

Special CUSC Panel

15 May 2026

Online Meeting via Teams

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)

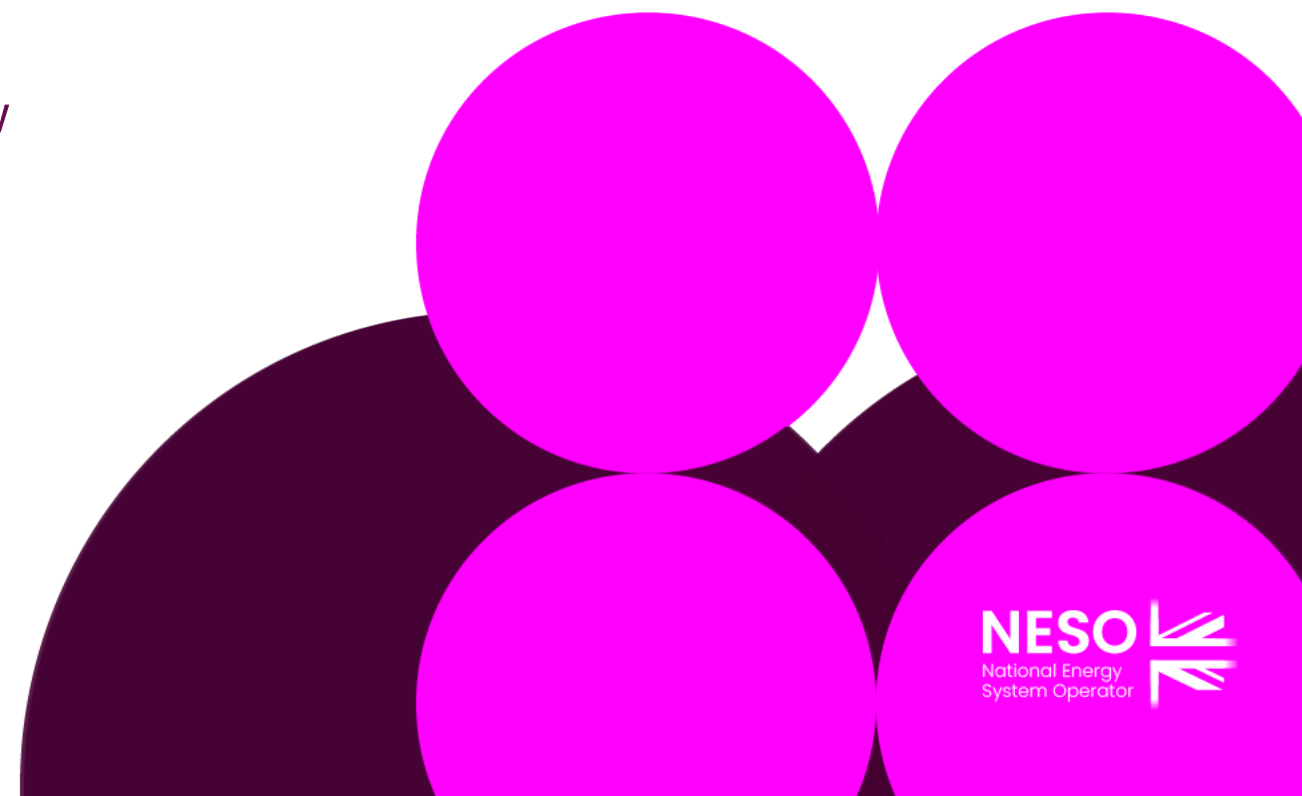
1. Shall act **impartially** and in accordance with the requirements of the **CUSC**; and
2. Shall not have any **conflicts of interest**.

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.

New Urgent Modification

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

Matthew Dowds, Muirhall Energy



CMP471 Critical Friend Feedback

Code Administrator comments	Amendments made by the Proposer
<p>Minor amendment to date formatting Retimelined the modification</p>	<p>All agreed</p>

CMP471: Interim Connection Date Delay Process Ahead of CMP434 Gated Application Window

CUSC Modification Proposal - May 2026

Matthew Dowds - Muirhall Energy

Contents

1. Defect and Objective
2. Impact of the defect
 1. 2026/27 Projects
 2. 2027+ Projects
3. Proposed Solution
4. Assessment against CUSC Non- Charging Objectives
5. CMP471 Proposed Urgent Timeline

(1) Defect and Objective



Defect

- Users, TOs and NESO are unable to delay project connection dates until the first CMP434 window.
- For NESO, this results in inefficient contract management, avoidable administrative burden and inaccurate future generation profiles.
- For Users, they face cost risks and are exposed to outdated and disproportionate cost liabilities.

The misalignment between contractual positions and actual deliverable timelines, increases the risk of non-acceptance of Gate 2 Offers and negative project consequences for both Users and NESO/TOs.

