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Nadir Hafeez

Ofgem

By email

Penny Garner

Acting Independent Chair, CUSC Panel

Catia Gomes

CUSC Panel Secretary

05 March 2025

CMP452 Request for Urgency letter

Dear Nadir,

Connection and Use of System Code (CUSC) Modification Panel Request for Urgency and Recommended Timetable for **CMP452: Suspension of TNUoS Payments for generators connecting during the 2024/25 charging year.**

On 27 February 2025, Brockwell Energy raised **CMP452**. The Proposer sent a request to the CUSC Panel Secretary for this Modification to be treated as urgent.

CMP452 seeks to defer the payments for Generators that connect to the transmission system during 2024/25 until there has been a decision on CMP445. Such deferral would follow a request by a Generator.

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

<https://www.neso.energy/industry-information/codes/cusc/modifications/cmp452-suspension-tnuos-payments-generators-connecting-during-202425-charging-year>

The CUSC Modification Panel ("the Panel"), on 05 March 2025, considered **CMP452** 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:

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

- This Modification achieves the urgency criteria "A significant commercial impact on parties, consumers or other stakeholder(s)", by virtue of the immediate and significant commercial impact on a few parties to whom it will apply, i.e., those that have or intend to connect in the 2024/25 charging year. The case for urgency made for CMP445 stands, as does the request for urgency made for the CMP451.

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- In the latter case, the Panel decided that the Modification was not sufficiently distinct from CMP445 to proceed. However, the revised argument for urgency arises now from the specific situation that a plant has the option to connect two weeks prior to the end of the charging year, at a cost of £1.3 million, or to wait to the next charging year.

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 unanimous view of the Panel is that **CMP452 does** meet Ofgem's Urgency criteria¹. Therefore, the recommendation of the Panel is that **CMP452 should be** treated as an Urgent CUSC Modification Proposal.

Panel members set out their rationale behind this decision:

- Several Panel Members were aligned with the Proposer's statement.
- A Panel Member believed this modification has a material impact on a User and therefore meets the criteria for urgency. Whilst there are processes and options in place, which the Developer could have taken, to mitigate paying a full year of TNUoS charges based on their connection date, in this instance the Panel Member believes that other factors need to be taken into consideration.
- The same Panel Member stated that there is a compelling argument that revenue derived from this Developer's generation asset is not aligned to the TNUoS charges they are exposed to when connecting part way through a charging year. This modification could, at the very least, provide cashflow relief to this Developer which would allow it to consider connecting in a timely manner to promote renewable generation which aligns to Government policy.
- A Panel Member stated that there is a clear commercial impact on at least one CUSC party, although they could have raised this modification back in October when they were delayed to a February 2025 connection date. The commercial impact of moving from a February 2025 to a March 2025 connection date appears small as the full TNUoS charge would still need to be paid, and the CUSC party would only benefit from one month of additional revenue for the 2024/25 year. On balance, the proposal has met the urgency criteria for significant commercial impact.

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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- The same Panel Member noted the very short timescales, and highlighted the need for decisions to be made very quickly by Ofgem to ensure the benefit of CMP452 is realised.
- A Panel Member referred to Ofgem’s strategy and highlighted the following: “We also recognise that Ofgem itself needs to change: doing more, moving faster, and becoming a much broader organisation. This will be essential both to fulfil our new net zero duty, directly linking our duty to protect consumers’ interests to specific net zero targets, and our growth duty, requiring not only good regulatory decisions made in a timely fashion, but also provide the foundation for British business to prosper and grow.”
- The same Panel Member recognised the pace at which Brockwell are asking the Authority to move is fast – but not unprecedented – e.g. the Authority has cleared a Network Code modification in 3 days. However, given the statement of Ofgem’s Chair and CEO above, and the related comments of NESO’s CEO, the Panel Member believed that it is necessary for Ofgem to conclude that this modification is urgent, and that the timetable suggested, while challenging, is achievable.
- A Panel Member stated that it appears that Transmission Works delays have put the Proposer in the position where it’s necessary to seek urgency. This is not a situation where the Proposer could have raised the modification earlier, other than as a precaution in case such a delay were to be encountered. The issue has a material impact to the Proposer and possibly a few other parties, noting that it is not of a large materiality in the context of the whole market. Without an urgent assessment then the Proposer is unlikely to be able to address the issue.
- A Panel Member stated that their recommendation on urgency hinges on the ability of the Authority to meet the very ambitious timelines included as part of the urgency request. If the Authority are not able to make their decision on urgency or on the modification approval in the timescales asked for, then by the Proposer’s own admission the modification would not provide them the commercial benefit they seek, and in the Panel Member view would not meet urgency criteria.

Procedure and Timetable

The Panel discussed an appropriate timetable for **CMP452** in the instance that urgency is granted.

The Panel agreed that **CMP452** 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;

- 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

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- 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



Penny Garner
Acting Independent Chair of the CUSC Panel

Ren Walker
CUSC Panel Technical Secretary

Appendix 1– Urgent Timeline

Modification Stage	Date
Modification presented to Panel	05 March 2025
Ofgem grant Urgency	06 March 2025 (5pm)
Code Administrator Consultation (2 business days)	07 March – 11 March 2025
Draft Final Modification Report (DFMR) issued to Panel	12 March 2025
Panel undertake DFMR recommendation vote	13 March 2025
Final Modification Report issued to Panel to check votes recorded correctly	13 March 2025
Final Modification Report issued to Ofgem	13 March 2025
Ofgem Decision	14 March 2025
Implementation Date	17 March 2025

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Appendix 2 – Standard Timeline

Modification Stage	Date
Modification presented to Panel	05 March 2025
Code Administrator Consultation (15 business days)	10 March – 31 March 2025
Draft Final Modification Report (DFMR) issued to Panel (5 business days)	24 April 2025
Panel undertake DFMR recommendation vote	02 May 2025
Final Modification Report issued to Panel to check votes recorded correctly	06 May 2025
Final Modification Report issued to Ofgem	14 May 2025
Ofgem Decision	TBC
Implementation Date	TBC

Appendix 3 – Panel Urgency Vote

See separate attachment