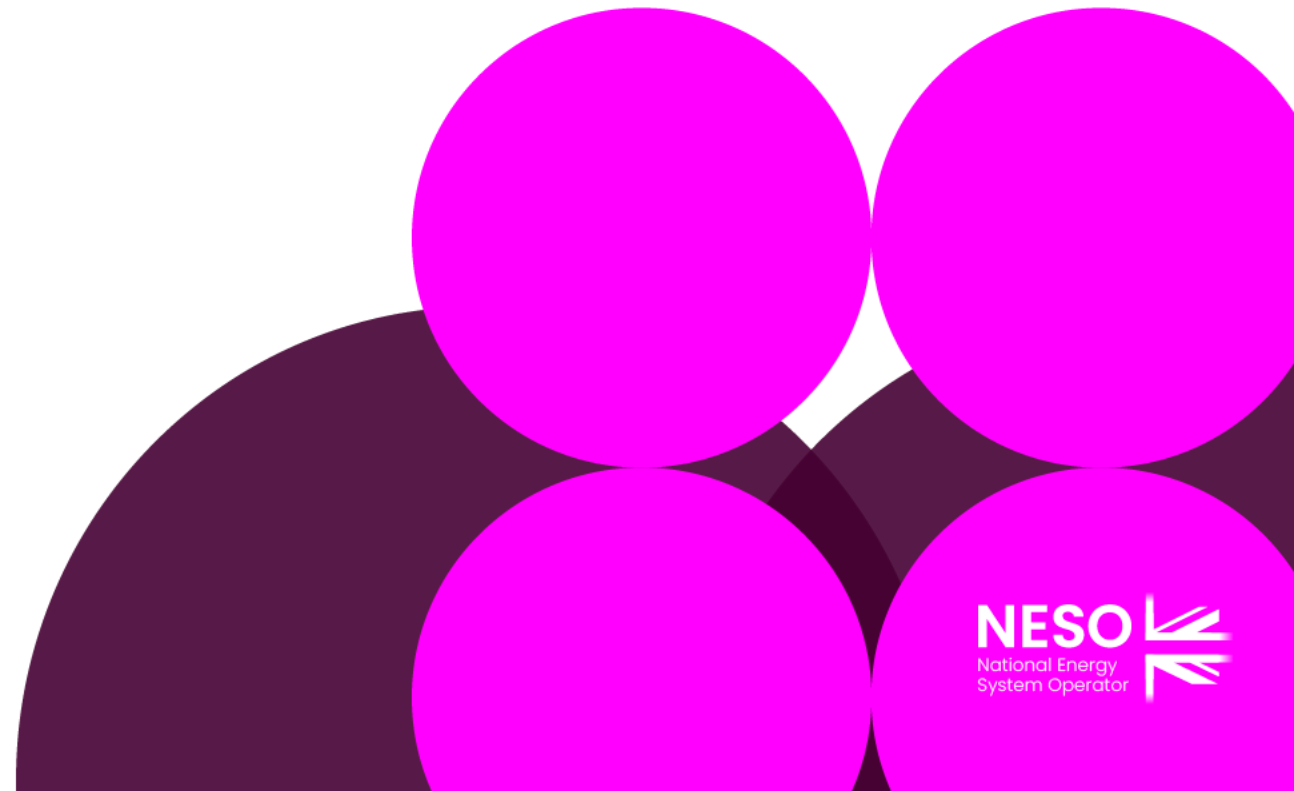
Milestone	Date
Modification presented to Panel	24 April 2026
Code Administrator Consultation (15 Business Days)	27 April – 19 April 2026
Draft Final Modification Report (DFMR) issued to Panel (5 Business Days)	18 June 2026
Panel undertake DFMR recommendation vote	26 June 2026
Final Modification Report issued to Panel to check votes recorded correctly	29 June 2026
Final Modification Report issued to Ofgem	07 July 2026
Ofgem decision	TBC
Implementation Date	10 Business Days following Authority Decision

