

Guidance

Ancillary Document 4: Independent System Operator and Planner licence (NESO)

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This document contains proposed textual changes to the Independent System Operator and Planner licence to give effect to Curate proposals as part of demand connections reform.

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1. Introduction

- 1.1 This document sets out the text of a new proposed condition, condition E18, to give effect to Curate proposals as part of demand connections reform.

2. Condition E18 Data Centre Commitment Fee Statement

Introduction

E18.1 The purpose of this condition is to set out the obligations of the ISOP in relation to the DCCF Statement. These include:

- a. in Part A, the objectives of the DCCF Statement and the requirement to maintain and update the DCCF Statement;
- b. in Part B, the approval process for the modification of the DCCF Statement; and
- c. in Part C, the publication of the DCCF Statement.

Part A: Requirement to maintain and update the DCCF Statement

E18.2 The DCCF Statement must:

- a. set out the DCCF MW Threshold and the DCCF Value;
- b. meet the following objectives that the Authority will assess as part of approval in accordance with [E18.4](#):
 - i. is clear, transparent, and objective;
 - ii. facilitates efficient queue management;
 - iii. safeguards economic growth, competition and consumer interest; and
 - iv. facilitates a safe and secure electricity supply.

E18.3 The ISOP is required to maintain and update the DCCF Statement that the Authority will produce under this condition. When updating the DCCF Statement, the ISOP is required to submit it to the Authority for approval in accordance with Part B. The DCCF Statement must set out:

- a. the DCCF MW Threshold;
- b. the DCCF Value; and
- c. any principles, criteria and processes applicable to the review, assessment and amendment of the DCCF MW Threshold and DCCF Value.

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E18.4 The ISOP must at all times have in force the DCCF Statement which the Authority has approved on the basis that it achieves the objectives in E18.2(b) of this condition.

E18.5 The ISOP is required to review the DCCF Statement at least once in every 12-month period to ensure that it is enabling the objectives set out in [E18.2\(b\)](#) to be met.

E18.6 The ISOP is required to submit a statement to the Authority following from its review of the DCCF Statement under [E18.5](#) stating whether an update is required.

E18.7 A statement to the Authority under [E18.6](#) identifying whether updates are required to the DCCF Statement must specify:

- a. whether an update is required with reference to the objectives in [E18.2\(b\)](#); and
- b. the timetable for consulting on the DCCF Statement and any proposed changes; and
- c. the timetable for developing and implementing the proposed changes.

E18.8 The Authority may at any point instruct the ISOP to update the DCCF Statement, if it determines that the objectives set out in [E18.2\(b\)](#) are not being met. In this event the ISOP must follow paragraphs [E18.9](#) to [E18.13](#) below and the timetable provided by the Authority.

E18.9 During any review as specified in [E18.5](#) or [E18.8](#) of the DCCF Statement, unless otherwise agreed with the Authority the ISOP must consult:

- a. the Authority;
- b. the Secretary of State; and
- c. other parties interested in the development of the DCCF Statement.

E18.10 The consultations in accordance with paragraph [E18.9](#) must be in such form and of sufficient duration as to reasonably allow all parties to provide appropriate representations. The duration of the consultation must be no fewer than 28 calendar days, unless otherwise agreed with the Authority.

Part B: The Approval Process for modification of the DCCF Statement

E18.11 Within 60 days following the consultation (as per [E18.9](#)), the ISOP must submit to the Authority for approval the DCCF Statement with any amendments to it with the statement referred to in [E18.7](#) justifying the ISOP's proposal.

E18.12 Submissions made under paragraph [E18.11](#) must include:

- a. a detailed explanation of the consultation process undertaken in the development or amendment of the DCCF Statement;

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- b. a summary of views submitted by parties in the consultation responses and an explanation of how these were considered in the development or amendment of the DCCF Statement;
- c. copies of any formal responses submitted to the ISOP as part of the consultation process; and
- d. an assessment of how the DCCF Statement facilitates or in the case of subsequent amendments better facilitate the objectives set out in [E18.2\(b\)](#).

E.18.13 The Authority will evaluate the DCCF Statement against the objectives set out in [E18.2\(b\)](#).

E.18.14 The Authority may on receipt of a submission under paragraph [E18.11](#) either:

- a. approve the content and form of the proposed DCCF Statement; or
- b. reject the content and form of the proposed DCCF Statement. In such circumstances the Authority may, at its discretion, give a direction to the ISOP, including on whether any further consultation is required as per paragraph [E18.9](#), that the DCCF Statement requires further development and specify the date by which the ISOP is required to submit a revised DCCF Statement to the Authority for approval.

E.18.15 The requirements of Parts A and B of this licence condition may be satisfied by actions taken by the licensee and the Authority before or after this licence condition comes into effect.

Part C: Publication of the DCCF Statement

E.18.16 The effective implementation date of the DCCF Statement or any subsequent amendments to it will be set out by the Authority in its approval decision. The ISOP must publish the DCCF Statement on its website by the date specified by the Authority in its approval decision.

Definitions

Term	Description
Data Centre Commitment Fee or DCCF	means the component of the Cancellation Charge calculated in accordance with Part Six of Section 15 of the CUSC
DCCF Statement	means the statement published by The Company on the Website in accordance with Condition E18 of the ESO Licence

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DCCF MW Threshold	means the MW threshold for Demand Capacity or Embedded Demand Capacity specified in the DCCF Statement for the purposes of applying the DCCF
DCCF Value	means the value specified in the DCCF Statement for the purposes of calculating the DCCF
Demand Capacity	has the meaning given to that term in the CUSC
Embedded Demand Capacity	has the meaning given to that term in the CUSC