

Consultation – Annex C: Proposed legal drafting of code modification prioritisation procedure – Connection and Use of System Code (CUSC)

Annex C: Proposed legal drafting of code modification prioritisation procedure – Connection and Use of System Code (CUSC)

We have set out below the specific sections of the Connection and Use of System Code (CUSC)^{1,2} that we propose to amend using our transitional powers subject to schedule 12 to the Energy Act 2023, which we are seeking feedback on as part of this consultation. Proposed deletions are shown in strike-through, and proposed new text is double underlined. Text in red shows changes that have been made to the code text since the August 2025 decision publication, which include changes to ensure that the legal text is up to date, that the correct sections of codes have been updated, and that changes are consistent as far as possible.³ For brevity, we have not reproduced entire sections of the code in this annex. Instead, we have included only the parts of the code that are proposed to change, along with other parts we consider most relevant to understanding those changes. Whilst we have attempted to ensure that our proposed legal text drafting remains accurate as compared to the most up-to-date versions of the code text, we would welcome your highlighting of any parts of the code text proposed here that are out-of-date.

Connection and Use of System Code⁴ ([Connection and Use of System Code](#))

CUSC - SECTION 8

CUSC MODIFICATION

PART B

8.3 THE CUSC MODIFICATIONS PANEL

¹ The CUSC has been designated as a ‘qualifying document’ by the Secretary of State as part of the [Designation Notice \(amended and consolidated\) under paragraphs 1\(1\)\(b\) and 1\(5\) of Schedule 12 to the Energy Act 2023 designating certain documents and central systems for the purposes of Schedule 12 to the Energy Act 2023](#)

² The prioritisation policy that we propose to introduce through this consultation relates to code processes before code manager appointment. We intend to keep the provisions under review, and if amendments are required in the future to account for the introduction of a code manager, a consultation will be carried out.

³ [Decision on the preliminary Strategic Direction Statement and governance arrangements for industry codes | Ofgem](#)

⁴ [Connection and Use of System Code](#)

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8.3.3 Functions of the CUSC Modifications Panel and the Code Administrator's Role

(a) The CUSC Modifications Panel shall have the functions assigned to it in this Section 8.

(b) Without prejudice to Paragraph 8.3.3(a) and to the further provisions of this Section 8, the CUSC Modifications Panel shall endeavour at all times to operate:

(i) in an efficient, economical and expeditious manner, taking account of the Prioritisation Criteria, and whether the complexity, importance and urgency of particular CUSC Modification Proposals are Urgent CUSC Modification Proposals or not; and

(ii) with a view to ensuring that the CUSC facilitates achievement of the Applicable CUSC Objectives.

(c) The Company shall be responsible for implementing or supervising the implementation of Approved CUSC Modifications and Approved CUSC Modification Self Governance Proposals and Approved CUSC Modification Fast Track Proposals in accordance with the provisions of the CUSC which shall reflect the production of the revised CUSC. The Code Administrator and The Company shall be responsible for implementing and supervising the implementation of any amendments to their respective systems and processes necessary for the implementation of the Approved CUSC Modification. and, the Approved CUSC Modification Self-Governance Proposals provided there is no successful appeal and, , the Approved CUSC Modification Fast Track Proposals provided no objections are received in accordance with Paragraph 8.29. However, it will not include the implementation of Users' systems and processes. The Code Administrator will carry out its role in an efficient, economical and expeditious manner and (subject to any extension granted by the Authority where the Code Administrator has applied for one in accordance with Paragraph 8.3.3(d) or (e) in accordance with the Implementation Date. (d) Subject to notifying Users, the Code Administrator will, with the Authority's approval, apply to the Authority for a revision or revisions to the Implementation Date where the Code Administrator becomes aware of any circumstances which is likely to mean that the Implementation Date is unachievable, which shall include as a result of a Legal Challenge, at any point following the approval of the CUSC Modification Proposal.

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(d) Subject to notifying Users, the Code Administrator will, with the Authority's approval, apply to the Authority for a revision or revisions to the Implementation Date where the Code Administrator becomes aware of any circumstances which is likely to mean that the Implementation Date is unachievable, which shall include as a result of a Legal Challenge, at any point following the approval of the CUSC Modification Proposal.

