

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.

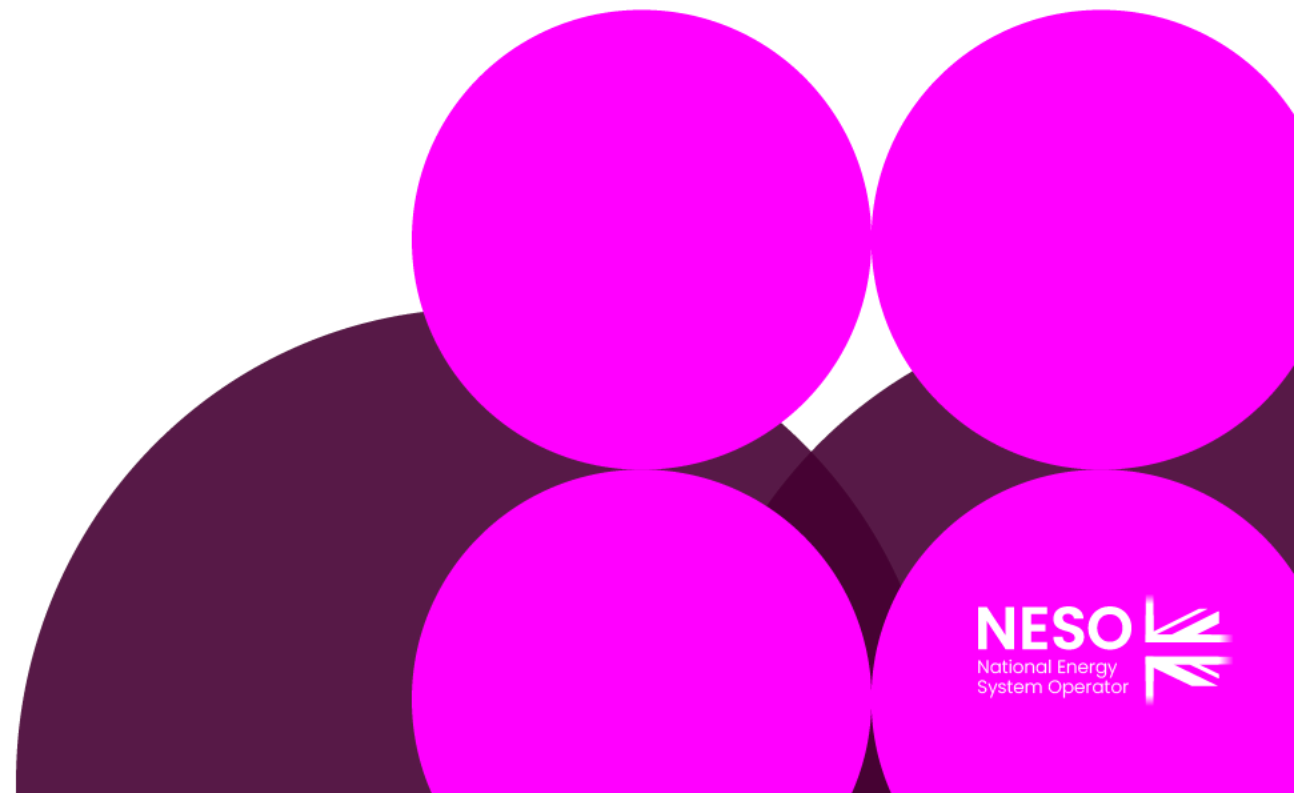
Approval of Panel Minutes

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
<u>CMP315</u> 'TNUoS Review of the expansion constant and the elements of the transmission system charged for' and <u>CMP375</u> 'Enduring Expansion Constant & Expansion Factor Review'	07 February 2024	TBC pending update on National Pricing Reform (previously 07 February 2025)
<u>CMP316</u> 'TNUoS Charging Methodology for Co-located Generation'	08 August 2025	May 2026 (previously March 2026)
<u>CMP330&CMP374</u> '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
<u>CMP397</u> 'Consequential changes required to CUSC Exhibits B and D to reflect CMP316 (Co-located Generation Sites)'	12 June 2024	May 2026 (previously March 2026)
