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Meeting Summary

Transmission Charging Methodologies Forum

Date: 05/03/2026	Location: MS Teams
Start: 10:00am	End: 12:30am

#	Topics to be discussed	
1.	Introduction, meeting objectives and review of previous actions	Dan Arrowsmith, NESO
2.	Ofgem Update	Harriet Harmon, Ofgem
3.	NESO sharing Original Red Line Boundary (ORLB) with DNOs	Muki Liu, NESO
4.	Connection Date Variation Process Ahead of CMP434 Gated Application Window	Matthew Dowds, Muirhall Energy Limited
5.	Issue updated appendices with Gate 2 Offers where connection date delayed by network company	Andrew Allan, RWE
6.	Update Of HVDC guidance on how to Model TNUoS Tariffs with the Sealink HVDC	Alan Fradley, NESO
7.	Code Administrator update	Catia Gomes, Code Administrator NESO
8.	AOB and Meeting Close	Dan Arrowsmith, NESO

Discussion and details

These notes are produced as an accompaniment to the slide pack presented which can be found here; <https://www.neso.energy/industry-information/codes/connection-and-use-system-code-cusc/cusc-forum>

#	Topics to be discussed
1.	<p>Introduction, meeting objectives and review of previous actions - Dan Arrowsmith, NESO</p> <p>Dan Arrowsmith opened the meeting, providing an overview of the agenda items for discussion and led a review of the action log.</p> <ul style="list-style-type: none"> Dan Arrowsmith provided an update on previous actions. For the first 3 actions DA advised that these are dependent on the new connections queue being formed. As soon as the queue has been formed TCMF will be provided with an update. Open action 4 - Storage Subgroup action there was no new update as the latest position was provided at the last TCMF Open action 5 - Ofgem are to provide an update on this action at a future TCMF

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2. Ofgem Update

Harriet Harmon (HH) advised TCMF attendees of her resignation from Ofgem and her forthcoming transition to a renewables developer in June. She indicated that she will be stepping back from all Ofgem-related responsibilities during her notice period and will not be able to offer guidance or participate in decision-making processes. Shai Hassid (SH) presented the updated team structure: James Stone will oversee ongoing tasks and modifications, Daniel Frenchmullen and David Jones will support legacy and transitional arrangements, and Amir Alikhanzadeh will be responsible for reforming national pricing and investment mechanisms. The team will prioritise modifications addressing substantive defects and those with post-RMP relevance, while placing less focus on incremental methodology enhancements.

3. NESO sharing Original Red Line Boundary (ORLB) with DNOs

Muki Liu (ML) presented a proposal for NESO sharing Original Red Line Boundary (ORLB) with DNOs.

ML outlined that the current process requires NESO to obtain customer consent before sharing ORLB data with DNOs, which may result in incomplete information and increase the risk of invalid distribution contracts for large embedded generators. This situation can cause avoidable additional work if invalid contracts are not identified promptly.

ML introduced a proposed solution involving the addition of a new clause to the CUSC, permitting NESO to share ORLB data with DNOs without needing prior customer consent. Muki Liu emphasized that this would not conflict with existing clauses and would enable DNOs to identify invalid contracts at an earlier stage.

Garth Graham (GG) raised a question regarding application to existing modifications such as CMP434 and whether retrospectively was being sought. ML confirmed that this proposal would not apply retrospectively to current applicants, meaning only future applicants would be affected.

Ruth Kemsley (RK) questioned whether a CUSC modification was required, proposing options like updating the application form or relying on a single source of truth for ORLB data. ML stated that legal counsel suggests a code modification to enhance clarity and reliability, and it is believed that the CUSC is the most appropriate format since CMP434 data requirements are included there.

Full details on the update can be found on the slides.

4. Connection Date Variation Process Ahead of CMP434 Gated Application Window – Matthew Dowds, Muirhall Energy Limited

Matthew Dowds (MD) from Muirhall Energy Limited presented a proposal on Connection Date Variation Process.

- MD presented a proposal for an urgent modification to allow users to delay connection dates prior to the next CMP434 window. In his presentation he addressed the case of misalignment between contracted dates and actual delivery, and reducing risk exposure from liabilities and capital contributions.
- GG questioned whether the mechanism would also affect users who already have gate 2 offers. MD explained that, ideally, it should, but actual implementation will depend on the selected process, which may include giving all users a period to request changes. There was discussion over whether a code update or a change in methodology was needed. GG favoured the contractual approach to ensure legal certainty.