(e) In the event that the Authority's decision to approve or not to approve a CUSC Modification Proposal is subject of Legal Challenge (and the party raising such Legal Challenge has received from the relevant authority the necessary permission to proceed) then the Code Administrator will, with the Authority's approval, apply to the Authority for a revision or revisions to the Proposed Implementation Date in the CUSC Modification Report in respect of such CUSC Modification Proposal as necessary such that if such CUSC Modification Proposal were to be approved following such Legal Challenge the Proposed Implementation Date would be achievable.

(f) Prior to making any request to the Authority for any revision pursuant to Paragraphs 8.3.3(d) (where it is necessary as a result of a Legal Challenge) or 8.3.3(e) the Code Administrator shall consult on the revision with CUSC Parties and such other person who may properly be considered to have an appropriate interest in it in accordance with Paragraphs 8.22.2 and 8.22.6. The request to the Authority shall contain copies of (and a summary of) all written representations or objections made by consultees during the consultation period.

(g) Subject to paragraph 8.3.3(b), and taking into account the assessment made by the Proposer under paragraph 8.16.4 (m), where the CUSC Modifications Panel has already determined a CUSC Modification Proposal to not be an Urgent CUSC Modification Proposal, the CUSC Modifications Panel shall decide the Prioritisation Category, as defined in paragraph 8.19(e), accorded to CUSC Modification Proposals through assessment against the Prioritisation Criteria (as compared with other Pending CUSC Modification Proposals).

PART C

8.13 CUSC MODIFICATION REGISTER

8.13.1 The Code Administrator shall establish and maintain a register ("CUSC Modification Register") which shall record the matters set out in Paragraph 8.13.3.

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8.13.2 The purpose of the CUSC Modification Register shall be to assist the CUSC Modifications Panel and to enable the CUSC Modifications Panel, CUSC Parties and any other persons who may be interested to be reasonably informed of the progress of CUSC Modification Proposals and Approved CUSC Modifications from time to time.

8.13.3 The CUSC Modification Register shall record in respect of current outstanding CUSC Modifications Panel business:

(a) details of each CUSC Modification Proposal (including the name of the Proposer, the date of the CUSC Modification Proposal and a brief description of the CUSC Modification Proposal);

(b) whether such CUSC Modification Proposal is an Urgent CUSC Modification Proposal, or, where such CUSC Modification Proposal is determined not to be an Urgent CUSC Modification Proposal, the Prioritisation Category of such CUSC Modification Proposal, and the reasons for the CUSC Modifications Panel's determination of its Prioritisation Category; and

(c) where the Prioritisation Category of a CUSC Modification Proposal is changed, this change should be reflected within the CUSC Modification Register alongside the reasons for its change.

8.13.4 The CUSC Modification Register (as updated from time to time and indicating the revisions since the previous issue) shall be published on the Website or (in the absence, for whatever reason, of the Website) in such other manner and with such frequency (being not less than once per month) as the Code Administrator may decide in order to bring it to the attention of the CUSC Modifications Panel, CUSC Parties and other persons who may be interested.

8.14 PROGRESS REPORT

8.14.1 The Code Administrator shall prepare and submit to the Authority each month (or such less often period if there is no material matter arising to report) a progress report ("Progress Report") setting out the matters referred to in Paragraph 8.14.2 in respect of the preceding month and send a copy of the Progress Report to each Panel Member.

8.14.2 The Progress Report shall contain:

(a) details of any proposal which has been refused pursuant to Paragraph 8.16.5 or Paragraph 8.16.6;

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(b) the current version of the CUSC Modification Register;

(c) details of:

(i) ~~the priority where each CUSC Modification Proposal in the CUSC Modification Register is proposed to be accorded or is accorded to not be an Urgent CUSC Modification Proposal, the Prioritisation Category proposed to be accorded or that is accorded to each CUSC Modification Proposal, and the reasons for the CUSC Modifications Panel's determination of the Modification Proposals' Prioritisation Category~~ (in accordance with Paragraph 8.19.1);

~~proposed to be accorded or that is accorded to each CUSC Modification Proposal in the CUSC Modification Register~~

(ii) the scheduling and timetable for consideration of each CUSC Modification Proposal and completion of the CUSC Modification Report in respect thereof in the context of all other current CUSC Modification Proposals;

