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<b>CUSC Modification Proposal Form</b>																
<h2><b>CMP471: Interim Connection Date Delay Process Ahead of CMP434 Gated Application Window</b></h2> <p><b>Overview:</b> This modification proposes a temporary, limited amendment to the CUSC allowing Users to delay their contracted connection dates ahead of the first <u>CMP434</u> Gated Application Window.</p>		<h3><b>Modification process &amp; timetable</b></h3> <table border="1"> <tr> <td><b>1</b></td> <td><b>Proposal Form</b> 15 May 2026</td> </tr> <tr> <td><b>2</b></td> <td><b>Workgroup Consultation</b> 03 June 2026 – 05 June 2026</td> </tr> <tr> <td><b>3</b></td> <td><b>Workgroup Report</b> 19 June 2026</td> </tr> <tr> <td><b>4</b></td> <td><b>Code Administrator Consultation</b> 23 June 2026 – 30 June 2026</td> </tr> <tr> <td><b>5</b></td> <td><b>Draft Final Modification Report</b> 10 July 2026</td> </tr> <tr> <td><b>6</b></td> <td><b>Final Modification Report</b> 10 July 2026</td> </tr> <tr> <td><b>7</b></td> <td><b>Implementation</b> 31 July 2026</td> </tr> </table>	<b>1</b>	<b>Proposal Form</b> 15 May 2026	<b>2</b>	<b>Workgroup Consultation</b> 03 June 2026 – 05 June 2026	<b>3</b>	<b>Workgroup Report</b> 19 June 2026	<b>4</b>	<b>Code Administrator Consultation</b> 23 June 2026 – 30 June 2026	<b>5</b>	<b>Draft Final Modification Report</b> 10 July 2026	<b>6</b>	<b>Final Modification Report</b> 10 July 2026	<b>7</b>	<b>Implementation</b> 31 July 2026
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<p><b>Status summary:</b> The Proposer has raised a modification and is seeking a decision from the Panel on the governance route to be taken.</p>																
<p><b>This modification is expected to have a: High impact</b> Generators, Transmission Owners, NESO</p>																
<p><b>Proposer’s recommendation of governance route</b> Urgent modification to proceed under a timetable agreed by the Authority (with an Authority decision)</p>		<p><b>Modification Category</b> CUSC Non-Charging Objectives</p>														
<p><b>Who can I talk to about the change?</b></p>	<p><b>Proposer:</b> Matthew Dowds matthew.dowds@muirhallenergy.co.uk</p>	<p><b>Code Administrator Contact:</b> cusc.team@neso.energy</p>														

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## What is the issue?

Users face up to 30 months (January 2025 to July 2027) in which they will have been unable to amend their contracted connection date with National Energy System Operator (NESO). During this time, project delivery timelines continue to evolve, creating increasing misalignment between contracted connection dates and realistic project programmes.

This misalignment introduces inefficiencies and exposes Users to contractual positions that do not reflect deliverable timelines, with limited ability to mitigate associated risks.

NESO is considering whether an application window may be introduced ahead of completion of the Connections Reform process; however, no such mechanism is currently available when receiving Gate 2 offers.

