

Transmission Charging Methodologies Forum and CUSC Issues Steering Group

Meeting 98

11 September 2019

Welcome

Jon Wisdom

National Grid ESO



Today's agenda

#	Item
1	Introduction, meeting objectives and review of previous actions
	CISG
2	Code modifications update
3	User commitment - long lead time, high value schemes
	TCMF
4	Targeted charging review update
5	Loss of Mains Protection update
6	'Quick Win' Improvements to Grid Code Open Governance Arrangements
7	TNUoS Generation re-zoning for RIIO-2 (update)
8	EB GL Article 18 update
	AOB
	Close

No open actions

Code Administrator Update

Paul Mullen

National Grid ESO



Authority Decisions

CMP285 on 4 July 2019 - implemented 5 July 2019

CMP314 on 22 August 2019 - to be implemented on 1 April 2020

New Modifications

There were **two new modifications** discussed in July:

CMP319 – Consequential changes to Section 11 of the CUSC as a result of CMP280 and/or CMP281

Modification category: Non-urgent

Panel agreed for this to proceed for Authority decision and to proceed to Code Administrator Consultation. This will be issued w/c 29 July 2019.

CMP320 - Island MITS Radial Link Security Factor

Modification category: Non-urgent

Panel agreed for this to proceed for Authority decision and to proceed to workgroup. Next step is for the request for workgroup nominations to be sent out by the Code Administrator.

In Flight Modification Updates



Dashboard – CUSC (August)

Category	Jul	Aug	Sep	Oct	Nov	Dec
New Modifications	2	0				
In-flight Modifications*	30	29				
Modifications issued for workgroup consultation	0	0				
Modifications issued for Code Administrator Consultation	4 <i>(CMP 280/1, 292,295, 319)</i>	0				
Workgroups held	6	2				
Authority Decisions	1 <i>(CMP285)</i>	1 <i>(CMP314)</i>				
Implementations	1 <i>(CMP285)</i>	1 <i>(CMP313)</i>				
Modifications on Hold	6	6				
Workgroups postponed due to quoracy issues	1 <i>(CMP300)</i>	1 <i>(CMP300)</i>				

* Includes those on hold

Modifications with Workgroups (in Prioritisation Order)

Ref.	Latest	Next Workgroup Meeting(s)
CMP303	Workgroup held 29 August 2019 to address Ofgem feedback. Panel determining whether or not a Code Administrator Consultation (running for 5 working days) will be need to be held before Draft Final Modification Report is re-presented to Panel. If a Code Administrator Consultation is required, the Draft Final Modification Report will be re-presented to Panel on 27 September 2019. Final Modification Report to be re-issued shortly thereafter.	n/a
CMP317	3 Workgroups held (27 June 2019, 22 July 2019 and 19 August). Next workgroup 3 September 2019. Report to Panel in January 2020.	3/9/19 and w/c 30/9/19
CMP315	First workgroup to convene on 5 September 2019 and a timetable to be provided thereafter.	5/9/19
CMP311	Second draft of Workgroup consultation circulated on 12 August for comments by 4 September and meeting 18 September to finalise. Plan to issue workgroup consultation on 20 September so looking at November 2019 to present workgroup report to Panel. August Panel agreed an extension (for workgroup report to be presented for Panel approval) from September 2019 to November 2019.	18/9/19
CMP308	Workgroup developing WACMs and legal text. July Panel agreed for this to be delayed to October 2019 as next Workgroup meeting won't be until 9 September 2019.	9/9/19

Modifications with Workgroups (in Prioritisation Order)