(iii) the impact of ~~the priority whether each CUSC Modification Proposal is accorded to be an Urgent CUSC Modification Proposal, or, where each CUSC Modification Proposal is accorded not to be an Urgent CUSC Modification Proposal, the Prioritisation Category~~ accorded to each CUSC Modification Proposal by reference to each other pending CUSC Modification Proposal;

8.14.3 If, following discussion with the CUSC Modifications Panel, the Authority issues a notice to the Panel Secretary requesting the Code Administrator and the CUSC Modifications Panel (in relation to developments and changes highlighted in the monthly Progress Report):

(a) not to reject a CUSC Modification Proposal which does not satisfy Paragraph 8.16.4; and/or

(b) not to amalgamate CUSC Modification Proposals as set out in the monthly Progress Report; and/or

(c) to accord a different ~~priority~~ Prioritisation Category to particular CUSC Modification Proposals from that set out in the monthly Progress Report; and/or

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(d) to amend the timetable for a CUSC Modification Proposal, the Panel Secretary shall send a copy of the notice to each Panel Member and Alternate Member,

the CUSC Modifications Panel and the Code Administrator shall comply with such notice.

8.16 CUSC MODIFICATION PROPOSALS

8.16.4

A CUSC Modification Proposal shall be submitted in writing to the Panel Secretary and, subject to the provisions of Paragraph 8.16.4A below, shall contain the following information in relation to such proposal:

- (a) the name of the Proposer;
- (b) the name of the representative of the Proposer (and their alternate) who shall represent the Proposer in person for the purposes of this Paragraph 8.16;
- (c) a description (in reasonable but not excessive detail) of the issue or defect which the proposed modification seeks to address;
- (d) a description (in reasonable but not excessive detail) of the proposed modification and of its nature and purpose;
- (e) where possible, an indication of those parts of the CUSC which would require amendment in order to give effect to (and/or would otherwise be affected by) the proposed modification and an indication of the nature of those amendments or effects;
- (f) the reasons why the Proposer believes that the proposed modification would better facilitate achievement of the Applicable CUSC Objectives as compared with the current version of the CUSC together with background information in support thereof;
- (g) the reasoned opinion of the Proposer as to why the proposed modification should not fall within a current Significant Code Review, whether the proposed modification meets the Self-Governance Criteria or whether the proposed modification should proceed along the Standard CUSC Modification Proposal route;
- (h) the reasoned opinion of the Proposer as to whether that impact is likely to be material and if so an assessment of the quantifiable impact of the proposed modification on greenhouse gas emissions, to be

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conducted in accordance with such current guidance on the treatment of carbon costs and evaluation of the greenhouse gas emissions as may be issued by the Authority from time to time;

(i) where possible, an indication of the impact of the proposed modification on Core Industry Documents and the STC, and an indication of potential inconsistencies between the CUSC Modification Proposal and the Capacity Market Documents and/or the CfD Documents;

(j) where possible, an indication of the impact of the proposed modification on relevant computer systems and processes used by CUSC Parties;

(k) a statement to the effect that the Proposer acknowledges that on acceptance of the proposal for consideration by the CUSC Modifications Panel a Proposer which is not a CUSC Party shall grant a licence in accordance with Paragraph 8.16.9; ~~and~~

(l) whether or not (and to the extent) that in the Proposer's view the CUSC Modification Proposal constitutes an EBR Amendment; and

(m) an assessment by the Proposer of the CUSC Modification Proposal against the Prioritisation Criteria.

8.17B AUTHORITY LED SCR MODIFICATION

8.17B.1 Where the Authority has issued a statement in accordance with Paragraph 8.17.6A and/or a Backstop Direction in accordance with Paragraph 8.17C, the Authority may submit an Authority Led CUSC Modification Proposal for an Authority Led CUSC Modification directly to the CUSC Panel.

8.17B.2 In response to an Authority Led CUSC Modification Proposal the CUSC Panel shall prepare an Authority Led CUSC Modification Report which shall include all the items listed in 8.23.2 (a)-(k) and in particular, as identified in the Licence:

(a) an evaluation of the proposed modification; and

(b) an assessment of the extent to which the proposed modification would better facilitate achievement of the applicable CUSC objective(s); and

(c) a detailed explanation of the CUSC Panel's reasons for that assessment (such assessment to include, where the impact is

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likely to be material, an assessment of the proposal on greenhouse gas emissions, to be conducted in accordance with such guidance on the treatment of carbon costs and evaluation of the greenhouse gas emissions as may be issued by the Authority from time to time); and

(d) a timetable for implementation of the proposed modification, including the date with effect from which such proposed modification could take effect.

