

Minutes

Meeting name	CUSC Modifications Panel
Meeting number	225
Date of meeting	31 August 2018
Location	National Grid House, Warwick

Attendees

Name	Initials	Position
Trisha McAuley	TM	Panel Chair
Joseph Henry	JH	Code Administrator
Shazia Akhtar	SA	Panel Secretary
Nadir Hafeez	NH	Authority Representative
Jon Wisdom	JM	National Grid Panel Alternate
Garth Graham (dial-in)	GG	Users' Panel Member
Robert Longden (dial-in)	RL	Users' Panel Member
Simon Lord (dial-in)	SL	Users' Panel Member
Paul Mott (dial-in)	PM	Users' Panel Member
Laurence Barrett	LB	Users' Panel Member
James Anderson	JA	Users' Panel Member
Cem Suleyman (dial-in)	CS	User's Panel Alternate
Andy Pace	AP	Consumers' Panel Member
Damian Clough	DC	ELEXON
Patrick Cassels	PC	National Grid (Proposer)
Richard Dibley	RD	Falck Renewable Wind Ltd (Proposer)
Charles Williams	CW	Napier Consulting (Observer)

1 Introductions and Apologies for Absence

TM opened the meeting. Apologies were received from Paul Jones, Louise Schmitz and Michael Jenner. Jon Wisdom and Cem Suleyman attended as their alternates.

2 Approval of previous meeting Minutes

7792. TM confirmed that amendments received from JA, GG, PM, LB, TM and LS had been incorporated within the July minutes. The minutes from the CUSC Panel meeting held on 27 July 2018 were therefore approved.

3 Review of Actions

7793. **Minute 7649: TM requested further clarification on consumer impacts be made to CMP301 before this is issued for CAC.**

JH confirmed that further clarification on consumer impacts had been incorporated within CMP301. The Panel agreed for this action to be closed.

7794. Minute 7684: MO to feedback on questions raised during Sandbox presentation and confirm if a modification will be raised.

SA confirmed that the BSC mod had been approved by the authority and MO will be holding an internal meeting to discuss this along with the feedback received from the Panel. MO will then provide an update on the questions raised by Panel and confirm the approach that they will be taking. This action will remain open during the interim period.

JW stated that they wanted to review the comments in Ofgem's decision and fully understand them before deciding on whether to take this forward in the CUSC. JW highlighted that there does seem to be less pressure to take this forward under the CUSC compared to other industry codes.

Action to remain open in the interim period.

7795. Minute 7694: Code Administrator to ensure Relevant Interruption Claims Report is on Agenda for August Panel.

JH confirmed this has been added to the August CUSC Panel agenda and the queries raised by GG will be discussed in further detail later during the meeting. The Panel agreed for this action to be closed.

7796. Minute 7695: TM to liaise with John Twomey (National Grid) regarding the guidance document on prioritisation for stakeholders.

JH confirmed that a guidance document on prioritisation has been produced. It will be circulated to the Panel for five working days to review so that Panel members can provide their input and any possible amendments before it is published.

TM highlighted the importance of this document and the need for urgency in getting it published.

SL stated he was uncomfortable about prioritisation and did not feel it was needed but recognised there were different views on the Panel and they needed to work together as a collective. SL did not believe the existing modifications required a lot of work or analysis, but believed the Code Administrator needed to manage the process more efficiently with the right staff. SL felt that prioritisation should only be used as a last resort.

RL highlighted that the Panel needed to be robust to external challenge and confident that the Code Administration are being as efficient as they can be.

TM highlighted that within their decision letter on urgency for GC0109, Ofgem supported the strategic approach to the Panel's decision-making through prioritisation. TM requested that the Panel come back to these points and discuss them in more detail later during the meeting.

This action can be closed but will be replaced with a New Action: Code Admin to circulate explanatory document on prioritisation to the Panel for 5 working days to review, provide any comments or amendments.

7797. Minute 7731: Code Admin to publish Code Administrator Consultation for CMP293 and CMP294.

JH confirmed that the Code Administrator Consultation for CMP293 and CMP294 was published on the 2 August for 16 working days and closed on the 24 August 2018. The Panel will hold a final recommendation vote on both these modifications later today. The Panel agreed that this action can now be closed.

7798. Minute 7760: Code Admin to email industry requesting workgroup nominations for CMP303.

JH confirmed that an email had been sent out to Industry requesting workgroup nominations for CMP303 by the 7th September 2018. The Panel agreed for this action to be closed.

7799. Minute 7769: Panel to review plan on a page.

JH confirmed this is on today's agenda and will be discussed later during the meeting prior to any discussions on prioritisation. The Panel agreed for this action to be closed.

7800. Minute 7778: Explanatory note to be circulated to industry on the prioritisation stack.

TM stated that this action is dependent on the explanatory note being circulated, agreed and approved by the Panel (**action 7695 above**).

JH confirmed that this was correct and requested that the action remain open during the interim period.

TM asked the Panel for their views on where the document should be published once it is approved. TM suggested the Headline Report, Website and via email with a covering note to explain the context of the document.

The Panel were supportive of using all three approaches and suggested the use of the CUSC email circulation list.

Action to remain open in the interim period.

4 New Modifications

7801. CMP302: 'Extending the Small Generator Discount (SGD) until an enduring solution acknowledging the discrepancy between England & Wales and Scotland is implemented'. This proposal seeks to extend the small generator discount that is currently due to expire on 31 March 2019 until an enduring solution that acknowledges the discrepancy between sub-100MW plant connected in England and Wales at 132kV versus the same connected in Scotland is implemented. It proposes to achieve this by introducing the arrangements for the discount into the CUSC. An enduring solution may come forward through Ofgem's Targeted Charging Review, as it affects forward-looking and residual charges. This modification seeks to maintain the status quo until an enduring solution is established.

