

Headline Report – 28 June 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 May Minutes

The meeting minutes from 31 May have been approved with some minor amendments required. These will be uploaded for visibility for the industry.

Prioritisation Stack¹²

The latest version of the Workgroup Prioritisation Stack is attached in Annex 1. There were several amendments made to the prioritisation stack this month. A summary of the changes and the reason for the movements is below:

- CMP303 was placed at the top of the stack following the send back from Ofgem. Panel viewed this as being the highest priority due to a requirement to receive a decision prior to the end of the Contracts for Difference auction this year. It was also highlighted that Ofgem had requested the report to be returned 'as soon as practicably possible'. It was agreed for the position to be revisited following the workgroup in July.
- CMP295 remained second in the priority order. This remains high up the stack as this is required for clarity with how Virtual Lead Parties interact with the CUSC based on European Law changes and project TERRE.
- CMP317 was moved down the stack to the third position. The first workgroup was held for CMP317 on 27 June. The workgroup concluded the modification could be implemented on 1 April 2021 and was therefore not as critical as when it was proposed for implementation on 1 April 2020. Panel kept it high up the stack as it relates to a legal compliance issue and to ensure the workgroup retains momentum.
- CMP315 was moved into the fourth slot on the prioritisation stack. Panel felt there was a large degree of work to be completed for this modification to achieve an implementation date of 2021; therefore, it requires prioritising by the Code Administrator team and wider industry.
- CMP311 was moved down two places; however, remains on track.
- CMP280/281 stayed under CMP311 within the prioritisation order.
- CMP306 was raised up the stack into seventh position. Following a request from the workgroup to raise the prioritisation of this modification it was agreed that it needed to conclude as soon as possible to achieve an implementation date of 1 April 2020. The Transmission Owners are required to provide charging statements and there are system changes for the ESO as a result of CMP306 ahead of implementation therefore a decision is needed as soon as possible to enact the changes.
- CMP308 was dropped down the prioritisation stack into 8th position for the above modifications to be worked on first. Panel felt there were no significant concerns with a delay to CMP308 – for example no compliance breach.
- The rest of the prioritisation stack remained unchanged.

New Modifications

There was one new modification discussed this month:

New Non- Urgent Modification

- **CMP319** –Consequential changes to section 11 of the CUSC as a result of CMP280 and/or CMP281
Purpose of the modification: As part of the Workgroup analysis, the Workgroup identified that CMP 280 and 281 are charging modifications and as such can only change section 14 of the CUSC. If either modification is approved, changes to other non-charging sections of the CUSC will be required. These changes cannot be achieved with CMP280 and CMP281. The principle addition related to the definitions of storage as a class. The definitions are common to CMP280, CMP281 and their alternates. This was deferred to a Special panel meeting week commencing 8 July to allow for the final amendments to the legal text for CMP280 and CMP281.
-

Authority Decision

The Authority confirmed they had issued a send back for CMP303.

The Authority informed Panel that decision would be issued soon for CMP285.

In flight modifications

CMP280/281 – Legal text being finalised; workgroup report being finalised for Special Panel week commencing 8 July to issue to Code Administrator Consultation (CAC).

CMP286 – A further Request For Information (RFI) was issued in May 2019; due to low responses the Electricity System Operator (ESO) received, further analysis will be required. Due to report in August 2019; will likely require a further extension.

CMP287 – The Workgroup Consultation was issued on 4 April and closed 7 May. The latest Workgroup meeting was postponed due to quoracy issues. An extension was granted until October 2019 to allow for further development.

CMP288 / CMP289 –The workgroup met on 21 June. Workgroup development is on-going.

CMP291 – Following issues with quoracy in March, April and May, we have requested further workgroup members ahead of scheduling the next workgroup meeting.

CMP292 – The Code Administrator Consultation closes on 1 July. The Draft Final Modification Report (DFMR) will be presented to Panel in July.

CMP295 – An additional workgroup member has been added to the workgroup. The next Workgroup is scheduled to meet on 9 July.

CMP298 – Next workgroup to be held 11 July 2019.

CMP300 – One alternative modification has been proposed following the Workgroup Consultation. This will be considered prior to the report returning to Panel.

CMP304 – As the workgroup want to review the ESO Product Road Map, Panel requested that a workgroup be held following this. It is likely this will be July; Panel have requested to review this monthly. If the Product Road Map is not available at a certain point, CMP304 will continue in absence of this.

