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By email

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29 November 2024

CMP445 request for Urgency letter

Dear Nadir,

Connection and Use of System Code (CUSC) Modification Panel Request for Urgency and Recommended Timetable for **CMP445: Pro - rating first year TNUoS for Generators**.

On 14 November 2024, OceanWinds raised **CMP445**. The Proposer sent a request to the CUSC Panel Secretary for this modification to be treated as urgent.

CMP445 seeks to amend the CUSC to ensure that Generators only pay TNUoS (Transmission Network Use of System) charges on a pro-rated basis from their Charging Date, during the first year of connection.

All documentation for this modification can be located via the following link:

<https://www.neso.energy/industry-information/codes/cusc/modifications/cmp445-pro-rating-first-year-tnuos-generators>

The CUSC Modifications Panel ("the Panel"), on 29 November 2024, considered **CMP445** and the associated request for urgency. This letter sets out the views of the Panel on the request for urgent treatment and the procedure and timetable that the Panel recommends.

The Proposer set out their rationale for Urgency against Ofgem's Urgency criteria **(a)** which is as follows:

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a) A significant commercial impact on parties, consumers or other stakeholder(s).

- If the proposal does not proceed urgently, it will have a significant commercial impact on Generators connecting in charging year 2024/2025. It has a significant determinantal commercial impact on Moray West, a large offshore wind farm based in a high TNUoS zone 1, which has had a significant TO related delay to its connection. An implementation date during the 2024/2025 charging year is imperative to ensure that this determinantal impact is mitigated. Whilst we do not have full visibility, we assume that other generators will be similarly impacted in this charging year.
- RII0-T3 Business Plans are due imminently and will cover the period from 2026 – 2031. There should be no delay in implementing this change, to ensure that it is captured as part of the RII0-T3 process.
- The proposal has very clear benefits to Generators, TOs, the consumer and investors. It is easy to implement, is well developed and requires very limited steps to implement it. As a result, there can be no reason to let the status quo continue for a further TNUoS charging year.
- A huge number of large, GW scale offshore wind projects, are due to connect toward the end of this decade and the start of next in areas of high TNUoS charges following Crown Estate Scotland's Scotwind process. Connection dates have been, and are, in the process of being offered. There should be no delay in sending signals to those projects that incentivise the most efficient grid connection dates and encourage the most optimum CfD bid strategy to ensure that the lowest cost projects are developed and delivered for GB. We understand that NESO's view is that the most efficient, safe and reliable timing for many of those project connections is in Q3 of the relevant charging year (to allow for summer outages) – not April. Any delay in implementing this proposal will lead to investor uncertainty which could potentially result in projects being delivered for a higher cost for the reasons explained above.

Panel Consideration of the Request for Urgency

The Panel considered the request for urgency with reference to Ofgem Guidance on Code Modification Urgency Criteria. The majority view of the Panel is that **CMP445 does meet**

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Ofgem's Urgency criteria¹. Therefore, the recommendation of the Panel is that **CMP445 should be** treated as an Urgent CUSC Modification Proposal.

Panel members set out their rationale behind this decision:

- Some Panel members agreed with the reasoning behind Proposer's recommendation for Urgency.
- A Panel member referenced CMP425, which was both urgent and retrospective in its implementation date, so their recommendation was for similar urgent treatment for what the proposer wanted to be a retrospective modification.
- A Panel member stated that CMP445 could have a significant commercial impact on generators connecting from the implementation date. Their decision to recommend urgency is based on the expectation that this is a retrospective modification, but whether the implementation date is retrospective or not there is sufficient uncertainty for Users and NESO, and this impacts their cash flow and therefore financing costs and investment decisions until the Authority decision is made.
- One Panel highlighted that it is not a new significant commercial impact on a User and therefore the timing to seek urgency could have been entirely avoided. In light of this, whilst it satisfies the strict urgency criteria, it also sets a potentially poor precedent that these types of urgent requests are acceptable in future.
- A Panel member stated that whilst understanding the impacts beyond the developers control and noting that the associated inability to recover revenue where connection is delayed, also taking into consideration Ofgem's previous decision on CMP384, their view was that CMP445 should not be considered as urgent.
- A Panel member, taking into account the Authority's decision on urgency for CMP268 and being mindful of the Panel's views on CMP384, stated it is not clear that the defect meets the urgency criteria as the 'significant commercial impact' appears, from the Proposer's discussion with the Panel to concern the payment of

¹ Ofgem's current view is that an urgent modification should be linked to an imminent issue or a current issue that if not urgently addressed may cause:

- a) A significant commercial impact on parties, consumers or other stakeholder(s); or
- b) A significant impact on the safety and security of the electricity and/or gas systems; or
- c) A party to be in breach of any relevant legal requirements.

