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CUSC Panel 2026

CUSC Panel Minutes

Meeting Number: 368

Date: 27/03/2026	Location: Microsoft Teams
Start: 10:00 AM	End: 1:45 PM

Participants

Attendee	Initials	Representing
Anthony Pygram	AP	Independent Panel Chair
Catia Gomes	CG	Panel Secretary Code Administrator Representative
Ren Walker	RW	Panel Technical Secretary (Code Administrator)
Andrew Enzor	AE	Users' Panel Member
Binoy Dharsi	BD	Users' Panel Member
Garth Graham	GG	Users' Panel Member
Joe Colebrook	JC	Users' Panel Member
Kyran Hanks	KH	Users' Panel Member
Lauren Jauss	LJ	Users' Panel Member
Dan Arrowsmith	DA	NESO Panel Member
James Stone	JS	Authority Representative
Jacob Snowden	JSn	Elexon – Observer

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Apologies

Attendee	Initials	Representing
Nadir Hafeez	NH	Authority Representative
Tom Lowe	TL	Consumers' Panel Member
Shane Cracknell	SC	Users' Panel Member

Presenters

Attendee	Initials	Representing
Prisca Evans	PE	CMP445 Workgroup Chair

1. Introductions, Apologies and Declarations of Interest

1. Apologies were received from Nadir Hafeez, Tom Lowe and Shane Cracknell.
2. Declarations of interest were noted by the following Panel members:
 - GG as Proposer of CMP469 and CMP445 Alternative Request 3 as the organisation he is employed by raised this alternative.
 - AE as Proposer of CMP470.
 - LJ as Proposer of CMP440.

2. Minutes from previous meeting

3. The meeting minutes from the CUSC Panel held on 30 January and 27 February were approved.

3. Review of actions log

4. The CUSC Panel reviewed the action log:
 - Action 182: Action to remain open. CG and AP to have a meeting with TL and update the Panel in April.
 - Action 188: CG shared a draft document with the Panel, with the final version to be shared at the April Panel meeting. Panel agreed to close this action.

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- Action 189 and 190: NH circulated an update on these actions to the Panel. Panel agreed to close these actions.
- Action 191: CG advised the Panel that SSEN (Proposer of CMP328) want to progress with the modification and a further update will be provided at the April Panel. Panel agreed to close this action.
- Action 192: DA advised that an update had been sent to GG, noting that the issue sits primarily within the Grid Code rather than the CUSC. DA explained that NESO considers the interim use of BCAs acceptable to manage with changes in the evolving energy landscape and highlighted that the Demand Expert Group has been established to enable industry engagement. Any resulting changes could then be progressed formally through the relevant code, with a Grid Code modification potentially being raised if required. DA emphasised that NESO's intention was to engage industry first, rather than immediately raising a modification, and viewed the matter as more appropriate for the Grid Code forum than the CUSC Panel.
- GG disagreed, stating that the issue is fundamental to the CUSC as a matter of principle. GG raised concerns that NESO has been amending Appendix F5 for demand sites by introducing additional technical requirements without Authority approval or consultation. GG explained that under CMA arrangements, Ofgem has been clear that the codes are multilateral contracts, and NESO should not make such changes without notification or approval. GG also noted that NESO has been aware of the issue since 2024 and questioned why action had not been taken earlier if it was genuinely required.
- It was agreed that the appropriate next steps would be to escalate the matter to the Demand Expert Sub – group Chair and Panel. GG took an action to write to the Chair of the Demand Expert Sub – group. DA also advised he will circulate the email to all Panel members so the correspondence can be circulated. The Panel agreed that action 192 can be closed and a new action opened to reflect this follow-up. **ACTION**

4. Chair's update

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5. AP invited Panel views on conflict-of-interest issues following Ofgem’s recent correspondence and consultation. The Panel discussed whether to submit a collective response to reflect the Panel’s views. Panel members supported submitting a response, noting that restrictions on Panel members’ ability to vote or participate could also have implications under the SAF and for the Code Manager role. It was noted that while the SAF will include a conflict-of-interest policy, there remains a need to clarify how conflicts should be managed in the interim.
6. Panel members raised concerns about the potential impacts of stricter conflict of interest rules. Some Panel members highlighted that limiting Panel members’ ability to vote or act as Proposers of modifications could discourage participation or reduce willingness to bring forward modifications. Questions were also raised by Panel members regarding whether conflicts should be assessed at an individual or organisational level, which could include implications for Proposers of WACMs. Views differed on the extent of NESO’s exposure to conflicts of interest, with discussion noting that while NESO does not profit commercially, changes such as BSUoS could affect NESO’s cash flow, whereas TNUoS would not.
7. The Panel agreed that a response to the consultation should be submitted. It was proposed that this be a single collective response submitted under the Panel Chair’s name, following the approach used previously. A draft would be developed as a starting point with the aim of reaching consensus ahead of the submission deadline.