7802. RD the Proposer for CMP302 presented slides to the Panel outlining the scope of the defect and the reasons for the modification. RD explained that SGD was established in 2005 through BETTA to help create a level playing field between 100MW generators connected at 132kV in England and Wales (Distribution) and those connected at the same voltage in Scotland (Transmission). SGD arrangements are currently set out in Licence Condition SLC13 of the Electricity Transmission Licence and will expire on the 31 March 2019. This condition currently requires NGET to discount TNUoS charges by 25% for sub 100MW generators in Scotland connected at 132kV.
7803. RD stated that Ofgem need to either extend the expiry date or approve the inclusion of the SGD into charging arrangements under Section 14 of the CUSC through CMP302, pending an enduring solution which may come out of Ofgem's Targeted Charging Review (TCR). RD highlighted that if this does not occur 132kV connected generators in Scotland will face an increase in TNUoS charges until the implementation of any new charging arrangements through the TCR. They will also face regulatory uncertainty and be at a competitive disadvantage in comparison to the 132kV connected generators in England and Wales, who do not pay transmission charges and receive embedded benefits. Scottish Transmission connected generation have already seen investment returns eroded through the introduction of Locational Transmission Losses and other changes, this will just be a further blow for them. RD highlighted that he is representing a number of developers who will be effected by the SGD expiring on the 31 March 2019.
7804. RD explained that Ofgem have consistently stated that the discount is a temporary fix pending an enduring solution and RD believes that his proposal CMP302 is in line with this. They are proposing an extension to the SGD until an enduring solution comes out of the TCR process. RD stated that they currently do not have any visibility of what this enduring solution through the TCR may look like or the timescales involved.
7805. RD requested that the modification go down the standard governance process and be developed by a Workgroup.
7806. JW stated that any change to the CUSC would still need to be approved by Ofgem so why not just ask them to change or extend the licence, rather than putting a burden on the Industry. JW also highlighted that an Authority decision would be needed by the end of November to implement any changes into the charging methodology for the following April. JW re-iterated that he did not feel the CUSC was the right place to do this and stated that the Authority needed to decide if a licence extension is needed whilst work is ongoing under the TCR.
7807. LB re-iterated JW's concerns around timing and stated that any incorporation of a modification within the CUSC would be an enduring solution, which would only be replaced or removed by another modification. LB highlighted that the approval of CMP264 and CMP265 had also removed the vast majority of embedded benefits in relation to TNUoS. LB explained that this only leaves locational charges so did not feel that the defect was as clear cut as the Proposer had indicated.
7808. JA stated that you could state within the CUSC that this will only apply for one charging year.
7809. RD agreed that the changes to embedded benefits did mean the discrepancies have reduced to some extent. However, they will still have to go from paying 75% to 100%, when England and Wales are paying nothing.

7810. CW stated that further analysis is needed taking into account CMP264 and CMP265 and the work that is happening under the TCR/SCR to establish an enduring solution. They are merely proposing an extension of the SGD until that is complete.

7811. CW agreed that the easiest way to do this would be to extend the SGD within the licence but had no idea what Ofgem's thoughts are in relation to this. Ofgem were explicit in 2016 when they extended the SGD for another three years that an enduring solution should be found and it should not be assumed that the discount will be extended again. Therefore, they are proactively raising the issue as a modification to make sure it does get debated, before an enduring solution is found through the TCR.

7812. JW stated that he would like to hear Ofgem's thoughts on these points before the Panel decide how to take this modification forward.

7813. NH stated that he will take this away and feedback to the Panel.

New Action: NH to feedback to the Panel on CMP302 – a) Should this be a licence change or a modification, b) Crossover with work currently being carried out under the TCR.

7814. RD confirmed that he had written to Ofgem in relation to this and they had stated they are considering the SGD through the TCR process, but could not provide a view on this at the moment.

7815. The Panel questioned if they should be considering the modification at all if there is a cross over with the TCR/SCR.

7816. GG stated that the Panel can still consider the modification if Ofgem confirm they can do this.

7817. JW stated that if Ofgem are already considering these issues under the TCR process, is there any need for the modification, as we will end up repeating a lot of the work that Ofgem are already doing. There is also a consumer impact, if the SGD continues it will pass through to Suppliers and consumers. This is not something they are currently expecting and has not been a part of the ESO's forecasting during the last 9 months.

7818. CW stated they had no option but to raise a modification, as they have no indication from Ofgem on what their intentions are or how long this will take. CW also highlighted that when this was previously extended in 2016 Ofgem considered the financial impact on consumers and said it was not significant.

7819. GG stated that we only have 5 months until the next charging year so the modification would have to be expedited through the process. It is then down to Ofgem to confirm if the modification is captured by the TCR/SCR or not. However, if this does follow the modification process it will take the administrative burden of Workgroup discussions, analysis and Industry consultations away from Ofgem.

7792. JW highlighted that the Workgroup would need to consider if this is the right thing to do for the charging methodology and consumers at this point in time.

7793. LB agreed with this and stated that that Workgroup will need to consider CMP264 and CMP265 and what the appropriate level of discount should be.

7794. The Panel agreed that the modification would need to go to a Workgroup.

7795. SL stated that given the timescales involved the Proposer may want to consider changing the route this modification takes from standard governance to Urgency.
7796. TM explained what would happen if the modification were to be treated as urgent and asked the Proposer to clarify if this is now what they are now proposing.
7797. RD confirmed that he would like the modification to be treated as urgent and requested that the Panel consider an accelerated timeline with a Workgroup.
7798. TM asked the Panel to vote on urgency. The majority of the Panel agreed that the modification should be treated as urgent.

CMP302 Panel Vote on Urgency:				
Criteria: 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.				
Panel Member	Overall	a	b	c
Robert Longden	Yes	Yes	No	No
Garth Graham	Yes	Yes	No	No
Jon Wisdom* (alternate for Louise Schmitz)	Yes	Yes	No	No
Cem Suleyman (alternate for Paul Jones)	Yes	Yes	No	No
Simon Lord	Yes	Yes	No	No
James Anderson	Yes	Yes	No	No
Andy Pace	Yes	Yes	No	No
Laurence Barrett	Yes	Yes	No	No
Paul Mott	No	No	No	No

7799. JW requested that a caveat be added to his vote stating that he believes this is a licence issue rather than a modification so should not follow the CUSC governance procedures. However, if it is agreed that this should follow the CUSC governance route he would vote yes.
7800. TM and Code Admin confirmed that they will send a letter to Ofgem making this recommendation. This will include the Panels concerns on licence issues, TCR and stakeholder impacts.
- New Action – TM and Code Admin to send letter of urgency on CMP302 to Ofgem**
7801. The Panel agreed the Terms of Reference (ToR) for the Workgroup.
7802. TM highlighted the crossover between the subject matter of CMP304 which is seeking to change the current ERPS and CMP305 which is looking to remove the ERPS from the CUSC.
7803. TM requested that both Proposers present their modifications before the Panel ask any questions or make any recommendations on process.
7804. **CMP304: ‘Improving the Enhanced Reactive Power service (ERPS) by making it fit for purpose’.** This modification will enable reforms to commercial reactive power services that will create more useful and economic solutions, and new opportunities for providers. This proposal aims to ensure that the reactive power services (i) delivers

transparency and clear information to the market; (ii) facilitates greater competition in the provision of services; and (iii) meets the changing needs of balancing services providers and operational requirements of the system operator.

