

Meeting Minutes

CUSC Modifications Panel

Meeting Number 226

Date: 28/09/2018	Location: National Grid House, Warwick
Start: 10:00	End: 15:00

Participants

Attendee	Attend/Regrets	Attendee	Attend/Regrets
Trisha McAuley, Chair (TM)	Attend	Garth Graham, User Panel Member (GG)	Dial-In
Joseph Henry, Code Administrator Representative (JH)	Attend	Robert Longden, User Panel Member (RL)	Dial-In
Shazia Akhtar, Panel Secretary (SA)	Attend	James Anderson, User Panel Member (JA)	Dial-In
Louise Schmitz, National Grid Panel Member (LS)	Attend	Paul Jones, User Panel Member (PJ)	Dial-In
Simon Lord, User Panel Member & Proposer CMP307 (SL)	Attend	Michael Jenner, User Panel Alternate (MJ)	Dial-In
Paul Mott, User Panel Member (PM)	Attend	Damian Clough, ELEXON	Attend
Laurence Barrett, User Panel Member (LB)	Attend	Lee Wells, Northern Powergrid Proposer CMP306 (LW)	Dial-In
Andy Pace, Consumers' Panel Member (AP)	Attend	Teresa Thompson, NGESO Code Administrator, Presenter – The Customer Journey (TT)	Attend
Nadir Hafeez, Authority Representative (NH)	Attend	Chrissie Brown, NGESO Code Administrator, Presenter – The Customer Journey (CB)	Attend

Discussions

1. Introductions and Apologies for Absence

7974 TM opened the CUSC Modification Panel meeting with introductions and acknowledged that no advance apologies had been received.

2. Approval of August CUSC Panel Minutes

7975 SA confirmed that the amendments requested by TM and JW had been incorporated within the August Panel minutes.

7976 The Panel approved the minutes from the CUSC Panel meeting held on 31 August 2018.

3. Review of Actions

Minute 7684

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

7977 SA confirmed that this is still under review, and once a decision has been made MO will be coming back to the Panel to provide an update on this.

7978 The Panel agreed for the action to remain open, but requested that an update be provided sooner rather than later.

Minute 7796

Code Admin to circulate explanatory document on prioritisation to the Panel for 5 working days to review and provide any comments or amendments.

7979 SA confirmed that the document has been circulated to the Panel and they have feedback their thoughts along with any amendments that are needed.

7980 The Panel agreed for this action to be closed.

Minute 7778

Explanatory note to be circulated to industry on the prioritisation stack.

7981 TM highlighted that the Grid Code Review Panel (GCRP) have not yet had a chance to review or comment on this document. The publication of the explanatory note will need to be delayed until this has been done.

7982 The Panel agreed for the action to remain open in the interim period.

Minute 7813

NH to feedback Ofgem views on the following in relation to CMP302:

a) Should this be a licence change or a modification,

b) Crossover with work currently being carried out under the TCR.

7983 NH stated that Ofgem consider this to be a licence change and that there is a link between the small generator discount (SGD) and the TCR/SCR which includes other embedded benefits. As such Ofgem does not think it is appropriate to continue Workgroup activities for this code modification and would not look to grant urgency. Ofgem plan to explain next steps for the SGD separately in their upcoming TCR/SCR

publication and NH's strong steer on CMP302 will be confirmed in Ofgem's official response to the letter on Urgency.

7984 GG requested that the letter should address the separate issues around urgency and the scope of the TCR/SCR.

7985 NH said he believed the letter would look to do this from the initial draft viewed.

7985 JH stated that he will relay this steer back to the Proposer and the Workgroup.

7986 The Panel agreed for this action to be closed.

Minute 7800

TM and Code Admin to send letter of urgency on CMP302 to Ofgem

7987 SA confirmed that the letter on urgency for CMP302 has been sent to the Authority

7988 The Panel agreed for this action to be closed.

Minute 7898

Code Administrator to review how quickly first Workgroups are scheduled in and if a shorter kick off meeting can be planned in to get the ball rolling.

7989 SA confirmed that Code Admin have taken this feedback on board and arranged a number of short kick off Workgroups for September and October. They will make sure they continue this approach for any new modifications that come in.

7990 TM stated that this should also form part of the customer journey and will make sure this is feedback to TT.

7991 The Panel agreed for this action to be closed

Minute 7905

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

7992 SA confirmed that this is still under review and they will aim to get this completed for October's Panel.

7993 The Panel agreed for the action to remain open during the interim period.

Minute 7943

CS to feedback his thoughts on current Prioritisation Stack

7994 SA explained that CS is unable to attend September's CUSC Panel but would still like to provide this feedback at a future Panel meeting, when he is able to attend.

7995 The Panel agreed for the action to remain open during the interim period.

Minute 7949

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

7996 SA confirmed that this is still under review, but could be discussed further later during discussions around prioritisation and the Customer Journey.

7997 The Panel agreed for this action to remain open during the interim period.

Minute 7956

TM to issue a formal response to MD on the issues raised at their meeting, along with details of Code Admin Improvement plans/Customer Journey.

7998 TM confirmed that she had held a meeting with John Twomey (JT) and TT to discuss all the feedback she has received around prioritisation, process and other areas of improvement. JT will be arranging a conference call for next week to discuss and agree a response to MD.

7999 The Panel agreed for this action to remain open during the interim period.

Minute 7961

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

8000 LS stated that it may be best to put this action on hold, whilst discussions are held on where the administration of the TCMF should go as part of the Customer Journey work. This may just be a general lesson learnt which can be shared across all the teams.

8001 LB stated that he did not recall this being a specific action on JW, just general feedback from GG.

8002 The Panel agreed for the action to be removed. NGESO and Code Admin will continue to have internal discussions around TCMF and will feedback any decisions that are made in relation to this.