8.17B.3 The Authority Led CUSC Modification Report shall be submitted to the Authority taking into account the Prioritisation Criteria, and whether the proposed modification is an Urgent CUSC Modification Proposal or not, or, if it has been determined to not be an Urgent CUSC Modification Proposal, the Prioritisation Category ~~the complexity, importance and urgency~~ of the proposed modification, and in accordance with the time periods specified in the CUSC, which shall not be extended unless approved by the Panel and not objected to by the Authority after receiving notice in accordance with the timetable set by the Authority in Paragraph 8.17B.6.

8.17B.4 The Authority can require the revision and re-submission of the Authority Led CUSC Modification Report, such resubmission to be made, if required by a direction issued by the Authority in accordance with Paragraph 8.23.12, as soon after the Authority's direction as is appropriate taking into account the Prioritisation Criteria, and whether the proposed modification is an Urgent CUSC Modification Proposal or not, or, if it has been determined to not be an Urgent CUSC Modification Proposal, the Prioritisation Category ~~the complexity, importance and urgency~~ of the proposed modification and in accordance with the time periods specified in the CUSC, which shall not be extended unless approved by the Panel and not objected to by the Authority after receiving notice in accordance with the timetable set by the Authority in Paragraph 8.17B.6.

8.17B.5 The timetable referred to in Paragraph 8.17B.2 (d) for implementation of any proposed modification shall be in accordance with any direction(s) issued by the Authority for the implementation of a proposed modification where no such direction has been issued by the Authority, the timetable shall be such as will enable the modification to take effect as soon as practicable after the Authority has directed that such modification should be made, account being taken of the Prioritisation Criteria, and whether the proposed modification is an Urgent CUSC Modification Proposal or not, or if it has been determined to

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not be an Urgent CUSC Modification Proposal, the Prioritisation Category of the complexity, importance proposed modification and in accordance with the time periods specified in the CUSC, which shall not be extended unless approved by the Panel and not objected to by the Authority after receiving notice with the Authority having discretion to change the timetable.

8.18 CUSC MODIFICATION PROPOSAL EVALUATION

8.18.1 This Paragraph 8.18 is subject to the Urgent CUSC Modification Proposals procedures set out in Paragraph 8.24 and the Significant Code Review procedures set out in Paragraph 8.17.

8.18.2 A CUSC Modification Proposal shall, subject to Paragraph 8.16.8, be discussed by the CUSC Modifications Panel at the next following CUSC Modifications Panel meeting convened.

8.18.3 The Proposer's representative shall attend such CUSC Modifications Panel meeting and the CUSC Modifications Panel may invite the Proposer's representative to present their CUSC Modification Proposal to the CUSC Modifications Panel.

8.18.4 The CUSC Modifications Panel shall evaluate each CUSC Modification Proposal against the Self-Governance Criteria.

8.18.5 The CUSC Modifications Panel shall follow the procedure set out in Paragraph 8.25 in respect of any CUSC Modification Proposal that the CUSC Modifications Panel considers meets the Self-Governance Criteria unless the Authority makes a direction in accordance with Paragraph 8.25.2 and in such a case that CUSC Modification Proposal shall be a Standard CUSC Modification Proposal and shall follow the procedure set out in Paragraphs 8.19, 8.20, 8.22 and 8.23.

8.18.6 Unless the Authority makes a direction in accordance with Paragraph 8.25.4, a CUSC Modification Proposal that the CUSC Modifications Panel considers does not meet the Self-Governance Criteria shall be a Standard CUSC Modification Proposal and shall follow the procedure set out in Paragraphs 8.19, 8.20, 8.22 and 8.23.

8.18.7 The CUSC Modifications Panel shall evaluate each CUSC Modification Fast Track Proposal against the Fast Track Criteria. 33 V1.38 – 01 October 2024

8.18.8 The CUSC Modifications Panel shall follow the procedure set out in Paragraph 8.29 in respect of any CUSC Modification Fast Track Proposal. The

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provisions of Paragraphs 8.19 to 8.25 shall not apply to a CUSC Modification Fast Track Proposal.

