

Transmission Charging Methodologies Forum and CUSC Issues Steering Group

9 July 2026

Agenda

1	Introduction, meeting objectives and review of previous actions – Alastair Owen, NESO	10:00 – 10:10
2	CUSC Section 14.4.6 wording– Morgan Donnelly – Reg power	10:10 – 10:20
3	Post Commissioning Connection Security – Nick George – Revenue Billing Manager, NESO	10:20 – 10:40
4	Code Administrator update – Catia Gomes, Code Administrator NESO	10:40 – 10:50
5	AOB and Meeting Close – Alastair Owen, 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

Review of previous actions

ID	Month	Description	Owner	Notes	Target Date	Status
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. Update to provide details on process and timeline to be followed.	Ofgem provided an update at June's TCMF.	Ongoing

CUSC Section 14.4.6 wording

Morgan Donnelly – Reg power



Current Text

14.4.6 One-offs are normally paid on an agreed date, which is usually upon completion of the works. However, arrangements may be agreed between the transmission licensee and the User to pay the charge over a longer period. If a one-off is paid over a longer period it is termed a Transmission Charge. It is usually a depreciating finance charge or annuity based charge with a rate of return element and may include agreement on a schedule of termination payments if the agreement is terminated before the end of the

- One-off Works” are paid for in advance, rather than upon completion?
- If the industry agree that they should be paid for in advance, perhaps these words should be tweaked a bit to prevent confusion?

Post Commissioning Connection Security

Nick George – Revenue Billing Manager, NESO

Overview of Different Amounts to be Secured in CUSC

CUSC includes requirements for Users to provide security for certain charges:

- Terminations Amounts, relating to post-connection Connection Charges (Section 2, Part III) – the focus of this presentation
- BSUOS and TNUOS Demand Charges (Section 3, Part III)
- Cancellation Charges for generators terminating pre-connection (Section 15, Part Three)
- Final Sums for demand users terminating pre-connection (Schedule 2, Exhibit 3)

The security requirements provide some financial security from users for certain charges, reducing the financial risk on all other Users from a user defaulting on payment obligations.

Acceptable Types of Security

- Own credit rating (minimum S&P BB- / Moody Ba3)
- Parent Company Guarantee (parent must meet credit rating above)
- Letter of Credit
- Cash to be held in an escrow account
- Bank Guarantee
- Bond

Bank must be minimum S&P A- / Moody A3 and have London branch

Calculation of Termination Amount to be Secured

- Amount to be secured is the Termination Amount the user would pay if the connection agreement was terminated, calculated as the end-of-year Net Asset Value (NAV) of the Connection Assets plus either 6 or 12 months' of connection charges
- Bi-annually, NESO provides the user with 75 days' notice of the amounts it needs to secure for the forthcoming 6-month period, as follows:
 - By 15 January – calculated as end-of-year NAV plus 12 months' connection charges (April to March) relating to the upcoming financial year. The user must provide security at least 45 days prior to 1 April.
 - By 15 July – calculated as end-of-year NAV plus 6 months' connection charges (October to March) relating to the current financial year. The user must provide security at least 45 days prior to 1st October.
- If the user has paid 100% capital contribution, the NAV is zero, so it is just the maintenance element (SSM & TRC) of the connection charge that must be secured.

Code Administrator Update

Catia Gomes – Code Administrator NESO

Key Updates since last TCMF

New Modifications / Nominations

- **CMP478**: Clarifying Protection Clause 2a submitted on 22 May requesting urgency.
- **CMP479**: Milestone 8: inclusion of OFTO construction submitted on 11 June.

Decisions

- None.

Implementations

- None.

Authority Expected Decision Date

Modification	FMR submitted	Expected Decision Date
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)
CMP316 'TNUoS Charging Methodology for Co-located Generation'	08 August 2025	TBC (previously May 2026)
CMP330 & CMP374 'Allowing new Transmission Connected parties to build Connection Assets greater than 2km in length and Extending contestability for Transmission Connections'	10 August 2023	TBC subject to CMP414 send back
CMP397 'Consequential changes required to CUSC Exhibits B and D to reflect CMP316 (Co-Located Generation Sites)'	12 June 2024	TBC subject to CMP414 send back
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 pending update on RNP
CMP453 'To Bill BSUoS on a net basis at BSC Trading Units'	11 November 2025	September 2026

Final Modification Reports since last TCMF Panel Meeting

Modification	Final Modification Report Received	Expected Decision Date
CMP469 'GC0186 Cost Recovery mechanism for CUSC Parties'	07 July 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>

Key Consultations in July

Workgroup Consultations

- None.

Code Administrator Consultations

- **CMP471**: Interim Contract Variation Process Ahead of CMP434 Gated Application Window opens 27 July and closes 31 July

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	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
<u>CMP315</u>	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
<u>CMP316</u>	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
<u>CMP330/CMP374</u>	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
<u>CMP375</u>	Enduring Expansion Constant & Expansion Factor Review	Seeks to amend the calculation of the Expansion Constant & Expansion Factors to better reflect the growth of and investment in the National Electricity Transmission System (NETS)	High impact on all Users who pay TNUoS charges, NESO, Transmission Owners and Offshore Transmission Owners
<u>CMP397</u>	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
<u>CMP423</u>	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

Modifications Overview

Modification Number	Modification Title	Modification Overview	Impacted Parties
<u>CMP440</u>	'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
<u>CMP453</u>	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.
<u>CMP469</u>	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
<u>CMP471</u>	Interim Contract Variation Process Ahead of CMP434 Gated Application Window submitted on 17 April requesting urgent treatment.	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

Modifications Overview

Modification Number	Modification Title	Modification Overview	Impacted Parties
CMP478	Clarifying Protection Clause 2a	As part of connections reform, NESO is required to issue Gate 2 agreements to projects with 2a protection status between March and May 2026. Having missed this timeline for some projects, this proposal requires NESO to issue Gate 2 offers to 2a protected projects that are to be connected in 2026 or 2027.	High impact on Generators, Transmission Operators, National Energy System Operator and Distribution Network Operators.
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](#)

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		Shane Cracknell	Panel Member	
Ren Walker	Panel Technical Secretary		Alastair Owen	NESO Representative	
Andrew Enzor	Panel Member		Daniel Arrowsmith	NESO Representative	
Binoy Dharsi	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		James Stone	Ofgem Representative	

AOB and meeting close

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**

[REGISTER FOR IN-PERSON HERE](#)



* Places are strictly limited. Please only register if you will be able to attend on the day. Please contact TNUoS.queries@neso.energy with any questions.

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.