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Transmission Charging Methodologies Forum and CUSC Issues Steering Group

5 November 2026

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Agenda

1	Introduction, meeting objectives and review of previous actions - Alastair Owen, NESO	10:00 - 10:10
2	Proposal for updating the MSA CUSC Exhibit - Paul Mott, NESO	10:10 – 10:35
3	Ofgem Charging Update - Bartosz Slota - Ofgem	10:35 – 10:45
4	Code Administrator update - Catia Gomes, Code Administrator NESO	10:45 -10:55
5	AOB and Meeting Close - Alastair Owen, NESO	10:55 – 11:15

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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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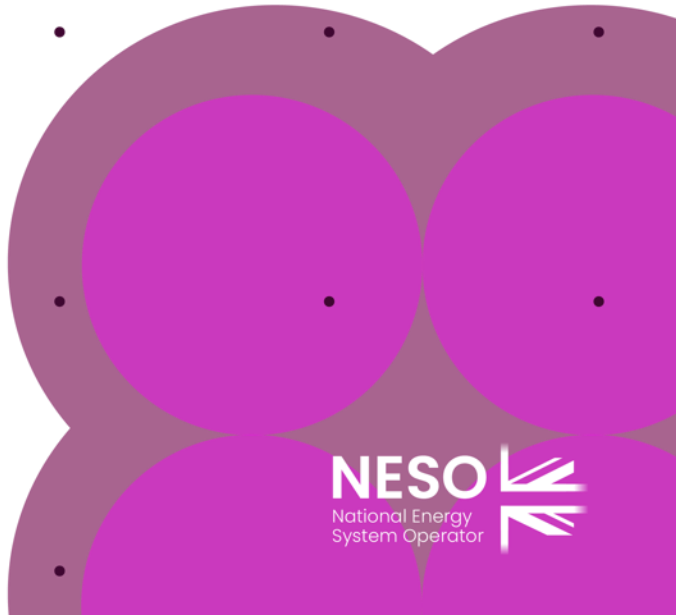
Review of previous actions

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
24-18	Nov	Overview on national pricing and market reform developments	Ofgem	Ofgem to arrange for an overview presentation on national pricing and market reform developments at TCMF.	Monthly updates provided at TCMF	Ongoing

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Proposal for updating the MSA CUSC Exhibit

Paul Mott, NESO



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Main part of the MSA Mod Concept

- Generating units and DC Converter Stations (which are at the end of all existing interconnectors, since all interconnectors are asynchronous) must be capable of providing certain System Ancillary Services on a mandatory/obligatory basis, as listed in C.C.8.1 of the Grid Code for Large and Medium power stations (and its embedded counterpart ECC.8.1).
- The services are Obligatory Reactive Power Service and Mandatory Frequency Response
- The resulting requirement to sign a Mandatory Services Agreement (MSA) is captured in Section 1.3.3 of the CUSC; so an MSA is signed with each relevant new CUSC Party. This is initially as an indicative MSA which must be entered into at least 6 months prior to the expected commissioning programme commencement date (or as otherwise agreed). The indicative/interim MSA is used for those with estimated factory data for their asset, then it gets amended / updated when the real asset data is available. NESO will not energise the user's equipment (or issue an operational notification for a relevant embedded power station) until the MSA has been finalised and been formally executed by both parties.
- There is a standard MSA template as an Exhibit to the CUSC. The MSA was formerly updated by CMP205, “Clarification to the Mandatory Services Agreement”. This was raised in 2011. It removed sections of the MSA which were no longer applicable to any Users and included new clauses relevant to the increased amount of intermittent generation connecting to the Transmission System.

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Main part of the MSA Mod Concept

- The Panel determined that CMP205 should progress through Self-Governance and be sent directly to the Code Administrator Consultation phase, without a workgroup. This allowed the CUSC Modifications Panel to determine and approve the outcome directly without requiring a final sign-off decision letter from Ofgem, which it did.
- So far the standard template as an Exhibit to the CUSC has comprised a single MSA, with a number of conditional and bracketed clauses and a reference in clause 10 amendments that may be made if mandatory services are provided from power park modules, but which currently does not include interconnectors. Nonetheless interconnectors have an MSA based substantially on the form of the CUSC version with necessary customisations (as permitted by CUSC section 1.3.3(a)).
- The first aim of an envisaged MSA-related CUSC modification proposal, would be to update the Exhibit to incorporate the customised content for interconnectors. Interconnector MSA's have been bespoke customised versions of the CUSC MSA but there has been no published template showing the variances signposted from the MSA exhibit. This is the main part of this mod concept. The Mod supports NESO's transparency objective
- NESO also anticipate publishing a guidance note for Interconnector MSAs in the coming weeks. We are preparing a new Interconnector Framework webpage that will sit under the Interconnector page on our website which will host the guidance note. Currently NESO has working versions of the Interconnector MSAs available upon request- Please contact box.EFT@neso.energy . Following the Mod stakeholders will be able to see the interconnector clauses included in the CUSC MSA.