5. Authority Decisions

8. JS provided an update on modifications that have been decided upon, together with those currently awaiting their decision.

Awaiting Decisions

Modification	Final Modification Report Received	Expected Decision Date
CMP315 ‘TNUoS Review of the expansion constant and the elements of the transmission system charged for’ and CMP375	07 February 2024	TBC pending update on National Pricing Reform (previously 07 February 2025)

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'Enduring Expansion Constant & Expansion Factor Review'		
CMP316 'TNUoS Charging Methodology for Co-located Generation'	08 August 2025	April/May 2026 (previously March 2026)
CMP330&CMP374 '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
CMP344 'Clarification of Transmission Licensee revenue recovery and the treatment of revenue adjustments in the Charging Methodology'	09 July 2025	April 2026 (previously March 2026)
CMP397 'Consequential changes required to CUSC Exhibits B and D to reflect CMP316 (Co-located Generation Sites)'	12 June 2024	April/May 2026 (previously March 2026)
CMP423 'Generation-weighted Reference Node'	09 December 2025	TBC
CMP453 'To Bill BSUoS on a net basis at BSC Trading Units'	11 November 2025	September 2026

9. JS explained that a decision on CMP344 is expected shortly, while decisions on CMP316 and CMP397 have been delayed due to resource constraints associated with RNP.
10. A Panel member highlighted the Interim Review Notice issued by NESO, noting there is significant interest on this and questions relating to self-build. The Panel

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member noted that timely decisions on the related modifications (CMP330/CMP374 and CMP414) would be helpful. JS advised that discussions are ongoing with the connections team, including consideration of whether PIA powers could address some elements of CMP414.

6. New modifications

CMP469: GC0186 Cost Recovery mechanism for CUSC Parties

11. GG delivered a presentation on CMP469. GG explained that the GC0186 modification will place new obligations within the Grid Code, upon Connection and Use of System Code (CUSC) Parties who are not contracted with the National Energy System Operator (NESO) as Restoration Service Providers. Therefore, a one-year time extension of the codified cost recovery mechanism is required to prevent the affected parties being commercially disadvantaged by the implementation of the new obligations.
12. The Panel held discussions on CMP469. The NESO Panel member advised the Panel that the reference to generator impacts within in the GC0186 modification form was an error and that NESO does not consider GC0186 to introduce new obligations or additional costs for Generators. On this basis, the NESO Panel member questioned whether the modification needed to proceed. The Proposer acknowledged this position but raised concerns that as GC0186 develops, further changes could emerge that may result in costs to generators. The Proposer noted that raising the modification now would avoid the need for urgency later and would provide certainty that legitimate costs, if incurred, could be recovered.
13. Panel members discussed the interaction between GC0156 and GC0186. A Panel member highlighted that GC0156 had a significant impact on Generators and that extensions or clarifications should apply consistently across both modifications. Concerns were raised by Panel members that late guidance and ongoing clarification could prevent parties from making valid claims, particularly where costs had already been incurred.
14. There were different views from Panel members on whether CMP469 should progress immediately or be deferred for discussion at the April Panel meeting. There was a suggestion put forward by the NESO Panel member, which was to defer the modification until April to allow further discussions on potential generator costs and for NESO to explain its position more fully to the Proposer. The

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Proposer and Panel agreed with this suggestion and CMP469 will be discussed at the April Panel meeting.

