

Headline Report – 25 February 2019

Connection and Use of System Code (CUSC) Panel

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

Approval of January Minutes

Panel Members discussed the panel meeting minutes from January. Due to a series of changes these will be approved via email and published in early March.

Prioritisation Stack

The latest version of the Workgroup Prioritisation Stack is attached in Annex 1. There was one addition this month:

- **CMP311** - Reassessment of CUSC credit requirements for Suppliers, specifically for “User Allowed Credit” as defined in Section 3, Part III section 3.27 of the CUSC. This modification proposal was placed 4th on the prioritisation stack.

New Modifications

There were four new modifications discussed this month:

New Proposed Urgent Modification

- **CMP312** - Correcting erroneous legal text in Section 14 following implementation of CMPs 264/5 (consequential)

The Panel unanimously recommended for the modification to proceed under Urgent status. Ofgem will make the decision whether this will follow the Urgent route.

Panel, by majority vote, concluded that if Urgency is approved this will proceed to a five day Code Administrator Consultation (CAC).

New Non- Urgent Modifications

- **CMP309** – CUSC changes in the event the UK leaves the EU without an agreement is proposed by NG ESO
Panel, by majority vote, approved for this to follow the self-governance route and proceed straight to CAC.
 - **CMP310** – CUSC section 14 changes in the event the UK leaves the EU without an agreement is proposed by NG ESO
Panel, by majority vote, approved for this to follow the self-governance route and proceed straight to CAC.
 - **CMP311** - Reassessment of CUSC credit requirements for Suppliers, specifically for “User Allowed Credit” as defined in Section 3, Part III section 3.27 of the CUSC
Panel agreed for this to proceed for Authority decision and to proceed to Workgroup. Panel requested that workgroup attendance be extended to invite Suppliers, especially small Suppliers, for Workgroup discussions. If you wish to join this Workgroup please contact cusc.team@nationalgrid.com
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Authority Decision

CMP305 - Removal of the Enhanced Reactive Power Service (ERPS) has been sent back from the Authority; there is a request for some additional information and for the modification to be sent back to Ofgem with **CMP304**. The decision letter can be found [here](#), along with details of the modification.

In flight modifications

CMP280/281 – Workgroup report to return to Panel in May 2019 for Workgroup to take into account the outputs of the Balancing Services Charges Taskforce. Next workgroup 12th March.

CMP286 – A further RFI is expected to be issued in March 2019.

CMP287 – The Panel advised the Workgroup Consultation should be progressed for CMP287; to be issued in March 2019.

CMP288 / CMP289 – Workgroup Consultation Closed 31 January 2019; an extension was granted for the workgroup report to return to Panel in May 2019 to account for all the potential WACMs and legal text development.

CMP291 –Workgroup to be arranged in March. Extension granted to June 2019.

CMP292 –Workgroup consultation closed 21 January 2019. Workgroup to be convened in coming weeks.

CMP295 – Following the consideration of WACMs CMP295 will be returning to Panel in March.

CMP298 – Next workgroup to be held 8 March 2019.

CMP300 – First workgroup held on 15 February; next workgroup to be arranged.

CMP301 – CAC issued on 20 February, to close on 27 February ready to return to Panel in March ahead of being issued back to the Authority for their decision.

CMP303 – Panel confirmed the Terms of Reference had been met for CMP303 and approved this being issued to CAC.

CMP304 - On track, workgroup to be held in March.

CMP306 – First workgroup held 31 January 2019, second workgroup to convene in March.

CMP308 – Third Workgroup to be held 1 March 2019

*CMP271, CMP274, CMP276, CMP302 and CMP307 are all on hold pending the outcome of the TCR / SCR

Panel Vote

CMP285 –The Panel carried out their Recommendation vote. There was no majority vote for the original or any of the WACMs. Four Panel members preferred WACM1, three Panel members preferred WACM2 and two Panel members preferred WACM6. Ofgem will be issued the Final Modification Report for decision.

Questions or feedback?

Code Administrator Representative: Rachel Hinsley, *Code Administrator*

Panel Secretary: Shazia Akhtar, *Code Administrator*

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Annex 1: Prioritisation stack

Section 8: 8.19.1.(e) makes the following provision for the Panel and states “Having regard to the complexity, importance and urgency of particular CUSC Modification Proposals, the CUSC Modifications Panel may determine the priority of CUSC Modification Proposals and may (subject to any objection from the Authority taking into account all those issues) adjust the priority of the relevant CUSC Modification Proposal accordingly”	
Complexity	The modification is viewed as being resource intensive and will most likely require a higher than average number of workgroups to conclude the process. Additionally the modification defect is viewed to have implications for many different areas of the energy market which need to be taken into consideration throughout the process.
Importance	The perceived value & risk associated with the proposed modification. The value / risk could be considered from a number of different perspectives i.e. financial / regulatory / licence obligations both directly for customer and end consumers more generally.
Urgency	A modification which requires speedy consideration within the code governance process, both complexity and importance should be factors considered in evaluating urgency as well as the timescales for implementation within the respective code.

