

Final Modification Report

CM093: Extending the principles of the User Commitment Methodology to Final Sums methodology as a consequence of CUSC Modification – CMP417

Overview: This modification seeks to deliver the required changes to the STC as a consequence of CMP417, which proposes to extend some of the principles of Connection and Use of System Code (CUSC) Section 15 User Commitment Methodology (UCM) to Users on Final Sums methodology.

Modification process & timetable



Have 5 minutes? Read our [Executive summary](#)

Have 40 minutes? Read the full [Final Modification Report](#)

Have 90 minutes? Read the full Final Modification Report and Annexes.

Status summary: This report has been submitted to the Authority for them to decide whether this change should happen.

Panel recommendation: The Panel has recommended unanimously that the Proposer's solution is implemented.

This modification is expected to have a: **High impact** on National Energy System Operator (NESO) and Transmission Owners (TO's).

Governance route	Standard Governance modification with assessment by a Workgroup	
Who can I talk to about the change?	Proposer: Steve Baker, NESO stephen.baker@neso.energy	Code Administrator Chair: Robert Hughes robert.hughes3@neso.energy

Contents

Executive Summary.....	3
What is the issue?.....	5
What is the defect the Proposer believes this modification will address?	5
Why change?	5
What is the solution?	6
Proposer's Original solution	6
Legal Text.....	7
Workgroup considerations	7
Post Workgroup Consultation Discussion	15
What is the impact of this change?	17
Proposer's assessment against STC Objectives.....	17
Proposer's assessment of the impact of the modification on the stakeholder / consumer benefit categories	19
Stakeholder / consumer benefit categories.....	19
Identified impact	19
Workgroup Vote.....	20
Code Administrator Consultation Summary	21
When will this change take place? ☒.....	26
Interactions	27
Acronyms, key terms and reference material	27
Annexes.....	28

Executive Summary

Two security methodologies are being modified to create more equitable treatment for Users connecting to the National Electricity Transmission System (NETS), by extending principles from the Connection and Use of System Code (CUSC) Section 15 to the Final Sums methodology. The modification aims to clarify Customer responsibilities regarding works in the Transmission Owner Construction Offer/Agreement (TOCO/A) and implement reducing factors for Customer liabilities, ensuring all Users benefit from the Strategic Investment Factor (SIF) and Local Asset Reuse Factor (LARF).

What is the issue?

Two security methodologies are currently used to assess a User's financial liability and security requirements. The differing approaches have created a two-tiered process.

What is the solution and when will it come into effect?

Proposer's solution: The Proposer aims to clarify the responsibilities of Customers regarding works outlined in the CUSC Final Sums conventions, focusing on both User specific and wider system works within the TOCO/A. Additionally, the [CMP417](#) 'Extending principles of CUSC Section 15 to all Users' solution seeks to implement reducing factors for Customer liabilities and calls for changes in the System Operator Transmission Owner Code (STC) to ensure that all Users receive the SIF and LARF.

Implementation date: 10 Business Days after Authority decision.

What is the impact if this change is made?

This will have a high impact by making the treatment of User liabilities and securities more equitable, supporting competition, improving system reliability, and contributing to environmental and societal benefits. The transition will be managed to ensure clarity and fairness for all affected parties.

Workgroup conclusions: The Workgroup concluded unanimously that the Original better facilitated the Applicable Objectives than the Baseline.

Code Administrator Consultation: The Code Administrator Consultation received 02 non-confidential responses and 0 confidential responses.

Panel recommendation: The Panel has recommended unanimously that the proposer's solution is implemented.

Interactions

This modification will interact with CUSC modification CMP417. This modification is extending the principles of CUSC section 15 to all Users and delivering the associated CUSC changes.

What is the issue?

What is the defect the Proposer believes this modification will address?

There are two security methodologies currently in use to determine a User's financial liability and security requirement which is required in relation to the provision of new, or amended capacity:

- CUSC Section 15 'User Commitment Methodology'
Users: Applies to all Customers categorised as generation or embedded generation.
- Final Sums methodology – outlined in CUSC Schedule 2, Exhibit 3, Part 2
Users: Directly connected Demand Customers and Distribution Network Operator (DNO)'s (embedded Demand, Transmission works not triggered by embedded generation)

For Customers under Final Sums methodology, for their security requirements, they must secure all the Transmission Owners (TOs) spend required to connect their project.

The differing approaches has created a two-tiered process, and this modification is aiming to introduce more equitable treatment to all Users connecting to the NETS by extending some of the principles under CUSC Section 15 to Users under Final Sums methodology.