Minute 7967

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

8003 SA confirmed that they had identified the missing data and this will be included within the October's Interruption Claims Report, along with feedback on the other issues raised by GG.

8004 The Panel agreed for this action to remain open during the interim period.

Minute 7972

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

8005 SA highlighted that TM was the only person to feedback on this action. Therefore, they are assuming everyone else is happy with this approach. This is a separate agenda item for Septembers CUSC Panel so everyone can discuss this further during the meeting and finalise the dates for 2019.

8006 The Panel agreed that this action should be closed.

4. New CUSC Modifications

CMP307: 'Expanding the BSUoS charging base to include embedded generation'. This modification seeks to 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.

- 8007 NH stated that the TCR/SCR was launched on the 4th August 2017 and covers other embedded benefits, including that relating to BSUoS. Ofgem's preliminary view is that this proposal also appears to relate to BSUoS embedded benefit. They will look to review the Panel's assessment and discussion on this before they issue a direction on whether or not this modification should proceed.
- 8008 NH went on to highlight that Ofgem are aware that there may be further proposals raised in relation to BSUoS embedded benefits. Therefore, for the avoidance of doubt they would like to clarify this does come under the SCR/TCR and any modifications that are raised will be assessed by the Authority prior to them progressing and would encourage all parties to engage with them before raising any such modifications. Ofgem are also currently reviewing the responses to the Access and Forward Looking Charging Arrangements Consultation and will be setting out an approach for BSUoS in the near future.
- 8009 GG and LB requested clarification on whether there was an overlap with the SCR/TCR or the Access and Forward Looking Charges Arrangements. If it was the latter, Ofgem would not be able to stop the modification from progressing.
- 8010 NH confirmed that CMP307 falls within the scope of the current SCR/TCR and that he was only making a general reference to the Access and Forward Looking Charging Arrangements Consultation.
- 8011 PM highlighted that there had previously been an action on NH to clarify the scope of the SCR/TCR. In the June minutes, minute 7576 states that NH confirmed that the scope of the SCR/TCR did not include BSUoS or BSUoS related embedded benefits. PM asked if the scope of the SCR/TCR has now changed?
- 8012 LS stated that BSUoS as a whole is not within the scope of the SCR/TCR, but BSUoS related embedded benefits is within scope. Ofgem's SCR/TCR launch letter clearly stated that one of their objectives was to keep the other 'embedded benefits' that may be distorting investment or dispatch decisions under review.
- 8013 JH highlighted and read through the references that LS was referring to in Ofgem's SCR/TCR launch letter¹.
- 8014 SL stated that he would still like to present his modification and that the Panel should delay making a decision on the modification until a formal direction is received from Ofgem. If Ofgem then issue a letter stating that CMP307 falls within the scope of the SCR/TCR he will be more than happy to suspend the modification, until Ofgem publishes its final decision letter on the SCR/TCR.
- 8015 SL presented slides to the Panel outlining the background, scope of the defect and the reasons for the CMP307 modification. SL explained that BSUoS costs include services that are needed by all consumers and all generators whether they are transmission or distribution connected. These are required to ensure system stability (reserve, response and voltage cost) as well as system security services such as black start.
- 8016 SL highlighted that BSUoS is currently charged roughly equally (50/50), between net demand and transmission-connected generation (with a small amount going to interconnectors). But the registration of embedded generators to a Supplier BM Unit can result in a reduction in BSUoS charges payable by the
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¹ https://www.ofgem.gov.uk/system/files/docs/2017/08/tcr_scr_launch_letter.pdf

supplier. Embedded exemptible generation is also not currently subject to a BSUoS export charge and a payment is actually made to this class of generation instead. SL explained that Non-BM is now mainstream in the delivery of energy and balancing services and its presence in these markets is likely to increase over time. Currently only transmission-connected generation and embedded generation over 100MW pay the generation share of BSUoS.

- 8017 SL explained that embedded generation do not make a fair contribution to the costs of system balancing and other system costs that are required to support the overall power system, leading to higher costs for others. The BSUoS embedded benefit results in inefficient dispatch across the system, artificially reducing the marginal cost of energy from embedded generation by around £5 /MWh. The current arrangements cause more efficient investments which do not benefit from BSUoS avoidance to be abandoned or deferred while less effective ones, which do so benefit, go ahead. This increases total system costs, which leads to higher costs for consumers.
- 8018 SL highlighted that the indicative benefit to consumers is up to £230m/year². This is made up of the removal of the current BSUoS embedded benefit of ~ £115m (collected from demand customers) which will be replaced by a charge of £115m on embedded generation. This charge places all generation on the same charging base, which reduces the generation BSUoS charging rate. The lower BSUoS charge on generation will then feed through to lower power prices which delivers half of the overall consumer benefit.
- 8019 SL explained that if the Proposal falls within the scope of the TCR/SCR the modification should be suspended/withdrawn until after the reviews are complete. If there is no interaction with the TCR/SCR then SL would propose a Workgroup with a 12-month timetable.
- 8020 SL highlighted that the Panel can now do one of two things, under Section 8.17.1 of the governance rules the Panel can either write a formal letter to Ofgem stating that the modification falls within the scope of the SCR/TCR, explain its reasons why and wait for a response from Ofgem. Or under Section 8.17.3 of the governance rules the Panel can just wait for a formal direction from Ofgem on the modification following NH indication to Panel that Ofgem views there to be an overlap with the SCR/TCR.
- 8021 The Panel agreed to delay making a decision on how the modification should proceed until October's Panel, by which time they will have received Ofgem's formal direction on the modification.
- 8022 MJ stated that Paul Wakeley from National Grid presented some figures on GSPs and the numbers that are exporting. Apart from Scotland they are not exporting anything, so it was suggested that we need to understand the cost that distributed generation brings into BSUoS if GSPs are not exporting and how that would feed through into the numbers that SL has calculated, in terms of the cost they should be paying into the system.
- 8023 SL explained that he has not gone down into that level of detail and his examples look to apply the cost to all generation. SL highlighted that this is a subject that Industry needs to tackle and for the Workgroup to consider.
- 8024 MJ highlighted that the Workgroup would also need to consider locational charges which is a much wider question.
- 8025 TM stated that an agenda item was needed at the next Panel around the Proposers details and governance requirements. TM highlighted that a balance needed to be struck between openness and intrusiveness.