7805. GG the Proposer for CMP304 presented slides to the Panel outlining the scope of the defect and the reasons for the modification. GG explained that in its current form the ERPS has resulted in no tenders being accepted by the SO since 2009 and no tenders being received from market participants since 2011. GG stated that tenders currently require a minimum 12-month commitment period from market participants. This long-term commitment period exposes providers to risk and has not been reviewed since the 1990's. The requirement for Reactive Power absorption has consistently increased for the last 10 years and ESO forecasts show this will continue to do so. Therefore, a more agile ERPS that takes account of time variances and market practicalities is needed.
7806. GG stated that the CUSC will be updated to reflect a more agile, fit for purpose ERPS by developing a better, shorter-term market for reactive power. This will lead to more providers coming forward which will maximise competition in the provision of reactive power leading to lower costs for end consumers.
7807. GG explained that this could be done by introducing the possibility of multiple period products such as seasonal, six monthly, quarterly, monthly, fortnightly, weekly and daily.
7808. GG stated that given the materiality of the change proposed, the modification should be developed by a Workgroup, before consulting with wider industry and Ofgem making the final decision.
7809. **CMP305: 'Removal of the Enhanced Reactive Power Service (ERPS)'**. The aim of this modification is to remove references to the Enhanced Reactive Power Service (ERPS) from the CUSC. This is an opt-in tendered commercial service for which no tenders have been submitted in seven and a half years, and no contracts have been agreed in nine years. There is an ongoing obligation for NG ESO to issue a request for tenders every six months. Given the administrative burden of running a tender exercise with no participants, the period for which no tenders have been received, and customer feedback, it is proposed that this obligation should be removed from the CUSC.
7810. PC the Proposer for CMP305 presented slides to the Panel outlining the scope of the defect and the reasons for the modification. PC explained that the ESO has been working with industry to deliver reforms to balancing service markets. This has been communicated through the System Needs and Product Strategy (SNAPS) and Product Roadmaps. The ESO's intention to remove ERPS from the CUSC was set out in the Roadmap in May and the modification was presented to CISG in July 2018.
7811. PC stated that ERPS is a tendered service for reactive power, in excess of mandatory requirements. It is currently the only opt-in commercial ancillary service where the CUSC sets out ESO requirements to tender every six months. PC confirmed that the ESO has not contracted for this service since Oct 2009 and have not received any responses to tenders since Jan 2011.
7812. PC stated that feedback received through SNAPS indicates that a more flexible set of arrangements are needed and the current methods for reactive power procurement do not meet stakeholder requirements.
7813. PC stated that they are therefore proposing to remove ERPS from the CUSC, to enable future commercial needs for reactive power to be addressed in a more flexible,

competitive and agile manner. Whilst facilitating opportunities for all providers on a level playing field, including those not party to the CUSC. This will remove the current ongoing administrative burden and allow all efforts to be focused on delivering market reform.

7814. PC recommended that the modification go directly to Code Admin Consultation as it is not envisaged that any alternatives will be raised. A commercially beneficial reactive power service procured consistently with other service markets will continue to be developed through the SNAPS process to better meet the needs of the ESO, market participants and all potential providers.
7815. AP questioned whether any solution that was developed via these processes would come back into the CUSC.
7816. PC confirmed it would not. As this is an opt in service and not mandatory, everything will be procured through commercial means to enable us to achieve flexibility.
7817. SL stated that it is currently a mandatory for the ESO to provide this service in the CUSC, will the Roadmap and any solution borne from this change this mandatory requirement.
7818. PC confirmed that there is a separate action within the Roadmap stating that the mandatory service should be reviewed, but has not stated what the outcome of this should be.
7819. PC stated that there are a number of items that need to be reviewed, the appropriate level of mandatory obligation, appropriate remuneration and the best way of procuring for this.
7820. LB stated the difficulty will lie in finding a balance between how much is mandatory and how much flexibility is needed. LB questioned what the benefits were of having these commercial arrangements in or out of the CUSC.
7821. PC stated that this would allow them to use other parties outside of the CUSC to meet the increasing needs of the market. PC highlighted that there are viable market opportunities out there to do things more competitively with more market liquidity.
7822. GG stated that CMP304 will provide the same solution as CMP305 but will use open governance so that industry can feed into this solution via a Workgroup and industry consultations. GG stated that it is already possible to extend provisions within the CUSC to other parties and stakeholders outside of the CUSC. GG stated that this has already been done before.
7823. GG stated that CMP305 would be removing contractual terms that parties are currently relying on. GG stated that he believes the current definition of ERPS already covers parties outside of the CUSC i.e. "a range of ancillary services comprising of any reactive power capability other than by provision of obligatory power services".
7824. PC stated that there is a difference between our commercial ancillary service agreements for an ERPS and the CUSC defined tendered ERPS.
7825. GG stated that Schedule 3 paragraph 1.2a of the CUSC states EPRS is not limited to the tender service, and does extend to any reactive power provision that is not obligatory. This is also stated on National Grids website and terms and conditions.

7826. GG stated we don't currently know the Terms and conditions that are being offered to other stakeholders. CMP304 will facilitate this and be fully transparent by actively engaging with stakeholders to help create a level playing field and making sure everyone is offered the same terms and conditions.
7827. GG stated that if CMP305 goes straight to Code Admin Consultation, any responses to the consultation suggesting an alternative approach may not be brought forward and would not necessarily be taken forward to the Authority
7828. JA stated there must be guidelines for the procurement of auxiliary services outside of the CUSC and a consultation process. What are the proposals under SNAPS to ensure future transparency and visibility.
7829. PC stated that this is currently under review, but it will be fully transparent and fully consulted on set of rules. They will also be published on the website.
7830. SL stated that he has concerns that the SNAPS is quite a closed process largely controlled by National Grid, whilst the CUSC is more inclusive and therefore may get a better result.
7831. LB stated that he believes an open governance process is good when you have a narrowly defined defect, but not as effective when you have a broad defect that just states we want to improve the market.
7832. JW stated that in CMP275 Ofgem made a clear distinction between mandatory ancillary service provision and other service provision that sits outside of this. JW did not feel that CMP304 should stop CMP305 from proceeding to Code Admin Consultation and stated that an early Ofgem decision will provide a good steer on this.
7833. GG re-iterated that they are looking to do all the changes that the ESO will do under SNAPS and a lot more through a transparent open governance process where all stakeholders can put forward their views and then embed them in the CUSC.
7834. TM requested that the Panel decide what route the modifications should follow and if both modifications should go to a Workgroup together or if CMP305 should go straight to Code Admin Consultation.
7835. The majority of the Panel agreed that CMP305 should go straight to Code Admin Consultation whilst CMP304 should be developed independently by a Workgroup.
7836. The Panel agreed the ToR for CMP304.

4 Authority Decisions

7837. NH confirmed that the Authority rejected CMP275 on the 15 August 2018 and CMP251 on the 17 August 2018, but CMP299 was approved on the 16 August 2018.
7838. NH confirmed that they will also be looking to make a decision on CMP250 by the end of September.
7839. NH stated that leaves CMP296 and CMP297 which both relate to project TERRE. They will aim to make a decision on them both as soon as possible.

7840. **CMP275 ‘Transmission generator benefits in the provision of ancillary and balancing services – levelling the playing field’.** CMP275 seeks that a principle of financial mutual exclusivity is introduced to prevent BM units from accessing multiple sources of duplicate and overlapping revenue from ancillary services on the same asset.