In order to facilitate the changes in CUSC, there are consequential changes required for the STC. This modification proposes the alignment of the STC to the modified CUSC.

Why change?

The principles of Final Sums methodology have acted as a barrier to entry and have rendered some projects untenable. Enhancing the Final Sums methodology to be more closely aligned with User Commitment methodology will help reduce uncertainty for developers, whereby the security amount is reflective of the Transmission liabilities they actually impose.

The Original proposal form can be found in **Annex 01**.

What is the solution?

Proposer's Original solution

Our proposed solution for this STC modification is to define and scope works that Customers are liable for, and are required to secure in line with the CUSC Final Sums conventions i.e. Part 1 works required for the User and Part 2 wider system works within the TOCO/A. We also see that Attributable Works for these User groups should be scoped, defined and implemented in the TOCO/A and in line with the CUSC Offer/Agreements.

CMP417 solution provides reducing factors to a customer's liability, producing a customer's cancellation charge or termination amount. The Proposer of CM093 would therefore like to see the necessary change in STC whereby TO's provide the SIF and LARF for all Users not just those currently specified in STC Section 9.

For this modification, CM093, the proposed legal text amendments comprise:

STC Schedule 9, 7.5 Provision of Bi-annual estimate – this section refers to an estimate – the Proposer would like Workgroup discussion on consideration of how works should be structured in the TOCO/A and flow through to Construction Agreement which may require clarity to be added into this schedule. The Proposer suggests bringing this in line with CUSC Schedule 2, Exhibit 3 Part 2, and further defining Appendix H Part 1 – Enabling Works (work required for the User) and Part 2 – Wider Transmission Reinforcement Works (works required for wider system reasons);

STC Schedule 9, Section 12: Attributable Works – requires Workgroup discussion on clarity of Attributable works for Demand;

STC Section J – Interpretation and Definitions – possible amendments to terms "TO Final Sums" and "Attributable Works" – requires Workgroup discussion.

STC Section I – Transition – there will be a transition period for existing Users on Final Sums methodology to move to the new regime.

Proposed process amendments:

- Broadening the scope of various System Operator Transmission Owner Code Procedures (STCPs) that includes SIF and LARF methodology for Final Sum methodology Users.

- Creation of a Final Sums methodology guidance note which would require a review from the Workgroup.

Legal Text

The Legal Text for this change can be found in **Annex 03**.

Workgroup considerations

The Workgroup convened 8 times to discuss the issue as identified by the Proposer within the scope of the defect, develop potential solutions, and evaluate the proposal in relation to the Applicable Code Objectives.

Workgroup Discussion ahead of the Workgroup Consultation

What constitutes as Part 1 'work required for the User'?

A Workgroup member suggested that the STC definition of "Attributable Works" should be updated to include demand sites, including DNOs, not just generation. There was discussion on whether the STC should align its definition of Attributable Works with the CUSC, focusing on clarity around terms like "up to the nearest Main Interconnected Transmission System (MITS) node." This distinction is important for determining the scope of Attributable Works. It was noted that CUSC 15 guidance document may already clarify this, but the legal text in the STC and CUSC should align with the actual practices by TOs and National Energy System Operator (NESO). The Workgroup agreed that updates to the STC should maintain consistency with the CUSC to avoid confusion and duplication of definitions.

What constitutes as Part 2 'Works required for wider system reasons'?

Part 2 included the Workgroup considerations referring to Transmission projects needed for broader system purposes, not just for specific Users. These works contribute to the wider charge, calculated by taking the total TO Capital Expenditure (CapEx), subtracting Attributable Works, and distributing the remaining costs across all Users based on which Electricity Ten Year Statement (ETYS) zone they are located in, and their size of Transmission Entry Capacity (TEC) for Generation and Demand Capability proposed for Demand. Strategic projects, considered a type of wider works, are excluded from wider cancellation charges as they serve general system needs. CMP417 proposes changes to the

“Attributable Works” definition to include Demand, affecting wider works calculations as there will be more Attributable Works to exclude from total CapEx. There was an emphasis on aligning the STC with the CUSC to ensure consistent calculations and a discussion on whether more detail is needed in defining wider works, with the general consensus that the current definition is adequate. Concerns were raised regarding the need for the legal texts in the STC and CUSC to reflect the actual practices of TOs and NESO.

How should ‘shared’ works be treated?

There was a discussion about shared works and their treatment, focused on how to handle scenarios where works are triggered by multiple Users, such as generation, Demand, or hybrid sites (with both generation and Demand components). The current proposed approach for hybrid sites discussed in CMP417 Workgroups, as well as a possible change, was presented.

