

Email: connections determinations@ofgem.gov.uk

Anthony Pygram
Independent Chair
CUSC Panel

Date: 28 May 2026

Dear Mr Pygram,

Decision on urgency for the Connections and Use of System Code (CUSC) modification proposal CMP473: 'Clarification of contract updates required with a Gate 2 Modification Offer'

On 13 April 2026, RWE (the 'Proposer') raised CUSC modification proposal CMP473.¹ Following the CUSC Modification Panel (the 'Panel') meeting on 21st April, we received a request for CMP473 to be treated as an urgent modification proposal.²

This letter sets out our decision that CMP473 will not progress on an urgent basis.

Background

Connections reform under the TMO4+ reform package has introduced significant changes to the process by which projects are progressed through the connections queue, including the introduction of a Gate 2 assessment to identify projects that are both 'ready' and 'needed'.³ As part of this process, existing connection agreements may be amended by a Gate 2 Modification offer.

On 13 April 2026, RWE raised CUSC modification proposal CMP473, which seeks to clarify which updates to Existing Agreements are required to be implemented through a Gate 2 Modification offer. In particular, the Proposer has raised concerns that updates to appendices within Existing Agreements with Gate 2 status are not being treated consistently where a connection date delay is caused by a network company.

The Proposer has indicated that, under current arrangements, Gate 2 Modification offers may not consistently reflect updates to Existing Agreement appendices, including Appendix J, and that this lack of clarity could result in connecting Users being issued with offers that do not accurately reflect the contractual position. The Proposer says that this creates an

¹ [CMP473: Clarification of contract updates required with a Gate 2 Modification Offer | National Energy System Operator](#)

² References to the "Authority", "Ofgem", "we", and "our" are used interchangeable 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.

³ [Decision on Connections Reform Package \(TM04+\) | Ofgem](#)

unacceptable level of uncertainty about offers that must be accepted within a limited timeframe.⁴

The CUSC Modification Panel considered CMP473 and the associated request for urgency at its meeting on 21 April 2026. The Panel noted the Proposer's view that clarification is required to ensure consistency in the treatment of contract updates, and that urgency was requested based on a potential significant commercial impact on Users.

Panel view

The Proposer argues that its proposal meets criterion (a) significant commercial impact on parties, consumers or other stakeholders, of Ofgem's Code Modification Urgency Criteria.⁵ The proposer said that failure to clarify the required contractual updates could result in a significant commercial impact on Users.

In particular, the Proposer and supporting Panel members highlighted the importance of ensuring that Gate 2 Modification offers accurately reflect the contractual position, given the time-limited nature of offer acceptance. Panel members noted that Users should not be expected to accept offers where there is a lack of clarity as to which contract updates apply, as this could expose them to material commercial risk.

Several Panel members considered that clarification of the status of Existing Agreement appendices, including Appendix J, is material to the contractual terms agreed under Gate 2 Modification offers and, when considered alongside the timelines for accepting such offers, could meet the threshold for urgency under criterion a). One Panel member abstained from the urgency vote.

Based on the above, a majority of the Panel agreed to recommend to the Authority that CMP473 should be treated as an urgent CUSC modification proposal.

Our decision

In reaching our decision, we have considered the details of the Proposal, the justification for requesting urgency, the views of NESO, and the views of the CUSC Panel. We have assessed the request against the urgency criteria set out in our published guidance.

The Guidance says 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)
- b. a significant impact on the safety and security of either or both the electricity and gas systems
- c. a party to be in breach of any relevant legal requirements

After consideration of the request, we have decided CMP473 will not be progressed on an urgent basis. We are not satisfied that the criteria are met, including criteria a) (as suggested in the urgency request letter). Below, we set out our reasons for rejecting urgent treatment of CMP473; in doing this, we recognise that the reason the Proposal has been raised and the argued bases for urgency are intrinsically linked.