7841. JH advised the Panel that CMP275 was rejected by Ofgem on the 15 August 2018.

7842. **CMP280 ‘Creation of a New Generator TNUoS Demand Tariff which Removes Liability for TNUoS Demand Residual Charges from Generation and Storage Users’.** CMP280 aims to remove liability from Generator and Storage Parties for the Demand Residual element of the TNUoS tariff.

And

7843. **CMP281 ‘Removal of BSUoS Charges from Energy Taken From the National Grid System by Storage Facilities’.** CMP281 aims to remove liability from storage facilities for Balancing Services Use of System (BSUoS) charges on imports.

7844. JH advised the Panel that the last Workgroup was held on the 30 August and the next Workgroup is being planned for either the 13 or 14 September via WebEx, to finalise the Workgroup Report for CMP281. The Workgroup Consultation for CMP281 will be issued out to Industry shortly after this date for 15 working days.

7845. **CMP285 ‘CUSC Governance Reform – Levelling the Playing Field’.** CMP285 seeks to reform CUSC governance to enhance the independence and diversity of Panel members and ensure wider engagement from CUSC signatories.

7846. JH confirmed that the Workgroup consultation for CMP285 was issued on the 10 August for 20 working days and closes on the 10 September 2018. A Workgroup is being planned for late September to discuss the consultation responses.

7847. TM asked for clarification on the timeline and if we will have an Authority decision in time for the next election.

7848. SA confirmed that there have been some talks about possible alternatives being raised and that the Workgroup are aware of the tight timescales involved. Code Admin will be able to provide a clearer view on any potential delays once the Workgroup Consultation closes.

7849. **CMP286 ‘Improving TNUoS Predictability through Increased Notice of the Target Revenue used in the TNUoS Tariff Setting Process’.** The purpose of this modification proposal is to improve the predictability of TNUoS demand charges by bringing forward the date at which the target revenue used in TNUoS tariff setting is fixed to allow customer prices to more accurately reflect final TNUoS rates.

And

7850. **CMP287 ‘Improving TNUoS Predictability through Increased Notice of Inputs Used in the TNUoS Tariff Setting Process’.** The purpose of this modification proposal is to improve the predictability of TNUoS demand charges by bringing forward the date

at which certain parameters used in TNUoS tariff setting (such as demand forecasts) are fixed to allow customer prices to more accurately reflect final TNUoS rates.

7851. JH confirmed that the last Workgroup meeting was held on the 17 August via WebEx and that the next Workgroup meeting is planned for the 17 September. It is hoped that the Workgroup consultation will be issued out to Industry shortly after this date.
7852. **CMP288 'Explicit Charging Arrangements for Customer Delays'**. The purpose of this modification is to introduce explicit charging arrangements to recover additional costs incurred by Transmission Owners and TNUoS liable parties as a result of transmission works undertaken early due to a User initiated delay to the Completion Date of the works, or to facilitate a backfeed.

AND

7853. **CMP289 'Consequential change to support the introduction of explicit charging arrangements for customer delays and backfeeds via CMP288'**. The purpose of this modification is to introduce changes to non-charging sections of the CUSC to support the introduction of explicit charging arrangements to recover additional costs incurred by Transmission Owners and TNUoS liable parties as a result of transmission works undertaken early due to a User initiated delay to the Completion Date of the works, or to facilitate a backfeed. The changes to the charging element of the CUSC are covered under CMP288.
7854. JH advised the Panel that the fourth Workgroup for CMP288 and CMP289 had been held on the 6 August 2018. The fifth Workgroup is scheduled for 18 September 2018.
7855. LB requested clarification on how many more Workgroup meetings would be required to get the modification to Workgroup Consultation.
7856. JH stated that he is hoping the Workgroup Consultation will issued after the sixth Workgroup.
7857. **CMP 291 '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 set out within the Bilateral Agreements'**. The purpose of this modification is to set out within the CUSC the obligations in the EU Connection Network Codes and System Operation Guideline as they relate to the harmonised rules for connection and system operation in GB.

AND

7858. **CMP295 - Contractual Arrangements for Virtual Lead Parties (Project TERRE)**. Under BSC P344 and GC0097, and future market arrangements, an aggregator will combine the export capabilities of SVA-registered embedded generation to participate in the BM. In order to facilitate Grid Code compliance, and to ensure appropriate rights/obligations for Virtual Lead Parties (as to be defined in BSC P344), accession to the CUSC is necessary and entry into specific CUSC contracts is required.
7859. JH stated that no Workgroups has been held since 12 July as a result of the Grid Code Panel recommendation for these modifications to be progressed with GC0117. Code Admin have been in discussion with the proposer of GC0117 GG to arrange Workgroups over two consecutive days. The First Workgroup day will be devoted to GC0117 whilst the second day will be divided between CMP291 and CMP295.

7860. JW stated that CMP295 had been slowed down considerably because it has been put together with CMP291 and GC0117. JW highlighted that CMP295 is needed for Project TERRE to go live and requested that it be separated from CMP291 and GC0117 and progressed by itself.
7861. LB agreed with JW comments and did not feel the link between these modifications was close enough to keep them all together.
7862. GG stated that he would be happy for GC0117 to be progressed separately and for CMP291 and CMP295 to continue to be progressed together.
7863. JW stated that there are clear distinct links between CMP291 and GC0117 and they both discuss similar areas of subject matter. CMP295 was combined with CMP291 because it was thought the Workgroup members would be the same as CMP291 and not because of the subject matter. JW highlighted that this was done for efficiency, but did not feel that efficiency was there anymore and CMP291 and CMP295 should now be progressed separately.
7864. GG disagreed and stated that the linkage in subject matter between CMP291 and CMP295 is closer than GC0117. It just so happens that the Workgroup members for CMP291 and CMP295 are also highly likely to be interested in GC0117.
7865. TM requested that these discussions be continued during the talks around prioritisation.
7866. **CMP 292 'Introducing a Section 8 cut-off date for changes to the Charging Methodologies'**. The purpose of this modification is to ensure that the charging methodologies (all Charging Methodologies as defined in the CUSC) are fixed in advance of the relevant Charging Year to allow The Company – as Electricity System Operator - to appropriately set and forecast charges. Introducing a cut-off date for changes to the methodologies will help to reduce the risk of charges out-turning differently to the forecasts produced by the Company and created by users.
7867. JH confirmed that the first Workgroup meeting is scheduled for 2 October 2018 via WebEx.
7868. JW stated that as Proposer of this modification he believes that it can be dealt with relatively quickly. He intends to draft the Workgroup Report during the first Workgroup meeting and send it out to Workgroup Consultation shortly thereafter. JW did not believe a lot of Workgroup discussions would be needed especially around alternatives.
7869. LB highlighted that most of the discussion would be around timing.
7870. JW agreed and stated that Consultation Responses would be needed before they could have any meaningful debate around this issue.
7871. **CMP293: National Grid Legal Separation changes to CUSC sections, Exhibits & Schedules (non-charging)**. This proposal seeks to modify the CUSC to reflect the creation of a new National Grid Electricity System Operator (NGESO) that is legally separated from National Grid Electricity Transmission Limited (NGET). The specific CUSC references have been updated in order to ensure the System Operator and Transmission Owner obligations are clear.

