

## CUSC Panel

# Headline Report – 28 September 2018

## Meeting name CUSC Panel

The CUSC Panel Headline Report is produced after every CUSC Panel and aims to provide an overview of the key decisions made. Minutes for this meeting will be published separately.

## Approval of August Minutes

Panel Members approved the notes from the August meeting which can be found on the National Grid website.

## Prioritisation Stack

The latest version of the Prioritisation Stack is attached in Annex 1.

## Modification Proposals

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### CMP306 - Align annual connection charge rate of return at CUSC 14.3.21 to price control cost of capital

The purpose of this modification is to align the rate of return applied to the net asset value of connection points in the calculation of annual connection charges (as set out at paragraph 14.3.21 of the Connection Charging Methodology) to the pre-tax cost of capital in the price control of the Relevant Transmission Licensee (plus a margin of 1.5 percentage points in the case of MEA-linked assets). This will improve the cost reflectivity of the charges, since the return on capital will equal the Authority's most recent assessment of that cost for the Relevant Transmission Licensee.

CMP306 was presented to The Panel by Northern Powergrid having been raised on 20 September 2018. The Panel unanimously agreed with the view of the proposer that the modification should be assessed by a working group. The Code Administrator will write to industry to source members to form a working group.

### CMP307 – Expanding the BSUoS charging base to include embedded generation

The modification will change the current collection of BSUoS from suppliers and embedded Exemptible generation to a methodology where BSUoS is charged on a gross basis to suppliers and BSUoS is charged on exports from embedded Exemptible generation.

CMP307 was presented to The Panel by Engie. The Authority advised the panel that the modification was in scope of the TCR/SCR launched by Ofgem in August 2017<sup>1</sup>. The Proposer and The Panel agreed to suspend this modification accordingly.

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<sup>1</sup> [https://www.ofgem.gov.uk/system/files/docs/2017/08/tcr\\_scr\\_launch\\_letter.pdf](https://www.ofgem.gov.uk/system/files/docs/2017/08/tcr_scr_launch_letter.pdf)

## Authority Decision

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There were no Authority Decisions

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## Panel Vote

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There were no Panel Votes

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## Questions or feedback?

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**Code Administrator Representative:** Joseph Henry, *Code Administrator*

**Panel Secretary:** Shazia Akhtar, *Code Administrator*

**Email:** [cusc.team@nationalgrid.com](mailto:cusc.team@nationalgrid.com)

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Section 8: 8.19.1.(e) makes the following provision for the Panel and states "Having regard to the **complexity, importance and urgency** of particular CUSC Modification Proposals, the CUSC Modifications Panel may determine the priority of CUSC Modification Proposals and may (subject to any objection from the Authority taking into account all those issues) adjust the priority of the relevant CUSC Modification Proposal accordingly"

Complexity	The modification is viewed as being resource intensive and will most likely require a higher than average number of workgroups to conclude the process. Additionally the modification defect is viewed to have implications for many different areas of the energy market which need to be taken into consideration throughout the process.
Importance	The perceived value & risk associated with the proposed modification. The value / risk could be considered from a number of different perspectives i.e. financial / regulatory / licence obligations both directly for customer and end consumers more generally.
Urgency	A modification which requires speedy consideration within the code governance process, both complexity and importance should be factors considered in evaluating urgency as well as the timescales for implementation within the respective code.

