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CUSC Panel 2026

CUSC Panel Minutes

Meeting Number: 369

Date: 21/04/2026	Location: Microsoft Teams
Start: 10:00 AM	End: 11:45 AM

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
Kyran Hanks	KH	Users' Panel Member
Shane Cracknell	SC	Users' Panel Member
Tom Lowe	TL	Consumers' Panel Member
Dan Arrowsmith	DA	NESO Panel Member
Nadir Hafeez	NH	Authority Representative
James Stone	JS	Authority Representative

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Apologies

Attendee	Initials	Representing
Joe Colebrook	JC	Users' Panel Member
Jacob Snowden	JSn	Elexon – Observer
Lauren Jauss	LJ	Users' Panel Member

Presenters

Attendee	Initials	Representing
Andrew Allan	AA	CMP473 Proposer
Gregory Edwards	GE	CMP474 Proposer
Alex Curtis	AC	CMP475 Proposer

1. Introductions, Apologies and Declarations of Interest

1. Apologies were received from Joe Colebrook, Jacob Snowden and Lauren Jauss.
2. Declarations of interest were noted by the following Panel members:
 - KH for CMP474 as the organisation he is employed by helped draft the Proposal.
 - DA for CM475 as the organisation he is employed by helped draft the Proposal.

2. New Modifications

CMP473: Clarification of contract updates required with a Gate 2 Modification Offer

3. AA delivered a presentation on CMP473. AA explained that this modification intends to clarify which updates to Existing Agreements shall be implemented. Currently, updates to Existing Agreement appendices included within Gate 2 Modification Offers lack consistent treatment, particularly in relation to a network company causing a Completion Date delay.

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4. AA 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)*. AA explained that it is essential that connecting Users are issued with accurate offers. There is a limited window for acceptance of offers, and Users should not be expected to take on the significant commercial risk of signing inaccurate or non-compliant offers. He said he believed that NESO may currently be in breach of its obligations under CUSC Section 18, clause 18.14.2, and this modification should resolve any discrepancy moving forward. In order that clarity is achieved at the earliest opportunity to have effect in relation to the maximum number of Gate 2 Modification Offers still to be issued, urgency is required.

5. The Panel discussed the CMP473 Proposal and the associated request for urgency and noted the following:
 - Four Panel members agreed with the Proposer’s rationale for urgency.
 - One Panel member abstained from voting.
 - A Panel member noted that it is crucial that developers have Gate 2 contracts offered to them by the NESO are accurate. Given the time limited nature of accepting offers, they assessed that this modification should be treated as Urgent. Failure to do this could have a material impact on Users.
 - The NESO Panel member said that, in particular, the status of Appendix J is currently unclear, and so this modification provides a material clarification, which has the potential to significantly impact the contractual terms agreed under a connection offer. When considered alongside the timelines for accepting Gate 2 offers, this modification therefore meets the threshold for urgency under commercial impact.

6. The Panel by majority agreed that CMP473 met the Authority’s Urgency criteria (a) and therefore recommended urgent treatment. Panel’s recommendation was sent on 21 April 2026 seeking an Authority decision by 5pm on 28 April 2026. **(Post meeting note: The Authority granted Urgency for CMP473 on 28 April).**

CMP474: Fixed BSUoS Price rest mechanism

7. GE delivered a presentation on CMP474. GE explained that this modification seeks to introduce into the Connection and Use of System Code (CUSC) a clear process

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for when the Balancing Services Use of System (BSUoS) will be reset by the National Energy System Operator (NESO).

8. GE 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)*. GE explained that the war in Iran, and the subsequent impact on energy prices, were unforeseen. NESO is reporting that it is rapidly depleting its working capital and therefore a BSUoS reset is becoming increasingly likely. As shown below, NESO’s forecasts of its under-recovery positions have significantly and steadily deteriorated since February 2026. NESO’s latest forecast suggests it will fully exhaust its working capital facility in October/November 2026. The spike in market prices has created a risk of a mid-period Fixed BSUoS Price revision. If not quickly addressed, suppliers will be exposed to costs they either cannot recover, or will be required to fund, until the domestic price cap catches up (if it does). This, in turn, could result in significant price increases for exposed customers, with little notice. This is a significant commercial risk for Suppliers and their customers.