AND

7872. **CMP294: National Grid Legal Separation Changes to CUSC Section 14.** This proposal seeks to modify the CUSC to reflect the creation of a new National Grid Electricity System Operator (NGESO) that is legally separated from National Grid Electricity Transmission Limited (NGET). The specific CUSC references have been updated in order to ensure the System Operator and Transmission Owner obligations are clear.
7873. NH stated that the Authority had requested that all the Legal Separation modifications are co-ordinated as much as possible across the codes.
7874. JW highlighted that the BSC modification was sent to the Authority in August, CMP293 and CMP294 will be sent in early September and the DCUSA modifications will follow shortly after that. The Authority should have them all within September/October 2018.
7875. JH confirmed that the STC modifications were voted on in the August Panel and will be sent to the Authority in September 2018.
7876. NH highlighted that the Authority may wait for all these modifications to come through, before making a decision on them all together.
7877. JH advised the Panel that CMP293 and CMP294 was raised by National Grid and was submitted to the CUSC Modifications Panel for their consideration on 27 April 2018. JH provided the Panel with a background and summary of what CMP293 and CMP294 aims to deliver. JH stated the Panel agreed to the Proposers recommendation to hold an industry webinar to seek feedback on the legal text. The Panel requested that the modifications return to Panel for agreement to any changes, prior to the modifications being issued out for Code Administrator consultation.
7878. JH advised the Panel that one response was received to the Code Administration Consultation which was issued on the 2 August 2018. The respondent agreed that the proposal better facilitated the applicable CUSC objectives.
7879. SA presented a slide highlighting some typographical amendments to the legal text that the Proposer had identified post Consultation. The amendments included updating the baseline to include the implementation of CMP299, the way NGESO is contactable, references to The Company or The Company Website, adding in the word Limited and amending certain dates. The Panel reviewed the amendments and agreed they were required. The Panel instructed Code Admin to make these changes to the legal text.
7880. The Panel held a recommendation vote on CMP293 and CMP294 against the applicable CUSC Objectives. JH asked Panel members who had already submitted completed voting templates to confirm their vote were still the same; which those members did. JH then asked the remaining Panel members to confirm their vote along with the rationale for their decision. The Panel unanimously agreed that the Proposals better facilitated the CUSC Objectives and recommended that both modifications should be implemented.
7881. JH highlighted that Code Admin will circulate an email to the Panel giving them five working days to confirm that their votes have been correctly recorded. Code Admin will then issue the Final Modification Report to the Authority on 12 September 2018.

CMP293 Vote 1: *Does the original facilitate the objectives better than the Baseline?*

Panel Member	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)
Cem Suleyman (Alternate for Paul Jones)					
Original	Yes	Neutral	Neutral	Neutral	Yes
Voting Statement: The Original proposal will promote the efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence. This is achieved by attributing the appropriate obligations to NGENSO as System Operator and the Transmission owners in accordance with the new NGENSO Transmission Licence and modified NGET Transmission Licence obligations.					
Andy Pace					
Original	Yes	Neutral	Neutral	Neutral	Yes
Voting Statement: This modification better meets charging objective A by implementing the separation of the ESO.					
Laurence Barrett					
Original	Yes	Neutral	Neutral	Neutral	Yes
Voting Statement: CMP293 better facilitates the applicable CUSC Objectives compared to the baseline. The separation of the ESO function from the transmission owner function of NG requires these changes to occur to the CUSC in order to discharge the obligations imposed upon the Licensee by the Act and Transmission Licence.					
Garth Graham					
Original	Yes	Neutral	Neutral	Neutral	Yes
Voting Statement: The Original proposal will promote the efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence. This is achieved by attributing the appropriate obligations to NGENSO as System Operator and the Transmission owners in accordance with the new NGENSO Transmission Licence and modified NGET Transmission Licence obligations.					
Jon Wisdom (Alternate for Louise Schmitz)					
Original	Yes	Neutral	Neutral	Neutral	Yes
Voting Statement: CMP293 will better facilitate relevant objective (a), by attributing the appropriate obligations to National Grid Electricity System Operator Limited (NGESO) as System Operator and the Transmission owners in accordance with the new NGENSO Transmission Licence and modified National Grid Electricity Transmission plc (NGET) Transmission Licence obligations. NGET and NGENSO will become separately licensed entities as a consequence of NGET partially transferring its existing licence to NGENSO (the System Operator elements only) to NGENSO under section 7A Electricity Act 1989 and NGET will retain the Transmission Owner elements. For the other CUSC objectives I would view them as neutral for this Modification. Overall I would view the 'Original' as better meeting the CUSC objectives than the current CUSC baseline text.					
Simon Lord					
Original	Yes	Neutral	Neutral	Neutral	Yes
Voting Statement:					

The Original proposal will promote the efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence. This is achieved by attributing the appropriate obligations to NGENSO as System Operator and the Transmission owners in accordance with the new NGENSO Transmission Licence and modified NGET Transmission Licence obligations.

James Anderson

Original	Yes	Neutral	Neutral	Neutral	Yes
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Voting Statement:

The Original Proposal incorporates the changes necessary to reflect the legal separation within National Grid of the System Operator and the Transmission Owner through separation of the respective Transmission Licences. It therefore better facilitates Applicable Objective (A) - efficient discharge by the licensee of the obligations imposed on it by the Act and its Transmission Licence. The Proposal is neutral against the other Objectives and overall better meets those Objectives than the current baseline.

Robert Longden

Original	Yes	Yes	Neutral	Neutral	Yes
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Voting Statement:

Better facilitates (a) as is required for compliance with relevant licence changes. Better facilitates (b) as it will lead to greater transparency and more information for market participants, therefore promoting competition. Neutral for (c). It is a change to the CUSC arrangements, not a process enhancement and therefore neutral on (d)

Paul Mott

Original	Yes	Neutral	Neutral	Neutral	Yes
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Voting Statement:

This modification if passed, would promote efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence - CAO (a). This would happen if it were passed, through its assignation of the correct system operator obligations to NG (ESO) and to the Transmission Owners. Thus it gives effect to the new SO and Transmission Owner's Licence obligations to do with the split.

Vote 2 – Which option is the best?

Panel Member	BEST Option?
Cem Suleyman (Alternate for Paul Jones)	Original
Andy Pace	Original
Laurence Barrett	Original
Garth Graham	Original
Jon Wisdom (Alternate for Louise Schmitz)	Original
Simon Lord	Original
James Anderson	Original
Robert Longden	Original
Paul Mott	Original

Breakdown of voting:

Option	Overall Support of the option achieving the CUSC Objectives than the baseline
Original	9 yes

CMP294 Vote 1: Does the original facilitate the objectives better than the Baseline?