Ref.	Latest	Next Workgroup Meeting(s)
CMP316	First workgroup held 20 June 2019. The timeline will be created at the next workgroup on 16 September 2019.	16/9/19
CMP320	Panel agreed for this to proceed for Authority decision and to proceed to workgroup. Proposer raised a request for urgency on 5 August and this was discussed at the Special Panel on 13 August. Panel recommended urgency and this was sent to Ofgem for decision on 22 August - Ofgem determined on 30 August 2019 that this was not urgent. In parallel, workgroup was held 23 August and workgroup consultation is planned to be sent out w/c 2 September 2019.	TBC (October?)
CMP304	Placed 'on hold' until July at the Panel in April. Proposer is awaiting the National Grid ESO product road map to be presented As National Grid ESO are not now producing a Roadmap, agreed at July Panel that work on this Modification will restart. Timeline to be confirmed.	TBC (October?)
CMP291	Workgroup meetings have been cancelled three times due to quoracy; therefore there has been a request for additional workgroup members b issued to the industry but no additional Workgroup members have come forward. Workgroup Report was to be presented for Panel Approval at August 2019; this won't be possible. August Panel were asked to note that revised timeline will be agreed at next workgroup meeting and then be presented at the following Panel.	TBC (November?)

Modifications with Workgroups (in Prioritisation Order)

Ref.	Latest	Next Workgroup Meeting(s)
CMP287	Panel advised that CMP287 should proceed ahead of CMP286. The workgroup consultation was issued in April 2019 and closed on 7 May 2019. July Panel approved an extension to October to account for additional work required. However, Proposer is considering how to proceed with this in light of Targeted Charging Review.	TBC
CMP286	July Panel approved an extension until January 2020 for Workgroup report to be presented to Panel. However, Proposer is considering how to proceed with this in light of Targeted Charging Review.	TBC
CMP288/ 289	Workgroup Report due to be presented at October 2019 Panel. The original Proposer (NGET) has applied for materially impacted party status. Workgroup consultation and alternatives being developed. Noted to August Panel that further extension will need to be requested but we need to get workgroup meeting in diary before we can confirm what extension will be needed.	TBC
CMP298	Workgroup Report due to be presented at December 2019 Panel. Next workgroup to review the workgroup report, legal text and product document will be w/c 7 October and the workgroup meeting to finalise the workgroup consultation will be w/c 28 October 2019.	w/c 7/10/19 and w/c 28/10/19
CMP300	Seeking meeting ASAP to hold a WACM vote and then workgroup vote. Tried to hold this meeting July and August but couldn't get quoracy - August Panel were asked to note that workgroup report was to be presented to Panel in August but could not get quoracy. Will get a date in diary for the workgroup vote and then confirm timeline.	TBC

Modifications post Workgroup (in Modification Number Order)

Ref.	Latest
CMP271	On hold pending outcome of Targeted Charging Review / Significant Code Review
CMP274	On hold pending outcome of Targeted Charging Review / Significant Code Review
CMP276	On hold pending outcome of Targeted Charging Review / Significant Code Review
CMP280/ 281	Code Admin Consultation submitted 31 July 2019 and was open until 5pm on 29 August 2019; presenting Draft Final Modification Report at Special Panel 12 September 2019
CMP292	Draft Final Modification Report approved at July Panel. Final Modification Report submitted 16 August 2019
CMP295	Code Admin Consultation submitted 31 July 2019 and was open until 5pm on 29 August 2019; presenting Draft Final Modification Report at Special Panel 12 September 2019
CMP301	Issued for a 5 day Code Administrator Consultation on 20 February, closed on February 27. Panel voted unanimously to approve CMP301 at Special Panel meeting on 4 April 2019. Authority Decision received 11 June 2019 and Implementation Date 1 April 2020
CMP305	Ofgem sent CMP305 back with a request for additional information. Ofgem have stated that they wish to make the decision on CMP305 at the same time as CMP304
CMP306	Workgroup Report approved at August 2019 Panel. To be issued for Code Administrator Consultation w/c 2 September 2019

Modifications post Workgroup (in Modification Number Order)