<u>CMP423</u> 'Generation-weighted Reference Node'	09 December 2025	TBC
<u>CMP440</u> 'Re-introduction of Demand TNUoS locational signals by removal of the zero price floor'	10 April 2026	TBC
<u>CMP453</u> '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
CMP344 '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
CMP474 'Fixed BSUoS Price Revision Mechanism'	On 27 April 2026, the Authority granted Urgency.	N/A
CMP475 'Amendment to the BSUoS tariff reset process'	On 27 April 2026, the Authority granted Urgency.	N/A

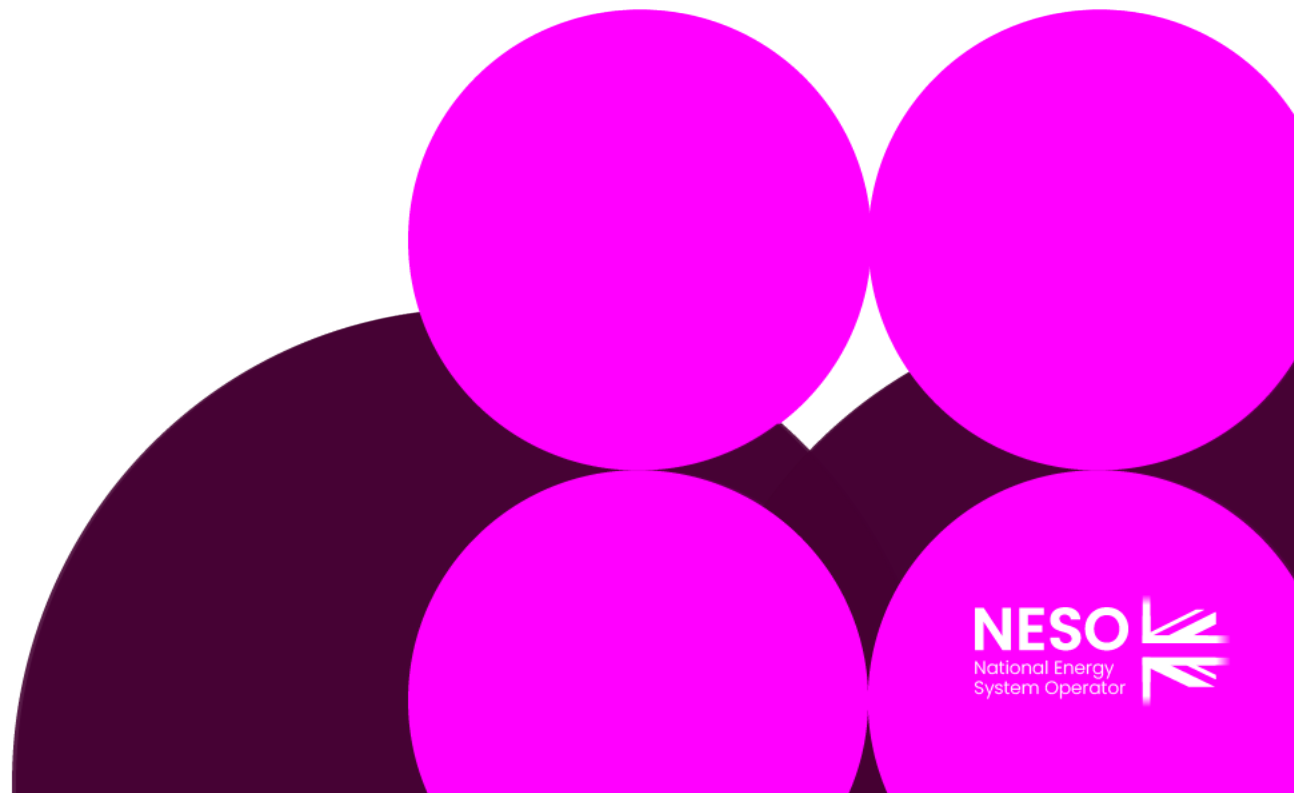
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New Modification

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 note¹ 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).