CMP470: Introducing an Oversubscribed Technologies Commitment Fee

15. AE delivered a presentation on CMP470. AE explained that this modification 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.
16. AE 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). AE explained that 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.
17. The Panel discussed the CMP470 Proposal and the associated request for urgency and noted the following:
 - A Panel member noted 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 our thinking on CMP448, we are supportive of a modification that seeks to improve significantly oversubscribed 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 concurred with the NESO position, as set out at the Panel meeting, in respect of the 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 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

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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 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 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 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.
18. The Panel by majority agreed that CMP470 met the Authority’s Urgency criteria (a) and therefore recommended urgent treatment. Panel’s recommendation was sent on 27 March seeking an Authority decision by 5pm on 02 April 2026. The Panel recommended that CMP470 proceed to a Workgroup. The Panel agreed the Terms of Reference for the Workgroup.

7. In flight modification updates

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19. CG talked the Panel through the progression of the in-flight modifications. The in-flight modifications can be found within the CUSC Panel papers pack on the NESO website via the following link: [Modification Tracker](#)

CMP456: Cost recovery for legacy plant in relation to GC0168

20. CG advised the Panel that an additional Workgroup meeting is required to develop the Workgroup Consultation. The Panel approved the new timeline as submitted within the Panel Papers.

CMP466: CMP456 consequential charging modification

21. CG advised the Panel that an additional Workgroup meeting is required to develop the Workgroup Consultation. The Panel approved the new timeline as submitted within the Panel Papers.

The next Modification Tracker will be published on 07 April 2026.

8. Workgroup Reports

The following Workgroup Report was presented to the Panel.

CMP445: Pro -rating first year TNUoS for Generators

22. PE delivered a presentation on CMP445. PE explained that this modification seeks to amend the CUSC to ensure that Generators only pay TNUoS on a pro-rated basis from their Charging Date, during the first year of connection.

23. PE advised the Panel that they key points to note from the Workgroup are as follows:

- Alternative Request 3 was raised and considered but not taken forward as a WACM at CMP445 Workgroup 10.
- **Original Proposal:** The Original seeks to address the defect in how TNUoS charges are applied to Generators in their initial operational period by pro-rating first-year TNUoS to ensure charges better reflect actual usage and avoid disproportionate costs for Generators connecting part-way through a charging year.
- **WACMI :** This solution retains the core approach of the Original but applies the methodology consistently across Generator types, ensuring cost

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reflectivity. The Legal Text includes updated modelling steps and clarifies how TEC, ALF, and background scaling are applied.

- **WACM2:** builds on the Original and WACM1 but introduces a retrospective application date of 1 April 2024, with reconciliation occurring in the year the CMP445 changes take effect. This version also consolidates all WACM1 changes into a single set of amendments to improve clarity.
- Across the seven Workgroup members who cast votes, all three options (Original, WACM1 and WACM2) were considered better than the Baseline, with each option receiving 7 out of 7 votes indicating it better facilitated the Applicable CUSC objectives.

24. The Panel agreed that the Terms of Reference have been met and agreed for CMP445 to proceed to Code Administrator Consultation. The Code Administrator Consultation will be published on 07 April, and this will close on 01 May 2026.

9. Draft Final Modification Reports

25. The following Draft Final Modification Report was presented to the Panel:

CMP440: Re-introduction of Demand TNUoS locational signals by removal of the zero-price floor

26. CG delivered a presentation on CMP440. CG explained that this modification seeks to remove the zero-price floor from Final Demand TNUoS locational Demand tariffs and levies negative Demand charges on actual energy consumption (total kWh) over 4–7pm all year for both Peak and Year-Round Tariffs.

27. CG advised the Panel that there was one WACM raised for CMP440. The solution for WACM1 is as follows:

- In zones where the total Demand locational signal is negative, a p/kWh tariff is charged across total annual Demand rather than 4–7pm only.
- In each negative charging zone, a single common rate is calculated for Non-Half Hourly (NHH) and Half Hourly (HH), rather than a different p/kWh rate for each.

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28. CG advised the Panel that the Code Administrator Consultation was held from 09 February – 03 March 2026 and received 6 non-confidential responses and 2 confidential responses. Key points from the consultation were:

- Broad support for restoring cost-reflective Demand locational signals, with four respondents noting that both solutions better facilitate the CUSC Applicable Objectives compared to the baseline.
- Strategic alignment noted with REMA and Net Zero objectives by incentivising Demand to locate in areas of high renewable generation.
- Concerns raised by two respondents about complexity, consumer impacts, and contractual risk.
- Two respondents did not believe that either solution better facilitated the CUSC Applicable Objectives than the baseline.
- No legal text issues identified

29. The Panel held their recommendation vote for CMP440. The Panel recommended unanimously that the Original and WACM1 better facilitated the Applicable CUSC Objectives. The Final Modification Report will be sent to Ofgem on 10 April 2026.