- **Original Proposal:** Assign works to the highest-rated User capacity (either generation or Demand) at the site.
 - This approach simplifies the process by assigning all shared works to the User’s mode of use with the higher capacity requirement (e.g., generation or demand).
 - It avoids the need for granular analysis of which works are required for generation versus demand.
- **Possible Change to Original Proposal:** Consider works based on whether they are required for generation or demand separately.
 - This approach requires detailed information from TOs to determine whether specific works are needed only for generation or Demand. When works are only required to accommodate the generation component of a hybrid site, these would then only be included as attributable for the generation statement, and vice versa.
 - While possible, this approach adds complexity and may lead to discrepancies or uncertainty.

The Workgroup indicated a preference not to change the original proposal, where shared works are assigned to the highest-rated capacity at the site. This approach is simpler, avoids unnecessary complexity, and aligns with the

practical processes followed by TOs. For hybrid sites, the Workgroup proposed the following:

- Two separate security statements would be issued: one for generation and one for demand.
- 'Attributable Works' would only appear in one of the security statements to avoid double-charging.

The process for hybrid sites was outlined as follows:

- TOs provide a list of Attributable Works for each site, including shared works triggered by multiple Users.
- For hybrid sites, works are assigned to the highest-rated capacity (generation or Demand), so that they do not appear in multiple sets of Attributable Works for the same Customer.
- Security statements are issued accordingly, ensuring no duplication of liabilities.

Clarification of Differences between security and liability,

The discussion noted their distinct roles in the User Commitment Methodology:

- **Security:**

- Security refers to the upfront financial commitment that a User provides to cover potential liabilities.
- It is a financial guarantee placed by the User to ensure that funds are available to cover costs if the User cancels their project or fails to meet their obligations.
- Security is typically required within 30 days of signing a connection agreement or modification application.

- **Liability:**

- Liability represents the actual cost exposure for works attributable to the User.
- It is calculated based on factors such as:
 - Spend to date: The amount already spent on the works.
 - Forecasted spend: The estimated costs for the next 6 months.
 - SIF: A factor that reflects the User's share of the Attributable Works.

- LARF: A factor that accounts for the reusability of TO asset investments during the project lifecycle.

It was clarified that security and liability are not the same and should not be confused.

Security is a temporary financial commitment that may be adjusted as liabilities change over time. Liability is the final cost that the User must pay, based on the actual expenses incurred for the works. The Workgroup highlighted the importance of ensuring that documentation clearly distinguishes between security and liability. Current guidance documents already outline the differences, but it was stressed that there is a need for clarity in any new documentation produced as part of the modifications.

Acknowledge market dynamics and related policies

The Workgroup discussed market dynamics and related policies, focusing on managing demand volumes and complexities in Transmission processes. Key topics included fluctuations in Demand and generation influenced by factors like decarbonisation and hybrid sites. Policies such as Connection Reform modifications and embedded demand growth were noted, alongside the exclusion of strategic projects from cancellation charges in CMP417 discussions.

Addressing the complexity of TOCO and Transmission Owner Construction Agreement (TOCA) processes, including lead times for implementation.

The Workgroup highlighted the complexity of TOCO and TOCA processes, particularly in the context of lead times for implementation and the need for updates to align with proposed modifications. TOCO and TOCA processes are distributed across several STCPs, including STCP16 which covers aspects of construction planning and delivery. As well as STCP19.2, which focuses on the financial aspects of construction works. This distribution can make it challenging to ensure consistency and clarity across all STCPs. Extending the principles of User commitment methodology to Final Sums methodology adds another layer of complexity to TOCO and TOCA processes. It was suggested that existing STCPs, such as STCP 13.2, may need to be amended to clarify TOCO and TOCA processes for Final Sums methodology Users. The Workgroup believed that the specimen form for TOCO needs to be clear what is attributable /non-attributable. Ensuring

that all documentation clearly outlines the roles, responsibilities, and timelines for TOCO and TOCA processes was highlighted as a priority.

Implementation timescales

The discussion regarding implementation timescales commencing January 2027 revolved around the practical considerations for implementing the modifications (CM093 and CMP417) and ensuring that TOs and other stakeholders have sufficient time to adapt their processes. The challenge is that TOs may need to update their processes to provide data for demand sites in addition to generation sites. This includes:

- Providing Attributable Works for Demand sites (works needed to connect demand Users to the nearest mixed node).
- Ensuring updated scheme information is available using the new definitions.

The Workgroup acknowledged that TOs might need significant lead time to make these changes, especially for updating their systems and processes.