Panel Member	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)
Cem Suleyman (Alternate for Paul Jones)						
Original	Neutral	Neutral	Yes	Neutral	Neutral	Yes
Voting Statement: The Original proposal will properly take account of the developments in transmission licensees' transmission businesses by facilitating the legal separation of NG transmission owner and the system operator.						
Andy Pace						
Original	Neutral	Neutral	Yes	Neutral	Neutral	Yes
Voting Statement: This modification better meets charging objective C by implementing the separation of the ESO.						
Laurence Barrett						
Original	Neutral	Neutral	Yes	Neutral	Neutral	Yes
Voting Statement: CMP294 better facilitates the applicable CUSC Charging objectives compared to the baseline. The separation of the ESO function from the transmission owner function of NG requires these changes to occur to the CUSC in order to reflect the developments in transmission licensees' transmission businesses.						
Garth Graham						
Original	Neutral	Neutral	Yes	Neutral	Neutral	Yes
Voting Statement: The Original proposal will properly take account of the developments in transmission licensees' transmission businesses by facilitating the legal separation of NG transmission owner and the system operator.						
Jon Wisdom (Alternate for Louise Schmitz)						
Original	Neutral	Neutral	Yes	Neutral	Neutral	Yes
Voting Statement: CMP294 will better facilitate relevant objective (c), by attributing the appropriate obligations to National Grid Electricity System Operator Limited (NGESO) as System Operator and the Transmission owners in accordance with the new NGESO Transmission Licence and modified National Grid Electricity Transmission plc (NGET) Transmission Licence obligations. NGET and NGESO will become separately licensed entities as a consequence of NGET partially transferring its existing licence to NGESO (the System Operator elements only) to NGESO under section 7A Electricity Act 1989 and NGET will retain the Transmission Owner elements. For the other CUSC objectives I would view them as neutral for this Modification. Overall I would view the 'Original' as better meeting the CUSC objectives than the current CUSC baseline text.						
Simon Lord						
Original	Neutral	Neutral	Yes	Neutral	Neutral	Yes
Voting Statement: The Original proposal will properly take account of the developments in transmission licensees' transmission businesses by facilitating the legal separation of NG transmission owner and the system operator.						
James Anderson						

Original	Neutral	Neutral	Yes	Neutral	Neutral	Yes
Voting Statement: The Original Proposal incorporates the necessary changes to the charging methodology to reflect the legal separation within National Grid of the System Operator and the Transmission Owner. It therefore better facilitates Applicable Charging Objective (C) - developments in the transmission licensee's transmission business. The Proposal is neutral against the other Charging Objectives and overall better meets those Objectives than the current baseline.						
Robert Longden						
Original	Yes	Neutral	Yes	Neutral	Yes	Yes
Voting Statement: Better facilitates (a) as the CUSC needs to reflect the changed structure of NGET and any consequent charging changes. Better facilitates (c) and (e) as there have been changes in the transmission licensee's business which need to be reflected in the CUSC.						
Paul Mott						
Original	Neutral	Neutral	Yes	Neutral	Neutral	Yes
Voting Statement: This mod if passed would better facilitate ACO (c) because the business separation of the ESO and the TO part of NGG, is a development in the TO's transmission businesses that the mod would cause the CUSC to better reflect (if it were to be passed).						

Vote 2 – Which option is the best?

Panel Member	BEST Option?
Cem Suleyman (Alternate for Paul Jones)	Original
Andy Pace	Original
Laurence Barrett	Original
Garth Graham	Original
Jon Wisdom (Alternate for Louise Schmitz)	Original
Simon Lord	Original
James Anderson	Original
Robert Longden	Original
Paul Mott	Original

Breakdown of voting:

Option	Overall Support of the option achieving the CUSC Objectives than the baseline
Original	9 yes

7882. **CMP296 - Aligning the CUSC to the BSC post-P344 (Project TERRE) to exempt Virtual Lead Parties from BSUoS.** BSC Modification P344 introduces a new class of BMU, and a new class of BMU registrant to the BSC (“Virtual Lead Parties”); it is necessary to amend the CUSC to extend the BSUoS exemption to these Virtual Lead Parties;
AND

7883. **CMP297: Aligning CUSC and BSC post-TERRE (Section 11) – consequential modification to introduce definition of Virtual Lead Party.** CMP297 aims to alter Section 14 of the CUSC such that the extant BSUoS exemption which applies to Interconnector BMUs can be extended to cover Virtual Lead Parties. This consequential CMP seeks to amend Section 11 to introduce a definition of ‘Virtual Lead Party’.
7884. JH advised the Panel that both CMP296 and CMP297 were sent to the Authority on 12 July 2018 and are awaiting an Authority decision. JH stated that the Authority had raised some questions in relation to the legal text, but these have now been resolved.
7885. **CMP298: Updating the Statement of Works process to facilitate aggregated assessment of relevant and collectively relevant embedded generation.** This modification is needed due to increasing levels of embedded generation connections the process for assessing their overall impact on the transmission system needs to be revised allowing the System Operator to recognise the changes caused by multiple small scale connections and plan accordingly.
7886. JH advised the Panel that Workgroup members have been sourced and the first Workgroup will be held on the 2 October 2018.
7887. **CMP299: Consequential changes to the CUSC to facilitate the 2018-2021 ESO Incentive Scheme.** The aim of this modification is to update the CUSC (Section 14.30 onwards), in line with the new Electricity System Operator (ESO) Incentive Scheme which is detailed within National Grid’s Licence. Changes have been approved and when implemented, they will be effective from on the 1 April 2018.
7888. JH advised the Panel that CMP299 was sent to the Authority for a decision on 12 July 2018. The Authority approved the modification on the 16 August and this has now been implemented into the CUSC.
7889. **CMP300: Cost Reflective Response Energy Payment (REP) for Generators with low or negative marginal costs.** This proposal seeks to ensure that the Response Energy Payment paid to or by generators with respect to a BM Unit with low or negative marginal costs is reflective of the cost or avoided cost of energy production.
7890. JH advised the Panel that Workgroup members have been sourced and the first Workgroup will be held via WebEx on 25 September 2018.
7891. **CMP301: Clarification on the treatment of project costs associated with HVDC and subsea circuits.** CMP213 introduced specific expansion factors for HVDC and subsea circuits however the existing legal text is open to interpretation – this proposal would cement the interpretation made by The Company to ensure consistency with onshore circuits.
7892. JH advised the Panel that CMP301 was sent to the Authority on 8 August 2018 and is awaiting an Authority decision.
7893. **CMP303: ‘Improving local circuit charge cost-reflectivity’.** This modification seeks to make part of the TNUoS charge more cost-reflective through removal of additional costs from local circuit expansion factors that are incurred beyond the connected, or to-be-connected, generation developers’ need.
7894. JH advised the Panel that Workgroup members have been sourced and the first Workgroup will be held via WebEx on 25 September 2018.