Ref.	Latest
CMP307	On hold pending outcome of Targeted Charging Review / Significant Code Review
CMP309	Modifications prepared for a 'no deal' Brexit scenario. CMP309 applies to the non charging CUSC applicable objectives, CMP310 applies to the charging CUSC objectives.
CMP310	Code Administrator Consultation opened on 28 February and closed on 21 March. Once a date is reached for the EU Exit these will be issued back to Panel for a vote. If any amendments are required to the solution or legal text Panel may issue for a Code Admin Consultation.
CMP314	Panel agreed to send for Code Admin consultation; this was issued on 21 May and closed 12 June 2019. Panel voted in June against the applicable objectives with 8 in favour of the modification against the baseline. Ofgem decision received 22 August 2019 with implementation to be 1 April 2020.
CMP318	Code Admin Consultation submitted 15 July 2019 and was open until 5pm on 5 August 2019. At August Panel, Panel recommended that the Draft Final Modification Report can be issued to Authority - to be sent 16 September 2019.
CMP319	Code Admin Consultation submitted 31 July 2019 and was open until 5pm on 29 August 2019; presenting Draft Final Modification Report at Special Panel 12 September 2019.

Governance

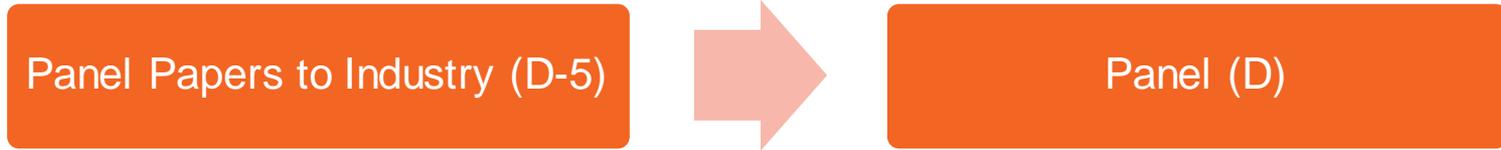
Our aspiration on the number of workgroups we hold per month

Critical Friend Checks

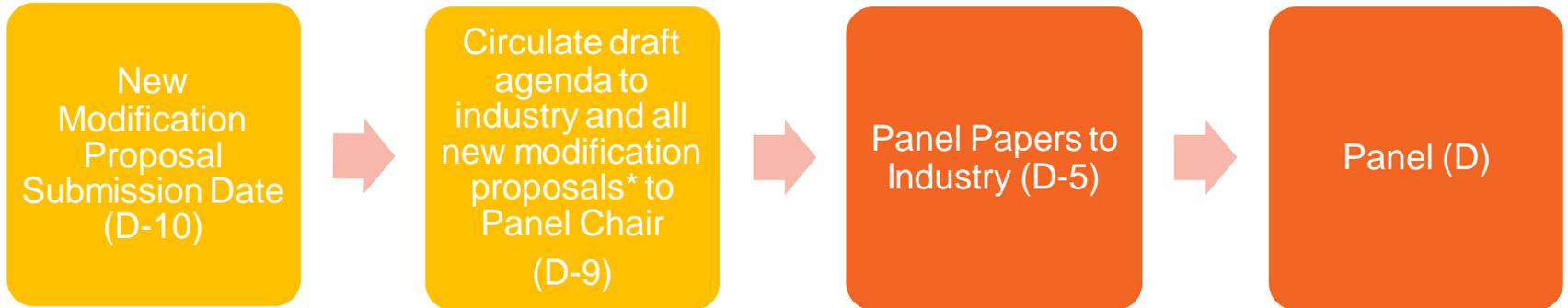


New Timeline

Current Timeline



Timeline from 1 August 2019



*This will be the email that the Proposer sent to the Code Administrator

Note the new dates – Review?