Objective

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

(2.1) Impact of the defect - 2026/27 Projects

- ▶ Ofgem has noted that 62% of protected 2026/27 projects are affected by ‘network-driven’ connection date delays.
- ▶ Below is an example of how a Users 2026/27 project has also been impacted by the Connections Reform Process:

‘Project A’ Background

- The contracted connection date was 2027.
- The connection requires both SPT and NGET reinforcements.
- SPT reinforcements remain deliverable in 2027.
- NGET reinforcements have been delayed to 2028.
- The User had agreed with the SPT project team that a 2028 connection date would be preferred.
- The project did not request acceleration.

‘Project A’ Gate 2 Offer

- SPT commercial confirmed that a 2028 connection date could not be offered.
- SPT cited that they had ‘regulatory reporting requirements and a statutory duty to provide Users with the earliest possible connection date’.
- A staged solution was provided:
 - Stage 1: 2027 (SPT reinforcements complete)
 - Stage 2: 2028 (full reinforcement completion).
- This results in the User needing to procure assets and align EBoP and BoP contracts for 2027, while operating under significant export constraints for a year, jeopardising the project.

(2.2) Impact of defect - 2027+ Projects

- ▶ Users continue to pay Capital Contributions based on payment profiles that do not reflect actual project programmes.
- ▶ The next security trigger date is 1st April 2027, and there is currently no mechanism for Users to manage this, which will increase the Users liability risk and potentially increase project cost.

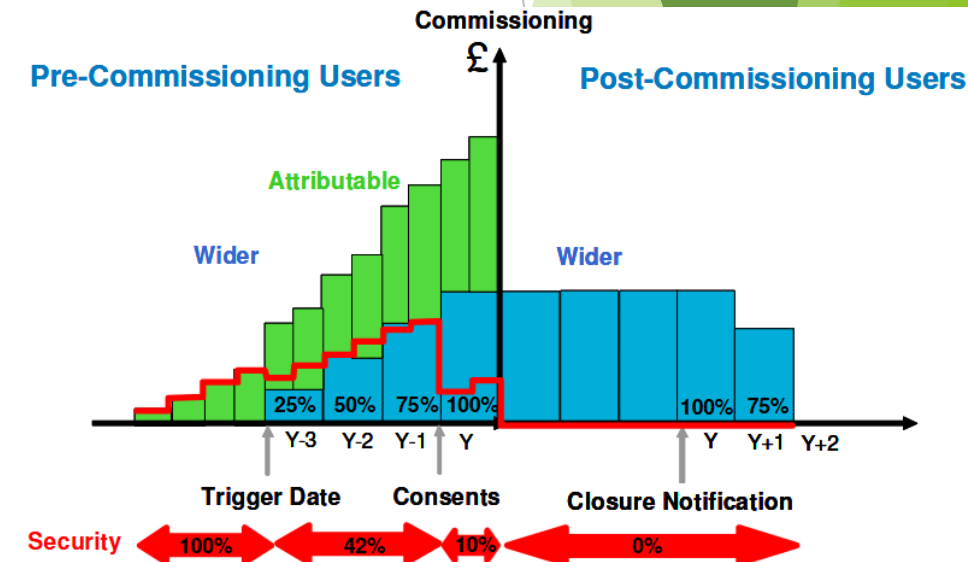
‘Project B’ Impact

- The contracted connection date is 2030.
- ‘Project Bs’ planning consent decision has been delayed.
- The User would want to realign the contracted connection date with the new expected connection date following the planning delay.
- Without this alignment, the User takes on a higher risk profile once the April 2027 trigger date is reached, resulting in millions of securities and liabilities being incurred. NESO/TOs would also be ordering assets too far in advance for the projects needs, Users could then face unnecessary capital contribution payments, delay charges and storage fees.
- This risk was not anticipated before Connections Reform began, as it was expected that the first CMP434 window would have already opened. However, delays in the process have created this risk.

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



(3) Proposed Solution

Received Gate 2 Offer - Not Yet Accepted

- Users may request a connection date delay within four weeks of receiving the Gate 2 Offer.
- NESO will engage with relevant TO(s) to determine whether the revised connection date can be accommodated. The Gate 2 offer would then be revised and returned within the 3-month acceptance period.
- Where the connection date delay cannot be accommodated, the TO and NESO will work with the User to agree the next best option.
- If the User could not apply for a request to delay the connection date within the first four-weeks from receiving the Gate 2 offer, the User may still request a delay, but may first need to accept the Gate 2 Offer and apply via either:
 - an “Agreement to Vary” process; or
 - an interim application window dedicated to Connection Date Delays.
- Where a dedicated application window is agreed with NESO and Ofgem, this route would remain available until the end of September 2026.