8.18.8A The CUSC Modification Panel shall evaluate each CUSC Modification Proposal and determine whether the CUSC Modification Proposal constitutes an EBR Amendment and its expected impact on the objectives of the Electricity Balancing Regulation (and in the event of disagreement The Company's view shall prevail).

8.18.9 Where a Modification Proposal has been determined to not be an Urgent CUSC Modification Proposal, the CUSC Modifications Panel shall evaluate each CUSC Modification Proposal against the Prioritisation Criteria to determine the relevant Prioritisation Category of the modification, taking into account the views of the Proposer as established in sub-paragraph 8.16.4 (m).

8.19 PANEL PROCEEDINGS

8.19.1 (a) The Code Administrator and the CUSC Modifications Panel shall together establish a timetable to apply for the CUSC Modification Process.

(b) The CUSC Modifications Panel shall establish the part of the timetable for the consideration by the CUSC Modifications Panel and by a Workgroup (if any) which shall be no longer than four months unless in any case the particular circumstances of the CUSC Modification Proposal (taking due account of the Prioritisation Criteria, and whether the CUSC Modification Proposal is an Urgent CUSC Modification Proposal or, where the CUSC Modification Proposal has been determined not to be an Urgent CUSC Modification Proposal, its Prioritisation Category ~~its complexity, importance and urgency~~) justify an extension of such timetable, and provided the Authority, after receiving notice, does not object, taking into account all those issues.

(c) The Code Administrator shall establish the part of the timetable for the consultation to be undertaken by the Code Administrator under this Section 8 and separately the preparation of a CUSC Modification Report to the Authority. Where the particular circumstances of the CUSC Modification Proposal (taking due account of the Prioritisation Criteria, and whether the CUSC Modification Proposal is an Urgent CUSC Modification Proposal or, where the CUSC Modification Proposal has been determined not to be an Urgent CUSC Modification Proposal, its Prioritisation Category ~~complexity, importance and urgency~~) justify an extension of such timescales and provided the Authority, after receiving

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notice, does not object, taking into account all those issues, the Code Administrator may revise such part of the timetable.

(d) In setting such a timetable, the CUSC Modifications Panel and the Code Administrator shall exercise their respective discretions such that, in respect of each CUSC Modification Proposal, a CUSC Modification Report may be submitted to the Authority as soon after the CUSC Modification Proposal is made as is consistent with the proper evaluation of such CUSC Modification Proposal, taking due account of the Prioritisation Criteria, and whether the CUSC Modification Proposal is an Urgent CUSC Modification Proposal, or if it has been determined to not be an Urgent CUSC Modification Proposal, its Prioritisation Category. ~~due account of its complexity, importance and urgency.~~

(e) Where particular CUSC Modification Proposals have been determined to not be Urgent CUSC Modification Proposals, and hHaving regard to the Prioritisation Criteria and the assessment provided by the Proposer in paragraph 8.16.4 (m) ~~complexity, importance and urgency of particular CUSC Modification Proposals,~~ the CUSC Modifications Panel may determine the Prioritisation Category of CUSC Modification Proposals and may (subject to any objection from the Authority taking into account all those issues) adjust the ~~priority~~ Prioritisation Category of the relevant CUSC Modification Proposal accordingly.

(f) where the CUSC Modification Proposal constitutes an EBR Amendment the timetable shall be such that the Code Administrator's consultation is not less than one month.

8.19.4 Without prejudice to each Proposer's right to withdraw their CUSC Modification Proposal prior to the amalgamation of their CUSC Modification Proposal where CUSC Modification Proposals are amalgamated pursuant to Paragraph 8.19.3:

(a) such CUSC Modification Proposals shall be treated as a single CUSC Modification Proposal;

(b) references in this Section 8 to a CUSC Modification Proposal shall include and apply to a group of two or more CUSC Modification Proposals so amalgamated;

(c) the Proposers of each such CUSC Modification Proposal shall co-operate in deciding which of them is to provide a representative for any Workgroup in respect of the amalgamated CUSC Modification Proposal and, in default of agreement, the Panel Chairperson shall nominate one of the Proposers for that purpose~~;~~

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(d) the Panel shall determine the amalgamated CUSC Modification Proposal to have a single Prioritisation Category by considering the Prioritisation Categories accorded to them (and the relevant assessments undertaken in determining these Prioritisation Categories), and determining an appropriate amalgamated Prioritisation Category.