CMP306 – Panel raised the priority of this modification to encourage its progression. A workgroup will be arranged in July to proceed.

CMP308 – There is one formal Workgroup Alternate Code Modification (WACM) raised. The Workgroup is due to meet early July to try to progress the workgroup report to July's Panel.

CMP311 – There have been three workgroup meetings to date with a fourth meeting scheduled for 31 July. This modification remains on track.

CMP315 – Panel agreed for the first workgroup to be held following its initial postponement. A workgroup will meet as soon as possible.

CMP316 – The first workgroup was held on 20 June. The second workgroup is anticipated to meet in September 2019.

CMP317 – The first workgroup met on 27 June. The second workgroup is anticipated to be held in July 2019.

*CMP271, CMP274, CMP276 and CMP307 are all on hold pending the outcome of the Targeted Charging Review / Significant Code Review.

Panel Vote

CMP314 - Panel carried out their recommendation vote. Eight Panel members determined that the Original better facilitates the CUSC Objectives than the baseline and one Panel member abstained. The modification will be issued to the Authority for a decision.

Questions or feedback?

Code Administrator Representative: Rachel Hinsley, *Code Administrator*

Panel Secretary: Ren Walker, *Code Administrator*

Email: cusc.team@nationalgrideso.com

Annex 1: Prioritisation stack

<p>Section 8: 8.19.1.(e) makes the following provision for the Panel and states “<i>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</i>”</p>	
Complexity	<p>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.</p>
Importance	<p>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.</p>
Urgency	<p>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.</p>

No	Date Modification Raised	Modifications at WG Stage	Panel Comments on Prioritisation	Date of First WG	WG Development [WG already held]	WG Report submission	Expected FMR Date to Authority
1	19/07/2018	CMP303 - Improving local circuit charge cost-reflectivity	Required ahead of the completion of the CfD auctions	25 September 2018	7 up to July 2019	TBC	TBC
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 July 2019	August 2019	October 2019
3	22/05/2019	CMP317 Identification and exclusion of Assets Required for Connection when setting Generator TNUoS charges	Based on current assumption on timing with 2020 deadline; if it is assessed that the timing is not so critical the modification will be reviewed and may be reassessed on the prioritisation stack.	27 June 2019	1 up to July 2019	TBC	TBC
4	16/04/2019	CMP315 - TNUoS: Review of the expansion constant and the elements of the transmission system charged for	Scale and complexity; no requirement with compliance. Unlikely to be implemented ahead of Tariff setting for 2020. To be reviewed following first workgroup.	TBC	TBC	TBC	TBC
5	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.	9 April 2019	3 up to July 2019	September 2019	November 2019
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.	4 August 2017	18 up to July 2019	July 2019	August 2019
7	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 with regard to publication of charging statement.	31 January 2019	2 up to July 2019	TBC	TBC
8	15/02/2018	CMP291 'The open, transparent, non-discriminatory and timely publication of the harmonised rules for grid connection (in accordance with the RfG, DCC and HVDC) and the harmonised rules on system operation (in accordance with the SOGL) set out within the Bilateral Agreement(s) exhibited in the CUSC.'	Prioritisation based on alignment to European Law changes/timetables.	12 July 2018	2 up to July 2019	August 2019	October 2019
9	19/10/2018	CMP308 Removal of BSUoS charges from Generation	High impact of BSUoS Payers, Impact on BSUoS recovery, Consumer Impacts.	18 December 2018	5 up to July 2019	July 2019	September 2019

10	16/04/2019	CMP316 - TNUoS Arrangements for Co-located Generation Sites	Scale and complexity; no requirement with compliance. Unlikely to be implemented ahead of Tariff setting for 2020. To be reviewed following first workgroup.	TBC	TBC	TBC	TBC
11	10/10/2017	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 July 2019	October 2019	November 2019
12	10/10/2017	CMP286 'Improving TNUoS Predictability through Increased Notice of the Target Revenue 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 July 2019	August 2019	October 2019
13	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 July 2019	September 2019	November 2019
14	23/08/2018	CMP304 'Improving the Enhanced Reactive Power Service by making it fit for purpose'	High Materiality	TBC	3 up to July 2019	TBC	TBC
15	23/04/2018	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 up to July 2019	October 2019	December 2019
16	27/06/2018	CMP300 'Cost reflective Response Energy Payment for Generators with low or negative marginal costs'	Low materiality	15 February 2019	3 up to July 2019	July 2019	September 2019