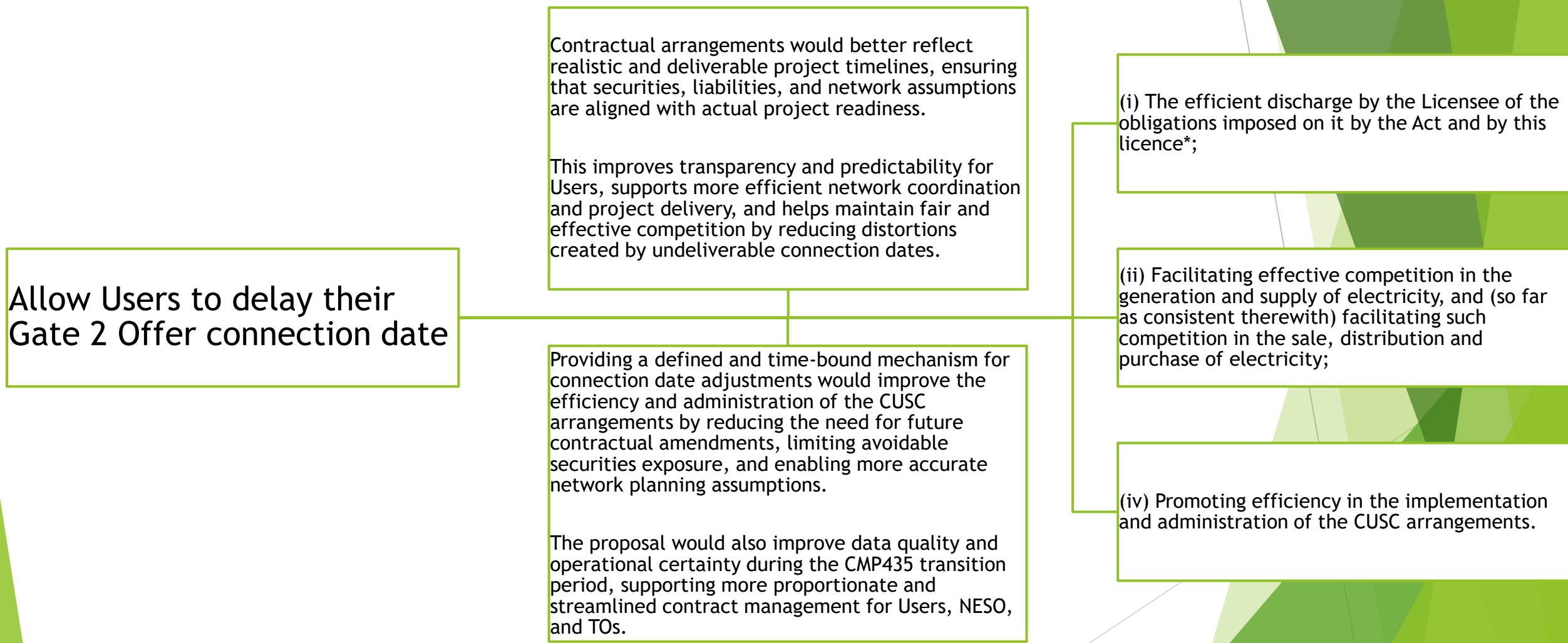
Received Gate 2 Offer - Accepted

- Users who have already accepted their Gate 2 Offer may still request a connection date delay through either:
 - an “Agreement to Vary” process; or
 - an interim application window dedicated to Connection Date Delays.
- Where a dedicated application window is agreed with NESO and Ofgem, this route would remain available until the end of September 2026.
- 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.

Not received Gate 2 Offer yet

- Users who have not yet received a Gate 2 Offer must notify NESO within four weeks of receiving the offer if they wish to request a connection date delay.
- NESO will engage with relevant TO(s) to determine whether the revised connection date can be accommodated. The Gate 2 offer would then be revised and returned within the 3-month acceptance period.
- Where the connection date delay cannot be accommodated, the TO and NESO will work with the User to agree the next best option.

(4) Assessment against CUSC Non-Charging Objectives



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 – As of 12 May 2026

Milestone	Date	Milestone	Date
Modification presented to Panel	15 May 2026	Code Administrator Consultation	23 June 2026 – 30 June 2026
Workgroup Nominations	15 May 2026 – 19 May 2026	Draft Final Modification Report (DFMR) issued to Panel (5 Business Days)	07 July 2026
(Full Day Meetings) Workgroup 1 Workgroup 2 Workgroup 3	26 May 2026 29 May 2026 02 June 2026	Panel undertake DFMR recommendation vote	10 July 2026 (Special Panel)
Workgroup Consultation	03 June 2026 – 05 June 2026	Final Modification Report issued to Panel to check votes recorded correctly	10 July 2026
(Full Day Meetings) Workgroup 5 Workgroup 6	09 June 2026 11 June 2026	Final Modification Report issued to Ofgem	10 July 2026
Workgroup report issued to Panel	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 Workgroup
- **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
- **AGREE** Terms of Reference
- **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 15 May 2026
 - Ofgem approval of Urgent treatment sought by 5pm on 19 May 2026
 - 1st Workgroup to be held 26 May 2026

Activities ahead of the next Panel Meeting

Panel Meeting

22 May 2026/
Microsoft Teams

Close

Anthony Pygram

Acting Independent Chair, CUSC