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Transmission Charging Methodologies Forum and CUSC Issues Steering Group

8 October 2026

NESO
National Energy System Operator

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Agenda

1	Introduction, meeting objectives and review of previous actions - Niall Coyle, NESO	10:00 - 10:10
2	Connection Cost Changes - Kimbrah Hiorns, EDF power solutions	10:10 – 10:30
3	Ofgem Charging Update - Bartosz Slota - Ofgem	10:30 – 10:40
4	Code Administrator update - Catia Gomes, Code Administrator NESO	10:40 -10:50
5	AOB and Meeting Close - Niall Coyle, NESO	10:50 – 11:10

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TCMF Objective and Expectations

Objective
Develop ideas, understand impacts to industry and modification content discussion, related to the Charging and Connection matters.
Anyone can bring an agenda item (not just the NESO!).

Expectations
Explain acronyms and context of the update or change.
Be respectful of each other's opinions and polite when providing feedback and asking questions
Contribute to the discussion
Language and Conduct to be consistent with the values of equality and diversity
Keep to agreed scope

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Review of previous actions

ID	Month	Description	Owner	Notes	Target Date	Status
24-12	July	Post implementation analysis of CMP376: Inclusion of Queue Management process within the CUSC.	DA	NESO will reopen this action in April 2025, as that will be 12 months after CMP376 was included in contract terms.	Pending formed queue	On Hold
24-14	October	Data post CMP376 implementation on the TEC register around projects moving forward, backward or staying the same.	DA		Pending formed queue	On Hold
24-15	May	Consider how to report meaningful connections data following the recent 'Pause' in connections reform activity.	JS	Whilst there is a pause in the new connection data being shared at TCMF, JS to consider how data can be made more accessible to Industry	Pending formed queue	On Hold
24-19	Aug	Ofgem to provide clarification on infrastructure project exemptions under CMP447	Ofgem		Next TCMF	Ongoing



Connection Cost Changes

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Connection cost changes – summary of the issue

Overarching issue – rising connection costs

- We are aware that projects are being exposed to significant changes to their connection costs, with increases becoming more substantial year on year.
- Ofgem's end-to-end review (including the most recent consultation) focuses on transparency of cost increases but does not address the impact on developers from the cost increase.
- Unable to reconcile offered costs with TO indicative charging statements – further scrutiny required.

Specific issue being raised today – cost rises after FID

- Cost rises after FID pose an acute risk to the viability of projects needed to meet Government ambitions.
- The framework offers no recourse or limits on exposure – the User bears 100% of the risk.
- There is a case that this framework is no longer fit for purpose and this imbalance of risk needs to be addressed.

Point to note: Our proposals discuss allocation of risk/cost between a developer and the TO. Arrangements for recovery of costs for the TOs is a matter for Ofgem.

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What is the defect identified?

Welcome views on this

Core defect: User exposure to connection cost increase after FID has a negative impact on competition.

(To note we have focused on FID as the point where TO costs should be mature, whereas the case could equally be made for earlier stages where cost increases can be mitigated – e.g. before planning, pre-CfD/CM, etc.)

CUSC charging objectives	Commentary
(a) Facilitates effective competition	Reducing generator exposure to connection cost changes after FID will facilitate enhanced competition in generation, by decreasing uncertainty for projects, allowing them to proceed at competitive costs.
(b) Cost reflectiveness	Could inadvertently introduce risk that TOs inflate costs to absorb new cost exposure. The trade-off to pass on risk to TOs could allow CfD bids to be more competitive.
(c) Takes account of developments in transmission licensees' transmission businesses	N/A
(d) Compliance with European Regulations	N/A
(e) Efficiency in implementation and administration of charging methodology	Solutions proposed are simplistic and follow existing cost forecast process. Whilst likely to be negative against this objective due to additional processes required to administer this reform, it would be outweighed by the financial benefits.

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Early thinking on solutions

- We have explored ways to ‘re-balance’ the risk between developers and TOs.
- The key objective is to reduce cost risk post-FID.
- We expect the main benefits would be:
  - More stable background for those costs outside of developer control.
  - Supports efficient capital allocation and external financing.
- We expect the main risks are:
  - Risk of TO cost 'padding' due to new exposure to cost changes.