# CMP472 Asks of Panel

- **AGREE** that this Modification has a clearly defined defect, scope and solution
- **AGREE** that this Modification should follow Standard Governance (Ofgem decision) rather than the Self-Governance Criteria (Panel decision)
- **AGREE** that this Modification should proceed to Code Administrator Consultation
- **NOTE** that there appear not to be any impacts on the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the CUSC
- **NOTE** the proposed timeline

## **Panel Modification Tracker**

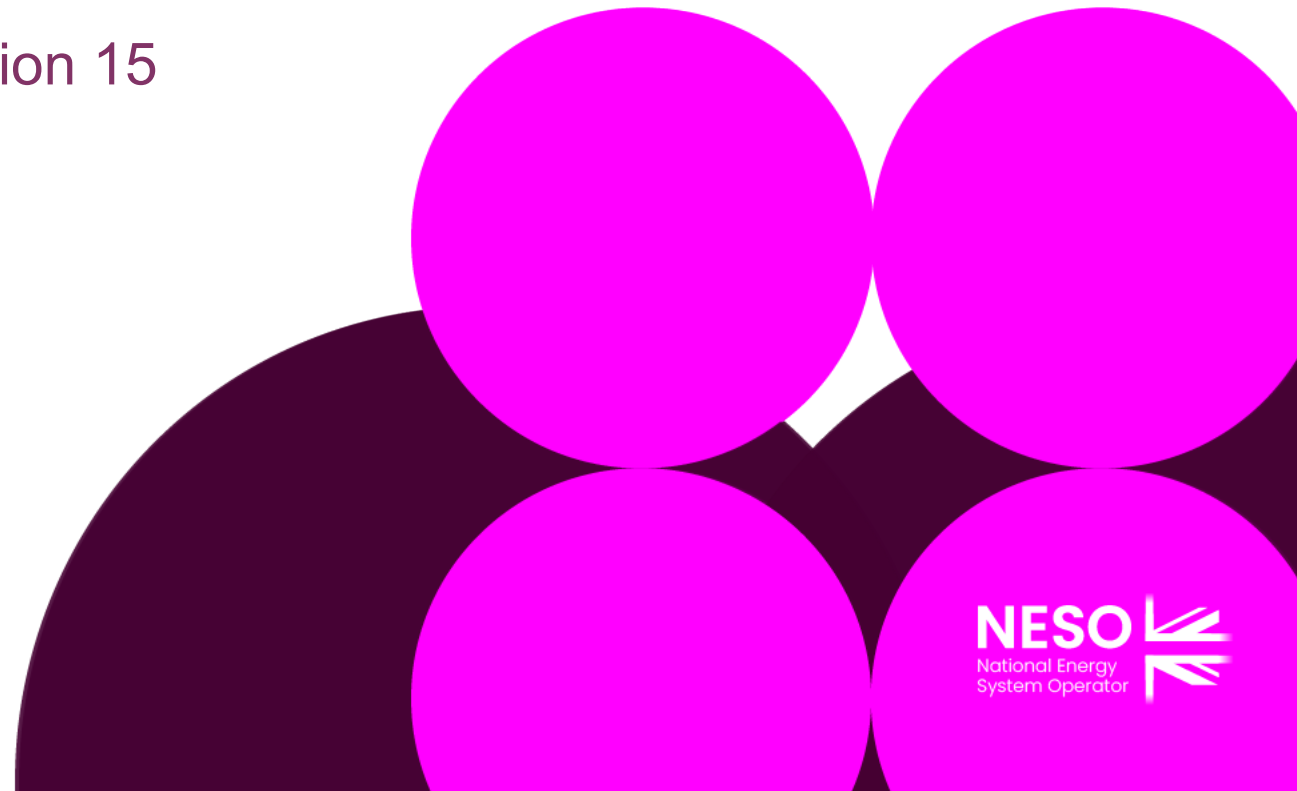
Catia Gomes, Code Administrator



# Workgroup Report

CMP417: Extending principles of CUSC Section 15  
to all Users

Robert Hughes (Workgroup Chair)



# Key points to note

- Workgroup Report has been brought forward within the revised timelines agreed by the CUSC Panel. FMR to go to the Authority on 09 July being two months ahead of the original schedule.
- This modification has been the subject of significant interest by the Authority. The 06 November open letter referred to CMP417 in some detail and it is considered this modification to be high priority.
- The solution aims that CMP417 will be implemented in the January 2027 securities run. The Workgroup and responses to the Workgroup consultation all believed this was a critical issue. Therefore, a strong request was made for a decision to be made by the Authority by 30 September 2026, to give the TOs time to collect the data to meet the January deadline.

