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for energy consumers

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Delivered by email

Dear Penny,

Approval for CUSC Modification Proposal (CMP) 447: *Removal of designated strategic works from cancellation charges/securitisation* to be treated as an urgent CUSC modification proposal

On 17 January 2025, National Energy System Operator (the 'Proposer') raised Connection and Use of System Code (CUSC)¹ Modification Proposal CMP447: *Removal of designated strategic works from cancellation charges/securitisation*² (the 'Proposal'). On 3 June 2025, the Proposer requested that the Proposal be treated as urgent based on Ofgem's Urgency criteria³. The CUSC Panel (the 'Panel') met on 9 June 2025 to consider CMP447 and the request for urgency. On the same day, the Panel wrote to inform us⁴ of its unanimous view that CMP447 should proceed as an Urgent CUSC Modification Proposal.⁵

We have considered both the Panel's and the Proposer's arguments in relation to urgency and have decided that CMP447 should be progressed on an urgent basis. We have set out our reasoning below.

¹ [Connection and Use of System Code \(CUSC\) | National Energy System Operator](#)

² [CMP447 Modification Proposal](#)

³ [Ofgem Guidance on Code Modification Urgency Criteria](#)

⁴ 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.

⁵ [CMP447 - Urgency Request](#)

Background

In June 2024, Ofgem published our decision⁶ to approve CMP428⁷ which ensured that certain onshore transmission reinforcements, designated under the Holistic Network Design (HND)⁸, would not be classified as Attributable Works. In parallel, we published our decision to reject⁹ System Operator Transmission Owner Code (STC)¹⁰ Modification CM094¹¹ which was raised to remove securities for strategic transmission works approved by the Authority under the Large Onshore Transmission Investment (LOTI)¹² and Accelerated Strategic Transmission Investment (ASTI)¹³ frameworks. CM094 was rejected as it was mutually exclusive with CMP428, and approval would have created conflicting legal text across the STC and the CUSC. CMP447 seeks to extend the effect of CMP428 in a similar manner to that proposed in CM094. CMP447 was not subject to an urgency request at the time of raising.

Urgency Request

The Proposer has now requested that CMP447 be treated as an urgent modification, under our criterion (a) of our Guidance on Code Modification Urgency Criteria ('Ofgem's Urgency Criteria')¹⁴: *(a) A significant commercial impact on parties, consumers or other stakeholder(s).*

The Proposer considers the Proposal should proceed under an urgent timeline on the basis that, should the modification be approved, implementation would need to coincide with the timeline of Gate 2 offers¹⁵ which are expected to be distributed from October 2025. The Proposer believes that if CMP447 were to proceed on the current timeline, any Authority approval would be unlikely to be implemented in time for Gate 2 offers. Consequently, not all relevant sites and offers would include the revisions made by CMP447 if approved.

⁶ [CMP428 Decision Letter](#)

⁷ [CMP428 Proposal](#)

⁸ [A Holistic Network Design for Offshore Wind | NESO](#)

⁹ [CM094 Decision Letter](#)

¹⁰ [System Operator Transmission Owner Code \(STC\) | National Energy System Operator](#)

¹¹ [CM094 Proposal](#)

¹² [RIIO-2 Final Determinations - Core Document](#)

¹³ [Decision on accelerating onshore electricity transmission investment](#)

¹⁴ [Ofgem Guidance on Code Modification Urgency Criteria | Ofgem](#)

¹⁵ Gate 2 forms part of the implementation of Ofgem's decision on [CMP435](#), which introduced a new connections process designed to prioritise projects that are ready to progress and align with strategic network planning. This reform aims to accelerate the delivery of low-carbon generation by ensuring that transmission capacity is allocated to the most viable and impactful projects

Panel View

At the Panel meeting on 9 June 2025 the Panel unanimously recommended to Ofgem that CMP447 should progress as an Urgent CUSC Modification Proposal. The Panel's arguments for and against urgency are set out in their letter of 9 June 2025¹⁶.

The Panel agreed with the Proposer's justification for urgency against Ofgem's criterion (a) *A significant commercial impact on parties, consumers or other stakeholder(s)*. The Panel noted that the Proposal could materially reduce the level of securities required from affected generators, noting that Ofgem, NESO and Panel members had been directly approached about high-value security requests. Panel members also highlighted the importance of providing clarity to developers ahead of the Gate 2 offer process and before NESO unfreezes securities in March 2026.

It was recognised that the issue proposed to be addressed by CMP447 is not new, but that new information as to the materiality of the effect of the proposal on Users had come to light since the proposal was raised.

Our Decision

In reaching our decision, we have considered the details within the Proposal, the justification provided by the Proposer, the Panel's letter recommending urgency, and the proposed timetable. We have also taken into account the broader policy context, including the recent significant reforms made to the connections process and Clean Power 2030.

We agree that the progression of CMP447 satisfies Ofgem's Urgency Criterion (a): *a significant commercial impact on parties, consumers or other stakeholders*. Without making an assessment as to the merits of the Proposal, we acknowledge that CMP447 seeks to address a current and material issue which, if not urgently considered, could result in parties being unnecessarily exposed to substantial security liabilities.

We accept that early clarity on the treatment of strategic reinforcements under the User Commitment methodology would likely mitigate the risks of unnecessary project delays,

¹⁶ [CMP447: Removal of designated strategic works from cancellation charges/securitisation | National Energy System Operator](#)

financial risks, and may support the timely delivery of projects aligned with the UK's decarbonisation goals.

We therefore agree that CMP447 should proceed on an urgent basis and accept the proposed timetable approved by the Panel as it broadly aligns with key dates related to TMO4+ and the issuing of Gate 2 offers.

For the avoidance of doubt, in accepting the request 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.

If you have any comments or questions about this letter, please contact Christopher Patrick at christopher.patrick@ofgem.gov.uk.

Yours sincerely,

Harriet Harmon

Head of Electricity Transmission Charging

Duly authorised on behalf of the Authority