Keen for industry feedback

Initial ideas

1. Connection costs **fixed** at level of statement before FID/M7.
2. Cost increase **risk sharing** between TO and Developer.
3. Line items **capped** at latest charging statement level.

Ofgem Charging Update

Bartosz Slota - Ofgem

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Code Administrator Update

Catia Gomes - Code Administrator NESO

Key Updates since last TCMF

New Modifications / Nominations

- CMP405 'TNUoS Locational Demand Signals for Storage' **nominations open on 09 September 2026**.
- CMP457 'Revision of the Obligatory Reactive Power Service (ORPS)' **nominations opened on 09 September 2026**.

Decisions

- CMP330 & CMP374 was **rejected by the Authority on 07 October 2026**.

Implementations

- CMP476 'Correction to Section 15 of the CUSC' was **implemented 09 September 2026.**

Authority Expected Decision Date

Modification	FMR submitted	Expected Decision Date
Decisions temporarily paused due to Reform National Pricing (RNP) Programme		
CMP315: 'TNUoS Review of the expansion constant and the elements of the transmission system charged for' and CMP375 'Enduring Expansion Constant & Expansion Factor Review'	07 February 2024	TBC pending update on RNP (previously 07 February 2025)
CMP423: 'Generation-weighted Reference Node'	09 December 2025	TBC pending update on RNP
Charging/ Non – Charging Modifications		
CMP316: 'TNUoS Charging Methodology for Co-located Generation'	08 August 2025	TBC (Previously September 2026)
CMP397: 'Consequential changes required to CUSC Exhibits B and D to reflect CMP316 (Co-Located Generation Sites)'	12 June 2024	TBC
CMP453: 'To Bill BSUoS on a net basis at BSC Trading Units'	11 November 2025	TBC (Previously 30 September 2026)
CMP469: 'GC0186 Cost Recovery mechanism for CUSC Parties'	07 July 2026	30 October 2026
CMP474 'Fixed BSUoS Price Revision Mechanism'	10 July 2026	TBC
CMP475 'Amendment to the BSUoS tariff reset process'	10 July 2026	TBC
CMP440: 'Re-introduction of Demand TNUoS locational signals by removal of the zero-price floor'	10 April 2026	TBC
CMP445: 'Pro-rating first year TNUoS for Generators	10 July 2026	TBC (previously 30 September 2026)
Connections Modifications		
CMP417 'Extending principles of CUSC Section 15 to all Users'	20 July 2026	TBC
CMP470 'Introducing an Oversubscribed Technologies Commitment Fee'	14 July 2026	12 November (Previously 14 October 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

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Key Consultations in October

Workgroup Consultations	• None.
Code Administrator Consultations	• None.
Appeals Window	• None.

CUSC 2026 - Panel dates

	Panel Dates	Papers Day	Modification Submission Date	(TCMF) CUSC Development Forum
January	30	22	15	8
February	27	19	12	5
March	27	19	12	5
April	24	16	9	2
May	22	14	7	30 April
June	26	18	11	4
July	31	23	16	9
August	28	20	13	6
September Special Panel	18	10	10	3
September	25	17	10	3
October	30	22	15	8
November	**27**	**19**	**12**	**5**
December	11	3	26 November	19 November