During the discussion, it was noted by one Workgroup member that the volume of Demand Users requiring securities in January 2027 might be relatively small initially. This includes data centres, DNO's and Network Rail. The Workgroup suggested prioritising Users with immediate security requirements rather than addressing all Users at once. A Workgroup member suggested conducting an analysis to determine the meaningful volume of demand Users with securable spend in January 2027. There was a suggestion to stagger the administrative deployment of the modifications. This could be so the obligation to implement the changes could go live at a specific date. However, the administrative workload (e.g., updating TOCOs and notifying Users) could be spread out over time.

Impacts and Interactions

The Workgroup discussed the freeze on Connection Reform securities, which currently impact Gate 2 offers only. The freeze creates a dependency between CMP417 and CM093, as TOs need clarity on when the freeze will be lifted to align their processes with the new securities framework. TOs may need to send updated TOCOs to reflect the new securities calculations introduced by CMP417.

The Workgroup acknowledged that updating TOCOs would depend on the timing of Ofgem's approval, and the administrative workload required to implement the changes.

Legal Text solution

There was a discussion about ensuring alignment between the Legal Text of CMP417 and CM093 to avoid discrepancies between the CUSC and the STC. A question was raised about whether changes to certain STC procedures (e.g. STCP 13-2) would require a separate modification proposal. This would ensure that the methodology for securities calculations is properly updated in the STC. PM0156 has been raised to do this.

The Proposer noted the need to align the definition of Attributable Works in section J of the STC with the CUSC, clearly differentiating between requirements for generation Users, demand Users, and hybrid sites. Concerns were raised regarding the inclusion of distributed demand in this definition, as it may not be relevant to this modification. During the Workgroup considerations of the legal text, in January 2026, the definition for Attributable Works in Section J was updated as a result of modification [CM0103](#). This means there is now alignment with the CUSC definition for Attributable Works. Therefore, no legal text changes are required for Section J of the STC as a result of this modification.

A potential transition document to facilitate the implementation of CM093 was discussed. The Workgroup highlighted potential updates to Schedule 9 to align with the principles of the modification, particularly regarding the calculation of Attributable Works for Demand Users and the timing of biannual estimates. Appendix M was identified for a review to ensure consistency with recent changes, especially in relation to security schedules and spend profiles for hybrid sites and demand Users. The Proposer also suggested that Appendix H may need revisions to reflect these updates. The importance of guidance notes to clarify the definition of Attributable Works was highlighted, specifically for hybrid sites and Demand Users. Discussions included whether these notes should specify that Attributable Works extend to the nearest MITS node. The CMP417 Workgroup will ensure that relevant guidance notes are referenced, and NESO Legal will determine if a separate guidance note is needed for the STC.

A Workgroup member raised concerns about stranded investment, and if a User reduces their Demand or generation to zero. It was suggested that they should bear the full cost of Attributable Works, without sharing via SIF or LARF. It was noted that Users would still be liable for Attributable Works costs, but there would be no sharing of costs for one-off works. This aligns with the principle that Users bear the full cost of aborted works caused by their decisions. The definitions and calculations for SIF and LARF must align with the legal text in both the STC and CUSC to avoid discrepancies. A need was noted for TOs to assess the feasibility of implementing SIF and LARF changes within the proposed timeline (e.g. January 2027 securities run).

Legal Text

The Legal Text for this change can be found in **Annex 03**. The Workgroup has proposed amendments to STC Section D and Schedules 5, 6, 7, 8, 9 and 13.

Workgroup Consultation Summary

The Workgroup held their Workgroup Consultation between 26 January and 16 February 2026 and received 4 responses. The full responses and a summary of the responses can be found in **Annexes 04** and **05**.

There were 3 non-confidential responses and 1 confidential response to the Workgroup Consultation. All 3 respondents agreed that the Original Proposal better met the STC Applicable Objectives than the Baseline.

The responses highlighted several key points, such as the modification's aim to reduce restrictions on new developments, facilitate competition, improve administrative efficiency, and ensure that the share of works treated by age is accurately reflected.

However, several concerns were identified, including the implementation timeline, with respondents suggesting that three months might be needed to prepare accurate data for the solution to be applied in practice. Questions were raised about the adequacy of the legal text, particularly regarding directly connected DNOs, and concerns about the interaction between CM093 and CMP417, especially in terms of timelines and process alignment.

The Workgroup noted the points regarding the implementation timeline and a further discussion was held, set out in this report [here](#). The Workgroup noted the points regarding the legal text and were satisfied that the draft legal text was well aligned to the that of CMP417.

