

Claire Huxley  
Acting Independent Chair CUSC Panel  
Ren Walker  
CUSC Panel Technical Secretary

Email: [connections@ofgem.gov.uk](mailto:connections@ofgem.gov.uk)

Date: **22 January 2025**

Dear Claire,

**Decision on urgency for the Connections and Use of System Code modification proposal CMP446: 'Increasing the lower threshold in England and Wales for Evaluation of Transmission Impact Assessment (TIA)'**

On 14 January 2025, National Energy System Operator Limited (**NESO**) (the 'Proposer') raised CUSC<sup>1</sup> modification proposal CMP446 (the 'Proposal').<sup>2</sup> On 17 January the CUSC Panel convened and, following the Panel meeting, we received a request from the CUSC Panel that CMP446 be treated as an urgent modification proposal.<sup>3</sup>

This letter sets out our decision that CMP446 be progressed on an urgent basis.

We note the interactions that CMP446 has with related CUSC modifications CMP434 – "Implementing Connections Reform",<sup>4</sup> and CMP435 – "Application of Gate 2 Criteria to existing contracted background",<sup>5</sup> the Final Modification Reports (**FMRs**) for which were issued to Ofgem for decision on 20 December 2024. **We are clear that our decision here to grant urgency to CMP446 in no way pre-determines our decisions on whether to approve CMP434 or CMP435.**

## Background

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<sup>1</sup> [Connections and Use of System Code \(CUSC\)](#).

<sup>2</sup> [CMP446: Increasing the lower threshold in England and Wales for Evaluation of Transmission Impact Assessment \(TIA\) | National Energy System Operator](#)

<sup>3</sup> References to the "Authority", "Ofgem", "we", and "our" are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day-to-day work. This decision is made by or on behalf of GEMA.

<sup>4</sup> [CMP434 Implementing Connections Reform | National Energy System Operator](#)

<sup>5</sup> [CMP435 Application of Gate 2 Criteria to existing contracted background | National Energy System Operator](#)

Projects seeking to connect to the distribution network above a certain capacity must be assessed for their impact on the transmission network. This process is known as a Transmission Impact Assessment (**TIA**). This could result in these distribution projects being linked to necessary transmission reinforcements, which generally result in longer connection lead times than for projects requiring only distribution reinforcement.

The lower thresholds for TIA vary across GB. In England and Wales the lower threshold is 1MW, meaning all projects above 1MW in size in these areas must be assessed for TIA. In Scotland the threshold is lower at 200kW, reflecting the different characteristics of the network in that area (including system voltages at the transmission / distribution interface, the relative size of the Grid Supply Points, and the different demand requirements at load centres).

We set out in our November 2023 Connections Action Plan that “*we would like to see the ESO and DNOs assess and review the thresholds for TIAs; to accelerate connection timescales for distribution customers*”.<sup>6</sup> Distribution Network Operators (**DNOs**), Transmission Owners (**TOs**) and NESO have subsequently progressed work in this area with a view to understanding whether this would be workable, resulting in NESO raising CMP446. The proposed increased lower threshold of 5MW has been defined by the Proposer on the basis that it strikes a balance between the realisation of benefits for smaller distribution connecting projects, whilst minimising the risk of unforeseen impacts on the transmission system.

In summary, CMP446 was raised by NESO to facilitate the timely connection of distribution projects that have minimal impact on the transmission network, by raising the lower threshold at which a TIA evaluation must be undertaken in England and Wales from 1MW to 5MW.

### **Urgency request**

The Proposer explained in its request why it was requesting urgency, referencing one of the three criteria set out in Ofgem’s Guidance on Code Modification Urgency Criteria (the ‘Guidance’).<sup>7</sup> It stated that the defects that the Proposal is seeking to correct is a current issue that, if not urgently addressed, will have “*a significant commercial impact on parties, consumers or other stakeholder(s)*” – in line with criterion (a) of the Guidance.

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<sup>6</sup> [Connections Action Plan: Speeding up connections to the electricity network across Great Britain](#) – see section 3.5b – Reducing friction at the Transmission / Distribution interface, pages 51-53

<sup>7</sup> [Ofgem Guidance on Code Modification Urgency Criteria | Ofgem](#).

In summary, the Proposer has suggested there is significant commercial benefit for impacted generation projects seeking to connect at distribution level of aligning the timing of the potential approval of this Proposal with the potential implementation of CMP435 (if approved). If the Proposal is approved in advance of the initial gate 2 submission window of the proposed new connections process which CMP435 is seeking to implement, these projects impacted by the Proposal would not be in scope of the new TIA evaluation process as amended through connections reform.<sup>8</sup> As the TIA process could potentially delay connections timescales for projects by up to 10 years if it links them to necessary transmission reinforcement, this uncertainty creates risk for developers and investors of these projects, potentially rendering the projects unviable.

The Proposer also suggests that removing these projects from the need to go through the TIA process will increase overall efficiency, by allowing NESO, TOs and DNOs to focus resources on those projects likely to have a more significant impact on the transmission network.