Position & Movement	Date Modification Raised	Modifications at Workgroup Stage	Panel Comments on Prioritisation	Cross Code Impacts	Date of First WG	WG Development [WG already held]	WG Report submission	Expected FMR Date to Authority
1	20/07/2017	CMP285 'CUSC Governance Reform – Levelling the Playing Field'	Priority based on timing of decision date which is required ahead of the next election process and need for extra panel meeting. Currently awaiting CAC; no further workgroups anticipated		28 September 2017	[7] up to November 2018	: November submission	March 2019
2	27/04/2018	CMP295 'Contractual Arrangements for Virtual Lead Parties (Project TERRE)'	Prioritisation based on alignment to European Law changes/timetables; requirement for decision by April		12 July 2018	[3] up to February 2019	Timeline agreed: March 2019	April 2019
3	19/07/2018	CMP303 'Improving local circuit charge cost-reflectivity'	Priority based on a need for a decision date by summer 2019. An early Workgroup will be required. Raised up the prioritisation stack to account for the auction date; determined by Secretary of State		25 September 2018	[7] up to February 2019	February 2019	Proposed: April 2019
4	15/02/2019	CMP311 'Reassessment of CUSC credit requirements for Suppliers, specifically for “User Allowed Credit” as defined in Section 3, Part III section 3.27 of the CUSC'	Priority based on substantial changes for Suppliers and Consumers. Early conclusion will help parties to understand any requirements on them		TBC	TBC	TBC	TBC
5	15/02/2018	CMP291 'The open, transparent, non-discriminatory and timely publication of the	Prioritisation based on alignment to European Law changes/timetables		12 July 2018	[2] up to December 2018	Timeline agreed: June 2019	Proposed: August 2019

		harmonised rules for grid connection (in accordance with the RfG, DCC and HVDC) and the harmonised rules on system operation (in accordance with the SOGL) set out within the Bilateral Agreement(s) exhibited in the CUSC.'						
6	22/06/2017	CMP280 'Creation of a New Generator TNUoS Demand Tariff which Removes Liability for TNUoS Demand Residual Charges from Generation and Storage Users & CMP281 'Removal of BSUoS Charges From Energy Taken From the National Grid System by Storage Facilities'	High Priority because of clear impact for users and a known policy issue. Complexity of alternative (raised during WG Consultation) has resulted in an extended timeline to October.	Yes	4 August 2017	[15] up to February 2019	Timeline agreed: May 2019 Submission	TBC
7	19/10/2018	CMP308 Removal of BSUoS charges from Generation	High impact of BSUoS Payers, Impact on BSUoS recovery, Consumer Impacts		TBC	TBC	TBC	TBC
8	10/10/2017	CMP286 'Improving TNUoS Predictability through Increased Notice of the Target Revenue used in the TNUoS Tariff Setting Process' and CMP287 'Improving TNUoS Predictability through Increased Notice of Inputs Used in the TNUoS Tariff Setting Process'	Priority based on a need for a quick decision date to have an effect on tariff setting timetables		18 January 2018	[5] up to February 2019	Timeline agreed: May 2019	July 2019
9	12/02/2018	CMP288 'Explicit Charging Arrangements for Customer Delays' and CMP289 Consequential change to support the introduction of explicit charging arrangements for customer delays and backfeeds via CMP288 '	Priority based on Consumer benefits. Quite a degree of complexity involved, extended timeline to December 2018.		16 May 2018	[6] up to February 2019	Timeline agreed: May 2019	July 2019
10	23/08/2018	CMP304 'Improving the Enhanced Reactive Power Service by making it fit for purpose'	High Materiality		TBC	[3] up to February 2019	TBC	TBC
11	23/04/2019	CMP298 - Updating the Statement of Works process to facilitate aggregated assessment of relevant and collectively relevant embedded generation	Priority based on assessment against other modifications. A SOW process is also already in place, so there is no immediate need for any urgency.		02 October 2018	[2] September 2018 – February 2019	Proposed: June 2019	Proposed: August 2019
11	20/09/2018	CMP306 - Align annual connection charge rate of return at CUSC 14.3.21 to price control cost of capital	Materiality, Clear solution, Link to having a decision by Autumn 2019 to give time for consideration in regards to publication of charging statement.		31 January 2019	[1] up to February 2019	TBC	TBC
13	15/02/2018	CMP292 'Introducing a Section 8 cut-off date for changes to the Charging Methodologies	Priority based on when a decision will be needed for the tariff setting process		02 October 2018	September 2018 - January 2019	Proposed: April 2019	Proposed: May 2019

14	27/06/2018	CMP300 'Cost reflective Response Energy Payment for Generators with low or negative marginal costs'	Low materiality		25 September 2018	September 2018 - January 2019	Proposed: May 2019	Proposed: July 2019
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