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Second part of the MSA Mod Concept

- There is a table in the MSA called Part II Frequency Response Summary Data. The middle column for secondary frequency response has an entry “0.2 Hz” in error, which is rooted in ECC A.3 of the Grid Code and is meant to say 0.5 Hz. This needs correcting.

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Third part of the MSA Mod Concept

- The existing MSA standard exhibit has in Appendix 3 a definition of “Reactive Power Zone” thus : “means those separate areas of **England and Wales** identified as zones in the **Seven Year Statement** for **1997** for the purposes of specifying local Reactive Power capability and need”
- Below that is a further definition “Relevant Zone” “the Reactive Power Zone in which the BM Units are situated, which for convenience only shall be specified in Appendix 1, Section A, Part I”. 3.4.2 also says “3.4.2 For the purposes of 3.4.1 the Relevant Zone in which the BM Units are situated is specified in Appendix 1, Section A, Part 1”. However, 3.4.1 makes no reference to “zone”
- In Appendix 1, Section A, Part I, within that exhibit, that’s a table of reactive power capabilities, with no references to zone other than a single box at the top where a “zone” can be entered.

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Third part of the MSA Mod Concept

- There has been no mention of the term **Relevant Zone** within the Reactive Capability Tables in Section A for the MSAs that have been created since 2006 (since BETTA).
- Nowadays our arrangements (since BETTA 2005) include Scotland, and are no longer limited to "England and Wales". But also you'll not be able to find a 1997 copy of the SYS – back then it was published as a hard copy by her majesty's stationery office. There is no reference to reactive power zones in ETYS, by the way. An ETYS colleague commented to me "I don't recall the ETYS ever having reactive zones. Reactive zones are not something my network planning area uses or maintains"
- The solution is likely to comprise deleting the reference in the CUSC MSA template to "Relevant Zone" in 3.4.1 and in Appendix 3, plus the unused "zone" box at the top of the table of reactive power capabilities in Appendix 1.

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Process

- The conceptual non-charging CUSC mod would aid transparency and efficient administration of the CUSC. It would slightly aid competition as a result.
- The payment rates for reactive and frequency will not vary as a result of this mod, if approved and implemented
- CUSC MSA already has many square bracketed portions to reflect the many different types of generation. Differences in the Interconnector MSA are not enough to warrant a full new document.

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Process

- Consequently if we proceed (November or December Panels) it will be raised with a request that it be processed as a self-governance modification, as CMP205 was before. In particular the mod wouldn't have a material effect on:

  i) existing or future electricity consumers; or

  ii) competition in the generation, distribution, or supply of electricity or any commercial activities connected with the generation, distribution, or supply of electricity; or

  iii) the operation of the national electricity transmission system; or

  iv) matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; or

  v) The governance procedures or modification procedures of the CUSC itself

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

- **CMP467** 'Removal of outdated references in CUSC (charging)' raised at Panel on 30 October 2026.
- **CMP468** 'Removal of outdated references in CUSC (non-charging)' raised at Panel on 30 October 2026.

Decisions

- None.

Implementations

- None.

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
CMP440: 'Re-introduction of Demand TNUoS locational signals by removal of the zero-price floor'	10 April 2026	TBC
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	TBC (Previously 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
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)
CMP471 'Interim Contract Variation Process Ahead of CMP434 Gated Application Window'	07 October 2026	TBC

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 November

Workgroup Consultations

- **CMP402** 'Introduction of Anticipatory Investment (AI) principles within the User Commitment Arrangements' second Workgroup consultation opens on 27 November and closes on 21 December.

Code Administrator Consultations

- **CMP467** 'Removal of outdated references in CUSC (charging)' CAC opens on 03 November and closes on 24 November.
- **CMP468** 'Removal of outdated references in CUSC (non-charging)' CAC opens on 03 November and closes on 24 November.

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	-

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)
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
CMP402	Introduction of Anticipatory Investment (AI) principles within the User Commitment Arrangements	In response to Ofgem's final decision on Anticipatory Investment (AI) dated 18 October 2022, changes to the current User Commitment provisions as detailed within CUSC Section 15 are required to introduce the AI principles for offshore generators connecting at different times to non-radial offshore transmission network.	High Impact: National Energy System Operator, Offshore Generators, Offshore Transmission Owners and Consumers.

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.
CMP467	Removal of outdated references in CUSC (Charging)	This modification removes outdated references in CUSC to Seven Year Statement, Offshore Development Information Statement and Electricity Ten Year Statement.	Low impact on market participants. It won't affect tariffs; it just reflects updated sources of data.
CMP678	Removal of outdated references in CUSC (non-charging)	Removes outdated references in CUSC to Electricity Ten Year Statement (ETYS).	
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

Modifications Overview

Modification Number	Modification Title	Modification Overview	Impacted Parties
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
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		**Nadir Hafeez**	Ofgem Representative	
Kyran Hanks	Panel Member		**Jonathan Bowes**	Ofgem Representative	

AOB and meeting close