	September	October	November	December
TCMF*	11/9/19	9/10/19	13/11/19	11/12/19
New Modification Proposal Submission Date	12/9/19	10/10/19	14/11/19	28/11/19
Papers Day	19/9/19	17/10/19	21/11/19	5/12/19
CUSC Panel	27/9/19	25/10/19	29/11/19	13/12/19

*Reviewing TCMF (and GCDF) dates in light of implementation of Critical Friend Modifications on 1 August 2019

Questions



CUSC Issues Steering Group (CISG)



User commitment - long lead time, high value schemes

Sarah York

National Grid ESO



Questions



Transmission Charging Methodology Forum



Targeted Charging Review update

Harriet Harmon

National Grid ESO



Loss of Mains Protection Update

Graham Stein

National Grid ESO



Accelerated Loss of Mains Change Programme

Cost Recovery

- You will see these costs in your BSUoS bill from October
- £100m over two years
 - £2.4m per month for 6 months, then £4.8m per month for the remaining 18 months
- No costs have been recovered to date

What's next?

- Forecast will be kept under review and adjusted in line with performance
- Forecast and actual costs will be reported as a separate line item
- We'll shortly issue an invitation to sit on the programme steering group

What is it?

- Designed to implement the final DCode modification (DC0079) for RoCof and Vector Shift
- Delivered as Balancing Service
- Distribution companies provide delivery and assurance
- Go-live planned in September
- Benefits in excess of £150m pa

'Quick Win' Improvements to Grid Code Open Governance Arrangements

(as presented to Grid Code
Panel & Development
Forum July 2019)

Rob Wilson



Introduction

- Open Governance arrangements in the Grid Code were approved by Ofgem in Feb 2017 in modification [GC0086 'Open Governance'](#)
- Since then, working with the new governance processes has helped to identify a number of areas in which further improvements could be made
- This modification proposes a number of 'quick wins' that will help to improve the speed and efficiency of the process or provide necessary clarification
- Given the upcoming Ofgem [Energy Code Review](#) changes are only achievable if they are agreed to be uncontentious 'quick wins' and can therefore be progressed ahead of this

Link to CUSC & Progress

- CUSC and Grid Code governance arrangements are similar
- Presented to July meetings of Grid Code Development Forum and Grid Code Panel
- Should we seek to keep CUSC and Grid Code governance aligned? – but don't want to cause delays as these changes only work in the current context if they can be quick wins
- Planning to raise modification proposal at Sept Grid Code Panel

Potential Change Areas

- NGENSO mandatory workgroup participation
- Initial assessment of proposals
- Quoracy
- Assessment of alternatives
- Titles and summaries of proposals
- Role of the Code Administrator Consultation
- Production of draft legal text

NGESO mandatory workgroup participation

- NGESO are currently mandated to be part of every workgroup
- Particularly since the legal separation of NGESO and NGET, on occasion modifications are proposed where NGESO cannot make a significant contribution to development (e.g. GC0103)
- Proposal to remove mandatory participation

Initial assessment of proposals

- On occasion proposals are raised where it is significantly unclear at the outset what the solution may be or which parties could be impacted
- Proposal is to add an option allowing the panel to choose to form a workgroup specifically to produce an initial assessment of a proposal before reporting back

(in fact this formalises what panel recently chose to do for [GC0117](#))

- After this report is made, the panel may make a more informed decision on the way forward from the existing options (usually to form a workgroup or proceed to consultation if fully developed)
- The proposer may also be invited to either clarify their proposal or withdraw it but as a principle of Open Governance can choose not to do this

Quoracy

A workgroup and any meeting of a workgroup is only considered quorate with five members (including NGESO)

This has been a frequent barrier to progress

Proposal is to remove quoracy requirements while installing further checks and balances for a non-quorate workgroup

A non-quorate workgroup must, in addition to normal requirements:

- Continue to seek further members at key points in the process
- Always hold a workgroup consultation and prior to this seek panel approval
- Circulate their draft report to the Grid Code mailing list for comment before presenting it to panel

Ofgem should have the right to veto a non-quorate workgroup

Further proposal to clarify arrangements if a meeting of a workgroup is non-quorate to allow work to continue where possible, avoid delays and make better use of time

