

# CUSC Panel

Friday 22 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.

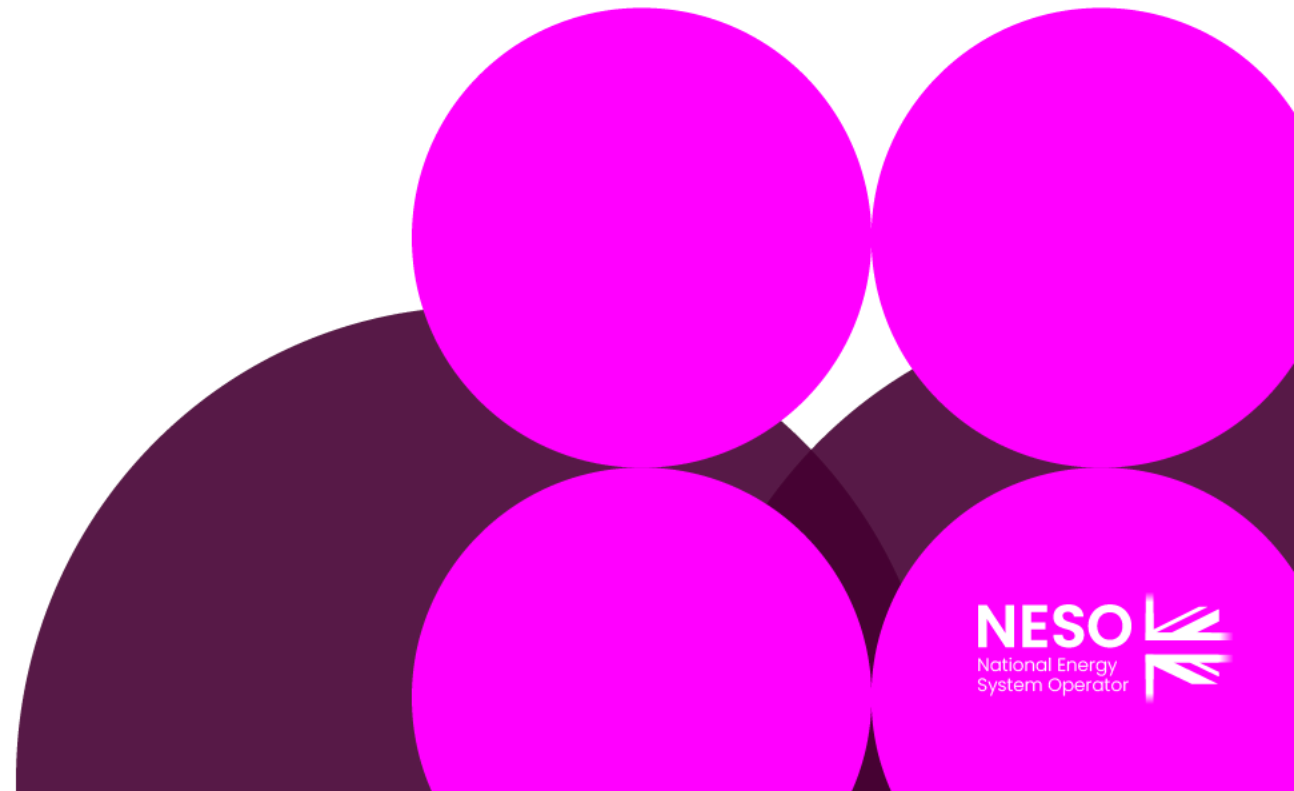
# Approval of Panel Minutes

Approval of Panel Minutes from the meeting held on 21 April and 24 April 2026

# Action Log

Review of Action Log

## Chair's Update



# Authority Decisions and Update (as of 14 May 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	May 2026 (previously March 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>CMP397</b> 'Consequential changes required to CUSC Exhibits B and D to reflect CMP316 (Co-located Generation Sites)'	12 June 2024	May 2026 (previously March 2026)
<b>CMP423</b> 'Generation-weighted Reference Node'	09 December 2025	TBC
<b>CMP440</b> 'Re-introduction of Demand TNUoS locational signals by removal of the zero price floor'	10 April 2026	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 14 May 2026)

## Decisions Received since last Panel Meeting

Modification	Decisions	Implementation Date
<b>CMP344</b> 'Clarification of Transmission Licensee revenue recovery and the treatment of revenue adjustments in the Charging Methodology'	On 01 May 2026, the Authority rejected the modification	N/A
<b>CMP474</b> 'Fixed BSUoS Price Revision Mechanism'	On 27 April 2026, the Authority granted Urgency.	N/A
<b>CMP475</b> 'Amendment to the BSUoS tariff reset process'	On 27 April 2026, the Authority granted Urgency.	N/A

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# New Modification

**CMP476:** Correction to Section 15  
of the CUSC

Paul Mott, NESO

# CMP476 Critical Friend Feedback

Code Administrator comments	Amendments made by the Proposer
Amendment to modification title  Including relevant links to modification pages  Minor clarification point on legal text  Completion of acronym table	Proposer accepted all amendments made by the Code Administrator