10. Discussion on Prioritisation

30. CG presented the draft SDS vs Prioritisation stack to the Panel. Panel had no further comments on this and it was agreed that a final version will be shared at the April Panel meeting.

31. The Panel made no changes to the prioritisation stack and will review this at the Panel meeting on 24 April. The current prioritisation stack can be found via the following link: [here](#)

11. Standing Groups

Transmission Charging Methodology Forum (TCMF)

32. DA confirmed that the TCMF was held on 05 March. The meeting materials can be found via the following [link](#).

The next TCMF meeting will be held on 02 April.

12. European Updates

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Joint European Stakeholder Group (JESG)

33. GG advised that the JESG meeting was held on 10 March. The meeting materials can be found via the following [link](#).

The next JESG meeting will be held on 14 April.

13. Update on other Industry Codes

34. The Panel papers and Headline Report for the following meetings can be found at the below links:

- 26 February 2026 Grid Code Review [Panel Papers and Headline Report](#)
- 25 February 2026 STC [Panel Papers and Headline Report](#)

35. A Panel member highlighted recent Ofgem publications, including material on regulation of charged parties and leavers, and noted two documents from Ofgem and DESNZ outlining changes proposed to be implemented using PIA powers. It was noted that these changes are progressing outside the CUSC modification process but are expected to have impacts on NESO and CUSC parties. The Panel discussed whether there were any actions required or matters the Panel should be aware of.

36. A Panel member confirmed that Ofgem has established a curate workshop on Demand Connections Reform and intends to implement reforms through the Planning Act, with industry consultation forming part of that process. A Panel member noted an understanding that consultation would still be required even if DESNZ sought to introduce changes to the codes. Another Panel member raised concerns about how the different processes would interact, particularly given that demand and generation connections currently sit within the same queue and draw on the same underlying resources.

37. The Panel discussed the potential implications for prioritisation of Demand Connections and the possible impacts on generation connections, noting the importance of maintaining visibility of developments. A Panel member confirmed there was no intention to create separate connection queues and that the same processes and technologies would apply, although there are things which will impact the CUSC and CUSC parties. JS noted that engagement with industry has been discussed previously with the Panel, however suggested that this is picked up offline for further discussion with the relevant contact within Ofgem.

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14. Relevant Interruptions Claim Report

38. No further updates for the Panel.

15. Governance

39. No further updates for the Panel.

16. Horizon Scan

40. No further updates for the Panel.

17. Code Administrator Update

41. There were no updates for the Panel.

18. Any Other Business (AOB)

CMP445: Pro-rating first year TNUoS for Generators – Alternative

42. CG advised the Panel that if CMP445 WACM2 was to be approved, a consequential cost recovery modification would be required. CG explained that the Proposer of the consequential modification considered that, as CMP445 would not be implemented until April 2027, there would be sufficient time to raise the consequential modification without urgency and progressing it directly to Code Administrator Consultation provided it was raised by January 2027. It was noted that, if no decision on CMP445 was made by the end of September 2026, the consequential modification would still be raised.

43. A Panel member queried whether a decision on WACM2 would be valid if a further modification was required to complete the solution. The Panel agreed that, if Ofgem were asked to approve WACM2 but a further modification was required to give full effect to the proposal, this could present an issue, and that the need for a follow-on modification should be addressed. CG agreed to take this point back to the proposer for consideration. **ACTION.**

Potential Urgent CUSC Modifications

44. A Panel member advised that a BSUoS-related modification may be raised within the following month with an urgency request. The Panel member advised that the modification will be presented at the Transmission Charging Methodologies

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Forum on 02 April. Another Panel member noted that they are also working on a BSUoS related modification proposal.

19. Close

45. The Chair thanked the Panel for their time and contribution and brought the meeting to a close.

The next CUSC Panel meeting will be held on 24 April at Faraday House.

New Modification Proposals to be submitted by 09 April.

CUSC Panel Papers Day is 16 April.