A specific issue was raised regarding hybrid sites, focusing on how they would be handled if one component, such as generation or Demand, was cancelled or reduced.

The Workgroup noted the issues, which had been the subject of previous discussions. A further discussion was held, set out in this report [here](#).

While there was general support for the modification itself, some respondents questioned the implementation approach rather than the principle of the modification.

The main concern was the implementation timetable for the new method. Identified issues included:

- Ofgem decision needed by 30th October in order allow time for TOs to provide relevant data
- Any delay with regards to Ofgem's decision would require a revised timeline for this solution
- The implementation period should account for the time TOs require to make the changes in relation to the next securities/liabilities data submission deadline

The Workgroup agreed that this was an important issue, as it had been discussed in detail prior to the consultation process [here](#). A further discussion on this was held which is found in this report [here](#).

Two further concerns were raised:

- Clarity is sought on what the implementation approach is where TOCOs/TOCAs are required to be updated.
- Any interactions with the delayed timelines of Gate 2 to Whole Queue should be made clear

The Workgroup noted that these points were part of the overall implementation challenge, discussed prior to the consultation process [here](#) and in a subsequent discussion [here](#).

Post Workgroup Consultation Discussion

Implementation timeline

The Workgroup discussed the implementation timeline, focusing on aligning key dates with the January 2027 securities run while ensuring stakeholders are provided with sufficient notice. It was noted that guidance documentation would be crucial to ensure clarity and understanding for all stakeholders. Regarding the DNO process, the Workgroup emphasised the need to ensure that DNOs are fully considered in the implementation plan

Concerns about hybrid sites, particularly how cancellations of smaller components like generation might result in stranded assets or uncollected charges, were discussed. The Proposer suggested monitoring this scenario post-implementation.

The implementation timeline and the Gate 2 To Whole Queue (G2TWQ) interactions were highlighted. The Workgroup emphasised that the CMP417 implementation is targeting the January 2027 securities run, making timely preparation essential. Ofgem's decision dates are anticipated between July and September, further discussions with Ofgem were deemed necessary to confirm achievable decision dates and ensure alignment with broader Demand Connection reforms. Regarding the G2TWQ updates, the latest expected dates for different phases of the queue process were reviewed, ensuring alignment with the CMP417 implementation plan. The Workgroup stressed the importance of maintaining synchronisation between the CMP417 timeline and the Gate 2 process, particularly in terms of data preparation and submission deadlines, to avoid delays and ensure a smooth implementation.

Hybrid sites

The Workgroup noted that CMP417 discussions focused on the hybrid site scenario, reiterating that no additional solution changes are proposed where a smaller technology at a hybrid site is cancelled. Instead, any abortive works costs would continue to be recovered, which was identified as the principal risk in that

scenario. The CMP417 Proposer explained that consistent with CM093, the approach is to monitor behaviour post-implementation and only consider a follow-on modification if evidence of unintended outcomes emerges.

Abortive Works

The Proposer explained that no additional changes are proposed within the current solution; instead, affected parties would review impacts over a six-month post implementation period. The Proposer of CMP417 confirmed that any abortive works costs would still be recovered and that, if unintended behaviours emerged, these would be addressed through a potential follow up modification rather than changes to the current solution. This issue was noted by the Workgroup as having arisen from consultation responses and being aligned with CMP417.

The Proposer confirmed that no change is proposed within the current solution, as any abortive works costs would continue to be recovered. The NESO position is that this issue will be monitored post-implementation and only revisited if evidence of unintended behaviour emerges.

Transmission owner requirements around pre-implementation notice periods

This issue, including the interaction between the 82-day data provision requirement, implementation lead-in time, and Ofgem decision timing were the subject of discussion by the Workgroup.

A clear explanation was provided by the Proposer of CMP417 regarding the 82-day pre-implementation notice period required for transmission owners. It was confirmed that this notice period occurs prior to the opening of the securities window. The Workgroup discussed these requirements to ensure all members understand the necessary data provision obligations

The Workgroup noted that the 82-day transmission owner data requirement applies after implementation, with no need for updated data before approval.