7895. PM stated that he had expected that the first Workgroup to be held a lot sooner and thought the Panel had recommended this to establish how many further Workgroups would be needed.
7896. JH confirmed that all workgroups are being scheduled in line with the prioritisation stack. Even though this may offer little comfort, this is one of the first new modifications that has been scheduled and planned in.
7897. RL stated that in line with PM he did also expect this to be scheduled in sooner, but was not privy to internal workloads for Code Admin.
7898. JH confirmed that the number of Workgroups that are being held had increased. The Code Administrator are trying to schedule in and facilitate as many Workgroups as possible. JH highlighted that it has been difficult to get Workgroup meetings to be quorum during the holiday period in August, which has meant certain Workgroups have had to be delayed.

New Action - TM requested that Code Administrator review how quickly first workgroups are scheduled in and if a shorter kick off meeting can be planned in to get the ball rolling.

7899. LB stated that it will probably be too difficult with Workgroup member's availabilities to bring this meeting forward. Once the first the Workgroup has taken place regular meetings should take pace thereafter.

6 Discussion on Prioritisation Stack

Review of CUSC Modifications 'Plan on a Page'

7900. JH talked through the 'Plan on a Page', the different stages that the modifications were currently in and how long it might take to reach the next stage gate.
7901. LB suggested that it might be useful to add the Workgroup meeting dates onto the 'Plan on a Page' so readers can see how many Workgroups are planned in for the forthcoming months. This will provide a view on Workgroup development that is currently not visible.
7902. JH confirmed that this he is planning to add an additional column down the right-hand side of the document with the dates of forthcoming meetings. JH requested the Panels views on this.
7903. JW suggested that there may be some benefit in also adding the dates of previous meetings that had been held.
7904. LB stated this will also help explain the prioritisation work that is going on and provide more transparency on the Workgroups that are currently taking place.
7905. The Panel agreed with this suggestion and JH confirmed these amendments will be incorporated into the document ahead of Septembers Panel meeting.

New Action – Code Admin to add WG Meeting dates to 'Plan on a Page'

Discussion on Prioritisation Stack

7906. TM asked the Panel to remind themselves of the criteria and rationale for making the decisions on prioritisation. TM requested that Panel members also ask themselves if anything had changed in relation to any of the modifications that had previously been discussed.
7907. JH highlighted that even though the first Workgroup for CMP300 is planned for September it had been missed of the prioritisation stack, so the Panel will need to decide where it will sit amongst the other modifications.
7908. TM asked the Panel to review the current modifications on the stack, before they decide whether to split CMP291 and CMP295 and then move onto adding CMP300, CMP302 and CMP304.
7909. LB stated that even though CMP291 and CMP295 touch on the same area of the CUSC they are improving two different defects. CMP295 is to specifically allow virtual lead parties, which is linked to the implementation of Project TERRE. Whilst CMP291 has a different defect but addresses the same area of the CUSC i.e. contractual arrangements. LB stated these modifications should therefore be separated and progressed by themselves.
7910. JW agreed with this and stated that CMP295 is under a great deal of time pressure. CMP291 and GC0117 are larger pieces of work and could be progressed together whilst CMP295 should be allowed to progress on its own.
7911. JA stated that given that the modifications for Project TERRE need implementing he would agree that CMP295 should continue on its own.
7912. GG stated that he did not believe there was a linkage between GC0117 and CMP291 but was happy to facilitate that, as that is what came out of the Grid Code Panel. GG highlighted that CMP291 was raised in February 2018 but was delayed because it was put with CMP295, and then GC0117. It is now being delayed again so that CMP295 can progressed. GG stated that he had concerns that there seemed to be a pattern of this happening.
7913. LB explained that his suggestion was not to delay CMP291 but for both modifications to be developed along their own timescales.
7914. JW agreed that both modifications should be prioritised on their own merit, but we need to make sure we are aligned with the other codes for Project TERRE to go live.
7915. GG stated that it is also the intention of CMP291, to comply with EU Law as per CMP295.
7916. TM asked the other Panel members for their views on dis-alignment.
7917. AP agreed that they should be dis-aligned and developed on their own timescales.
7918. TM summed up the Panel discussion and stated that the majority of the Panel agree that modifications CMP291 and CMP295 should be dis-aligned, but CMP291 will continue to be progressed with GC0117.
7919. The Panel reviewed the existing prioritisation stack and did not feel any amendments were currently needed.

7920. TM asked the Panel to consider where CMP300 should sit amongst the existing stack.
7921. JH highlighted that minutes from the initial discussions on CMP300 indicated that the modification was of low priority.
7922. LB stated it should go somewhere below CMP285 and CMP303 as they both require Authority decisions by certain dates.
7923. JW stated that CMP292 and CMP298 have both been waiting for a Workgroup for a long time so CMP300 should sit underneath them both right at the bottom.
7924. JH explained that the first Workgroups for the bottom three modifications CMP292, CMP298 and CMP303 had already been planned in for late September early October along with CMP300.
7925. DC suggested that the Workgroup meetings could be scheduled in and if Industry cannot attend certain meetings those modifications should get de-prioritised. That way Industry is setting its own prioritisation order.
7926. TM explained that prioritisation should mean they make more strategic decisions and it is not just the first modification that comes along.
7927. The Panel agreed for CMP300 to sit at the bottom of the stack because of the low materiality of the modification.
7928. TM requested that the Panel consider where CMP302 should sit within the stack, bearing in mind that a request for urgency will be sent to the Authority so it may need to sit near the top of the stack.
7929. The Panel agreed that CMP302 should sit at the top of the stack because of the timescales involved and imminent commercial impact on parties.
7930. TM asked the Panel to consider where CMP304 should sit within the stack.
7931. AP stated this will probably be low priority on the stack given that we will be awaiting an Authority decision on CM305 first.
7932. LB stated that the ERPS may not be being used because of this defect, if this defect is fixed more parties may use it. LB explained that there is clearly going to be a lot of complex work involved within this modification and CMP305 should not make impact where it sits within the prioritisation stack.
7933. CS stated that this issue is currently costing the market £150 million pounds a year and it is more important than any of the storage or CUSC governance modifications.
7934. LB agreed that this needed to be higher up the stack because of the high degree of materiality involved.
7935. GG stated he agreed with CS.
7936. JW stating the £150 million is being looked at through the procurement guidelines and SNAPS consultation, so the modification should not be that high of a priority.