² Estimated from P315 (Publication of Gross Supplier Market Share Data) for 2017 for illustration only.

New Action – Code Admin to add agenda item to October’s Panel: Governance around Proposer’s details and how this is managed in the future to strike a balance between openness and intrusiveness.

- 8026 GG highlighted that the letter from Solar Trade Association in relation to CMP307 appeared to indicate that the Panel had already reached a decision on the modification and were acting in a hasty and non-transparent manner. GG suggested that It would be useful to reply to the letter and explain the process by which modifications are raised or brought to the Panel.
- 8027 The Panel agreed that a response was needed. TM acknowledged that the letter was addressed to NH but requested that Code Admin draft a letter in response to the issues raised by GG on behalf of the Panel. This should then be circulated to the Panel for a final review before it is sent off to the Solar Trade Association.

New Action – Code Admin to draft a response letter to the Solar Trade Association.

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.

- 8028 LW presented slides to the Panel outlining the scope of the defect and the reasons for the modification. LW explained that broadly speaking, a Relevant Transmission Licensee can set its connection charging methodology so it can recover: Its directly or indirectly incurred costs; and a reasonable rate of return on those costs. Section 14.3.21 of the CUSC currently sets this rate of return as 6% for RPI-linked assets; or 7.5% for MEA-linked assets. The 6% value was originally equivalent to the price control pre-tax cost of capital. As the price control cost of capital has fallen, this is no longer the case. This proposal does not consider the appropriate difference between the return on RPI-linked and MEA-linked assets (which is currently set at 1.5 percentage points). LW explained that as the cost of capital has declined the calculation of the charges has remained linked to a 6% return (and 7.5% for MEA-linked assets). Aligning the rate of return in the charging methodology to the pre-tax cost of capital in the price control settlement in force at any given time would ensure that the annual connection charges levied by a Relevant Transmission Licensee reflect Ofgem’s latest view of a reasonable rate of return. This will result in more cost reflective charges to Users. Failure to address this issue will result in a continued (and, based on current trends in the allowed cost of debt, growing) lack of cost reflectivity in the annual connection charge.
- 8029 LW explained that under CMP306, references to the rate of return in paragraph 14.3.21 of the CUSC (‘The Statement of the Connection Charging Methodology’) would be amended to define the RPI-linked rate of return as the pre-tax cost of capital determined in the relevant price control of a Relevant Transmission Licensee. The relevant value would update from year to year and they would also retain the 1.5 percentage points delta for assets under the MEA revaluation method.
- 8030 LW explained that the pre-tax cost of capital calculation would be calculated as follows: Pre-tax cost of capital = (1-gearing %) x pre-tax cost of equity + (gearing %) x cost of debt. Where: Pre-tax cost of equity = post-tax cost of equity / (1 - corporation tax rate). Gearing and cost of debt would be sourced from the price control financial model (PCFM), as would the post-tax cost of equity. The product of this formula (plus 1.5% for MEA-linked assets) would replace the hardcoded 6% and 7.5% R_n term in the general formula in 14.3.21 of the CUSC.
- 8031 LW stated that the impact of aligning the rate of return to the pre-tax price control cost of capital would result in more cost reflective costs levied on the impacted Users. These more cost-reflective charges would ultimately be reflected in the charges seen by energy consumers.
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- 8032 LW stated that he does not believe this change will impact any existing or potential Significant Code Review (SCR) launched as part of the network access consultation, or any associated changes which may be led by industry.
- 8033 TM requested NHs views on this.
- 8034 NH stated that Ofgem's early preliminary view is that this relates to connection charging and regulatory finance and therefore does not currently fall within the scope of the TCR/SCR.
- 8035 GG questioned whether it was correct to fix the MEA at 1.5% or should it remain as 25% of the core figure which is currently 6% (hence the 1.5% MEA uplift to 7.5% overall).
- 8036 LW explained that the modification does state 1.5%.
- 8037 The Panel proposed that this should be considered further by the Workgroup and included within the terms of reference (ToR).
- 8038 AP stated that as this discrepancy has been occurring over a number of years, is it possible that this can be backdated?
- 8039 LS explained that she is not aware of there ever being any kind of retrospective application. It should only apply from the date of implementation.
- 8040 JA questioned what a 1% change in the rate of return would look like, in order to try and understand the materiality of the modification.
- 8041 LS stated that she does not know the answer to this but in terms of ball park figures TNUoS Revenue is £2.8bn and annual Connection Revenue is somewhere in the region of £200m.
- 8042 LW stated that their connection charges are around £25m per annum, based on Ofgem's recent PCFM the rate of return has dropped from 6% to 4.7%. The 1.3% difference would be worth around £3m a year.
- 8043 GG stated that overall, it would seem that we are therefore looking at a rough figure of around £28/29m. It would be good to understand what values are done under the RPI or MEA approach.
- 8044 LW stated that from their experience it is predominately done by RPI.
- 8045 PM questioned what would be the impact on TNUoS from this, if any - where does the benefit to connectees end up being funded from; who pays for it in transmission charging space?
- 8046 LS stated that this is something that the Workgroup can look at along with the materiality of the modification and the ESO would be able to help advise on this.
- 8047 LW confirmed that he would like the modification to be developed through a Workgroup.
- 8048 The Panel agreed with this approach and set the Terms of Reference (ToR) for the Workgroup.
- 8049 LW stated that in terms of timelines he appreciates this modification is not urgent and that there are a number of other modifications that are currently being progressed. Realistically LW would like this approved by 2020 and implemented into 2021 charges.
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8050 TM explained that Code Admin will feedback a timeline once the Panel have agreed where CMP306 should sit within the current prioritisation stack.