¹ 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

New Urgent Modification

CMP477: Facilitating Cross TO Area Connection Modifications

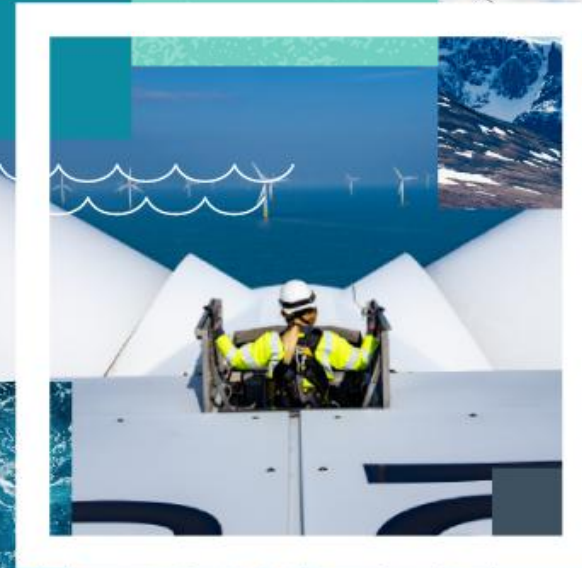
Garth Graham, SSE

Critical Friend Feedback: CMP477

Code Administrator comments	Amendments made by the Proposer
Asked for clarification on implementation date and decision date Acronyms expanded when first introduced Developed the urgent timeline	Clarified and included in proposal form Amended accordingly

CMP477 CUSC Panel Presentation

22nd May 2026



Agenda

- NESO review and timeline
- Issue
- Proposed solution
- Impact
- Urgency
- Interactions
- Summary

Issue

- Connection Parties cannot submit a Modification Application to change connection location between two Transmission Owner (TO) areas.¹
- Developers can move within the same TO area, but not across TO boundaries.
- Connection location is determined through NESO-led system design and is not fixed by the applicant².
E.g. Strategic Spatial Energy Plan includes assumptions on offshore wind connecting as close to demand as possible³.
- Prevents Developer individual response to:
 - TNUOS signals
 - network constraints
 - strategic planning outputs
 - developing locational levers
- Particularly relevant during industry shift to strategic planning and development of locational levers to implement SSEP.

Proposed Solution

- Amend CUSC:
 - Simple change to Sections 6.9 and 6.10 to allow Modification Applications to request a change of TO area.
 - Possible consequential changes to Exhibit 1 (modification Applications) and Section 11 (definitions).
- Applies only where change of connection point results in a different TO area.
- Requests submitted to NESO will be subject to:
 - technical and economic assessment
 - engagement with affected TOs and NESO
 - cost recovery (applicant pays affected TOs and NESO)
- No automatic right to move, assessment outcomes remain case-by-case.

Impact

- Generators / demand customers
 - Increased flexibility to align their project location with system needs
- NESO
 - Clearer and more transparent governance route
- Transmission Owners (incl. CATOs)
 - More efficient siting decisions
 - Incremental increase in system studies, though not complete increase due to existing process in STCP16.1.
- Consumers
 - Reduced risk of inefficient investment and sub-optimal siting leading to lower system costs
- Procedural change only
 - No changes to charging methodologies
 - No new operational systems required

Urgency

- Issue arises during the connection reform process, specifically the application windows.
- Developers currently required to make binding decisions on connection arrangements.
- Without modification:
 - projects risk being locked into sub-optimal locations
- This creates risk of:
 - significant commercial impacts
 - inefficient system outcomes
 - irreversible consequences once queue positions are fixed
- Urgency required to ensure that projects wishing to change location can engage in the connection process, where the next window is due to open Q3 2026.