Terms of Reference Overview

a. Implementation

The Implementation timetable and process have been the subject of significant discussion by the Workgroup both before and after the

Workgroup Consultation. This was the main concern raised by respondents to the Workgroup Consultation.	
b. Review and support the legal text drafting	The Legal Text appears as Annex 03 to this report
c. Ensure the appropriate Industry experts or stakeholders are engaged in the Workgroup to ensure that all potentially affected stakeholders have the opportunity to be represented in the Workgroup	Following the hiatus caused by Connections Reform Modifications governance and approval, the Workgroup was reconvened on 14 October 2025. It has been well attended by the TOs.
d. The cross Code impacts this Modification has, in particular the CUSC (CMP417)	Workgroup meetings have been held in cadence with the Workgroup considering CMP417. The Proposer of CMP417 attends this Workgroup and presents an update of the considerations of the latest CMP417 Workgroup. This has enabled strong alignment of the considerations of the two Workgroups.
e. Consider the wider consequences of the proposed changes, including any TO investment risk, commercial signals to developers, and any interactions with on-going Connections Reform	The Workgroup has considered a wide range of issues concerning the consequences of the proposed Modification. The include for example: the treatment of shared works; market dynamics and related policies; the complexity of TOCO and TOCA processes, and implementation timescales.

What is the impact of this change?

Proposer's assessment against STC Objectives

Relevant Objective	Identified impact
a) efficient discharge of the obligations imposed upon Transmission Licensees by Transmission Licences and the Electricity Act 1989;	Neutral

b) efficient discharge of the obligations imposed upon the licensee by the Electricity System Operator licence, the Energy Act 2023 and Electricity Act 1989;	Neutral
c) development, maintenance, and operation of an efficient, economical, and coordinated system of electricity Transmission;	Neutral
d) facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the distribution of electricity;	Positive Amending Final Sums methodology to be more in-line with User Commitment Methodology will ensure that the Final Sums arrangements do not unduly restrict new developments and facilitate competition.
e) protection of the security and quality of supply and safe operation of the National Electricity Transmission System insofar as it relates to interactions between Transmission Licensees and the licensee*;	Neutral
f) promotion of good industry practice and efficiency in the implementation and administration of the arrangements described in the STC;	Positive It would introduce a common approach across Generation and Demand which will contribute to greater efficiency of the STC arrangements in relation to Users liability and security requirements.
g) facilitation of access to the National Electricity Transmission System for generation not yet connected to the	Neutral

National Electricity Transmission System or Distribution System; and	
h) compliance with the Electricity Regulation and any Relevant Legally Binding Decisions of the European Commission and/or the Agency.	Neutral

* See *Electricity System Operator Licence*

Proposer's assessment of the impact of the modification on the stakeholder / consumer benefit categories

Stakeholder / consumer benefit categories	Identified impact
Improved safety and reliability of the system	Positive Reducing security provisions for Users who are currently on Final Sums methodology will provide more options to help efficiently balance the system by enabling more demand to utilise the huge amount of generation due to connect and contribute to an improved security of supply.
Lower bills than would otherwise be the case	Neutral
Benefits for society as a whole	Positive Supports the electrification of GB which will have a positive impact on local infrastructure.
Reduced environmental damage	Positive Reducing security provisions for Users who are currently on Final Sums methodology will provide more options to help efficiently balance the system by enabling more demand to utilise the huge amount of renewable generation due to

	connect and contribute to an improved security of supply.
Improved quality of service	Positive Reducing security provisions for Users who are currently on Final Sums methodology will provide more options to help efficiently balance the system by enabling more demand to utilise the huge amount of generation due to connect and contribute to an improved security of supply. More widely, there is industry drive to incentivise more demand into the market to support UK PLC economic growth, development of cloud capability to meet market needs and support new housing developments particularly in London regions and surrounding suburban areas. The incentivisation of demand supports UK progress to net zero. Enhancing the Final Sums methodology to be more closely aligned with User Commitment methodology will help reduce uncertainty for developers, whereby the security amount is reflective of the Transmission liabilities they actually impose.

Workgroup Vote

The Workgroup met on 09 April 2026 to carry out their Workgroup Vote. The full Workgroup Vote can be found in **Annex 06**. The table below provides a summary of the Workgroup Members view on the best option to implement this change.

For reference the Applicable STC Objectives are:

- a) *efficient discharge of the obligations imposed upon Transmission Licensees by Transmission Licences and the Electricity Act 1989;*

- b) *efficient discharge of the obligations imposed upon the licensee by the Electricity System Operator licence, the Energy Act 2023 and Electricity Act 1989;*
- c) *development, maintenance, and operation of an efficient, economical, and coordinated system of electricity transmission;*
- d) *facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the distribution of electricity;*
- e) *protection of the security and quality of supply and safe operation of the National Electricity Transmission System insofar as it relates to interactions between Transmission Licensees and the licensee*;*
- f) *promotion of good industry practice and efficiency in the implementation and administration of the arrangements described in the STC;*
- g) *facilitation of access to the National Electricity Transmission System for generation not yet connected to the National Electricity Transmission System or Distribution System; and*
- h) *compliance with the Electricity Regulation and any Relevant Legally Binding Decisions of the European Commission and/or the Agency.*

* See Electricity System Operator Licence

Option	Number of voters that voted this option as better than the Baseline
Original	4

Code Administrator Consultation Summary

The Code Administrator Consultation was issued on the 05 May 2026 closed on 27 May 2026 and received 02 non-confidential responses and 0 confidential responses. A summary of the responses can be found in the table below, and the full responses can be found in **Annex 09**.