⁴ [Understanding your offer and the support available to you | National Energy System Operator](#)

⁵ [Ofgem Guidance on Code Modification Urgency Criteria](#)

Gate 2 Modification Offers Queue Milestones and Construction Agreement Appendices

Multiple protected Gate 2 Users are experiencing delays in connection dates due to network company driven or wider system driven connection date delays or both. In some issued Gate 2 Modification offers, this delayed connection date has not been reflected in all relevant Gate 2 Modification offer documentation (including Construction Agreement Appendices and the Construction Programme/ Queue Management Milestones). Several Users have raised concerns that this is not in alignment with CUSC Section 18, clause 18.14.2 which requires NESO to amend Gate 2 Existing Agreements if any material changes have occurred (ie connection date changes) before issuing Gate 2 Modification offers. We recognise that where financial milestones, construction programme dates, or other contract provisions linked to the connection date are not updated in line with a delayed connection date, this may create commercial uncertainty for Users. In particular, Users may face uncertainty regarding the timing of financial commitments or construction programme, which could affect project planning and delivery.

We have liaised with NESO and can confirm that where a Gate 2 Modification offer delays a connection date but does not update Appendix Q milestones, Trigger Dates and/or other contract elements directly linked to that date. This is likely to represent an offer error rather than an intentional NESO policy.

NESO's established process for addressing such errors is for Users to raise a query via the NESO portal, following which NESO will investigate and, where appropriate, issue a corrected re-offer.

NESO and NGET have confirmed that issues relating to Construction Agreement appendices were limited to a subset of protected projects, rather than a systemic issue. NESO has also confirmed that all transmission-connected and large embedded protected offers have been issued, with only a small number of exceptions where timelines have been extended by agreement with Users.

These factors suggest the issue is not widespread and is being addressed through existing processes and recent industry updates and therefore does not require urgent code modification status.

Next Steps

Following feedback from customers, NESO has confirmed and set out to Users in [NESO 22 May 2026 Communication](#)⁶ and [Customer Frequently Asked Questions \(FAQs\) 26 May 2026](#)⁷ that when transmission connection offers are issued with a revised connection date, the related Appendix J milestones will now be updated to match. In some of the earliest offers, Appendix J milestones were not updated. This approach has now been changed and is being offers corrected. Offers with outstanding technical queries will be prioritised as part of this work. NESO expects this revised approach to apply to future offers and is engaging with affected Users who have already received and queried their offers to discuss re-offers.

⁶ [NESO Newsletter published 22 May 2026](#)

⁷ [NESO Customer Frequently Asked Questions \(FAQs\) 26 May 2026](#)

NESO indicates that Users who have already raised queries are highly likely to be prioritised. We therefore encourage any affected User to engage with NESO and TOs directly to identify and rectify any issues identified in any Gate 2 Modification offers.

NESO and NGET have committed to creating Phase 1 and Phase 2 connection offers so that they will fully reflect all relevant updates to Connection Agreements and Construction Agreement appendices (including Appendix J). NESO, after receiving all TOCOs from NGET, will begin the process of issuing updated protected offers, including revisions to Appendix J.

Additionally, NESO has confirmed that it will use information arising from identified offer errors to inform targeted training and process improvements. This is intended to support greater consistency and accuracy in the preparation of future Phase 1 and Phase 2 offers, and to reduce the likelihood of similar issues arising going forward.

We consider that this approach, alongside NESO's commitment to investigating and correcting errors provides increased confidence that Gate 2 Modification offers (including relevant Construction Agreement Appendices) will more consistently reflect the intended contractual position. In our view, these measures reduce the risk of uncertainty for Users when accepting offers for Gate 2 Modification offers.

We consider that this clarification from our engagement with NESO adequately addresses the need for urgency requested and provides sufficient clarity to Users regarding the approach it will take in the current circumstances, if this code modification proceeds or not.

If you have any comments or questions about this letter, please contact:
connections determinations@ofgem.gov.uk

Yours sincerely,

Neal McLaughlin

Head of Policy – Connections Reform and Governance

Duly authorised on behalf of the Authority