



Trisha McAuley OBE
Independent Chair
CUSC & Grid Code Panel

Nadir Hafeez
Ofgem
By email

23 February 2024

Dear Nadir

Connection and Use of System Code (CUSC) Modification Panel Request for Urgency and Recommended Timetable for **CMP428: User Commitment liabilities for Onshore Transmission circuits in the Holistic Network Design**.

On 11 January 2024, **National Grid ESO** raised **CMP428**. The Proposer sent a request to the CUSC Panel Secretary for this modification to be treated as urgent on 21 February 2024.

CMP428 seeks to define the User Commitment liabilities for generators connected to circuits being classified as onshore transmission within the Holistic Network Design (HND). This is to ensure that the purpose and function of circuits classified as onshore transmission are considered when determining which users are responsible for the associated liabilities.

All documentation for this modification can be located via the following link:

[CMP428: User Commitment liabilities for Onshore Transmission circuits in the Holistic Network Design | ESO \(nationalgrideso.com\)](https://www.nationalgrideso.com/cmp428)

The CUSC Modifications Panel ("the Panel") on 23 February 2024, considered **CMP428** and the associated request for urgency. This letter sets out the views of the Panel on the request for urgent treatment and the procedure and timetable that the Panel recommends.

The Proposer set out their rationale for Urgency against Ofgem's Urgency criteria (a), which is as follows:

a) A significant commercial impact on parties, consumers or other stakeholder(s).

The Proposer recommends that this modification should be treated as an Urgent Modification proposal based on Ofgem's Urgency criteria 'a', due to the significant commercial impact on developers. An offshore project in the HND is progressing and the project will be responsible for £2.6bn in User Commitment liabilities from the implementation date without this modification. This will have a significant commercial impact, affecting investment decisions for the project with the potential for the project no longer progressing. Offshore projects are a key enabler to achieving net zero and the associated benefits this brings. The potential for project/s not progressing could therefore negatively impact the

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drive to net zero. Implementation is required by this date (14 June 2024) to ensure the project is not responsible for £2.6bn in User Commitment liabilities. The implementation date cannot be achieved through the standard code governance process.

Panel Consideration of the Request for Urgency

The Panel considered the request for urgency with reference to [Ofgem Guidance on Code Modification Urgency Criteria](#). The majority view of the Panel is that **CMP428 does meet** Ofgem's Urgency criteria¹. Therefore, the recommendation of the Panel is that **CMP428 should** be treated as an Urgent CUSC Modification Proposal.

Panel members set out their rationale behind this decision:

- The majority of Panel recognised and agreed with the Proposer's justification for urgency against Ofgem's criteria (a).
 - The Panel Member who did not agree with the request for urgency felt the commercial impact was unclear.
- Panel acknowledged that the Proposer was unable to share the specific detail of the commercially sensitive information related to the modification and understood the implementation date not to be an arbitrary date.
- Panel agreed with the Proposer's request to remove Terms of Reference b), c) and d) due to being out of scope to allow the modification to focus on the time critical commercial issue.

Procedure and Timetable

The Panel discussed an appropriate timetable for **CMP428** in the instance that urgency is granted.

The Panel agreed that **CMP428** subject to Ofgem's decision on Urgency should follow the attached Code Administrator's proposed timetable (Appendix 1 **Urgent recommendation**). In Appendix 2 of this letter, the Code Administrator has also provided the timeline if this follows standard timescales with the assumption that Panel prioritise this high in the prioritisation stack.

Panel noted that if urgency is required, there would be;

- A Workgroup Consultation period of less than 15 Business Days
- Code Administrator Consultation period of less than 15 Business Days

¹ Ofgem's current view is 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
- 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.

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- There would be less than 5 clear Business Days between publication of the Draft Final Modification Report and Panel's recommendation; and
- There would be less than 5 clear Business Days for Panel to check that their Recommendation Vote had been recorded correctly.

Under CUSC Section 8.24.4, we are now consulting the Authority as to whether this Modification is an Urgent CUSC Modification Proposal.

Please do not hesitate to contact me if you have any questions on this letter or the proposed process and timetable. I look forward to receiving your response

Yours sincerely



Trisha McAuley OBE
 Independent Chair of the CUSC and Grid Code Panel

Appendix 1– Urgent Timeline

Modification Stage	Date
Modification presented to Panel	26 January 2024
Workgroup 1	05 February 2024
Workgroup 2	13 February 2024
Modification presented to Panel for Urgency	23 February 2024
Workgroup Nominations	23 February 2024 - 29 February 2024
Ofgem decision on Urgency	29 February 2024 (5pm)
Workgroup 3	07 March 2024
Workgroup 4	12 March 2024
Workgroup Consultation (5 Business Days)	14 March 2024
Workgroup 5	26 March 2024
Workgroup 6	02 April 2024
Workgroup 7	04 April 2024
Workgroup report issued to Panel	09 April 2024
Panel sign off that Workgroup Report has met its Terms of Reference	12 April 2024
Code Administrator Consultation (3 Business Days)	15 April 2024 – 18 April 2024
Draft Final Modification Report issued to Panel and Industry	23 April 2024
Draft Final Modification Report presented to Panel / Panel Recommendation Vote	26 April 2024
Final Modification Report issued to Panel to check votes recorded correctly	26 April 2024
Submit Final Modification Report to Authority	26 April 2024

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Authority Decision	ASAP
Date of Implementation	14 June 2024

Appendix 2 – Standard Timeline

Modification Stage	Date
Modification presented to Panel	26 January 2024
Workgroup 1	05 February 2024
Workgroup 2	13 February 2024
Modification presented to Panel for Urgency	23 February 2024
Workgroup Nominations	23 February 2024 to 18 March 2024
Workgroup 1	04 April 2024
Workgroup 2	02 May 2024
Workgroup 3	14 May 2024
Workgroup Consultation (15 working days)	17 May 2024 to 10 June 2024
Workgroup 4	26 June 2024
Workgroup 5	12 July 2024
Workgroup 6	27 August 2024
Workgroup report issued to Panel	17 October 2024
Panel sign off that Workgroup Report has met its Terms of Reference	25 October 2024
Code Administrator Consultation (15 working days)	29 October 2024 to 18 November 2024
Draft Final Modification Report issued to Panel and Industry	21 November 2024
Draft Final Modification Report presented to Panel / Panel Recommendation Vote	29 November 2024
Final Modification Report issued to Panel to check votes recorded correctly	02 December to 06 December 2024
Submit Final Modification Report to Authority	06 August 2024
Authority Decision	TBC
Date of Implementation	10 WD after Authority Decision

Appendix 3 – Panel Urgency Vote

See separate attachment