7937. GG stated that in the context of CMP304 and CMP305, he believes getting a solution to the issues within the Reactive Power Market is very important and needs to happen as soon as possible.
7938. LB suggested it go after CMP286 and CMP287 based on the high degree of materiality involved.
7939. AP disagreed and felt it should sit lower within the stack as any work that comes out of the SNAPS consultation will feed into the Workgroup along with the Ofgem decision on CMP305.
7940. LB disagreed and felt that the Workgroup could continue on ahead of the SNAPS Consultation and do all the work itself, but agreed to move the modification slightly further down the prioritisation stack.
7941. JW stated he did not feel conformable with it sitting above CMP295.
7942. The Panel agreed for CMP304 to go above CMP285.
7943. CS stated that he did not understand some of the ordering of the prioritisation stack and would feedback his thoughts on this and what it should be, so that the Panel can take account of it in future discussions. The Chair welcomed all dialogue on these important issues in between meetings.

New Action – CS to feedback his thoughts on current Prioritisation Stack

7944. The Panel welcomed any views from CS, but stated that the ordering of the prioritisation stack needed to be a collective decision for the Panel to take.
7945. LB stated that it may be worth categorising the modifications as Workgroups taking place twice a month, once a month and once every two months.
7946. TM stated that if we move to conversations around frequency we may move away from the governance requirements around prioritisation.
7947. JH stated there is a risk this could be used as a yardstick to measure Code Administrator when they do not have the resource to facilitate all the workgroups. JH did not feel this was appropriate.
7948. LB explained that Code Admin would not necessarily have to facilitate all the workgroups, the frequency would just be used as a guide.
7949. TM requested that Code Admin take the feedback away to consider.

New Action – Code Admin to consider categorising mods based on frequency of Workgroups i.e. once/twice a month or every two months.

Discussions on Prioritisation – Stakeholder Engagement and Future Areas of Improvement

7950. TM explained that she has received a lot of feedback on Prioritisation via Panel meetings and external stakeholder engagement. TM stated a lot of this is in relation to transparency, operational issues, processes and streamlining work to make Code Administrator more effective. For example, setting up a trigger for modifications to come back to the Panel if there are delays and they are taking too long.

7951. TM confirmed that she has discussed some of these issues with John Twomey (JT) earlier today, but would be arranging a half a day workshop with John Twomey and Teresa Thompson (TT) to discuss them in more detail. TM stated that she wanted to make sure all feedback is incorporated within the Code Administrators improvement plans.
7952. TM stated that she would also be meeting with Cathy McClay the new head of Future Markets.
7953. TM explained that there are currently three things going on within the Code Administrator Team. The Customer Journey which is looking to improve stakeholder engagement and streamline/improve processes. An Improvement plan and understanding what the Governance Framework/function may look like in RIIO 2. TM explained that JT will be coming to the next Panel meeting in September to discuss these issues and to answer any other issues around prioritisation.
7954. TM stated that she and RL had been to a meeting with Mark Draper (MD) and Nick Sillitoe from Peak Gen Power who were representing the Flexible Generation Group. It was a very positive meeting and they discussed the overall modification process in quite a lot of detail and how small parties and non CUSC parties had frustrations about not being able to access the process. TM stated that there were also some wider messages in the slides for Ofgem around Market Participation and Governance.
7955. TM explained that MD made several suggestions within his presentation slides on how improvements could be made, adding that it would be good if Code Admin could explore how smaller parties can get more involved in the process and help them understand how it works, as part of the Customer Journey work
7956. TM and Code Admin will be issuing a formal response to MD's slides along with details of what improvements will be including within the Customer Journey, to address the issues they have raised.

New Action – TM to issue a formal response to MD on the issues raised at their meeting along with details of Code Admins improvement plans/Customer Journey.

7957. TM confirmed that she will be meeting the Independent Generation Group on the 20 September with RL, further feedback on this will be provided at the September Panel.

7. Update on Industry Codes/General Industry Updates relevant to the CUSC

Governance Standing Group (GSG)

7958. GG confirmed that GSG has not met since the last Panel.

Transmission Charging Methodologies Forum (TCMF) and CUSC Issues Steering Group (CISG).

7959. JW stated that the last TCMF was held in London and had limited attendance. JW highlighted that they have tested holding the meetings in London on a number of occasions now, but the attendance is no different to the meetings held in Warwick. JW confirmed that all future meetings will therefore be held at Warwick.

7960. GG stated that any Industry meeting held on the 8 August regardless of its locations would get a low attendance. GG suggested a half-way house where the Strand offices are made available for the meeting with a video link to Warwick.

7961. JW thanked GG for this feedback and agreed to take this away to consider.

New Action – JW to feedback on GG suggestion for a half-way house and the use of a video link for future TCMF meetings.

7962. JW stated that an update was provided on loss of mains protection by Graham Stein. Graham is looking at how to ensure smaller generator frequency settings are appropriately adjusted, so that there is no significant drop in embedded generation or increased demand. Parties have been encouraged to respond to the consultation as there is a cost associated with this and the consultation discusses where these costs may fall. For example, as this is balancing service should the costs should be recovered through BSUoS, or should it be recovered elsewhere.

7963. JW highlighted that Paul Wakeley provided an update on some of the responses that were received to the five-year view of TNUoS. They have taken on board the requests that they can do, but unfortunately some of the greater modelling work that was requested will not be possible because of the number of permutations it could provide.

7964. JW confirmed that they have starting to build a list of things that need to be changed for RIIO 2 and will be presenting this to TCMF, CISG and CUSC Panel at some point in the future.

7965. JW provided a brief overview of Ofgem's Access and Forward Looking Charges Consultation and highlighted that the deadline for any responses was the 18 September 2018.

7966. JW stated that GG discussed CMP304 and a number of other modifications which he is looking to raise in relation to charging Interconnectors in the event of a no deal Brexit and Interconnector interruption payments.

Relevant Interruption Claims Report

7967. SA confirmed that an internal meeting had been arranged to go through GG concerns. This will remain as a standing item on the agenda until feedback has been provided on these issues.

New Action – Code Admin to feedback to issues raised by GG on the Interruption Claims Report via email/at the next Panel

9. European Code Development

7968. NH confirmed that there were no European Code Developments

7969. GG confirmed there had been no JESG meeting since the last CUSC Panel, the next meeting is scheduled for 11 September 2018.

11. Update on Industry Codes

7970. DC thanked the Industry for all its hard work on the BSC mod 344 and stated they had achieved a good outcome.

12. A.O.B

7971. JH asked the Panel if they were happy for the CUSC Panel meetings to continue to be held on the last Friday of the month in 2019. JH requested that the Panel members check their diaries and feedback any issues before Septembers Panel. JH confirmed that they would be happy to move one or two meetings out by a couple of days if needed.
7972. JA stated that they needed to be mindful of any bank holidays and the Christmas period, when setting the meeting dates for 2019.

New Action – Panel to feedback any issues on holding Panel meetings on the last Friday of the month in 2019.

13. Next meeting

7973. It was confirmed the next Panel meeting will be held on **28 September 2018** at National Grid House, Warwick.