Code Administrator Consultation summary

Question

Do you believe that the CM093 Original Proposal better facilitates the STC Applicable Objectives?	Both respondents believed that the CM093 Original Proposal better facilitates STC Applicable Objectives d and f.
Do you support the proposed implementation approach?	Both respondents supported the implementation approach for CM093. Respondent one caveated support for implementation on the provision that the Authority delivers a decision by 30 October 2026. Respondent two noted that without CM093, there is a material risk of inconsistent interpretation and application across the CUSC and STC, especially at the point of any CMP417 implementation.
Do you have any other comments?	Respondent one emphasised the importance of keeping the CMP417 timeline synchronised with the Gate 2 process, especially regarding data preparation and submission deadlines, to avoid delays and ensure smooth implementation. Respondent two highlighted the need to ensure alignment with CUSC definitions (such as “Attributable Works”), avoid unintended divergence between STC drafting and CUSC constructs, and ensure clarity for demand and hybrid site treatment.

Legal text issues raised in the consultation

No legal text issues were raised with the current text.

Panel Recommendation/Determination vote

The Panel met on the 24 June 2026 to carry out their recommendation vote.

They assessed whether a change should be made to the STC by the proposed change and any alternatives against the Applicable STC Objectives.

Vote 1: Does the Original, facilitate the Applicable Objectives better than the Baseline?

Panel Member: **Gareth Williams, Scottish Power Transmission**

	Better facilitates STC (a)?	Better facilitates STCO (b)?	Better facilitates STCO (c)?	Better facilitates STCO (d)?	Better facilitates STCO (e)?	Better facilitates STCO (f)?	Better facilitates STCO (g)?	Better facilitates STCO (h)?	Overall (Y/N)
Original	Neutral	Neutral	Neutral	Yes	Neutral	Yes	Neutral	Neutral	Yes
Voting Statement									
I believe that the original proposal better facilitates the applicable objectives d and f as this will reduce restrictions on new developments and facilitate competition and promote good practice and efficiency by introducing a common approach to liability and security arrangements.									

Panel Member: **Claire Newton, NESO**

Overall (Y/N)	Better facilitates STCO (h)?	Better facilitates STCO (g)?	Better facilitates STCO (f)?	Better facilitates STCO (e)?	Better facilitates STCO (d)?	Better facilitates STCO (c)?	Better facilitates STCO (b)?	Better facilitates STCO (a)?	Original
Yes	Neutral	Neutral	Yes	Neutral	Yes	Neutral	Neutral	Neutral	Original
Voting Statement									
CM093 is a consequential STC modification for the CUSC Mod CMP417. CM093 maintains consistency between the STC and the CUSC. Together, these modifications improve consistency of liability allocation and fairness across users (including demand).									

Panel Member: **Ben Sayah, National Grid Electricity (NGET)**

Overall (Y/N)	Better facilitates STCO (h)?	Better facilitates STCO (g)?	Better facilitates STCO (f)?	Better facilitates STCO (e)?	Better facilitates STCO (d)?	Better facilitates STCO (c)?	Better facilitates STCO (b)?	Better facilitates STCO (a)?	Original
Yes	Neutral	Neutral	Yes	Neutral	Yes	Neutral	Yes	Yes	Original
Voting Statement									
NGET can only support the Original Proposal if there is a suitable implementation period and this remains unclear. Post-implementation application must allow enough time to complete the large-scale re-quantification work and make the required changes to User Construction Agreements. Our understanding from the Workgroup and discussions with NESO was that NGET would first provide security parameters as a dataset by 31 December 2027. Changes to, TO Construction Agreements would then follow some unspecified time after January 2027. The DFMR now appears to take a different approach in requiring TO Construction Agreements to be updated first, as part of implementation. Given the number of agreements NGET (~160 demand and ~800 DNO contracts) that we would need to review and amend, this is not achievable within the current timetable. The implementation plan does not reflect the scale of work required, or the fact that agreement changes would now be on the critical path. While we agree with the implementation of the Original, we remain concerned over the exact detailed implementation timetable and how									

security parameter setting may be delivered for January 2027 whilst enabling TO Construction Agreements to be amended over a potentially longer time period, reflecting the work required.