Assessment of alternatives

- Potential alternatives to a modification proposal are assessed against the Grid Code objectives
- If judged by a majority of the workgroup or the Chair to be better than the baseline the alternative is developed
- Proposal to make a better use of time and resources by changing this to be better than the original proposal (which is the treatment used in the BSC)

Titles and Summaries of Proposals

- Once a proposal has been received, the Panel Secretary allocates it a number and enters its details on the code modification register
- Proposal to allow the Code Administrator (building on their 'Critical Friend' role) to amend the title or summary of the proposal to better reflect its content or intent and to aid in the gaining of members for a workgroup.
- Ideally these should be agreed with the Proposer or if not, then both versions presented

Role of the Code Administrator Consultation (CAC)

- Mandatory for all modifications
- Workgroup consultation is not mandatory – but is usually also required
- This isn't efficient but too complex to address here
- Detailed comments to develop the solution are not sought in the CAC but where submitted normally have to be acted on
- Earlier engagement in the solution is not easily codified but development should be through a workgroup and prior to the CAC. Some clarification now included
- Additional text added to allow for changes to be made to a solution post-CAC in the case where a workgroup was not formed

Production of Draft Legal Text

- Need for clarification
- NGENSO as the licensee ultimately owns the text of the Grid Code
- Under open governance, the proposer of a modification or alternative owns their solution (although this may be developed through a workgroup)
- Proposal to clarify that NGENSO will draft legal text BUT this must be on the basis of a clear and complete solution
- Lines up with the guidance note produced

Governance route

- Normal governance proposed – i.e. Workgroup development

...but bearing in mind the need to progress only 'quick wins' ahead of the Energy Codes

Review this should be focused and short

- Self-governance or not?
 - Ofgem made the decision on GC0086 Open Governance
 - ...but these are 'quick wins'?
 - Would self-governance be appropriate given that the proposals do not discriminate between users?

Summary of feedback to date

- Some parties questioned whether any areas could be quick wins
- Some parties wanted to retain NGESO mandatory workgroup participation
- All were supportive of the principle of removing quoracy blockers – and wanted to include Ofgem approval/veto for a non-quorate workgroup
- Some parties felt that development of extreme positions in alternatives was important
- Some parties felt that Code Administrator and Proposer need to agree titles and summaries
- Code Administrator Consultation clarifications – add an option to establish a workgroup to deal with changes if one was not formed previously
- Production of draft legal text at as early a stage as possible is useful but can only be when a solution has been formed
- Some parties felt that in addition to development by a workgroup, these changes were not suitable for self-governance by the Panel and should be determined by Ofgem

Questions



TNUoS Generation Zoning for RIIO-2 (update)

Jo Zhou
National Grid ESO



TNUoS Generation Zoning for RII0-2

1 Background

2 Indicative timeline

3 Tariff forecasts in the interim

4 Q&A

Background - update since the July TCMF presentation

Recap – what is the issue?

The purpose of zoning is to achieve tariff stability & long-term capacity investment signals.

The number of zones has increased significantly due to:

- Increase in the number of relevant nodes, particularly at 132kV
- Some high-value assets (e.g. HVDC)
- Inflation during RII0-1
- ...

Recap: Zoning criteria (CUSC 14.15.42)