# Solution(s) and Workgroup Vote

## **Solution/summary of solutions:**

- This modification looks to extend the principles of CUSC Section 15 “User Commitment Methodology” to Users on Final Sums methodology, resulting in all Users being on the User Commitment Methodology.
- The solution will be to apply the principles of User Commitment Methodology to Demand securities and liability. This includes the application of sharing factors such as the Strategic Investment Factor and Local Asset Reuse Factor. This would ensure that Demand Users are only liable for a proportion of the spend for assets which have a higher capability than their site alone requires.

## **Summary of Workgroup Vote:**

The Workgroup concluded unanimously (9 votes out 9) that the Original better facilitated the Applicable Objectives than the Baseline.

# Terms of Reference

The Workgroup conclude that they have met their Terms of Reference, and the references can be located below:

Workgroup Term of Reference	Location in Workgroup Report
a) Consider EBR implications	Pages 30 and 39
b) Consider the transitional arrangements	Pages 26, 27 and 33
c) Consider interactions with other codes or code modifications	Pages 4, 9, 28, 29 and 45
d) Consider interactions with NESO connections reform recommendations	Pages 26, 27, 31, 32, 39 and 45
e) Consider financial consequences to Users	Pages 7, 8, 9, 13, 14, 15, 18, 19, 20, 23, 24, 25, 26, 36, 37, and 38
f) Consider cash flow implications on NESO	Pages 37 and 38
g) Consider the interaction between Demand and Generation securities	Pages 9, 12, 13, 14, 16, 17, 18, 19, 20, 21, 23, 24, 25 and 26

# CMP467 Asks of Panel

- **AGREE** that the Workgroup have met their Terms of Reference
- **AGREE** that this Modification can proceed to Code Administrator Consultation
- **NOTE** that this Modification does not impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the CUSC
- **NOTE** the ongoing timeline



# CMP417 Next Steps

Milestone	Date
Code Administrator Consultation (15 Business Days)	28 April 2026 to 5pm on 19 May 2026
Draft Final Modification Report issued to Panel	18 June 2026
Draft Final Modification Report presented to Panel	26 June 2026
Final Modification Report issued to Panel to check votes recorded correctly (5 Business Days)	26 June 2026 – 03 July 2026
Submission of Final Modification Report to Ofgem	06 July 2026
Ofgem decision date	September 2026
Implementation Date	10 Business Days after Authority Decision

## Discussions on Prioritisation

- **AGREE** any movements in the current prioritisation stack and CARRY OUT deep-dive assessment of all

# The Prioritisation Framework

## Three Prioritisation Criteria:

### 1. Alignment with SDS

Does the modification support “Act now”, “Think and plan”, or “Listen and wait” policy areas?

### 2. Importance

Value, risk, criticality to stakeholders, and systemic impact

### 3. Complexity

Level of resource, system/process change, cross-code impact, and implementation effort

## Two Prioritisation Categories:

1. **Standard Priority:** Follows typical timelines; may pause if dependent on other changes

2. **High Priority:** Requires faster progression but not necessarily urgent

**Equal Weighting:** All criteria are considered equally in determining priority

**Relative prioritisation:** Mods assessed against other live proposals to make sure ‘high priority’ reserved for most pressing proposals

**Urgent  
modification  
process  
remains the  
same**

## Standing Groups

*Updates on all standing groups relevant to CUSC Panel e.g. potential for future governance changes or modifications*