# The Global Asset Re-use Factor

- The Global Asset Re-use Factor (GARF; 33%) is a factor used to dilute the cost of wider works in calculating wider cancellation charge amounts, introduced under CMP192. Another diluting factor (50%) is the user risk factor.
- The CMP192 Final Modification Report states that *"The GARF is 33% and represents the transmission assets which a TO could potentially reuse on another project"*. This is reiterated in the wider annual cancellation charge statement: GARF *"represents the percentage of the wider transmission assets which a TO could potentially reuse on another project"*.
- CMP192 FMR para 4.166/7 makes clear that GARF would be 100% for a transformer, which a TO can readily re-use. Whereas for other Transmission assets, that figure is only 21%. On average the GARF is 33%.
- For additional clarity, the CMP192 guidance note<sup>1</sup> states that: *"Step 2 – The wider VAR is then reduced by two factors, URF and GARF"*. (simple pie chart shows 33% left)
- The purpose of the is GARF is quite clear, as well as how it should be applied, and in calculating wider cancellation charge amounts. NESO reduces TO capex by GARF (a 33% reduction).

<sup>1</sup> The CMP192 Guidance is available at the following address: <https://www.neso.energy/document/46251/download>

# Issue & Solution

- The CUSC states that the wider CAPEX is *“multiplied by the User Risk Factor and the Global Asset Reuse Factor, as set out in the Annual Wider Cancellation Charge Statement.”* (the word “multiplied” is misleading)
- No definition of GARF, that’s effectively outsourced to the statement, and the guidance note
- The misleading text at CUSC S15 part 3.6 was noticed when reviewing CMP447 legal text. After considering the matter in context, members of the WG suggested that NESO raise a modification to clarify the arrangements in CUSC. TCMF was presented to and said go ahead.
- This modification CMP476 is raised with a request for self-governance, with a CAC consultation, as its path to clarify CUSC section 15, replacing “multiplied by” (URF and GARF) with “reduced by .... each of....”, and adding a few words to the existing words on GARF so its definition is no longer entirely “outsourced” to the wider cancellation charge statement.

# Why Self-governance ?

This proposal is explicitly corrective. It will not alter operations or outcomes. It will simply remove ambiguity by ensuring that the CUSC accurately reflects how GARF is, and was intended to be, applied in practice. For the avoidance of doubt, looking at the tests for self-governance, the proposal will **not** have a material effect on :

- existing or future electricity consumers ✓; and
- competition in the generation, distribution, or supply of electricity or any commercial activities connected with the generation, distribution or supply of electricity ✓; and
- the operation of the National Electricity Transmission System ✓; and
- matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies ✓; and
- the CUSC's governance procedures or the CUSC's modification procedures ✓.
- Neither will the modification proposal discriminate between different classes of CUSC parties ✓, and it doesn't constitute an EBR amendment✓
- Had the mod affected any of the above, it would not have qualified for self-governance. NESO therefore believes that the modification does meet the Self-Governance criteria



# CMP476 Proposed Timeline

Milestone	Date
Modification presented to Panel	22 May 2026
Code Administrator Consultation (15 Business Days)	27 May to 17 June 2026
Draft Final SG Modification Report (DFMR) issued to Panel (5 Business Days)	23 July 2026
Panel undertake DFMR determination vote	31 July 2026
Final SG Modification Report issued to Panel to check votes recorded correctly	03 August – 10 August 2026
Appeals Window	11 August – 02 September 2026
Implementation Date	09 September 2026

# CMP476 Asks of Panel

- **AGREE** that this Modification has a clearly defined defect, scope and solution
- **AGREE** that this Modification should follow the Self-Governance Criteria (Panel decision) rather than the Standard Governance (Ofgem 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

## Inflight Modification Updates

- **CMP460:** Improving Transmission Connection Asset Charging

# CMP460: Improving Transmission Connection Asset Charging Timeline Update

	Workgroup Report issued to Panel	DFMR issued to Panel	FMR issued to Ofgem	Decision Date	Implementation Date
Previous timeline	14 May 2026	16 July 2026	10 August 2026	30 September 2026	01 April 2027
New timeline	17 September 2026	19 November 2026	08 December 2026	30 September 2027	01 April 2028

