

CUSC Panel Minutes: 31 May 2019

CUSC Panel Minutes: Meeting Number 235

Date: 31/05/2019	Location: L1-15, Faraday House, Warwick and WebEx
Start: 10:00am	End: 3:00pm

Participants

Attendee	Initials	Company
Trisha McAuley	TM	Independent Panel Chair
Rachel Hinsley	RH	Code Administrator, National Grid Electricity System Operator
Ren Walker	RW	Technical Secretary, Code Administrator, National Grid Electricity System Operator
Jon Wisdom	JW	National Grid Electricity System Operator (NGESO)
Simon Lord	SL	Users' Panel Member
Laurence Barrett	LB	Users' Panel Member
Paul Mott	PM	Users' Panel Member
Garth Graham	GG	Users' Panel Member
Andy Pace	AP	Users' Panel Member
Damian Clough	DC	ELEXON
Cem Suleyman (Dial in)	CS	Users' Panel Member
Robert Longden (Dial in)	RL	Users' Panel Member
Kate Dooley (Dial in)	KD	Users' Panel Member Alternate
Nadir Hafeez (Dial in)	NH	Authority Representative
Grace Smith	GS	Sembcorp - Observer

Apologies	Initials	Company
Paul Jones	PJ	Users' Panel Member
Shazia Akhtar	SA	Technical Secretary, Code Administrator, National Grid Electricity System Operator

1. Introductions and Apologies for Absence

9640. Apologies were received from Paul Jones and Shazia Akhtar. Kate Dooley attended the CUSC Panel as Paul's alternative.

2. Approval of Minutes from Previous Meeting

9641. TM advised that the minutes from the Special CUSC Panel on 14 March, the CUSC Panel held on 29 March 2019 and the Special CUSC Panel held on 4 April 2019 and CUSC Panel on 26 April were circulated for comments. RH informed Panel members that Paul Jones had submitted comments the day before on the minutes from 29 March and took an action to circulate the amended minutes for comments from Panel members.

ACTION

3. Review of Actions

9642. The CUSC Panel reviewed the open actions from the meeting held on 26 April 2019 which can be found on the Actions Log.

4. Authority Decisions

9643. NH advised that a decision on Modifications CMP301 'Clarification on the treatment of project costs associated with HDVC and subsea circuits' and CMP303 'Improving local circuit charge cost- reflectivity' are anticipated week commencing 10 June 2019.

9644. NH stated that Ofgem's view on CMP315 'TNUoS: Review of the expansion constant and the elements of the transmission system charged for (<https://www.nationalgrideso.com/codes/connection-and-use-system-code-cusc/modifications/cmp315-tnuos-review-expansion-constant-and>) is that this Modification and CMP303 'Improving local circuit charge cost-reflectivity' could be seen to be working in opposite directions. NH confirmed that Ofgem are still reviewing the impact that CMP315 could potentially have on the Significant Code Review (SCR). NH requested the Panel to provide its view on this as per Section 8.17.1 of the CUSC which invites the Panel to undertake an assessment on whether a modification falls within scope of an open SCR.

9645. The Panel recognised that it can articulate its view on CMP315, however the final decision rests with Ofgem to confirm. The Panel agreed to submit a letter to Ofgem which would detail their views on how CMP315 interacts with the charging SCRs. Panel members took

away an action to feed their views into the letter before the Code Administrator submits an agreed version to Ofgem. The Panel agreed that it should seek the Proposer's view on this to ensure that the intent of the Modification is as the Panel have interpreted.

ACTION

9646. The Panel recommended that CMP315 is re-scheduled until a decision has been made from Ofgem in regard to the impact this Modification has on the SCR. The Code Administrator will inform the proposer, Workgroup members and re-schedule the Workgroup meeting.

ACTION

5. New non- urgent Modification Request

CMP317 'Identification and exclusion of Assets Required for Connection when setting Generator Transmission Network Use of System (TNUoS) charges'

9647. JW from National Grid Electricity System Operator (NGESO) delivered a presentation on CMP317. JW advised that this modification seeks to define, for the purposes of EU regulation 838/2010, which specific elements of generator TNUoS pertain to assets required for connection, which specific elements should therefore be excluded when considering whether generator TNUoS charges fall within the stipulated range of €0-2.50/MWh and to establish a methodology for maintaining compliance in charge setting on an ex ante and an ex post basis. This is necessary as the application of section 14.14.5 (v) of the CUSC no longer ensures compliance with the €0 - €2.5/MWh charge range in future years. The Modification proposal can be found on National Grid ESO's website via the following link: <https://www.nationalgrideso.com/codes/connection-and-use-system-code-cusc/modifications/identification-and-exclusion-assets>
9648. JW explained that the purpose of CMP317 is to update the CUSC to establish a methodology by which The Company can determine which assets are to be included, and which are to be excluded, when assessing compliance with the €0-2.50/MWh range.
9649. JW continued by stating that the 'residual' element (or any other element having the same effect) of Generator TNUoS charges should be calculated after the costs of the assets required for connection have been calculated and removed from the calculation in 14.14.15(v) targeting the lower end of the range to maintain the status quo and ensure compliance.
9650. JW stated that a change is needed to allow The Company to set compliant tariffs on an ex ante basis now (using an adjustment factor or generator residual) and in the future. This should include the creation of an ex post mechanism for the redistribution of funds in the unlikely event of tariffs being outside of €0-2.50/MWh range the first element, review the expansion constant and confirm it best reflects the full cost of 1km of 400kV overhead line, and the second element proposed is to review and introduce expansion factors for other assets used on the transmission system.
9651. Following discussions, the CUSC Panel unanimously agreed that CMP317 should proceed to Workgroup to develop further. All Panel members agreed that the Workgroup nominations period should be open for 10 Working days and requested that the Code Administrator highlight that the Workgroup meetings will be held as two days with back to back meetings to ensure the Workgroup progresses in line with the timetable. All questions