8.23 CUSC MODIFICATION REPORT

8.23.2 The matters to be included in a CUSC Modification Report shall be the following (in respect of the CUSC Modification Proposal):

- (a) A description of the CUSC Modification Proposal and any Workgroup Alternative CUSC Modification(s), including the details of, and the rationale for, any variations made (or, as the case may be, omitted) by the Proposer together with the views of the Workgroup;
- (b) the Panel Members' Recommendation;
- (c) a summary (agreed by the CUSC Modifications Panel) of the views (including any recommendations) from Panel Members in the CUSC Modifications Panel Recommendation Vote and the conclusions of the Workgroup (if there is one) in respect of the CUSC Modification Proposal and of any Workgroup Alternative CUSC Modification(s);
- (d) an analysis of whether (and, if so, to what extent) the CUSC Modification Proposal and any Workgroup Alternative CUSC Modification(s) would better facilitate achievement of the Applicable CUSC Objective(s) with a detailed explanation of the CUSC Modifications Panel's reasons for its assessment, including, where the impact is likely to be material, an assessment of the quantifiable impact of the CUSC Modification Proposal and any Workgroup Alternative CUSC Modification(s) on greenhouse gas emissions, to be conducted in accordance with such current guidance on the treatment of carbon costs and evaluation of the greenhouse gas emissions as may be issued by the Authority from time to time, and providing a detailed explanation of the CUSC Modifications Panel's reasons for that assessment;
- (e) an analysis of whether (and, if so, to what extent) any Workgroup Alternative CUSC Modification(s) would better facilitate achievement of the Applicable CUSC Objective(s) as compared with the CUSC Modification Proposal and any other Workgroup Alternative CUSC Modification(s) and the current version of the CUSC, with a detailed explanation of the CUSC Modifications Panel's reasons for its

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assessment, including, where the impact is likely to be material, an assessment of the quantifiable impact of the Workgroup Alternative CUSC Modification(s) on greenhouse gas emissions, to be conducted in accordance with such current guidance on the treatment of carbon costs and evaluation of the greenhouse gas emissions as may be issued by the Authority from time to time, and providing a detailed explanation of the CUSC Modifications Panel's reasons for that assessment;

(f) the Proposed Implementation Date taking into account the views put forward during the process described at Paragraph 8.22.4(b) such date to be determined by the CUSC Modifications Panel in the event of any disparity between such views and those of the Code Administrator;

(g) an assessment of:

(i) the impact of the CUSC Modification Proposal and any Workgroup Alternative CUSC Modification(s) on the Core Industry Documents and the STC and an indication of potential inconsistencies between the CUSC Modification Proposal and the Capacity Market Documents and/or the CfD Documents;

(ii) the changes which would be required to the Core Industry Documents and the STC in order to give effect to the CUSC Modification Proposal and any Workgroup Alternative CUSC Modification(s);

(iii) the mechanism and likely timescale for the making of the changes referred to in Paragraph (ii);

(iv) the changes and/or developments which would be required to central computer systems and, if practicable, processes used in connection with the operation of arrangements established under the Core Industry Documents, the STC, the Capacity Market Documents and the CfD Documents;

(v) the mechanism and likely timescale for the making of the changes referred to in Paragraph (iv);

(vi) an estimate of the costs associated with making and delivering the changes referred to in Paragraphs (ii) and (iv), such costs are expected to relate to: for (ii) the costs of amending the STC and for (iv) the costs of changes to computer systems and possibly processes which are established for the operation of the Core Industry Documents, the STC, the Capacity Market Documents and the CfD Documents.