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TNUoS charges and that is not, per se, an imminent event (for if it is so, then this could potentially apply to all TNUoS charging, and any proposed change(s) thereto?).

Procedure and Timetable

The Panel discussed an appropriate timetable for **CMP445** in the instance that urgency is granted.

The Panel agreed that **CMP445** subject to Ofgem's decision on Urgency should follow the attached Code Administrator's proposed timetable (Appendix 1 **Urgent recommendation**). In Appendix 2 of this letter, the Code Administrator has also provided the timeline if this follows standard timescales with the assumption that Panel prioritise this high in the prioritisation stack.

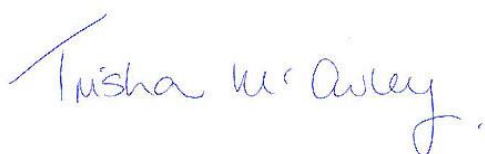
Panel noted that if urgency is required, there would be;

- A Workgroup Consultation period of less than 15 Business Days
- Code Administrator Consultation period of less than 15 Business Days
- There would be less than 5 clear Business Days between publication of the Draft Final Modification Report and Panel's recommendation; and
- There would be less than 5 clear Business Days for Panel to check that their Recommendation Vote had been recorded correctly

Under CUSC Section 8.24.4, we are now consulting the Authority as to whether this Modification is an Urgent CUSC Modification Proposal.

Please do not hesitate to contact me if you have any questions on this letter or the proposed process and timetable. I look forward to receiving your response

Yours sincerely



Trisha McAuley OBE

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Independent Chair of the CUSC and Grid Code Panel

Appendix 1– Urgent Timeline

Modification Stage	Date
Modification presented to Panel	29 November 2024
Workgroup nominations (5 business days)	29 November 2024 – 06 December 2024
Ofgem grant Urgency	05 December 2024 (5pm)
Workgroup 1 – Workgroup 5 (assuming Ofgem have granted Urgency)	12 December 2024 16 December 2024 08 January 2025 13 January 2025 15 January 2025
Workgroup Consultation (4 business days)	17 January 2025 – 23 January 2025
Workgroup 6 – Workgroup 11 (Assess Workgroup Consultation Responses and Workgroup Vote)	30 January 2025 05 February 2025 07 February 2025 11 February 2025 14 February 2025
Workgroup Report issued to Panel (3 business days)	18 February 2025
Panel sign off that Workgroup Report has met its Terms of Reference	21 February 2025
Code Administrator Consultation (4 business days)	25 February 2025 – 28 February 2025
Draft Final Modification Report (DFMR) issued to Panel (2 business days)	05 March 2025
Panel undertake DFMR recommendation vote	10 March 2025
Final Modification Report issued to Panel to check votes recorded correctly	10 March 2025
Final Modification Report issued to Ofgem	11 March 2025

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Ofgem Decision	15 April 2025
Implementation Date	01 April 2024

Appendix 2 – Standard Timeline

Modification Stage	Date
Modification presented to Panel	29 November 2024
Workgroup nominations (15 business days)	29 November 2024 – 20 December 2024
Workgroup 1 – Workgroup 5	10 January 2025 29 January 2025 18 February 2025 05 March 2025
Workgroup Consultation (15 business days)	10 March 2025 – 31 March 2025
Workgroup 6 – Workgroup 10 (Assess Workgroup Consultation Responses and Workgroup Vote)	10 April 2025 30 April 2025 09 May 2025 15 May 2025
Workgroup Report issued to Panel (5 business days)	22 May 2025
Panel sign off that Workgroup Report has met its Terms of Reference	30 May 2025
Code Administrator Consultation (15 business days)	05 June 2025 – 26 June 2025
Draft Final Modification Report (DFMR) issued to Panel (5 business days)	17 July 2025
Panel undertake DFMR recommendation vote	25 July 2025
Final Modification Report issued to Panel to check votes recorded correctly	01 August 2025

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Final Modification Report issued to Ofgem	04 August 2025
Ofgem Decision	30 September 2025
Implementation Date	01 April 2026

Appendix 3 – Panel Urgency Vote

See separate attachment