9. The Panel discussed the CMP474 and the associated request for urgency and noted the following:
 - Five Panel members agreed with the Proposer’s justification for urgency.
 - One Panel member said that there is a material risk on Users from a change to their BSUoS at very short notice. The Proposer had clearly explained that the urgent criteria had been met. There should be some consideration to align this modification timeline to CMP475 for efficiency.
 - The view of the NESO Panel member was that NESO recognises, especially given currently increasing balancing costs, there is an increasing risk in the near term (which could only be addressed under urgent timescales) to suppliers of a commercial impact from BSUoS tariff resets, which – based on current CUSC rules – can be given with limited notice. Therefore, urgency was needed to be able to consider in a timely manner whether the limit notice is still valid, and if not, what an appropriate set of arrangements are. The Panel discussed the Proposal and the associated request for urgency and noted the following:

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10. The Panel unanimously agreed that CMP474 met the Authority’s Urgency criteria (a) and therefore recommended urgent treatment. Panel’s recommendation was sent on 21 April 2026 seeking an Authority decision by 5pm on 27 April 2026. The Panel recommended that CMP474 proceed to a Workgroup Panel and agreed the Terms of Reference for the Workgroup. **(Post meeting note: The Authority granted urgency for CMP474 on 27 April).**

CMP475: Amendment to the BSUoS tariff reset process

11. AC delivered a presentation on CMP475. AC explained that this modification seeks to amend the Connection and Use of System Code (CUSC) to enable the National Energy System Operator (NESO) to reopen the fixed Balancing Services Use of System (BSUoS) tariffs to recover the financial position of the Working Capital Fund.
12. AC 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).* AC explained that the costs of balancing actions being taken by NESO are increasing due to a significant ramp in electricity market costs, therefore, putting the BSUoS WCF (Working Capital Fund) under pressure. The proposed solution will allow the situation to be managed as efficiently and effectively as possible but needs to be in place and available as soon as possible.
13. The Panel discussed the CMP475 and the associated request for urgency and noted the following:
 - A Panel member agreed with the Proposer rationale.
 - A Panel member said that NESO’s justification for urgency notes that “NESO could lose the ability to be able to effectively manage the NETS” if this change were not made. That would clearly meet criteria (b), not (a) as NESO has identified in the proposal. Following NESO clarifications to the Panel, the Panel member understands that the issue is not that NESO will be unable to fund balancing actions, but that it may need to repeatedly re-open BSUoS in order to fund those actions. Repeated re-opening would clearly have a significant commercial impact on BSUoS payers (suppliers and end consumers) and would undermine the intent of fixing BSUoS under CMP408 and CMP415. Hence, the Panel member considered that the proposal meets urgency criteria (a).

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- A Panel member was supportive of this as an urgent issue to consider but it was important that full consideration is given to the impact on the price cap and consumer bills and suppliers' ability to manage any unexpected changes.
- The view of a Panel member was that NESO needed to be confident that their Working Capital Fund is sufficient. The modification seeks a pragmatic solution to avoid further risks to Users should this fund be depleted/breached. On balance, they judged that this modification meets the urgent criteria as re-opening a fixed period will impact multiple users.
- The view of the NESO Panel member was that whilst the underlying risk – NESO exceeding its Working Capital Facility – currently remains a risk and not an issue, NESO recognises that if balancing costs continue to increase beyond current forecasts, this risk will materialise under a timeline that cannot be solved via the standard modification route. Therefore, this modification is needed on an urgent timeline so that the solution is implemented in time for Summer 2026, ready for NESO to utilise it, if that becomes necessary.
- A Panel member believed that the case had been made by the Proposer as to the commercial impact on parties, including NESO, and consumers that this proposal intends to address. Given the statement from NESO in the proposal and at the Panel meeting there may be an outside possibility of a further impact, in terms of (b), if there was to be a risk of the NESO being unable to take balancing actions (although this is not clear at this stage).
- A Panel member stated that NESO's forecasts show that the Working Capital will be exhausted by the end of September. Re-opening BSUoS tariffs in an uncontrolled way would be negative for suppliers and hence customers. The timing of the domestic price cap implies urgency, as does NESO's justification that balancing actions might be prevented by going through the WCF, potentially affecting the safety of the system. For all these reasons, the Panel member supported urgency to the timetable suggested.
- A view of a Panel member was that the inability to recover the Working Capital Fund (WCF) back to neutral creates a real risk of cascading resets affecting Suppliers, demand users, and ultimately consumers. This would have a significant commercial impact. While the proposer argues that WCF pressure could eventually affect procurement of balancing actions, this would be a downstream consequence rather than an immediate risk to security of supply.

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14. The Panel unanimously agreed that CMP475 met the Authority's Urgency criteria (a) and therefore recommended urgent treatment. Panel's recommendation was sent on 21 April 2026 seeking an Authority decision by 5pm on 27 April 2026. The Panel recommended that CMP475 proceed to a Workgroup Panel and agreed the Terms of Reference for the Workgroup. ***(Post meeting note: The Authority granted urgency for CMP475 on 27 April).***

3. Any Other Business (AOB)

15. No any other business was raised.

4. Close

16. 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.