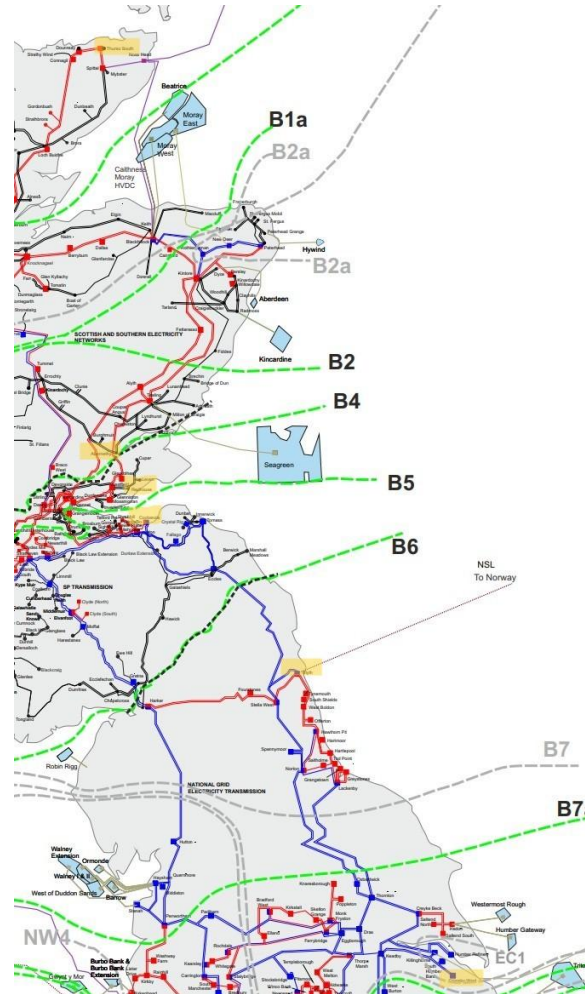
Interactions

- Primary impact on CUSC (connection modification provisions)
- Interaction with STC via:
 - involvement of multiple 'Affected Transmission Owners' through STCP16.1
- Supports, but does not depend on:
 - Strategic Spatial Energy Plan (SSEP)
- Designed to:
 - align with existing frameworks
 - avoid introducing additional complexity

Summary

- Addresses a clear restriction in current CUSC arrangements.
- Introduces a governed route to request a change of location (to another TO area), not a right to move.
- Builds on existing industry processes.
- Supports more efficient and flexible connection siting.
- Urgency required to deliver value during current reform window.

Nodes mentioned in proposal (yellow highlighting)



Conclusion

Proposer's Justification vs Ofgem's Urgency Criteria

The Proposer recommends that this modification should be treated as an Urgent Modification proposal and proceed to Workgroups.

Ofgem's Urgency Criteria	Proposer's Justification
a) A significant commercial impact on parties, consumers or other stakeholder(s).	<p>This modification is necessary to avoid locking in inefficient connection outcomes during the connection process. This modification meets Ofgem's urgency criteria as it addresses an imminent, time-critical issue (arising with the first, and subsequent, CMP434 application window), within the ongoing connections reform process.</p> <p>The current CUSC framework permits connection parties to request a within TO area location change but prevents connection parties from requesting a location change with another TO area (i.e. between two TO areas). Thus, in a hypothetical example, a project could (in the baseline) submit a 'ModApp' to move a project's location from Thurso (in the far north of the TO area) to Abernethy (in the far south of same TO area), but cannot (in the baseline) make a 'ModApp' to move a project from Abernethy to Red House (less than one tenth the distance between Thurso and Abernethy).</p> <p>As a result, Developers are unable to respond to updated system information, constraints and strategic planning outputs during a period when connection positions are actively being reassessed, by all concerned, in light of the changing framework and policy landscape.</p> <p>Failure to resolve this urgently will result in:</p> <p>Significant commercial impacts, with Developers locked into suboptimal connection locations during the current reform process, without the ability to apply to revisit these decisions (in terms of TO - TO location change) once positions are fixed.</p> <p>Inefficient system outcomes, as projects are progressed in misaligned locations, driving increased constraint costs, avoidable network reinforcement and the risk of stranded or suboptimal investment.</p> <p>Irreversible consequences, as the ongoing connections reform process will establish enduring connection positions and rights. If not addressed now, the opportunity for relevant projects to optimise siting through this modification will be lost.</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	