5. Authority Decisions

8051 NH stated that the FMR submitted to Ofgem lacked sufficient information and clarity to make a decision on CMP301. Therefore the FMR will be sent back to the Panel requesting additional information.

8052 NH confirmed that CMP296 and CMP297 were both progressing well and they will aim to make a decision on them both soon.

8053 NH stated that CMP250 is at the final stage of the decision process, but as this does relate to BSUoS that may affect their thinking on this. They will be looking to issue a decision on this very soon.

6. In-Flight Modifications

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

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.

8054 JH advised the Panel that a WebEx was held on the 11 September and they are currently finalising the Workgroup report for CMP281 to allow them to issue the Workgroup Consultation.

8055 NH stated that in relation to CMP280, Ofgem are keen for industry to progress work and address potential issues around storage but would encourage industry to deliver this more swiftly. Ofgem appreciate the Workgroup is working hard to find a solution for SVA as well as CVA and are keen to see how this work progresses. However, Ofgem said it remained concerned over the overlaps with the TCR/SCR, as the scope of the modification had been expanded to include generation, which they did not envisage when they encouraged industry to bring forward changes to storage. Ofgem have expressed these concerns to the Workgroup stating that they should be mindful of and consider interactions with work Ofgem is doing as part of the TCR/SCR. Ofgem are now considering sending a letter to the Proposer and Code Administrator highlighting these points.

8056 SL stated that in relation to CMP281, if you want to tackle the SVA aspect of this you will also need to tackle embedded benefits which is what CMP307 is aiming to do.

8056 LB stated that in relation to CMP280, this means that Ofgem has issues with the removal of demand residual for generators, but are ok with it being removed for storage.

8057 NH stated that CMP280 could be a quick win in regards to storage, but by bringing generation into the scope this could lead to a considerable delay and bring it into the scope of the TCR/SCR.

8058 LB highlighted that the Panel may need to reflect this in the ToR for the Workgroup to consider.

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- 8059 GG stated that it will depend on when the modifications were raised. JH confirmed the first Workgroup was held in June 2017. GG explained that in that case the modifications were raised outside of the TCR/SCR process which was launched on the 4 August 2017 and cannot fall within the scope of the TCR/SCR. It is important to understand Ofgem's views on this but they cannot issue a formal direction in terms of these proposals falling within the scope of the TCR/SCR.
- 8060 LB highlighted that the Authority may delay making a decision on CMP280 until after the outcome of the TCR/SCR. However, if they amend the scope of the Workgroup to just consider storage the Authority may reach an earlier decision.
- 8061 PJ stated that Ofgem had previously said that storage should be treated in the same manner as generation and that reducing the scope in this way would prevent this from happening.
- 8062 NH stated that they believe the two can be separated and a solution to storage would be a quick win, but the letter that will be sent to the Panel will articulate their exact thoughts around this.
- 8063 The Panel agreed to wait until they had received the letter from Ofgem before reviewing the ToR for the Workgroup. In the meantime JH will feedback to the Workgroup on the strong steer provided by NH.
- 8064 NH stated that in relation to CMP281, Ofgem have noted that National Grid have recently set up industry workshops on BSUoS. Ofgem would encourage the Workgroup to be mindful of these workshops in order to develop solutions that are consistent with the broader direction of travel of BSUoS. Ofgem intend to fully engage on National Grid's planned workshops.
- 8065 LS stated that the ESO have set up some targeted BSUoS workshops to help form their thinking around this and gather a broad set of views and opinions. The workshops have been set up at fairly short notice due to the large amount of interest generated at the last TCMF. The workshops will be run on the 5th and 12th October and will cover the same content. The ESO will also be providing a summary webinar the following week as an update to those parties who are unable to attend. The workshops will examine the cost recovery of BSUoS, what those costs are, how they are reached and provide some data analysis on the area.
- 8066 LS explained that the scope of the workshops will be entirely around BSUoS and there are no governance restrictions that would prevent them from doing this regardless of the TCR/SCR. They are hoping this will stop any further mods in relation to BSUoS being raised but the ESO may end up raising a modification itself at the end of the process.
- 8067 LB suggested that JH schedule a one hour webinar to feedback NHs steer on CMP281 to the Workgroup and discuss the workshops that will be taking place.
- 8068 The Panel agreed that the Workgroup should be mindful of the work being carried out by the ESO. They should delay issuing the Workgroup consultation until after the ESO workshops have been completed and the Workgroup have met to discuss the impact of workshop discussion on their modification. The Workgroup may also need to review its Workgroup report in light of these workshops.
- 8069 JA stated that as proposer of these modifications they were intended to be quick wins, but the majority of the Workgroup have felt that a broader remit was required.
- 8070 SL explained that JA now needs to consider the steers from Ofgem and how best to proceed with these modifications. JA can feedback any developments on this at the next Panel.
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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.

8071 SA confirmed that the Workgroup consultation for CMP285 closed on the 10 September 2018. They have received eleven official responses and one late email. They were unable to hold a Workgroup in September due to issues around quoracy and are now planning to hold several meetings in October. An email has been sent to the Panel requesting an extension to the timeline until the end of October. However, a clearer view of timelines will be provided once the Workgroup have met up and all the alternatives have been raised. The Proposer has already indicated that he may be looking to raise several alternatives himself, so there is a risk that this modification may not get implemented in time for the next CUSC Panel elections. A special Panel meeting may need to be held in November to try and expedite the modification to Code Admin Consultation in order to allow it to be sent off to the Authority in December for a decision.