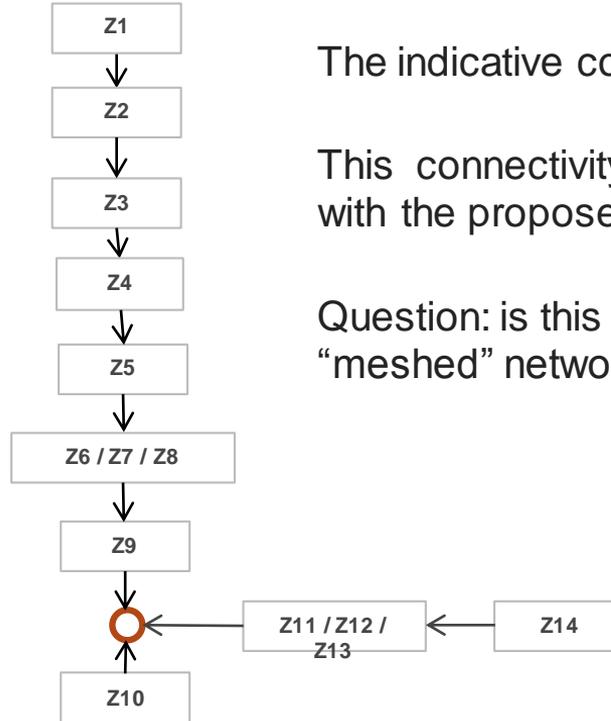
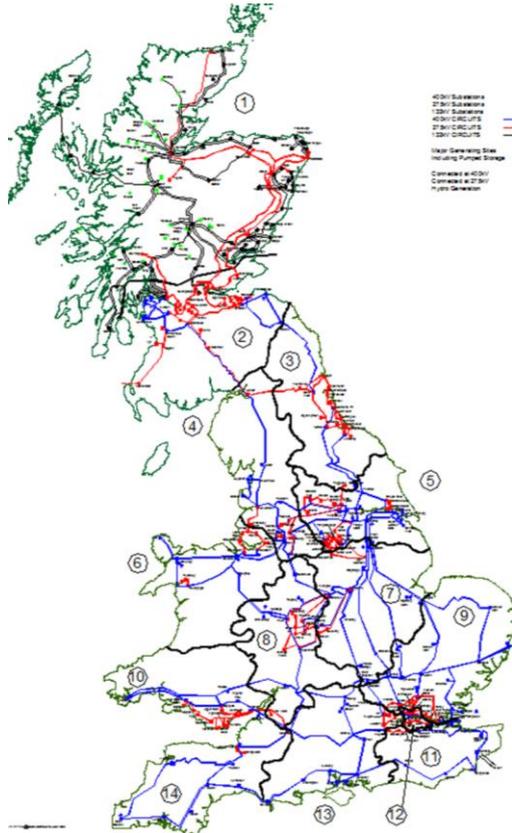
...Zones should contain relevant nodes whose total wider marginal costs...are all within +/- £1.00/kW (nominal prices) across the zone....

Recommended option

43 Aligning generation zones with demand zones (simplicity and stability).

Question following the July TCMF

– Can you provide the connectivity map?