Movement	Date Modification Raised	Modifications at Workgroup Stage	Panel Comments on Prioritisation	Cross Code Impacts	Date of First Workgroup	Workgroup Development [WG already held]	Workgroup Report submission	Expected FMR Date to Authority
↑	22/06/2017	<b>CMP280</b> 'Creation of a New Generator TNUoS Demand Tariff which Removes Liability for TNUoS Demand Residual Charges from Generation and Storage Users & <b>CMP281</b> 'Removal of BSUoS Charges From Energy Taken From the National Grid System by Storage Facilities'	High Priority because of clear impact for users and a known policy issue.  Complexity of alternative (raised during WG Consultation) has resulted in an extended timeline to October.		4 August 2017	[8] upto October 2018	<b>Timeline agreed:</b> October submission	December 2018
↑	20/07/2017	<b>CMP285</b> 'CUSC Governance Reform – Levelling the Playing Field'	Priority based on timing of decision date which is required ahead of the next election process and need for extra panel meeting.		28 September 2017	[5] upto October 2018	<b>Timeline to be approved:</b> October submission	November 2018
↓	27/04/2018	<b>CMP295</b> 'Contractual Arrangements for Virtual Lead Parties (Project TERRE)'	Prioritisation based on alignment to European Law changes/timetables		12 July 2018	[1] upto December 2018	<b>Timeline agreed:</b> December 2018	February 2019
↑	15/02/2018	<b>CMP291</b> 'The open, transparent, non-discriminatory and timely publication of the harmonised rules for grid connection (in accordance with the RfG, DCC and HVDC) and the harmonised rules on system operation (in accordance with the SOGL) set out within the Bilateral Agreement(s) exhibited in the CUSC.'	Prioritisation based on alignment to European Law changes/timetables		12 July 2018	[1] upto December 2018	<b>Timeline agreed:</b> December 2018	February 2019
↓	10/10/2017	<b>CMP286</b> 'Improving TNUoS Predictability through Increased Notice of the Target Revenue used in the TNUoS Tariff Setting Process' and <b>CMP287</b> 'Improving TNUoS Predictability through Increased Notice of Inputs Used in the TNUoS Tariff Setting Process'	Priority based on a need for a quick decision date to have an effect on tariff setting timetables		18 January 2018	[5] upto October 2018	<b>Timeline agreed:</b> October submission	December 2018

↓	12/02/2018	<b>CMP288'</b> Explicit Charging Arrangements for Customer Delays' and <b>CMP289'</b> Consequential change to support the introduction of explicit charging arrangements for customer delays and backfeeds via CMP288'	Priority based on Consumer benefits. Quite a degree of complexity involved, extended timeline to December 2018.		16 May 2018	[4] upto December 2018	<b>Timeline agreed:</b> December 2018	February 2019
	23/08/2018	<b>CMP304</b> 'Improving the Enhanced Reactive Power Service by making it fit for purpose'	High Materiality		TBC	[0]	<b>TBC</b>	<b>TBC</b>
↓	19/07/2018	<b>CMP303</b> 'Improving local circuit charge cost-reflectivity'	Priority based on a need for a decision date by summer 2019. An early Workgroup will be required.		25 September 2018	September 2018 - January 2019	<b>Proposed:</b> January 2019	<b>Proposed:</b> March 2019
↓	23/04/2018	<b>CMP298</b> - Updating the Statement of Works process to facilitate aggregated assessment of relevant and collectively relevant embedded generation	Priority based on assessment against other modifications. A SOW process is also already in place, so there is no immediate need for any urgency.		02 October 2018	September 2018 - January 2019	<b>Proposed:</b> January 2019	<b>Proposed:</b> March 2019
New Modification	20/09/2018	<b>CMP306</b> - Align annual connection charge rate of return at CUSC 14.3.21 to price control cost of capital	Materiality, Clear solution, Link to having a decision by Autumn 2019 to give time for consideration in regards to publication of charging statement.		TBC	[0]	TBC	TBC
↓	15/02/2018	<b>CMP292</b> 'Introducing a Section 8 cut-off date for changes to the Charging Methodologies	Priority based on when a decision will be needed for the tariff setting process		02 October 2018	September 2018 - January 2019	<b>Proposed:</b> January 2019	<b>Proposed:</b> March 2019
→	27/06/2018	<b>CMP300</b> 'Cost reflective Response Energy Payment for Generators with low or negative marginal costs'	Low materiality		25 September 2018	September 2018 - January 2019	<b>Proposed:</b> January 2019	<b>Proposed:</b> March 2019
↓	23/08/2018	<b>CMP302</b> 'Extend the small generator discount until an enduring solution acknowledging the discrepancy between England & Wales and Scotland is implemented'	Ofgem have decided that there is overlap with SCR/TCR and as such have decided to suspend the workgroup		TBC - September 2018	[0]	<b>TBC</b>	TBC