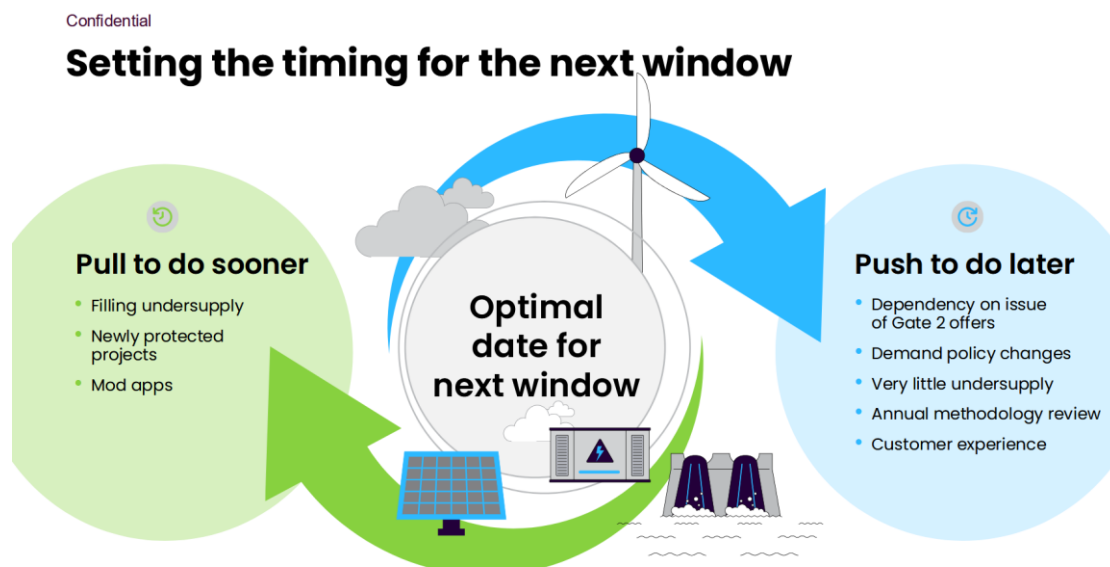


Figure 1: NESO considerations for next Gate Window [1]

In February 2026, NESO confirmed that a limited set of contractual changes to Gate 2 offers would be permitted, including capacity reductions, removal of technology types, novation, administrative updates, and termination. These variations are expected to have been granted by NESO due to their qualification under the 'Non-Gated Modification Application' process in NESO's Gated Modification Guidance [2].

While these contract changes are welcomed, no provision has been introduced to allow Users to defer connection dates. Requests to delay connection dates for Gate 2 offers

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are currently classified as 'Gated Modification Applications' and can only be submitted during an open Gated Modification Window. As the timing of the next window remains uncertain, the ability to request such delays is effectively on hold.

In the absence of a functioning mechanism to defer connection dates, projects are exposed to increased and uncontrolled cost risks, particularly in relation to security liabilities and capital contributions. Where contractual connection dates no longer reflect deliverable project timelines, Users will incur disproportionate cost exposure linked to outdated programme assumptions.

This issue has arisen due to the extended duration of the Connections Reform process and the limited notice provided ahead of the application pause. Users were therefore unable to reasonably anticipate the length of the restrictions on contractual changes or take steps to align contractual connection dates with evolving project delivery timelines.

### **Why change?**

With Connections Reform now expected to conclude in April 2027, followed by circa 3 months to stabilise the queue, Users face an extended period of approximately 30 months during which they are unable to amend their contracted connection dates with NESO.

During this time, project delivery timelines continue to evolve, resulting in increasing misalignment between contracted connection dates and realistic project programmes. The inability to make timely adjustments creates inefficiencies for both Users and NESO, including the need for multiple subsequent contract variations that could otherwise be incorporated within a Gate 2 Offer.

This issue is widespread. In February 2026, Ofgem confirmed that 62% of protected 2026/27 projects are affected by network-driven connection date delays [3]. In addition, Transmission Owners (TOs) are required to offer the earliest possible connection date, in some cases, even where this results in projects operating under significant export constraints. This further increases the risk of contractual misalignment.

Misalignment between contracted and deliverable connection dates exposes Users to disproportionate costs, most notably in relation to Capital Contributions and Security Liabilities.

In respect of Capital Contributions, Users may be required to make payments based on contracted connection dates that no longer reflect realistic project delivery timelines. Where projects are delayed, this can result in capital expenditure being incurred earlier than necessary, before connection assets are required.

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Ofgem’s analysis indicates that 62% of protected 2026/27 projects are expected to be delayed. As a result, a significant proportion of Users may be making Capital Contribution payments against delivery profiles that are no longer aligned with their projects. This issue is not limited to early-phase projects, and it is expected that projects across the 2027–2030 period will also face payment profiles that do not reflect their anticipated connection dates.

This risk is most acute in relation to liability profiles. While securities are fixed prior to Gate 2 acceptance, liabilities continue to progress against the contracted connection date. As a result, Users may be required to enter higher liability periods despite known delays to project delivery. Once a liability milestone is reached, Users cannot revert to a previous position, removing an important element of risk management.