### TCMF – NESO Panel Member

- Previous meeting – 02 April 2026 [Meeting materials and Headline Report](#)
- Next meeting – 30 April 2026

## European Updates

*Updates on all European developments relevant to CUSC panel e.g. potential for future governance changes or modifications*

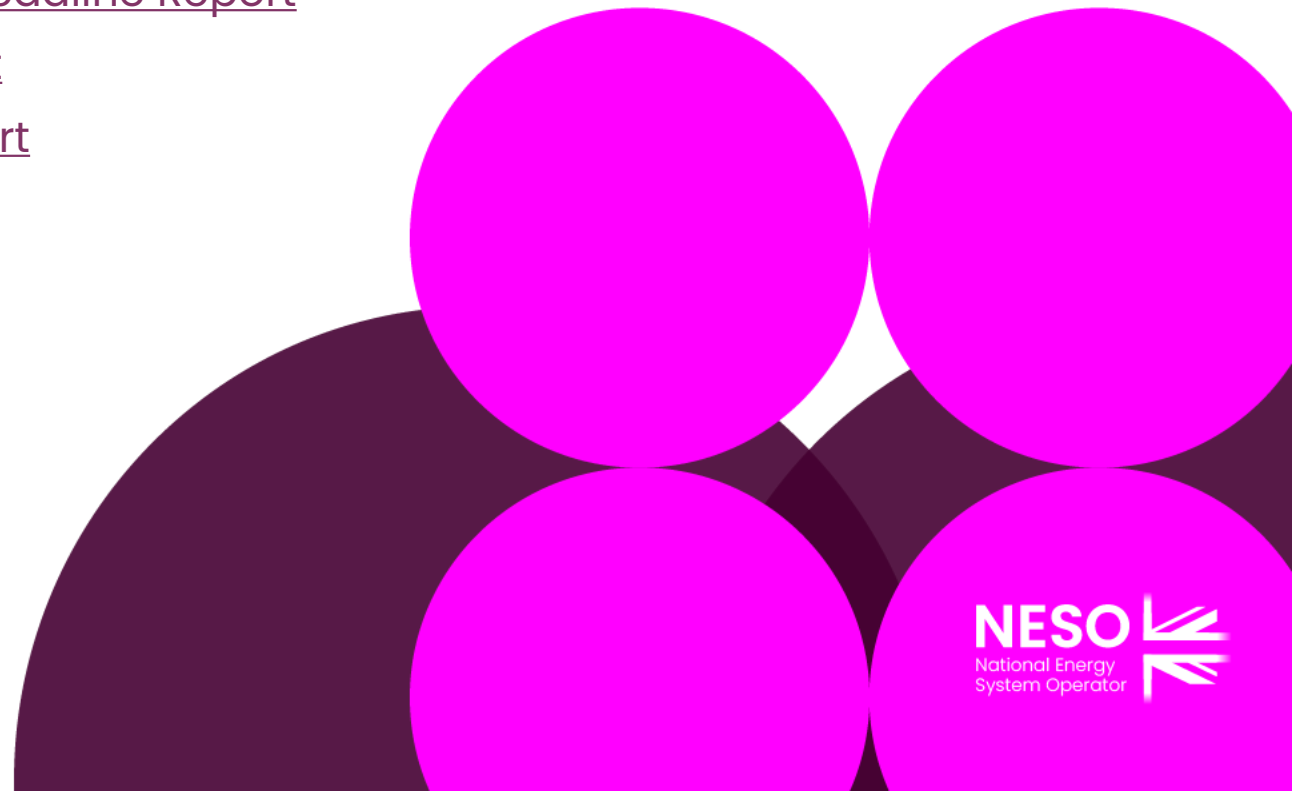
- Joint European Stakeholder Group – Garth Graham
  - Previous meeting – 14 April 2026 Meeting Cancelled
  - Next meeting – 12 May 2026