raised by Panel members have been captured and included in the Terms of Reference for CMP317. Following the first Workgroup meeting and feedback from the Workgroup, the Panel will review and approve the Terms of Reference.

ACTION

CMP318 ‘Maintaining Non Half- Hourly (NHH) charging arrangements for Measurement Classes F and G’

9652. JW from National Grid Electricity System Operator (NGESO) delivered a presentation on CMP318. JW advised the Panel that this Modification seeks to extend the period over which Meter Point Administration Numbers (MPANs) in Measurement Classes F and G are treated as NHH for Transmission Network Use of System (TNUoS) charging purposes. The Modification proposal can be found on National Grid’s ESO website via the following link: <https://www.nationalgrideso.com/codes/connection-and-use-system-code-cusc/modifications/maintaining-non-half-hourly-nhh-charging>
9653. JW advised that the original issue identified in CMP266 ‘Removal of Demand TNUoS charging as a barrier to future elective Half Hourly settlement’ (<https://www.nationalgrideso.com/codes/connection-and-use-system-code-cusc/modifications/cmp266-removal-demand-tnuos-charging>) will recur with effect from 1 April 2020 JW continued by explaining that any site which undergoes Change of Measurement Class (CoMC) into F or G will face duplicate TNUoS contributions; and any site having already undergone CoMC into F or G will see charges change to be triad-based in 2020, then potentially change again in 2021-23 when the TCR is delivered, and again in 2023 when AFLC (Access Forward Looking Charges) is complete.
9654. JW confirmed that the view of the Proposer is to send this Modification straight to Code Admin Consultation. LB stated that this Modification is simply changing a date, therefore doesn’t feel it is necessary to go through the Workgroup process as this would not be an efficient use of Industry time.
9655. NH advised that Ofgem’s view on this Modification proposes to extend the end date within the CUSC, therefore can see the benefit in doing this due to the Access and SCR implementation. GG commented that the Modification references SCR throughout and requested that Ofgem confirm that this Modification would not be considered in scope of the SCR.
9656. JW took an action to draft a letter for feedback from other Panel members. The letter will be sent from Panel to Ofgem advising that this Modification does not fall in scope of the SCR and that the modification has a significant benefit for consumers. Ofgem would then need to confirm their view on this.

ACTION

9657. The CUSC Panel approved CMP318 to proceed to Code Administrator Consultation. Panel requested that the consultation is published following Ofgem’s decision on the letter which Panel will submit.

6. In Flight Modifications

9658. RH talked the Panel through the progression of the in-flight Modifications. The in-flight Modifications can be found within the CUSC Panel papers pack on the National Grid ESO

website via the following link: <https://www.nationalgrideso.com/codes/connection-and-use-system-code-cusc/meetings/cusc-panel-meeting-26-april-2019>

9659. RH advised that CMP313 'Critical friend review period for submission of new Modifications' (<https://www.nationalgrideso.com/codes/connection-and-use-system-code-cusc/modifications/cmp313-critical-friend-review-period>) is being presented to the Panel ahead of the formal Panel vote.
9660. RH confirmed that one response was received to the Code Administrator Consultation. The respondent stated that it did not better facilitate the objectives due to the Code Administrator being within the Electricity System Operator (ESO) and could be making the process longer. The User would be more inclined to think the modification useful if the Code Administrator was separate.
9661. The CUSC Panel had concerns that Modifications submitted to the Code Administrator could still be shared internally with other ESO colleagues. RH advised the Panel that a respondent to Grid Code Modification GC0124 'Critical Friend review period for submission of new Modifications' (<https://www.nationalgrideso.com/codes/grid-code/modifications/gc0124-critical-friend-review-period-submission-new-modifications>) suggested that the Code Administrator take the following steps to ensure transparency in the application of the Modification. The first being, to circulate an email to industry following the deadline day detailing details of all the Modifications submitted to them (Modification number and title). The second suggestion, copy of all Modifications received by the deadline to be submitted to the Panel Chair.
9662. RH stated that the Code Administrator would like to commit to these two suggested steps as part of implementation of these modifications and proposes updating the final self-governance report to reflect the commitment made. These steps would be undertaken the morning following the 5pm deadline (by 10am).