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

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.

8072 JH confirmed that the last Workgroup meeting was held on the 17 September and they are hoping to issue the Workgroup consultations for both these modifications in the coming weeks for 15 working days.

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

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.

8073 JH advised the Panel that the fifth Workgroup for CMP288 and CMP289 was held on the 18 September and they are in the process of drafting the Workgroup report. This will be circulated this shortly to the Workgroup for their comments ahead of a final WebEx to finalise the report and issue the Workgroup Consultation.

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.

8074 JH confirmed that the second Workgroup is to be held over two consecutive days with GC0117 on the 11 and 12 October 2018.

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.

8075 JH confirmed that the first Workgroup meeting is scheduled for 2 October 2018 via WebEx.

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

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.

8076 JH confirmed that CMP293 and CMP294 will be sent to the Authority for a decision in October, in line with the other Legal Separation modifications from Grid Code and STC, as per the Authority's request.

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.

8077 JH confirmed that the second Workgroup meeting is scheduled for Wednesday 17 October 2018. This has been scheduled in line with discussions around prioritisation.

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

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'.

8078 JH advised the Panel that both CMP296 and CMP297 were sent to the Authority on 12 July 2018 and are awaiting an Authority decision.

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.

8079 JH advised the Panel that Workgroup members have now been sourced and the first Workgroup is scheduled for 2 October 2018 via WebEx.

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.

8080 JH advised the Panel that the first Workgroup has had to be postponed due to issues around quoracy. This will be discussed in further detail later today.

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.

8081 JH advised the Panel that CMP301 was sent to the Authority on 8 August 2018. NH has indicated earlier today that this will be coming back for further information before Ofgem make their final decision.

CMP302: Extend the small generator discount 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.

8082 JH advised the Panel that this modification was at the top of the prioritisation stack whilst they were awaited an Authority decision on urgency. An initial start off meeting had been held on Thursday 27 September and further Workgroups have been planned for October and November. However, as NH has now indicated that this modification will not be granted urgency status and that there is a cross over with the TCR/SCR process, this will be communicated back to the Workgroup and the future meetings will be cancelled.

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.

8083 JH advised the Panel that the first Workgroup was held via WebEx on Tuesday 25 September 2018. Workgroups two and three will be held in Glasgow due to geographic proximity to vast majority of Workgroup members in late October 2018.

CMP304 looks to improve the Enhanced Reactive Power Service, 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.

8084 JH advised the Panel that the initial start off meeting was held on Thursday 27 September 2018. The next Workgroup will be arranged for late October/Early November 2018, where they will also examine the responses to the CMP305 consultation.

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.

8085 JH confirmed that they are still awaiting the legal text. It is hoped that this will be made available very shortly so that this can progress to Code Admin Consultation.

8086 LS confirmed that they are hoping to get this signed off by the end of the day.

7. Discussions on Prioritisation:

a) Review of CUSC Modifications 'Plan on a Page'

8087 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.

8088 JH stated that the format of the 'Plan on a Page' is still under review and Workgroup dates will be added ahead of the next Panel meeting in October.

8089 LB stated that it was really good to hear about the planned changes and if they go through the slide deck will no longer be needed, as everything will be visually present on the 'Plan on the Page'. TM agreed with this approach and stated it would be good to streamline everything so that any unnecessary work is avoided.

8090 TT questioned whether the Panel would like this in priority order going forwards.

8091 LB stated that the current ordering was fine, re-ordering this each month could add a lot of unnecessary admin which does not add much value.

8092 TT asked whether this could be incorporated into the Prioritisation stack.

8093 LB stated that he did not feel this level of information could fit onto the prioritisation stack and that two separate documents would still be needed.

8094 TT stated that they could develop a prototype and show the Panel what both options would look like.

8095 TM stated that they will leave it to Code Admin to develop the best approach for 'Plan on a Page' and review their changes at the next Panel meeting.

b) Prioritisation Stack

8096 TM requested that the Panel remind themselves of the criteria and rationale for making the decisions on prioritisation. TM then asked the Panel if there was anything that needed to be changed in relation to any of the modifications that had previously been discussed.

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- 8097 The Panel stated that CMP302 needed to move to the bottom of the stack now that Ofgem had given a strong steer on this and they do not consider this to be urgent and there is an overlap with the TCR/SCR.
- 8098 LB and LS stated that CMP285 needed to go higher up the prioritisation stack if there was a need for a special Panel meeting in November and a decision needed by early 2019.
- 8099 LB suggested that CMP285 should be moved below CMP291, but CMP291/285 and 295 should then all be moved up above CMP286/287. This is because CMP291 and 295 are needed to comply with Project TERRE, whilst the only external factor that is driving CMP286/287 is the materiality aspect of the modifications.
- 8100 After further discussion, the Panel agreed for all three of these modifications to go above CMP286/287 in the following order CMP285, CMP295 and CMP291.
- 8101 GG stated that the Panel will need to agree a date for the special Panel in November.
- 8102 TM explained that this is dependent on the number of alternatives that are raised, Code Admin will be able to provide a clearer view on this after the next Workgroup meeting.
- 8103 TM asked the Panel if they wanted to include CMP307 onto the prioritisation stack. The Panel agreed to wait until Ofgem had issued its direction on the modification.
- 8104 TM asked the Panel to consider where CMP306 should sit within the stack. TM highlighted that LW had previously stated he envisaged this to be implemented in 2021. TM asked the Panel for their thoughts on this along with the materiality of the modification.
- 8105 LB stated that his thoughts were that it was quite a simple modification and it could progress quite quickly without the need for too many Workgroups.
- 8106 LS stated she thought the same for CMP292, but it has not really progressed or worked out that way.
- 8107 AP stated that the benefits of CMP306 are more transparent than CMP292, but there is still a reasonable period of time to progress CMP306.
- 8108 LB highlighted that it will not hit the January statements for 2019 so they should aim for a decision in Autumn 2019 for this to be implemented in 2020, which would give them roughly twelve months.
- 8109 GG stated that in relation to CMP292, Ofgem previous position, set out in their Code Governance Review discussions with the Governance Standing Group, was that changes to the CUSC charging should be possible right up to the last moment and ruled out a window/cut-off date. This would suggest that they would not be minded to approve this modification. GG asked if Ofgem's thinking around this had changed or not?
- 8110 LS stated that the Workgroup are about to meet, if there is an Ofgem representative on the Workgroup they will ask that question and feedback the response to the Panel.
- 8111 TM stated that it looks like the Panel are happy to keep CMP292 where it is, so where would they like CMP306.
- 8112 AP suggested just above CMP292.
- 8113 LB questioned whether they should look at the fine granularity of the modifications and if they are of high/medium or low priority.
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8114 TM highlighted that this is only a guidance and they would not want this to have an adverse effect on all the good work that is currently going on along with the momentum to progress the modifications.