Panel Member: **Harriet Eckweiler, Scottish Hydro Electric Transmission**

Overall (Y/N)	Better facilitates STCO (h)?	Better facilitates STCO (g)?	Better facilitates STCO (f)?	Better facilitates STCO (e)?	Better facilitates STCO (d)?	Better facilitates STCO (c)?	Better facilitates STCO (b)?	Better facilitates STCO (a)?	
Yes	Neutral	Neutral	Yes	Neutral	Yes	Neutral	Neutral	Neutral	Original
Voting Statement									
The original proposal better facilitates the applicable objectives than the baseline and supports the implementation of CMP417. The proposal supports the goal of equitable treatment for all users when calculating securities and liabilities.									

Panel Member: **Mike Lee, Offshore Transmission (OFTO)**

Overall (Y/N)	Better facilitates STCO (h)?	Better facilitates STCO (g)?	Better facilitates STCO (f)?	Better facilitates STCO (e)?	Better facilitates STCO (d)?	Better facilitates STCO (c)?	Better facilitates STCO (b)?	Better facilitates STCO (a)?	
Yes	Neutral	Neutral	Yes	Neutral	Yes	Neutral	Neutral	Neutral	Original
Voting Statement									
No Statement provided									

Vote 2 – Which option best meets the Applicable Objectives?

Panel Member	Best Option	Which objectives does this option better facilitate? (If baseline not applicable).
Gareth Williams	Original	d), f)
Claire Newton	Original	d), f)
Ben Sayah	Original	a) ,b) ,d) ,f)
Harriet Eckweiler	Original	d), f)
Mike Lee	Original	d), f)

Panel Conclusion

The Panel has recommended unanimously that the Proposer's solution is implemented.

When will this change take place?

Implementation date

10 Business Days after Authority decision.

Date decision required by

TBC – In line with modification CMP417.

Implementation approach

For existing Users under Final Sums methodology, a transitional period will be required to move them to the updated regime. This will be required to allow changes to be implemented in line with the biannual security process.

The transitional period is required to allow for:

- making changes to contractual positions, in particular the construction agreement;
- changes to internal Connections processes including the Connections internal securities database.

Interactions

- | | | | |
|--|--|---|--------------------------------|
| ☒ CUSC | ☐ BSC | ☐ STC | ☐ SQSS |
| ☐ European
Network Codes | ☐ EBR Article 18
T&Cs ¹ | ☐ Other
modifications | ☐ Other |

CMP417: Extending principles of CUSC section 15 to all Users, is delivering the associated CUSC changes.

STCP PM0156: Consequential changes to STCP 13-2 arising from CM093

Acronyms, key terms and reference material

Acronym / key term	Meaning
BSC	Balancing and Settlement Code
CapEx	Capital Expenditure
CMP	CUSC Modification Proposal
CUSC	Connection and Use of System Code
DNO	Distribution Network Operator
EBR	Electricity Balancing Guideline
ETYS	Electricity Ten Year Statement
LARF	Local Asset Reuse Factor
MITS	Main Interconnected Transmission System
NESO	National Energy System Operator
NETS	National Electricity Transmission System

¹ If your modification amends any of the clauses mapped out in Annex GR.B of the Governance Rules section of the Grid Code, it will change the Terms & Conditions relating to Balancing Service Providers. The modification will need to follow the process set out in Article 18 of the Electricity Balancing Regulation (EBR – EU Regulation 2017/2195). All Grid Code modifications must be consulted on for 1 month in the Code

SIF	Strategic Investment Factor
SQSS	Security and Quality of Supply Standards
STC	System Operator Transmission Owner Code
STCP	System Operator Transmission Owner Code Procedure
T&Cs	Terms and Conditions
TEC	Transmission Entry Capacity
TO	Transmission Owner
TOCA	Transmission Owner Construction Agreement
TOCO	Transmission Owner Construction Offer
UCM	User Commitment Methodology

Reference material

- [CMP417 CUSC modification page on the NESO website](#)

Annexes

Annex	Information
Annex 01	CM093 Proposal Form
Annex 02	CM093 Terms of Reference
Annex 03	CM093 Legal Text
Annex 04	CM093 Workgroup Consultation responses
Annex 05	CM093 Workgroup Consultation responses summary
Annex 06	CM093 Workgroup Vote
Annex 07	CM093 Attendance Record

Annex 08	CM093 Action Log
Annex 09	CM093 Code Administrator Consultation responses
Annex 10	CM093 Code Administrator Consultation response summary