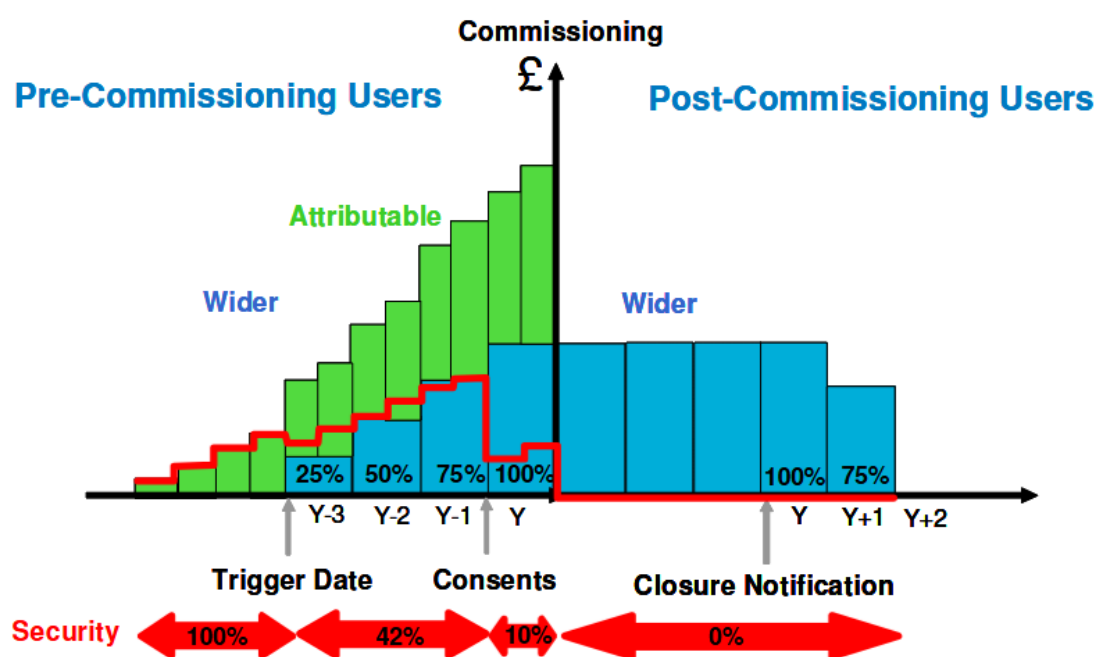


Figure 2: Illustration of Fixed Liability Profile [4]

The next liability trigger date is 01 April 2027. There is currently no mechanism for Users to delay connection dates ahead of this milestone, meaning Users may be exposed to increased liabilities that do not reflect deliverable project timelines. This outcome was not anticipated at the start of Connections Reform, when it was expected that the first CMP434 Gated Application Window would open prior to this trigger date.

The inability to amend connection dates therefore results in avoidable inefficiencies, increased cost exposure, and reduced certainty for project development. A targeted mechanism to allow connection date delays is required to address these issues.

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## What is the Proposer’s solution?

The proposal is to amend Sections 11, 17 and 18 of the CUSC to introduce a limited, time-bound Connection Date Variation Process ahead of the first CMP434 Gated Application Window.

This process would allow Users to request a delay to their contracted connection date during the interim period, without the need to submit a full Gated Application.

The proposed variation would be implemented using existing contractual mechanisms within the NESO connections process, consistent with those currently used to permit defined changes to Gate 2 offers, including:

- Request a decrease of Connection Entry Capacity (CEC), Transmission Entry Capacity (TEC), Developer Capacity, Demand MW or Installed Capacity
- Remove a tech type
- Novation
- Address details or admin changes
- Terminate

To ensure the process remains proportionate and does not impact network planning, eligibility would be restricted to Users who have received confirmation that they are expected to receive a Gate 2 Offer. Only connection date delays would be permitted, and no changes that increase system impact would be allowed.

All variations must be agreed prior to the first CMP434 Gated Application Window and will be reflected in any subsequent Gate 2 Application and Offer.

This approach provides a targeted interim solution that improves alignment between contractual positions and project delivery timelines, while minimising impacts on NESO and Transmission Owners during the ongoing Connections Reform process.

To ensure the variation is captured within the existing process, connection date delays should be implemented through existing mechanisms available ahead of the first CMP434 Gated Application Window.

Where Users are unable to utilise this process within that timeframe, a time-limited facility will be made available to submit a request to NESO for a connection date delay, up until the end of September 2026. This ensures that all eligible Users have a reasonable opportunity to align their contractual connection dates ahead of the April 2027 liability trigger period.