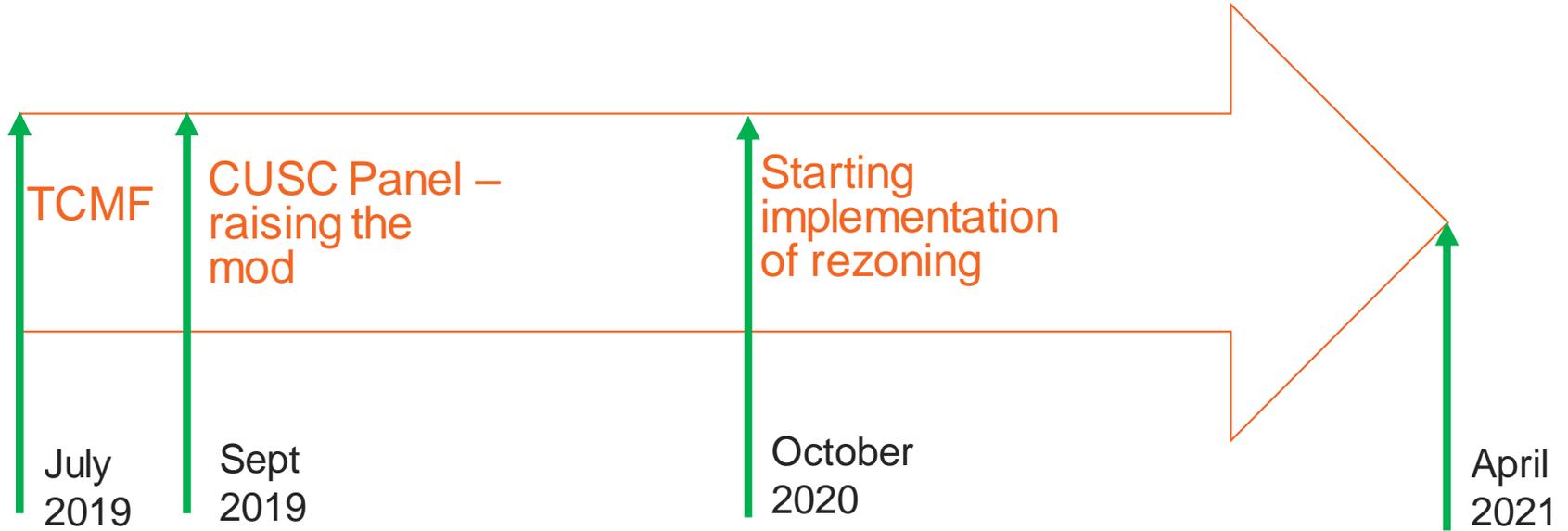


The indicative connectivity map is shown here.

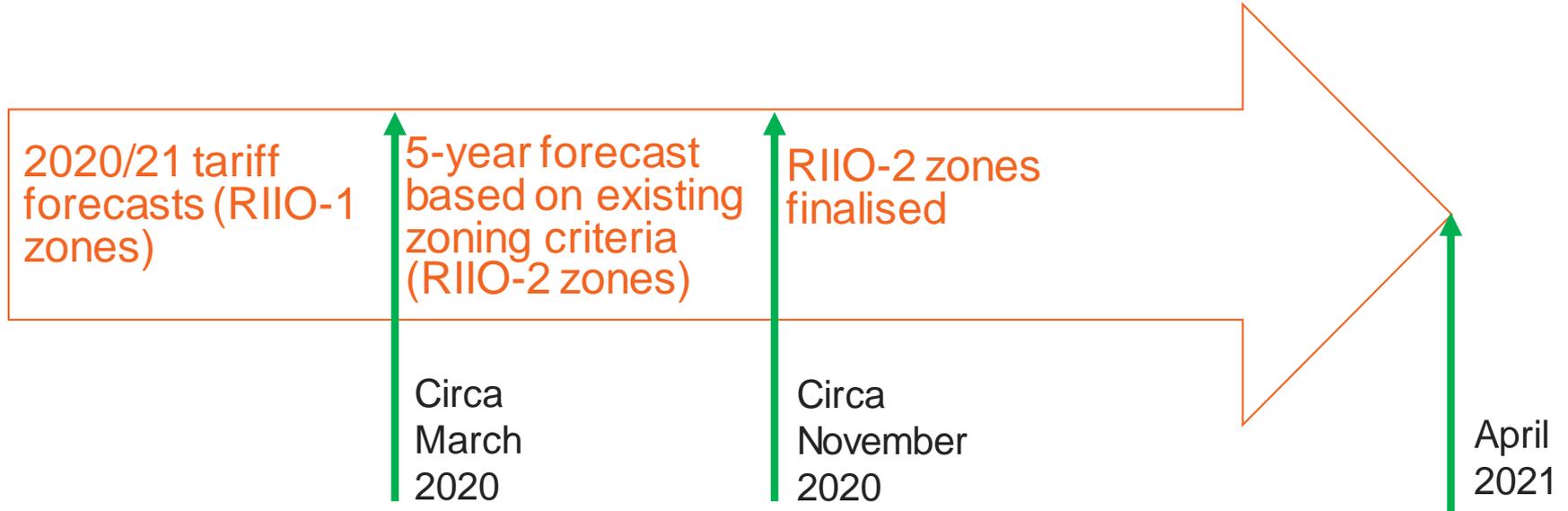
This connectivity map will be assessed along with the proposed generation zones.