c) Agree a Process for Workgroups that are not Quorate

8115 JH stated that CMP300 was raised in May 2018 and the Proposer suggested that it go straight to Code Admin Consultation. The Panel disagreed with this, due to materiality aspect of the modification and stated that a Workgroup would be required.

8116 JH highlighted that CMP300 has always been within the bottom two modifications on the prioritisation stack.

8117 JH explained the process of sourcing Workgroup nominations. JH highlighted that Section 8.20.1 of the CUSC states a Workgroup shall consist of five members, but they currently only have three members for CMP300. This has meant the first Workgroup meeting has had to be postponed.

8118 JH stated that in order to increase Workgroup nominations Code Admin have re-opened the window for nominations on two occasions and have also tried to liaise with the Proposer to try and generate interest in the modification. Unfortunately, none of this has worked so Code Admin have had to explore other avenues to try and progress the modification which have included looking to see if the level of quoracy can be reduced. Even though this has been done previously Code Admin have sought legal advice on the issue and have been informed that the Panel do not have the right to reduce quoracy for Workgroups/Standing groups. The Workgroup needs to have an appropriate cross-section of representation, experience and expertise within it.

8119 JH explained that this means that the only options lefts are for: a) Code Admin to re-open the nominations window, b) ask Panel members if they are interested in joining the Workgroup, c) check if this modification can be joined onto an existing Workgroup (but there is currently no other modification with a similar subject matter), d) ask the Proposer/Panel/Industry/Authority for help in generating interest in the modification.

8120 TT stated that there was a risk that we could be criticised for holding a Workgroup that was not fairly represented which is why they have sought legal advice on the issue. TT noted that there are going to more and more modifications raised which means Industry may not have the time to join all the Workgroups that will be required. In the long term, does this raise a question on whether the governance rules around quoracy and cross-section of representation need to be reviewed and amended, via a modification. Would the Panel and Ofgem be comfortable with a modification being raised, or for Code Admin to go outside the current codes stipulation on quoracy and the legal advice given to Code Admin.

8121 SL suggested that they could have an informal meeting with the Proposer and the Workgroup members that are willing to come along. The Panel can then review this feedback and decide if it is enough for the modification to proceed to Code Admin Consultation.

8122 TM highlighted that there were two discussions here, one on the general principles on quoracy and the other on how this would then apply to CMP300.

8123 LB stated that the Panel referred CMP300 to a Workgroup because of the level of materiality that was involved. The issues around quoracy seem to indicate that Industry do not share the same view so should this just go straight to Code Admin Consultation as you will still get Industry views on this through the consultation and Ofgem will still act as the overall decision maker.

8124 LS stated that she did not believe sending this straight to Code Admin Consultation was the right thing to do. This modification could have a significant impact on and no legal text has been provided.

8125 AP agreed and stated it will not reflect well on them if they were to change their minds just because of the lack of Industry interest in the modification.

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- 8126 TM re-iterated the legal advice that has been given on quoracy and suggested that the Panel discuss how best to proceed with CMP300 in light of this, or do they want to deviate from this. Is there a host of other ways that quoracy could be obtained?
- 8127 SL stated that you either wait for the Workgroup to be quorate (even though that may seem uncomfortable for the Proposer of the modification) or you send it straight to Code Admin Consultation after a short non-quorate Workgroup. The first option seems wrong but it is the best out of the two suggestions.
- 8128 GG stated that if the CUSC states we can-not do something then we should not be doing it. Could CMP300 be tagged onto a future TCMF meeting so that they could ask people to stay behind for an extra couple of hours at the end.
- 8129 LS stated that you will still require enough people to stay for something that they do not want to do.
- 8130 TM stated that she does not believe they are going to come up with a process today, do they need to ask Code Admin to come back with a strawman approach to quoracy at the next Panel.
- 8131 LB highlighted that we need to take Code Admin time and resource into account and asked if this was the best use of their time.
- 8132 SL stated that unless the Proposer withdraws the modification and tries again with something wider all they can do is sit on the modification for another couple of months and see what happens. It is not a trivial thing and there is a lot of money at stake so that is all they can do.
- 8133 TM highlighted that the Panel should not assume this is down to a lack of interest in the modification. Some parties do not know how the process works and do not have the time or resource to get involved within these Workgroups.
- 8134 LB stated that is true across the whole of industry, which is why the prioritisation process looks to see where that resource should be applied. Everyone is struggling to keep up with the pace of change.
- 8135 TM summed up the discussions and stated that the Panel may have no choice but to accept the legal advice given on quoracy.
- 8136 LB stated that they do not have to follow the CUSC but Ofgem could be Judicial Reviewed on its final decision on the modification.
- 8137 TM stated that the Panel are in agreement that they are bound by quoracy requirements in the CUSC, but she had not heard anything about an alternative process being discussed, besides re-engaging with the Proposer.
- 8138 LB stated that Code Admin could send out a reminder every couple of months to the Industry.
- 8139 GG stated that they should leave CMP300 until Novembers Panel, two weeks before the Panel Code Admin should write out to industry. If they have still not managed to obtain quoracy the modification should then remain on hold for another two months until January. This process should then repeat this process until quoracy is achieved or the Panel instructs a longer period of time in between each review.
- 8140 TT stated that if they start to see a pattern of non-quoracy this process made need to be reviewed as they may just be covering over the cracks.
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8141 LB added that they could put these modifications on hold at the bottom of the prioritisation stack and review them every two months.