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The three Gate 2 contract scenarios have been outlined in the table below –

Contractual Position	Received Gate 2 Offer – Not Yet Accepted	Received Gate 2 Offer – Accepted	Not received Gate 2 yet
CMP471 Solution	<p>Where a User wishes to delay their connection date, they must notify NESO within four weeks of receiving their Gate 2 Offer. NESO will then engage with the relevant TO(s) to confirm whether the requested revised connection date can be accommodated.</p> <p>Where the User is unable to submit the request within the four-week period, the User may still request a connection date delay. However, the User may first need to accept the Gate 2 Offer and subsequently apply through either an 'Agreement to Vary' process or an interim application window. This interim route would remain available until September 2026.</p> <p>The preferred implementation route (either 'Agreement to Vary' or a dedicated interim application window) will be determined through this modification process.</p>	<p>Users who have already accepted their Gate 2 Offer may still request a connection date delay through an 'Agreement to Vary' process or an interim application window. This route would remain available until September 2026.</p> <p>The preferred implementation route (either 'Agreement to Vary' or a dedicated interim application window) will be determined through this modification process.</p>	<p>Where a User has not yet received a Gate 2 Offer, the User must notify NESO within four weeks of receiving the offer if they wish to request a connection date delay. NESO will then engage with the relevant TO(s) to determine whether the revised connection date can be accommodated.</p>
TO / NESO Impact Considerations	<p>It is expected that connection date delays would have limited impact on wider network reinforcement requirements, as the proposal only permits deferral of existing connection dates and does not introduce additional capacity or increased system impact.</p> <p>While queue positions and commissioning assumptions may require updating, reinforcement requirements are expected to remain largely unchanged. TOs may, however, need to review commissioning resource availability, outage planning, and regional delivery assumptions to accommodate revised connection dates. In most cases, connection date delays should be manageable within existing planning processes and will improve the accuracy of future generation delivery assumptions across the network.</p> <p>Where a requested connection date cannot reasonably be supported, NESO and the relevant TO(s) should work collaboratively with the User to identify the next most appropriate deliverable connection date and provide a clear and transparent explanation of the factors preventing the requested date from being achieved.</p>		

NESO's *Gated Modification Guidance* [2] would require a temporary amendment to reclassify a "Later Connection Date Request" from a *Gated Modification Application* to a *Non-Gated Modification Application* for the purposes of CMP471. This would enable Users to request a connection date delay ahead of Gate 2 Offer acceptance.

The preferred solution is to permit connection date delay requests through:

- the initial four-week period following receipt of a Gate 2 Offer; and

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- a time-limited interim “Connection Date Delay” application window or Agreement to Vary process, available until the end of September 2026.

Upon completion of the CMP471 process, “Later Connection Date Requests” would revert classification to a *Gated Modification Application* in accordance with the original standard arrangements.

It is crucial that Users are permitted to request a connection date delay prior to Gate 2 Offer acceptance, as acceptance triggers the commencement of securities and liability exposure. Allowing Users to align contractual connection dates before acceptance would therefore reduce the risk of entering disproportionate liability positions that are not reflective of achievable project delivery timelines.

Provision should also be made for Users who were unable to utilise the initial request window. In such cases, requests submitted through the interim process should result in the same securities and liability position as if the request had been made prior to Gate 2 Offer acceptance.

### **Draft legal text**

The Proposal will introduce text in ‘Section 17 – Application and Offer Process and ‘Section 18 – Gated Process for Project with Existing Agreements’. In addition, amendments to ‘Section 11 – Interpretations and Definitions’ may also be required. This can be agreed at the working group.

## **What is the impact of this change?**

Generators, Transmission Owner, NESO

<b>Proposer’s assessment against CUSC Non-Charging Objectives</b>	
<b>Relevant Objective</b>	<b>Identified impact</b>
(i) The efficient discharge by the Licensee of the obligations imposed on it by the Act and by this licence*;	<b>Positive</b> The modification supports the efficient discharge of NESO’s licence obligations by improving the alignment between Users’ contractual positions and deliverable project parameters ahead of the Gated Application Window.

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	<p>By expanding the limited Gate 2 offer adjustments, the proposal reduces the need for multiple post-Gate 2 contract acceptance variations and associated administrative processes. This improves the efficiency and effectiveness of the connection's framework during the transition to Connections Reform.</p>
<p>(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;</p>	<p><b>Positive</b></p> <p>The modification facilitates effective competition by ensuring that Users enter the Gate 2 process based on accurate and current project assumptions.</p> <p>In the absence of this change, Users may face distorted incentives due to outdated contractual positions and associated liabilities, which could influence decisions to accept or reject Gate 2 Offers.</p> <p>By improving alignment between contractual arrangements and project readiness, the proposal supports a more level and efficient competitive environment.</p>
<p>(iii) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency **; and</p>	<p><b>Neutral</b></p> <p>The modification does not materially impact compliance with the Electricity Regulation or any relevant legally binding decisions.</p> <p>It introduces a procedural adjustment within the existing CUSC framework and does not affect cross-border trade, market coupling, or balancing arrangements.</p>
<p>(iv) Promoting efficiency in the implementation and administration of the CUSC arrangements.</p>	<p><b>Positive</b></p> <p>The modification promotes efficiency in the implementation and administration of the CUSC by introducing a controlled mechanism for contract alignment prior to the Gated Application Window.</p>