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together with an analysis and a summary of representations in relation to such matters, including any made by Small Participants, the Citizens Advice and the Citizens Advice Scotland;

(h) to the extent such information is available to the Code Administrator, an assessment of the impact of the CUSC Modification Proposal and any Workgroup Alternative CUSC Modification(s) on CUSC Parties in general (or classes of CUSC Parties in general), including the changes which are likely to be required to their internal systems and processes and an estimate of the development, capital and operating costs associated with implementing the changes to the CUSC and to Core Industry Documents and the STC;

(i) copies of (and a summary of) all written representations or objections made by consultees during the consultation in respect of the CUSC Modification Proposal and any Workgroup Alternative CUSC Modification(s) and subsequently maintained;

(j) a copy of any impact assessment prepared by Core Industry Document Owners and the STC committee and a copy of any impact assessment related to the CUSC Modification Proposal prepared by the CM Administrative Parties in relation to the Capacity Market Rules, the Secretary of State in relation to the Capacity Market Documents, the CfD Administrative Parties in relation to the AF Rules, or the Secretary of State in relation to the CfD Documents, and the views and comments of the Code Administrator in respect thereof;

(k) whether or not, in the opinion of The Company, the CUSC Modification Proposal (or any Workgroup Alternative CUSC Modification(s)) should be made;

(l) whether the CUSC Modification Proposal and if applicable, any Workgroup Alternative CUSC Modification(s) constitutes an EBR Amendment and if so, and in addition to (i) above, a The Company's justification for including or not including the views resulting from the relevant consultation in the CUSC Modification Proposal and if applicable, any Workgroup Alternative CUSC Modification (s).

(m) where a CUSC Modification Proposal or any Workgroup Alternative CUSC Modification(s) constitutes an EBR Amendment, the expected impact on the objectives of the Electricity Balancing Regulation;

(n) where the CUSC Modification Proposal has been determined not to be an Urgent CUSC Modification Proposal, details of the assessment of the

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CUSC Modification Proposal against the Prioritisation Criteria to determine its Prioritisation Category.

8.23.12 If the Authority determines that the CUSC Modification Report is such that the Authority cannot properly form an opinion on the CUSC Modification Proposal and any Workgroup Alternative CUSC Modification(s), or where the CUSC Modification Proposal and/or any Workgroup Alternative CUSC Modification(s) constitutes an EBR Amendment where the Authority requires an amendment to CUSC Modification Proposal and/or any Workgroup Alternative CUSC Modification(s) in order to approve it, it may issue a direction to the CUSC Modifications Panel:

(a) specifying the additional steps (including drafting or amending existing drafting associated with the CUSC Modification Proposal and any Workgroup Alternative CUSC Modification(s)), revision (including revision to the timetable), analysis or information that it requires in order to form such an opinion; and

(b) requiring the CUSC Modification Report to be revised and to be re-submitted.

8.23.13 If a CUSC Modification Report is to be revised and re-submitted in accordance with a direction issued pursuant to Paragraph 8.23.12, it shall be re-submitted as soon after the Authority's direction as is appropriate, (and in the case of an EBR Amendment within 2 months), taking into account the Prioritisation Criteria, and whether the CUSC Modification Proposal is an Urgent CUSC Modification Proposal, or if it has been determined to not be an Urgent CUSC Modification Proposal, its Prioritisation Category the complexity, importance and urgency of the CUSC Modification Proposal and, where any Workgroup Alternative CUSC Modification(s) have been determined to not be Urgent Workgroup Alternative CUSC Modification(s), the Prioritisation Category of any Workgroup Alternative CUSC Modification(s). The CUSC Modifications Panel shall decide on the level of analysis and consultation required in order to comply with the Authority's direction and shall agree an appropriate timetable for meeting its obligations. Once the CUSC Modification Report is revised, the CUSC Modifications Panel shall carry out its CUSC Modifications Panel Recommendation 54 V1.38 – 01 October 2024 Vote again in respect of the revised CUSC Modification Report and re-submit it to the Authority in compliance with Paragraphs 8.23.4 to 8.23.6.

8.28 IMPLEMENTATION

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8.28.3 Except where a CUSC Modification Proposal would amend any of the Charging Methodologies, a modification of the CUSC shall take effect from the time and date specified in the direction, or other approval, from the Authority referred to in Paragraph 8.28.1 or, in the absence of any such time and date in the direction or approval, from 00:00 hours on the day falling ten (10) Business Days after the date of such direction, or other approval, from the Authority. A modification of the Charging Methodologies shall take effect as follows:

(i) from 1 April of any given year unless otherwise directed by the Authority in accordance with Paragraphs 8.23.9, 8.23.12, 8.23.13 or 8.28.3A and following consultation with the Panel;

(ii) subject to (iii) below, the 1 April shall be determined by reference to date of the Authority decision to approve the modification as follows:

a) where the Authority decision is more than 6 (six) months prior to the end of a Charging Year (Charging Year t), implementation of that CUSC Modification Proposal shall 63 V1.38 – 01 October 2024 take effect such that it is implemented in Charging Year $t+1$.

b) where the Authority decision is less than 6 (six) months prior to the end of Charging Year t , implementation of that CUSC Modification Proposal shall be deferred such that it is implemented in Charging Year $t+2$.