d) Stakeholder Engagement/Future Areas of Improvement

8142 TM explained that she and RL had a meeting with the Independent Generation Group (IGG) last week in London off the back of a letter that they received from them on prioritisation and the Urgency request for GC0109. TM would like to thank RL for coming along. TM stated that they felt the meeting had been very constructive and they discussed a number of issues including: parties feeling disconnected from the whole process, limited resources and a lack of understanding about what was happening within the industry to enable them to make quick investment decisions.

8143 TM stated that as small players, they did not feel the current modification process worked for them, they did not understand the process that modifications followed and felt it was all too slow or clunky. They did not have an issue with prioritisation but felt that something simple like GC0109 should not have had to go through the urgency process.

8144 TM explained that overall the meeting was less to do with prioritisation and more to do with transparency, accessibility, involvement and strategic direction from Industry, National Grid, Ofgem and Code Governance. The IGG currently feel that anyone can raise a mod and there is no clear strategy.

8145 TM has also feedback on some separate issues to Greg Heavens in relation to market data that was produced and website issues.

8146 TM stated they want to enter the code modification process but feel they need a lot more help and support to raise a modification. Code Admin need to think about increasing/enhancing the help and analytical resource that they offer. All the other comments were quite general, in relation to the time needed to participate in Workgroups. The key message that TM took away was that the IGG were very keen to understand what changes are going to benefit them and they can influence those decisions. TM and RL will be meeting them again in 6 months' time to discuss how things have progressed.

8147 SL highlighted that he feels there is a large difference between Elexon (who are the Code Administrator for the BSC) and (the CUSC) Code Admin and the level of technical assistance and support that they offer when a modification needs to be raised. Code Admin need to make sure they are ready for that and help both parties on both sides of different arguments to raise modifications. SL does not feel that Code Admin currently has a good mix of technical and admin staff and are separated throughout the organisation. At Elexon it really does feel like a truly independent service with them managing you through the process.

8148 TM stated that off the back of her meeting with the IGG, she has had a further meeting with John Twomey (JT) and TT to feedback all the issues that have been highlighted to her and to discuss how the code admin process could be improved. JT and TT highlighted and feedback on the work that is planned under the Customer Journey to try and tackle these issues.

8149 SL stated that all CUSC Workgroups were previously chaired by a CUSC Panel member, this worked really well and felt a lot more independent. Maybe this is something that Code Admin need to think about along with having a completely separate management chain.

8150 LS stated that the ESO have re-launched their forward plan for principle four last week 'Promoting competition in the wholesale and capacity markets'. This gives readers an understanding of the difference between the subject matter experts and the duties carried out by the ESO Code Admin team. The ESO are very much aware of the issues highlighted by SL and this is forming the basis of on-going discussions with Ofgem on the next price control.

e) Prioritisation Explanation Document

- 8151 JH stated that the feedback provided by Panel members has been incorporated within the prioritisation explanation document. TT has also made some further changes to this so this will need to be re-circulated to the Panel for a final review ahead of publication.
- 8152 TM highlighted that this would also need to be reviewed by the Grid Code Review Panel before it was published, but this could be done offline via emails and would not necessarily have to wait until the next Panel.
- 8153 JH confirmed that the amended document would be circulated to both Panels for five days to carry out a final review and to feedback any comments, after which the document will be published.

f) Customer Journey

- 8154 TT stated that they wanted to bring the Panel up to speed on the Customer Code Journey work that they will be undertaking, that sits within the ESO principles.
- 8155 TT explained that this falls under Principle 4 of the ESO forward plan which was re-launched in September and sets out their long- term vision. There are a number of aspects within the forward plan that the ESO will be working to deliver, this includes:
- **Mange my Profitability** – The Customer Journey Approach,
 - **Facilitating Code Change** – Improvement Plan, Customer Journey Change a Code and Launch of the Regulatory Horizon Project
 - **Delivering Code Change**
 - **Capacity Market Modelling**
 - **EMR Delivery Body**
- 8156 TT stated that Code Admins main focus and remit would be facilitating code change and looking at the customer journey to change a code. This will involve looking at the whole process in its entirety and the experience that customers and stakeholders wish to have and what they can do to push that experience forward and streamline it. The Improvement plan is all about quick wins and tactical improvements that they can make, which will be published in mid-October. The third stream is the regulatory horizon project which looks at the Code Manager Role, what that framework could look like and is more a long-term goal.
- 8157 CB is leading on the customer journey work so will be presenting some slides to give the Panel an over view of this. CB will also be looking for Panel thoughts on what the most important aspects of this are and what Code Admin should concentrate on doing now/in the long term.
- 8158 CB presented some slides to the Panel and explained why the Change my Code Journey needed to be done. CB touched on how complex and diverse industry has become which means Code Admin need to drive this process forward and come to the for-front. A lot of stakeholders and customers have asked for guidance and a sounding board to check implementations and the implication they may have on businesses and stakeholders. Ofgem and the National Grid code administrator are committed to open governance, which requires a change in approach. The incentives and broader environment of RIIO-T2 are also driving more of a customer-focus within National Grid.
- 8159 CB stated that the main question that this project is seeking to answer is: **How do we make sure we have the most efficient process for constructive and diverse participation in code changes that produce the best possible outcomes for the energy industry and its consumers while building National Grid's reputation as an industry leader?**