### **Panel View**

At the CUSC Panel meeting on 17 January 2025, the Panel unanimously agreed to recommend to Ofgem that the Proposal should be progressed as an urgent modification proposal. Panel members agreed with the Proposer's rationale for urgency. Comments noted during the vote process were consistent with the Proposer's statements.

### **Our decision**

In reaching our decision on the urgency of CMP446, we have considered the details within the Proposal, the justifications for urgency, and the views of the CUSC Panel. We have also assessed the request against the urgency criteria set out in our published guidance.<sup>9</sup>

Our guidance sets out 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

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<sup>8</sup> The proposed revised TIA process will obligate projects to meet "Gate 2" requirements and demonstrate alignment with Clean Power 2030 targets in order to obtain an offer to connect to the transmission network

<sup>9</sup> [Ofgem Guidance on Code Modification Urgency Criteria | Ofgem](#).

- 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.

Without prejudice to our eventual decision on this code modification, we agree with the Proposer's justification for urgency. We consider that if this issue is not urgently addressed, this may cause a significant commercial impact on parties, consumers or other stakeholder(s), as per criterion (a), as is set out below:

- Should the TIA threshold not be urgently addressed, this may cause a significant commercial impact on projects between 1MW and 5MW in England and Wales. Those projects would potentially miss out on significant acceleration of timelines which would likely result from not being subject to the cost or timelines associated with transmission reinforcement, which TIA assessment could lead to. NESO estimates this will impact on 850MW (~400 projects) of projects.
- As these projects would not be subject to strategic alignment checks as part of the new connections process (if approved), they would not contribute towards the Clean Power Plan 2030 (**CP2030**) capacity pots. This would in turn create additional capacity within the CP2030 pots for other projects >5MW, therefore not urgently addressing the TIA threshold, would potentially have a significant commercial impact on those projects as well.
- If urgency is not granted, and assuming connection reform is implemented,<sup>10</sup> these projects would be included within the initial queue reordering process, requiring resource from DNOs, TOs and NESO to process. If the Proposal was then later implemented, those projects would then be subsequently removed from the transmission queue and CP2030 pots, requiring significant rework by the same parties. It would also likely delay the impacted projects connecting to the network, contrary to the objectives of connections reform.

We consent to this Proposal being treated as urgent. We agree that the Proposal should follow the urgent timetable set out in the request for urgency letter (set out below), based on our current understanding of the Proposal as drafted to date. We consider that this timeline strikes a balance between allowing sufficient time for proposal development and industry consultation, while recognising the urgency of the situation and need for change.

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<sup>10</sup> Noting again that we are clear that our decision here to grant urgency to CMP446 in no way pre-determines our decisions on whether to approve CMP434 or CMP435.

Whilst we have set the date for Authority decision as 29 April 2025, we will endeavour to publish our decision on the Proposal at the earliest opportunity, and as soon as is reasonably practicable following receipt of the FMR.

We encourage the Workgroup to be mindful of the condensed timeline and to progress the Proposal as efficiently as possible, whilst giving full due consideration of the Proposal and its implications. Any delay in delivery of the FMR to the Authority has the potential to jeopardise the proposed implementation date.

### **CMP446 – Proposed Timetable<sup>11</sup>**

<b>Process</b>	<b>Date</b>
Modification presented to Panel	17 Jan 2025
Workgroup Nominations (4 Business Days)	17 Jan 2025 to 22 Jan 2025
Ofgem grant Urgency	22 Jan 2025 (5pm)
Workgroup 1	24 Jan 2025
Workgroup 2	30 Jan 2025
Workgroup 3	03 Feb 2025
Workgroup Consultation (4 Business Days)	07 Feb 2025 to 13 Feb 2025
Workgroup 4	19 Feb 2025
Workgroup 5	24 Feb 2025
Workgroup 6	26 Feb 2025
Workgroup report issued to Special Panel (2 Business Days)	05 March 2025
Panel sign off that Workgroup Report has met its Terms of Reference	10 March 2025
Code Administrator Consultation (5 Business Days)	10 March 2025 to 17 March 2025
Draft Final Modification Report (FMR) issued to Panel (2 Business days)	24 March 2025
Panel undertake recommendation vote	28 March 2025
Final Modification Report issued to Panel to check votes recorded correctly	28 March 2025
Final Modification Report issued to Authority	28 March 2025
Authority Decision	29 April 2025
Date of Implementation (if approved)	02 May 2025

For the avoidance of doubt, in granting these requests for urgency, we have made no assessment of the merits of the Proposal and nothing in this letter in any way fetters our discretion in respect of the Proposal. As noted, we are also clear that our decision to grant urgency to CMP446 in no way pre-determines our decisions on whether to approve related CUSC modifications CMP434 or CMP435.

<sup>11</sup> See CMP446 – Letter requesting urgency at: <https://www.neso.energy/document/351456/download>

If you have any comments or questions about this letter, please contact:

[connections@ofgem.gov.uk](mailto:connections@ofgem.gov.uk).

Yours sincerely,

**Alasdair MacMillan**

**Policy Lead, Electricity Connections**

Duly authorised on behalf of the Authority