## Updates on other industry codes

26 March 2026 Grid Code Review [Panel Papers and Headline Report](#)

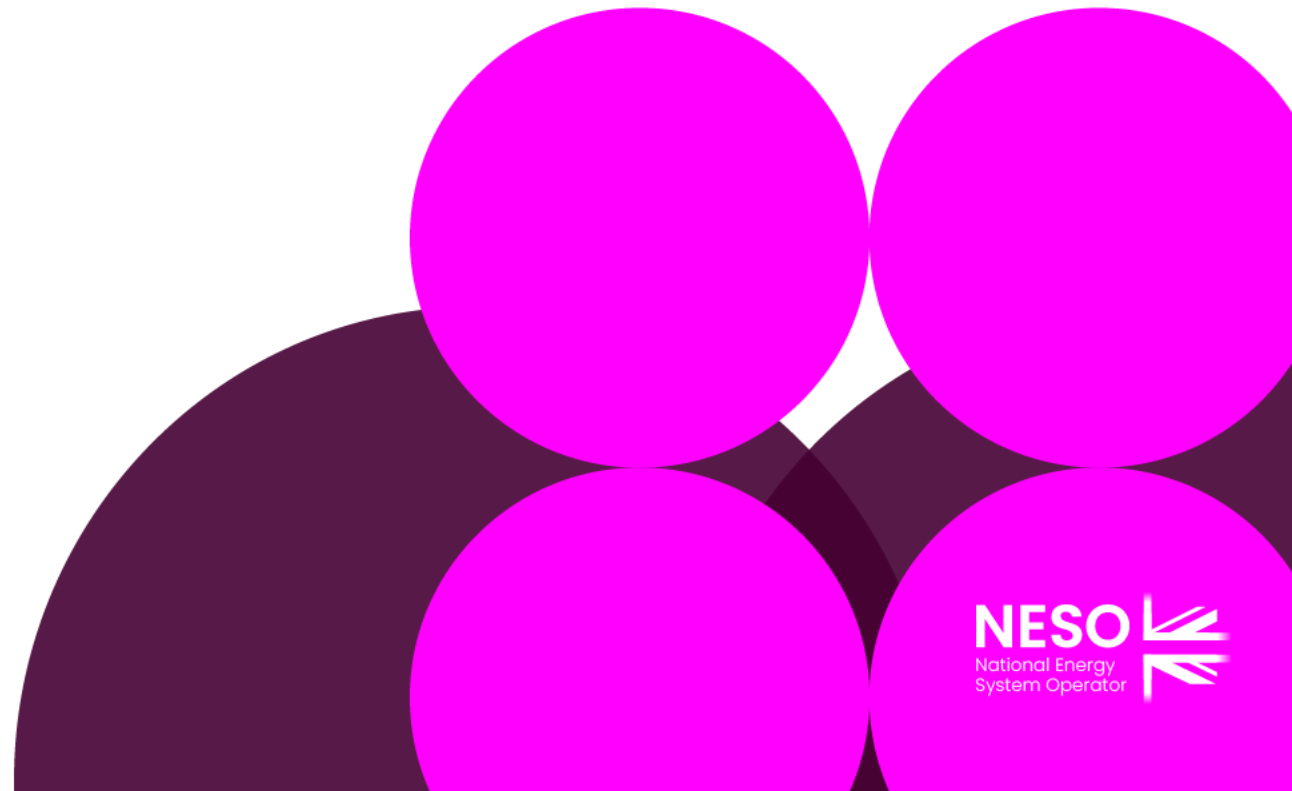
25 March 2026 STC [Panel Papers and Headline Report](#)

24 March 2026 SQSS [Panel Papers and Headline Report](#)



# Relevant Interruptions Claim Report

(January, April, July, October)



# Code Administrator Update



## **Any other business**

- Energisation Process Delays
- Energy Code Reform

# Activities ahead of the next Panel Meeting

Transmission Charging Methodologies Forum	30 April 2026
Modification Proposal Deadline for May Panel	07 May 2026
Papers Day	14 May 2026
Panel Meeting	22 May 2026 Teams

# Close

**Anthony Pygram**

Independent Chair, CUSC Panel