ACTION

9663. Panel members had mixed views on CMP313, and as such have detailed their views within their voting statements. RH confirmed that the appeals window for CMP313 opens on 10 June for 15 working days.
9664. The Panel held a vote on CMP292 'Introducing a Section 8 cut-off date for changes to the Charging Methodologies' (<https://www.nationalgrideso.com/codes/connection-and-use-system-code-cusc/modifications/introducing-section-8-cut-date-changes>) . The Panel agreed that the Workgroup had met its Terms of Reference and can be discharged. One Panel abstained from voting due to not having the opportunity to review the Workgroup report ahead of the Panel.
9665. RH advised Panel that the next steps for CMP292 is to proceed to Code Administrator Consultation.

7. Discussions on Prioritisation

9666. The CUSC Panel reviewed the prioritisation stack. Panel members agreed that CMP317 should be considered the top priority.
9667. GG advised CMP317 needs be ready for the proposed implementation date of 1 April 2020. GG stated that to get this Modification through the process will require a lot of industry resource and proposed that the Code Administrator schedule the Workgroup meetings two days back to back.

9668. RH confirmed that the Code Administrator will highlight the importance and schedule of the Workgroups.

9669. RH will ensure the updated prioritisation stack is circulated as an annex to the CUSC headline report.

8. Chair Update

9670. TM advised there were no Chair Updates to share with the CUSC Panel.

9. Standing Groups

Governance Standing Group

9671. No further updates.

Transmission Charging Methodology Forum (TCMF)

9672. JW advised that no TCMF meeting was held in May. The next meeting will be held on 12 June 2019.

10. European Updates

European Code Development

9673. NH confirmed there was no further update.

Joint European Stakeholder Group (JESG)

9674. GG advised that the JESG meeting was held on 14 May 2019. GG confirmed that updates were provided by National Grid Electricity System Operator (NGESO). GG stated that Ofgem provided an update on the electricity balancing guidelines.

11. Update on other Industry Codes

9675. The Panel had no further updates on other Industry Codes.

12. Relevant Interruptions Claim Report

9676. RH stated this agenda item has been discussed under the review of actions log. To confirm, the Code Administrator took an action to present the Relevant Interruptions Claim report to the Panel in June.

ACTION

13. Other CUSC Panel Updates

Customer Journey

9677. RH advised the Panel that as part of the Customer Journey work, the Code Administration team is looking to improve communications as part of the BAU activity i.e. how and when parties would want to know a consultation has been issued. RH confirmed that the Code Administration team is now seeking industry feedback on these communication methods and frequencies.

9678. RH advised the link to the survey was circulated to all Panel members. The closing date for the survey is 7 June 2019.

14. Horizon Scan

Horizon Scanning

9679. RH presented the Horizon scan to the Panel. Panel members identified that the Horizon scan was inaccurate and requested this be amended to reflect current position of Modifications. RH took an action to update the Horizon scan.

ACTION

15. AOB

Workgroup Outputs

9680. RH stated that as part of the Code Administrators commitment to getting the basics right and providing greater transparency across Workgroups, from the 1 June 2019 a meeting summary document will be produced. This will contain a summary of Workgroup outputs and an actions log. This will be published on the National Grid ESO website and circulated to all Workgroup members within 5 working days.
9681. RH confirmed this will be measured to identify if the Key Performance Indicators (KPI) is being met and the quality of the document.
9682. RH stated that a further update on this will be provided at the Panel in July.

Quoracy

9683. RH advised the Panel that more recently an increased amount of Workgroup meetings are having issues with quoracy. RH stated that the Code Administrator has taken the following approach to quoracy.
9684. Five workgroup members are required to set up a workgroup meeting. In extenuating circumstances resulting in a workgroup member cancelling attendance on the day of meeting (or a no-show) we will facilitate with less than five workgroup members; however, this facilitation is in the form of an informal meeting intended to progress discussion where possible.
9685. All discussions from this “informal meeting” need to be reviewed at the next quorate meeting. Additional key decisions such as voting can’t be made at an informal meeting.
9686. RH stated that the issue with quoracy is more of a concern on the Grid Code Workgroups. GG suggested that the Code Administrator could raise a Modification to introduce a process to amend the number of Workgroup members to a lower number if there were problems with quoracy.
9687. TM confirmed that similar discussions were held at the Grid Code Panel where the Code Administrator took an action to review quoracy. TM suggested that this action be replicated on the CUSC.

ACTION

AOB

9688. LB advised the Panel that the meeting on 28 June 2019 will be his last meeting as a Panel member. LB confirmed no alternative Panel member has been appointed, therefore the Code Administrator will assign an alternative Panel member for July’s meeting.

9689. RH stated that the CUSC Elections process will commence on 20 June 2019. RH advised that although CMP285 is with the Authority for a decision the CUSC, as present, states that the election process starts on 20 June.

9690. JW advised the Panel that Ofgem published a letter on the revised timings on SCR. Further information can be found via the following link: <https://www.ofgem.gov.uk/publications-and-updates/update-timing-and-next-steps-future-charging-and-access-reforms>

The next CUSC Panel meeting will be held on Friday 28 June 2019 at Faraday House, Warwick.