

# Transmission Charging Methodologies Forum and CUSC Issues Steering Group

8 October 2026

# Agenda

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|   |                                                                                     |               |
|---|-------------------------------------------------------------------------------------|---------------|
| 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 |

# 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

# 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



# 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.

# 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. |

# 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

# 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.**
- [CMP475](#) 'Amendment to the BSUoS tariff reset process' **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.**

# Public Authority Expected Decision Date

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

# 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                             |
| <b>November</b>         | <b>27</b>   | <b>19</b>  | <b>12</b>                    | <b>5</b>                      |
| December                | 11          | 3          | 26 November                  | 19 November                   |

## Modifications Overview

| Modification Number         | Modification Title                                                                                      | Modification Overview                                                                                                                                                                                                                                                                                                                                                                                                                     | Impacted Parties                                                                                                                                                                                                                                                                                   |
|-----------------------------|---------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b><u>CMP315</u></b>        | 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                                                                                                                                                                                         |
| <b><u>CMP316</u></b>        | 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                                                                                                                                                                                                                                         |
| <b><u>CMP417</u></b>        | 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) |
| <b><u>CMP330/CMP374</u></b> | 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                                                                                                                                                                                                                            |
| <b><u>CMP397</u></b>        | 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                                                                           |
|----------------------|-----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| <b><u>CMP405</u></b> | 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 |
| <b><u>CMP423</u></b> | 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                                                 |
| <b><u>CMP440</u></b> | '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                                                                   |
| <b><u>CMP445</u></b> | 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                                                                  |
|----------------------|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| <b><u>CMP453</u></b> | 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.                                         |
| <b><u>CMP469</u></b> | 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                                             |
| <b><u>CMP470</u></b> | 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 |
| <b><u>CMP471</u></b> | 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                            |
| <b><u>CMP474</u></b> | 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                                                          |
|-----------------------|---------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|
| <b><u>CMP475</u></b>  | 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      |
| <b><u>CMP476:</u></b> | 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. |
| <b><u>CMP479</u></b>  | 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](#)

# 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.

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

# AOB and meeting close