Modifications Overview

Modification Number	Modification Title	Modification Overview	Impacted Parties
CMP315	TNUoS: Review of the expansion constant and the elements of the transmission system charged for	The expansion constant is a key input in setting the value of the locational element of transmission network use of system charges. This modification proposal would review how the expansion constant is determined such that it best reflects the costs involved.	High impact on all Users who pay TNUoS charges, NESO, Transmission Owners and Offshore Transmission Owners
CMP316	TNUoS Charging Methodology for Co-located Generation	Charging arrangements for Generation sites which comprise multiple technology types within one Power Station ("co-located")	Medium impact on Co-located Generators; Low Impact on NESO
CMP417	Extending principles of CUSC Section 15 to all Users	This modification seeks to extend the principles of CUSC Section 15 "User Commitment Methodology" to Users on Final Sums methodology, resulting in all Users being on the User Commitment Methodology. This will introduce equitable treatment across User groups and reduce barriers to entry as a User's security amount will better reflect the transmission liabilities they impose should they cancel connection or reduce capacity.	High Impact on National Energy System Operator, Distribution Network Operators, Transmission Owners, Users who remain on Final Sums methodology (Distributed connected Demand, Transmission connected Demand and DNOs where work is not triggered by an Embedded Generator e.g. asset replacement)
CMP330/CMP374	Allowing new Transmission Connected parties to build Connection Assets greater than 2km in length	To amend the definition of Connection Assets in section 14 of the CUSC to allow cable and overhead line lengths over 2km to be contestable where agreed between the Transmission Owner and the User.	High Impact on New Transmission connected Users and Transmission Owners
CMP397	Consequential changes required to CUSC Exhibits B and D to reflect CMP316 (Co-Located Generation Sites)	CMP316 makes changes to Section 14 of the CUSC. CMP397 facilitates CMP316 and proposes consequential changes to CUSC Exhibits B & D	Low impact on Co-located Generators and NESO

Modifications Overview

Modification Number	Modification Title	Modification Overview	Impacted Parties
CMP405	TNUoS Locational Demand Signals for Storage	Currently Locational Demand signals are floored at £0/KWh to avoid a perverse operational incentive to increase import over periods with tight system margin at Peak demand. However, the DCLF Model shows that, in areas dominated by intermittent generation, there are significant benefits from importing during periods of peak wind generation as illustrated by the Year Round Tariffs. This modification seeks to separate out the demand Year Round locational signals from Peak Security locational Signals and charge (reward) Storage which imports during times other than Triads, i.e. When Wind Generation is fully operating.	High Impact: Generators (i.e. Storage), Transmission System Operators, Transmission Owners
CMP423	Generation Weighted Reference Node	This modification proposes to switch from a demand weighted Reference Node to a generation weighted Reference Node instead.	High impact on Generation and Demand Users
CMP440	'Re-introduction of Demand TNUoS locational signals by removal of the zero price floor'	This CUSC modification proposes removing the current zero price floor from the TNUoS locational demand tariff for Final Demand, thereby re-introducing a locational investment price signal across all of GB. The potential for negative prices and the perverse incentive for Users to consume is removed by widening the period over which consumption is measured for charging against negative tariffs.	High impact on Suppliers
CMP445	Pro-rating first year TNUoS for Generators	The CUSC should be amended to ensure that Generators only pay TNUoS on a pro-rated basis from their Charging Date, during the first year of connection	High on Generators and low impact on NESO, and no material impact on Transmission Owners

Modifications Overview

Modification Number	Modification Title	Modification Overview	Impacted Parties
CMP453	To Bill BSUoS on a net basis at BSC Trading Units	The move to gross billing of BSUoS means that customers forming part of a BSC Trading Unit are paying BSUoS when the net flows at the point of connection are exports, so the customers are not using the system and should not pay BSUoS.	Medium impact on customers and suppliers.
CMP469	GC0186 Cost Recovery mechanism for CUSC Parties | National Energy System Operator	The GC0186 modification will place new obligations within the Grid Code, upon Connection and Use of System Code (CUSC) Parties who are not contracted with the National Energy System Operator (NESO) as Restoration Service Providers. Therefore, a one-year time extension of the codified cost recovery mechanism is required to prevent the affected parties being commercially disadvantaged by the implementation of the new obligations.	High impact on Suppliers & Generators
CMP470	Introducing an Oversubscribed Technologies Commitment Fee	This modification seeks to introduce a floor on securities through an Oversubscribed Technologies Commitment Fee for all technologies which are oversubscribed relative to Clean Power 2030 capacity targets.	High impact: on generation developers and a Medium Impact: on Transmission Owners
CMP471	Interim Contract Variation Process Ahead of CMP434 Gated Application Window	This modification proposes a temporary, limited amendment to the CUSC allowing Users to adjust elements of their NESO contracts before the first CMP434 Gated Application Window.	High impact on Generators, Transmission Owner and NESO
CMP474	Fixed BSUoS Price reset mechanism	Inclusion in the Connection and Use of System Code of a clear process for when the Balancing Services Use of System will be reset by the National Energy System Operator.	High impact on Suppliers and Transmission System Operators