Question: is this the only option to convert a “meshed” network of zones into radial paths?

The Indicative CUSC Mod timeline



TNUoS Tariff forecast in the interim





Any Questions?

EB GL Article 18 update

Simon Sheridan



EBGL Article 18 - Historic timelines

European Balancing Guidelines Article 18 (EBGL A18)

Article 18 of the EBGL requires the TSO to develop a proposal for the Terms and Conditions (Ts and Cs) for Balance Service Providers (BSPs) and Balance Responsible Parties (BRPs).

18 June 2018 – 1st submission by ESO of proposed EBGL A18 T and Cs to Ofgem

4 February 2019 – Ofgem formally requested further amendments to the T and Cs

28 February 2019 – Industry consultation for 1 month by ESO on its amended proposal

4 April 2019 – ESO submits amended proposal to Ofgem for decision

- Proposal letter
 - Mapping document
 - Proposed code and SCT (Standard Contract Terms) process changes
 - Implementation timeline
 - Industry feedback and ESO comment
- 4 June 2019 – Ofgem reject the proposal and request additional amendments

Ofgem decision letter 04/06/19

Feedback on NGESO amended proposal

- Satisfied the amendments made address previous requests
- Is more robust, delivers greater clarity and transparency for BSPs and BRPs
- **ESO to proceed with code modifications and implement the proposals as detailed within Annex 3-5 of the 4th April Article 18 submission proposal**
 - **Capturing the process for future changes and compliance with EBGL in GB codes/SCTs**

Further changes required to comply with EBGL

- Frequency Containment Reserve in SCTs to be included
- Article 34 of EBGL needs to be accurately captured – how parties holding reserve are able to transfer its balancing capacity
- A16.6 exemption request remove from A18 request or submit new exemption outlining higher economic efficiency for GB

Current timeline

- ✓ **NGESO had 2 months to review and update proposal**
 - ✓ During which a 1 month industry consultation must occur before submitting to Ofgem
- ✓ **On 2 July:** Sent out A18 proposal for industry consultation for 1 month
- ✓ **On 4 August:** Submitted final amendment proposal with industry feedback to Ofgem – new proposal mapped to some sections of the CUSC
- **By 4th October:** Ofgem decision on NGENSO proposal
- **Aim 4th April:** Implement EBGL A18 T and Cs and necessary GB code/SCT process changes

NGESO will be progressing modifications in GB codes and SCTs to comply with EBGL A18 process for future amendments

CUSC proposed changes

In Governance rules:

1. One month consultation in place for proposed changes that affect A18 T and Cs
2. An EBGL A18 change proposal form is recognised and raised during the standard mod process
3. NGESO responds to all industry consultation feedback on any A18 proposed changes
4. Anyone party to the CUSC can raise a draft EBGL A18 change proposal
5. Ensure all modifications that affect A18 T and Cs go to the Authority for a decision
6. Send back process is captured

Summary

- **Been working closely with Code Governance for over 6 months to find the best solution for all**
 - Change and additional process steps are unavoidable.
- **Ofgem have been clear they want to make one decision and receive mod and EBGL A18 change at the same time.**

Our Aims:

- Clarity for industry
- Efficient process, avoiding duplication
- Compliance with EBGL

Next:

- NGESO to raise this mod in September (similar one to be raised in GC)
- NGESO Code Governance team reviewing admin changes (e.g. proposal templates, ToRs, SOPs) to support the mod

Questions



AOB

Jon Wisdom

National Grid ESO





nationalgrideso.com

National Grid ESO, Faraday House, Warwick Technology Park,
Gallow's Hill, Warwick, CV346DA

nationalgridESO