(iii) Paragraph (ii) above shall not apply in respect of a CUSC Modification Proposal to the Charging Methodologies:

(a) where the Authority has directed otherwise;

(b) where there is at least a Charging Year between the date of the Authority decision and the Implementation Date;

(c) where the CUSC Modification is an Urgent CUSC Modification; or

(d) which The Company has raised at the direction of the Authority or which the Authority has raised.

A modification of the CUSC pursuant to Paragraph 8.25.10 shall take effect, subject to the appeal procedures set out in Paragraphs 8.25.14 to 8.25.19, from the time and date specified by the Code Administrator in its notice given pursuant to Paragraph 8.28.2, which shall be given after the expiry of the fifteen (15) Business Day period set out in Paragraph 8.25.14 to allow for appeals, or where an appeal is raised in accordance with Paragraph 8.25.14, on conclusion of the appeal in accordance with Paragraphs 8.25.15 or 8.25.19 but where conclusion of the appeal is earlier than the fifteen (15) Business Day period set

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out in Paragraph 8.25.14, notice shall be given after the expiry of this period. A modification of the CUSC pursuant to Paragraph 8.29 shall take effect, from the date specified in the CUSC Modification Fast Track Report.

8.28.3A Where the Authority considers that taking into account the Prioritisation Criteria, and whether the CUSC Modification Proposal is an Urgent CUSC Modification Proposal, or, if it has been determined to not be an Urgent CUSC Modification Proposal, its Prioritisation Category, ~~complexity, importance and urgency of the modification~~ exceptional circumstances apply the Authority may, having set out in writing its reasons for this, direct a modification of the CUSC in respect of the Charging Methodologies to take effect from a date other than 1 April.

8.29 FAST TRACK

8.29.1 Where a Proposer believes that a modification to the CUSC which meets the Fast Track Criteria is required, a CUSC Modification Fast Track Proposal may be raised. In such case the Proposer is only required to provide the details listed in Paragraph 8.16.4 (a), (b), (c), (d), (e), ~~and (k), and (m)~~.

8.29.9 The matters to be included in a CUSC Modification Fast Track Report shall be the following (in respect of the CUSC Modification Fast Track Proposal):

(a) a description of the proposed modification and of its nature and purpose;

(b) details of the changes required to the CUSC, including the proposed legal text to modify the CUSC to implement the CUSC Modification Fast Track Proposal;

(c) details of the votes required pursuant to Paragraphs 8.29.5 and 8.29.6 67 V1.38 – 01 October 2024

(d) the intended implementation date, from which the Approved CUSC Modification Fast Track Proposal will take effect, which shall be no sooner than fifteen (15) Business Days after the date of notification of the CUSC Modifications Panel's decision to approve; ~~and~~

(e) details of how to object to the Approved CUSC Modification Fast Track Proposal being made; ~~and~~:-

(f) where the CUSC Modification Proposal has been determined not to be an Urgent CUSC Modification Proposal, details of the assessment of the CUSC Modification Proposal against the Prioritisation Criteria to determine its Prioritisation Category.

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8.30 REVIEW OF PRIORITISATION CATEGORY OF CUSC MODIFICATION PROPOSALS

8.30.1 The CUSC Modifications Panel shall review the Prioritisation Category of CUSC Modification Proposals on a bi-annual basis and adjust the relevant modification timetable for each CUSC Modification Proposal accordingly.

SECTION 11

INTERPRETATION AND DEFINITIONS

11.3 Definitions

The following terms shall have the following meanings:

Prioritisation Criteria has the meaning given to that term by the Authority Guidance on Code Modification Prioritisation.

Prioritisation Category has the meaning given to that term by the Authority Guidance on Code Modification Prioritisation.

Authority Guidance on Code Modification Prioritisation means the guidance published by the Authority from time to time on code modification prioritisation.