Modifications Overview

Modification Number	Modification Title	Modification Overview	Impacted Parties
CMP475	Amendment to the BSUoS tariff reset process	Amendment to the Balancing Services Use of System Tariff Reset process as per Connection and Use of System Code. To enable the National Energy System Operator due to wider market conditions to reforecast the fixed tariff periods and if needed recover financial position of the working capital fund	High impact for anyone who is impacted by BSUoS, primarily Suppliers
CMP476:	Correction to Section 15 of the CUSC	This modification corrects an unintended inconsistency in how the Global Asset Re-Use Factor is described in Section 15 of the CUSC compared how it is described in associated documents and applied in practice.	This modification is not expected to have a material impact on any party.
CMP479	Milestone 8: inclusion of OFTO construction	This modification amends Milestone 8 (Project Construction) in CUSC Section 16 to recognise Offshore Transmission infrastructure as construction activity for Offshore generation projects.	Medium impact on Generators and NESO

Useful Links

Ofgem's expected decision dates/ date they intend to publish an impact assessment or consultation, for code modifications that are with them for decision are available here

Updates on all Modifications are available on the Modification Tracker here

The latest CUSC Panel Headline Report and prioritisation stack are available here

If you would like to receive updates from the Code Administrator on CUSC modifications, please join the distribution list here

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Your CUSC Panel representatives

- Industry is represented at CUSC Panel by representatives, who would love your input. Their contact details can be found here.
- Panel members represent their industry segments at Panel; the more input they have, the more your voice can be heard.

Anthony Pygram	Independent Panel Chair		**Lauren Jauss**	Panel Member	
Catia Gomes	Panel Secretary and Code Administrator Representative		**Alastair Owen**	NESO Representative	
Ren Walker	Panel Technical Secretary		**Daniel Arrowsmith**	NESO Representative	
Andrew Enzor	Panel Member		**Tom Lowe**	Consumer Panel Representative	
Garth Graham	Panel Member		**Jacob Snowden**	BSC Representative	
Joe Colebrook	Panel Member		**Dovile Kvedyte-Corrigan**	Ofgem Representative	
Kyran Hanks	Panel Member		**Jonathan Bowes**	Ofgem Representative	

AOB and meeting close

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5-Year View of TNUoS Tariffs (2027/28 to 2031/32)

On Thursday 8 October we are publishing the 5-Year View of TNUoS Tariffs for 2027/28 to 2031/32.

The report and the tables will be accessible through the website on the main TNUoS page and in the **Tariffs 2027/28 Publications** section.

We are hosting a webinar on Wednesday 14 October to go through the key findings and answer your queries on this publication. Register for the webinar at the link below.

If you would like to ask any questions ahead of the webinar, please email us at TNUoS.queries@neso.energy

Webinar Sign Up Here

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2026 Revenue and Charging Forum

We are holding an in-person and online Charging Forum to provide an overview of all things TNUoS, BSUoS, AAHEDC and Connections Charging.

We'll cover who pays, when and how we calculate the charges, as well as deeper dives into specific topics with plenty of opportunities to ask questions.
This is an introductory event aimed towards a working level audience, so if you're directly involved in these areas or just want to improve your knowledge, we'd love to see you there. Please also forward this message to any of your colleagues who may be interested.

To make this event as accessible as possible, whilst also giving us the opportunity to meet people face to face, we are running two separate charging forum days, an in-person day at our Wokingham office and an online only event hosted on Microsoft Teams. Please register below.

The content will be the same on both days so we would suggest only registering for one day.
We'll be in touch with further details, including the final agenda nearer the date.

In Person Event*

- Date: **06 October 2026**
- Time: **9.15am to 15.00pm (approximately)**
- Venue: **National Energy System Operator (NESO), Bearwood Rd, Sindlesham, Wokingham RG41 5BN**

Completed

Online Event #

- Date: **15 October 2026**
- Time: **9.30am to 15.00pm (approximately)**
- Location: **Microsoft Teams**

REGISTER FOR ON-LINE HERE

No limit on the number of attendees.
Please contact TNUoS.queries@neso.energy with any questions.

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