- 8160 CB stated that in order to make that step change they have looked at their CACOP feedback and gone out to talk to customers to obtain key insights into what good looks like. They have also looked at what is already out there in terms of models, trends and inspirations before setting a vision of where they want to get. They understand that they may need to tailor their service to meet the needs of different types of customers/stakeholders.
- 8161 CB explained that in the short term they would like to touch on horizon scanning and more strategic planning of when changes are due to hit the codes. Looking at brilliant, basics and essentials in terms of meetings, Workgroup reports and setting the right foundations. Having more accessible events such as podcasts, stakeholder seminars, fixed format meetings, better locations for meetings, user friendly guides, videos and skype. They do need to bear in mind the limited resource that is available and see how that can be streamlined to be the most effective.
- 8162 CB explained that they are currently developing a plan of their short and long term priorities which will then be presented to the executive board for approval.
- 8163 TM stated that you need a strategy and this shows that you have one along with a roadmap on how to get there.
- 8164 TT stated is there something that we have not thought about which we could do such as the cross-code impacts and code admin led seminars.
- 8165 DC stated that Ofgem have discussed digitalisation and how we get there, instead of having a list of codes you would have one code which would relate to different customers.
- 8166 GG stated that he suggested this, as an Omni-code over five years ago, to ECCAF and had met Ofgem to discuss it further.
- 8167 CB asked the Panel for their views on what they felt Code Admin should consider to be a priority.
- 8168 LB suggested a better understanding of the volume of change that is currently going on and what that means to parties. The current process feels a bit scattered. A better structure is needed along with strategic direction so that parties who do not have the ability/resource to interact or participate in Workgroups can still be kept up to date with all the changes.
- 8169 TT stated that the podcast and seminars may help with this, as parties will be able to listen to and feedback on what is happening within industry.
- 8170 RL suggested more support to raise modifications and help with analytical and preparatory work to go alongside this.
- 8171 DC suggested an impact assessment. CB confirmed that the Grid Code have also suggested this, so this is something that they will be trialling going forwards. This will help parties understand the impact of modifications from the start of the process. It will also help them identify what different parties' needs are at different stages of the process.
- 8172 PJ stated that podcasts are great in the right context and have been used in the charging futures process, but they can be harder to get through as you have to listen to it all, whilst if it is written down you can just quickly get what you need.
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- 8173 GG stated that there is also a danger of it coming across as lecturing.
- 8174 LS stated that they have received positive feedback on how podcasts have been used to brief people before meetings and is sure Code Admin will use them appropriately.
- 8175 TT stated it is all about providing customers the relevant amount of information whether it is a bite, snack or meal and having different avenues to get this information.
- 8176 TT thanked the Panel for their feedback and stated this will be used to create the plan for the executive board. They are very keen to come back and provide further updates through the process so will be coming back to the Panel in Nov/Dec to provide further insights on the developments that have taken place.

8. Relevant Interruptions Claims Report

- 8177 SA confirmed that the next report will be produced in October so this will be kept as a standing item on the agenda until then.

9. Standing Groups

a) Governance Standing Group

- 8178 GG confirmed that GSG have not met since the last Panel.

b) Transmission Charging Methodologies Forum / CUSC Issues Standing Group

- 8179 LS stated that there are only two things that they have not already covered. One is in relation to a potential CUSC modification on the power available in the Grid Code. The other item is Ofgem looking to put the cost recovery of a European network code called CACM into the TNUoS revenue pot. A licence change will be needed for National Grid and interconnectors along with a CUSC modification to give effect to this change. They are anticipating this will follow a similar process to CMP283 in regards to how the money flows. LS stated that there is a risk of a short-term modification being raised if Ofgem want this collected from April 2019, they are not happy with this approach, but this is out of their hands.
- 8180 LS highlighted that there will be no TCMF in October, as the ESO will be hosting two customer seminars on the same date. There is no requirement on them to hold this every month and they have actually held more meetings in the last 18 months than they have done before. They are not aware of anyone desperately wanting to bring anything forward to the October TCMF, so the next meeting will be in November.
- 8181 GG stated that he is still planning to raise a modification on BSUoS and TNUoS interconnectors once they have received advice from the UK Government on Brexit No Deal implications.

10. European Code Development

- 8182 NH confirmed that there were no European Code Developments.
- 8183 GG stated that JESG met on the 11th September and had a discussion with BEIS on Brexit and the System Defence Plan and System Restoration Plan. There are currently a number of consultations on these plans published on National Grid's website which were originally meant to close on the 12th October, but have now been extended to the 26th October.

11. Update on Industry Codes/General Industry Updates Relevant to the CUSC

8184 None Raised.

12. A.O.B

8185 DC stated that at the last BSC Panel, Elexon were asked to go away and think about how they currently recover their costs and how this could be done in the future.

8186 JH asked the Panel if there were happy with the CUSC Panel dates proposed on the agenda. JH highlighted that all bar two meetings were planned for the last Friday of each month. JH explained that the dates for February and December have had to be changed to accommodate TMs prior commitments and Christmas.

8187 The Panel agreed the Panel meeting dates that were proposed on the agenda for 2019.

Next meeting

8188 The next Panel meeting will take place at National Grid House on **26 October 2018 at 10am.**