**Rationale:** Further development required to legal text, alongside additional Workgroups.

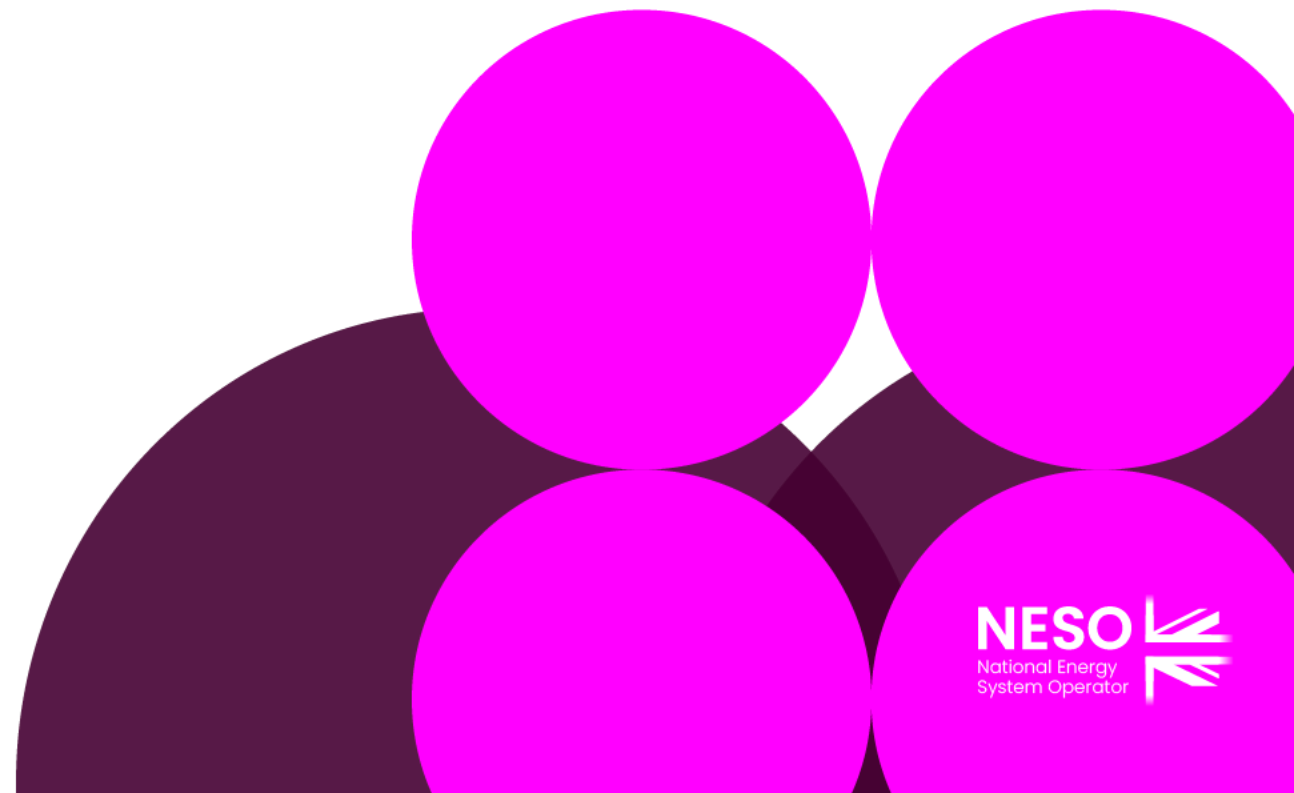
**Workgroups Remaining:** 4

CMP460– the asks of Panel

- **AGREE** revised timeline

## Panel Modification Tracker

Catia Gomes, Code  
Administrator





## Discussions on Prioritisation

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

## 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 – 30 April 2026 [Meeting materials and Headline Report](#)
  - Next meeting – 04 June 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 – 12 May 2026 [Meeting materials and Headline Report](#)
  - Next meeting – 09 June 2026

## Updates on other industry codes

23 April 2026 Grid Code Review [Panel Papers and Headline Report](#)

28 April 2026 SQSS [Panel Papers and Headline Report](#)

29 April 2026 STC [Panel Papers and Headline Report](#)

# Horizon Scan

(February, May, August, November)

Hide pre-publishing	CACoP Horizon Scan									
	The following document is maintained to provide high level: - consistency in content presented to Code Panels; - on-going oversight of the end-to-end delivery of significant programmes and central system changes; - stakeholders the ability to identify potential cross code impacts and impacts on resources; and - enable users to select information and tailor it towards a given audience using filters.									
Lead Code	Industry	Codes Affected	Legislative, Regulatory or Industry Change Overview	Published Content	Key Contact	Last Updated	Proposed Modifications Expected	Within 1 Year	Within 2 Years	Within 5 Years
STC	Electricity	STC, Grid Code and CUSC	The Electricity Ten Year Statement (ETYS) is being phased out in favour of the more comprehensive CSNP (Centralised Strategic Network Plan) with the final one being in September 2026, and the license will be changed to include CSNP from then. The STC is the Code mostly affected but the CUSC and Grid Code will also need to have any references to the ETYS and remaining references to the previous Seven Year Statement removed, and where the CSNP is taking over the function this needs to be included. Also affected will be the redundant references to the Offshore Development Information Statement (ODIS) Network Options Assessment (NOA) and Seven year Statement (SYS).	<a href="https://www.neso.energy/what-we-do/strategic-planning/centralised-strategic-network-plan-csnp">https://www.neso.energy/what-we-do/strategic-planning/centralised-strategic-network-plan-csnp</a>	Technical Codes	Feb-26	Jun-26			



# Code Administrator Update

## Any other business

# Activities ahead of the next Panel Meeting

Transmission Charging Methodologies Forum	04 June 2026
Modification Proposal Deadline for June Panel	11 June 2026
Papers Day	18 June 2026
Panel Meeting	26 June 2026 Teams

# Close

**Anthony Pygram**

Independent Chair, CUSC Panel