CMP477 Proposed Timeline – Urgent Timeline – 01 Sept Implementation

Milestone	Date	Milestone	Date
Modification presented to Panel	22 May 2026	Code Administrator Consultation	31 July 2026 – 07 August 2026
Workgroup Nominations	22 May 2026 – 01 June 2026	Draft Final Modification Report (DFMR) issued to Panel (5 Business Days)	11 August 2026
Workgroup 1 Workgroup 2	01 July 2026 06 July 2026	Panel undertake DFMR recommendation vote	14 August 2026 (Special Panel)
Workgroup Consultation	08 July 2026 – 14 July 2026	Final Modification Report issued to Panel to check votes recorded correctly	14 August 2026 (Special Panel)
Workgroup 3 Workgroup 4	17 July 2026 20 July 2026	Final Modification Report issued to Ofgem	14 August 2026 (Special Panel)
Workgroup report issued to Panel	28 July 2026	Ofgem decision	26 August 2026
Panel sign off that Workgroup Report has met its Terms of Reference	31 July 2026	Implementation Date	01 September 2026

CMP477 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 22 May 2026
 - Ofgem approval of Urgent treatment sought by 5pm on 01 June 2026
 - 1st Workgroup to be held 01 July 2026

Inflight Modification Updates

- **CMP460:** Improving Transmission Connection Asset Charging
- **CMP470:** Introducing an Oversubscribed Technologies Commitment Fee

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

CMP470: Introducing an Oversubscribed Technologies Commitment Fee

	Workgroup Report issued to Panel	DFMR issued to Panel	FMR issued to Ofgem	Decision Date	Implementation Date
Previous timeline	28 May 2026	18 June 2026	30 June 2026	TBC	01 January 2027
New timeline	11 June 2026	06 July 2026	14 July 2026	TBC	01 January 2027

Rationale: Additional time required to finalise the solutions and develop the legal text for the Original proposal and four Workgroup Alternative CUSC Modifications.