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	<p>Without this process, Users are likely to submit subsequent contract variations following Gate 2 acceptance, increasing administrative burden on NESO and Transmission Owners.</p> <p>By enabling a single, time-bound adjustment, the proposal reduces complexity, improves data quality for network planning, and streamlines contract management during a critical transition period.</p>
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<b>Proposer’s assessment of the impact of the modification on the stakeholder / consumer benefit categories</b>	
<b>Stakeholder / consumer benefit categories</b>	<b>Identified impact</b>
<p>Improved safety and reliability of the system</p>	<p><b>Neutral</b></p> <p>The modification is not expected to have a direct impact on system safety or reliability. However, by enabling more accurate alignment between contractual positions and deliverable projects, it may indirectly improve the quality of information available to NESO, supporting more reliable system planning assumptions.</p>
<p>Lower bills than would otherwise be the case</p>	<p><b>Neutral</b></p> <p>The modification is not expected to have an immediate direct impact on consumer bills. However, by reducing the risk of inefficient project outcomes, such as non-acceptance of Gate 2 Offers due to misaligned liabilities, it supports more efficient deployment of generation. Over time, this may contribute to downward pressure on system costs and consumer bills.</p>
<p>Benefits for society as a whole</p>	<p><b>Positive</b></p>

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	The modification supports the efficient delivery of generation projects by reducing contractual misalignment and associated risks. This increases the likelihood of projects progressing through Gate 2 and reaching delivery, supporting security of supply and reducing reliance on higher-cost or carbon-intensive generation sources.
Reduced environmental damage	<b>Positive</b> By improving investor certainty and enabling more accurate contractual arrangements, the modification supports the timely delivery of low-carbon generation projects. This contributes to the achievement of net zero targets and reduces reliance on fossil fuel generation, resulting in positive environmental outcomes.
Improved quality of service	<b>Positive</b> The modification improves quality of service for Users by reintroducing a controlled mechanism to amend contractual positions during an otherwise restricted period. This ensures that connection agreements more accurately reflect project status, providing greater transparency, flexibility, and certainty within the connections process.

## When will this change take place?

### Implementation date:

10 Business Days after an Authority decision.

### Date decision required by

31 July 2026

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### **Implementation approach**

Changes will be required to Sections 11, 17 and 18 of the CUSC, alongside updates to the NESO systems and portal to enable submission and processing of connection date variation requests.

### **Proposer’s justification for governance route**

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

This modification meets Ofgem’s urgency criteria as it relates to an imminent and time-bound issue with significant commercial implications for Users.

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.

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.

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.

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.

The proposal therefore addresses a clearly defined and time-critical issue. Delay would result in a material and, in some cases, irreversible commercial impact on Users, and

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reduce the effectiveness of the Gate 2 process. On this basis, an urgent timetable is justified.

## Interactions

- |   |   |  |                                |
|---|---|--|--------------------------------|
| <input checked="" type="checkbox"/> CUSC        | <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 <sup>1</sup> | <input type="checkbox"/> Other modifications | <input type="checkbox"/> Other |

This modification affects CUSC Section 11, 17 and 18.

## Acronyms, key terms and reference material

Acronym / key term	Meaning
BSC	Balancing and Settlement Code
CEC	Connection Entry Capacity
CUSC	Connection and Use of System Code
EBR	Electricity Balancing Regulation
GC	Grid Code
G2tWQ	Gate 2 to Whole Queue
MW	Megawatt
NESO	National Energy System Operator
SQSS	Security and Quality of Supply Standards
STC	System Operator Transmission Owner Code
T&Cs	Terms and Conditions
TEC	Transmission Entry Capacity

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TO	Transmission Owner
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### Reference material

- [1] <https://www.neso.energy/document/360671/download>
- [2] <https://www.neso.energy/document/360456/download>
- [3] <https://www.ofgem.gov.uk/sites/default/files/2026-02/Ofgem-Response-on-Protected-Projects-Relief-Request.pdf>
- [4] <https://www.nationalgrid.com/sites/default/files/documents/5638-CMP192%20Updated%20Guidance%20Document.pdf>