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- RK sought clarification on if the main concern was liabilities or capital contributions. MD clarified that both factors are impacted, as liabilities increase when earlier hypothetical dates are used, causing premature payments for assets that have not yet been put into operation.

Full details on the update can be found on the slides.

5. Issue updated appendices with Gate 2 Offers where connection date delayed by network company - Andrew Allan, RWE

- Andrew Allan (AA) presented slides which highlighted concerns regarding inaccuracies and incomplete information in gate 2 offers (such as appendices not having been updated and inconsistencies in statements from NESO).
- AA's proposed solution would require NESO to update and reissue all sections and appendices of connection and construction agreements. AA advised that this modification could insert a statement in either section 16 or 18 of the CUSC.
- Michael Oxenham (MO) agreed that certain errors should be addressed in reoffers and NESO will review specific cases where queries have been raised on offers, but that he would need to clarify further in respect of the Appendix J position.
- Regarding urgency - GG and DA identified the possibility of several urgent modifications occurring within the same area. They emphasized the importance of allocating industry resources and convening expedited work group meetings in order to facilitate timely progress on these changes.

Full details on the update can be found on the slides.

6. Update Of HVDC guidance on how to Model TNUoS Tariffs with the Sealink HVDC, Alan Fradley, NESO

- Alan Fradley (AF) presented a proposal on the modelling and charging approach for Sea Link HVDC circuit. He clarified that, for the next five years, the circuit will be modelled according to the main north-south flow direction identified in recent power flow studies. This method aims to reduce confusion and make tariff calculations more straightforward.
- AF indicated that the modelling principle will be incorporated into the HVDC guidance document instead of submitting a CUSC modification.
- GG advocated for the inclusion of codification in section 14 of the CUSC to promote regulatory certainty, particularly in anticipation of comparable connections that may arise in the future.
- RK requested that a sensitivity analysis be included in the five-year outlook to demonstrate the effects of various flow directions. She raised concerns regarding the distinct treatment of Sea Link compared to other bi-directional circuits and pointed out limitations in the model related to DC circuit representation.
- AF provided insights regarding the significant effects of flow direction changes on both generation and demand tariffs, highlighting their importance for users considering long-term investments and noting their relevance in relation to Ofgem's locational charging consultation.
- Nick Everitt (NE) and Niall Coyle (NC) proposed that it might be more effective to address codification during the forthcoming RNP reform program, considering both the circuit's planned schedule and the current uncertainty within the industry.

Full details on the update can be found on the slides.

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7. CUSC Administrator Update – Catia Gomes, Code Administrator NESO

Catia Gomes (CG) gave the code administrator update.

- CG provided updates on new modifications, decisions, implementations, and consultations, as well as information on the upcoming panel meetings and submission deadlines.

Full details on the update can be found on the slides.

8. AOB and Meeting Close - Dan Arrowsmith NESO

- **BSUoS Tariff Under-Recovery and NESO Revenue Modification:**

NE presented slides for the latest revenue vs cost forecasts and highlighted that BSUoS is expected to exceed the £300 million working capital facility in October, with further risk from rising gas prices and constraints forecasts.

NE outlined the limitations of the current tariff reset methodology, which may not adequately protect the working capital facility, and discussed internal and external options, including increasing the facility and introducing a top-up tariff via urgent modification.

Dennis Gowland (DG) queried whether suppliers are already passing on revised estimates to customers, and NE confirmed that suppliers may add their own risk premiums, but a new mod would focus on NESO's position rather than consumer pricing.

- **BSUoS Supplier Risk Modification:**

Kyran Hanks (KH), representing Centrica, presented slides also showing BSUoS may breach the £300 million working capital facility, expressing concern about risk exposure from the Suppliers' perspective. KH advocated for codifying the reset process, formalising notification periods, and potentially limiting tariff changes in reset scenarios, with an urgent modification likely to be raised.

Nick Everitt (NE) and Kyran Hanks (KH) agreed to collaborate further on the above two potential modifications, noting the need for industry resources to progress urgent modifications, and GG reminded proposers to consider the timing and urgency criteria based on Ofgem's previous decisions.

- **GG updated TCMF on the Demand Bilateral Connection Agreements and Data**

Centre Changes: Advising that discussions are ongoing regarding the changes, particularly for data centres. GG advised that the issue has been raised at CUSC panel and NESO's demand expert group. confirmed the issue was previously raised at the Grid Code Development Forum in November.

The meeting was closed.