Workgroups Remaining: 2

CMP470 – the asks of Panel

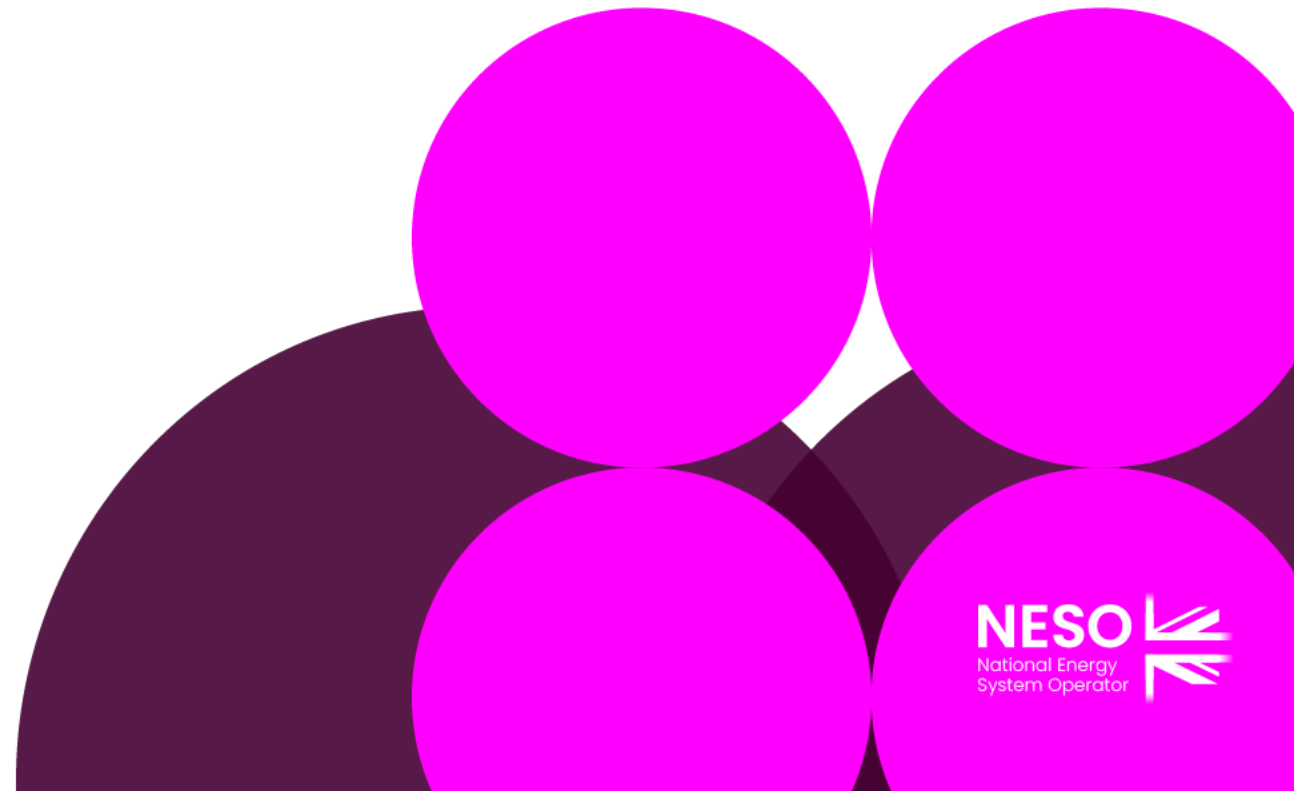
- **AGREE** revised timeline

CMP470 Timeline

Milestone	Date	Milestone	Date
Modification presented to Panel	27 March 2026	Code Administrator Consultation	23 June 2026 – 30 June 2026
Workgroup Nominations (3 Business Days as urgent) Authority Decision by	30 March – 02 April 2026 5PM 02 April 2026	Draft Final Modification Report (DFMR) issued to Panel (5 Business Days)	06 July 2026
Workgroup 1 Workgroup 2 Workgroup 3 Workgroup 4	10 April 2026 14 April 2026 16 April 2026 21 April 2026	Panel undertake DFMR recommendation vote	10 July 2026 (Special Panel)
Workgroup Consultation (4 Business Days as urgent)	24 April 2026 – 30 April 2026	Final Modification Report issued to Panel to check votes recorded correctly	10 – 13 July 2026
Workgroup 5 Workgroup 6 Workgroup 7 Workgroup 8 Workgroup 9 Workgroup 10 Workgroup 11 Workgroup 12	06 May 2026 12 May 2026 14 May 2026 19 May 2026 21 May 2026 28 May 2026 02 June 2026 04 June 2026	Final Modification Report issued to Ofgem	14 July 2026
Workgroup report issued to Panel (5 Business Days)	11 June 2026	Ofgem decision	TBC
Panel sign off that Workgroup Report has met its Terms of Reference	19 June 2026 (Special Panel)	Implementation Date	01 January 2027

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							Last reviewed:		12/02/2025
	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).	https://www.neso.energy/what-we-do/strategic-planning/centralised-strategic-network-plan-csnp	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