

CUSC Panel Minutes: 29 November 2019

CUSC Panel Minutes: Meeting Number 243

Date: 29/11/2019 **Location:** Faraday House and WebEx

Start: 10:00am **End:** 14:00pm

Participants

Attendee	Initials	Company
Trisha McAuley	TM	Independent Panel Chair
Paul Mullen	PM	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
Simon Lord	SL	Users' Panel Member (Alternate)
Paul Mott	PMO	Users' Panel Member
Nadir Hafeez	NH	Authority Representative
Andy Pace (Dial in)	AP	Users' Panel Member
Garth Graham	GG	Users' Panel Member
Grace March	GM	Users' Panel Member

Mark Duffield	MD	Users' Panel Member
Paul Jones	PJ	Users' Panel Member
Damian Clough	DC	BSC Representative
Andrew Enzor	AE	Users' Panel Member (Alternate)
Kirsten Shilling	KS	National Grid Electricity System Operator – Presenter
Grahame Neale	GN	National Grid Electricity System Operator – Proposer of CMP327
Apologies	Initials	Company
Joseph Dunn	JD	Users' Panel Member
Cem Suleyman	CS	Users' Panel Member

1. Introductions and Apologies for Absence

9953. Apologies were received from Joseph Dunn and Cem Suleyman.

2. Approval of minutes from previous meeting

9954. The Panel approved the minutes from the meeting held on 25 October 2019. Comments received from Panel members have been incorporated into the minutes and these have been uploaded to the National Grid ESO website.

3. Action log

9955. The CUSC Panel reviewed the open actions from the meeting held on 25 October 2019 which can be found on the Actions Log.

4. Chair update

9956. TM had no updates for the Panel.

5. Authority decisions

9957. NH stated that the following CUSC Modifications have been approved by the Authority:

CMP295 'Contractual Arrangements for Virtual Lead Parties (Project TERRE)' (<https://www.nationalgrideso.com/codes/connection-and-use-system-code-cusc/modifications/contractual-arrangements-virtual-lead>)

NH confirmed the implementation date for CMP295 is 6 December 2019.

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

(<https://www.nationalgrideso.com/codes/connection-and-use-system-code-cusc/modifications/maintaining-non-half-hourly-nhh-charging>)

NH confirmed that the implementation date for CMP318 is 1 April 2020.

9958. NH stated that the following Modifications are currently with the Authority for a decision, NH advised that a decision on these Modifications is expected in 2020.

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>)

CMP280 'Creation of a New Generator TNUoS Demand Tariff which Removes Liability for TNUoS Demand Residual Charges from Generation and Storage Users'

(<https://www.nationalgrideso.com/codes/connection-and-use-system-code-cusc/modifications/creation-new-generator-tnuos-demand-tariff>)

CMP281 'Removal of BSUoS charges from energy taken from the National Grid System by storage facilities'

(<https://www.nationalgrideso.com/codes/connection-and-use-system-code-cusc/modifications/removal-bsuos-charges-energy-taken-national>)

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

(<https://www.nationalgrideso.com/codes/connection-and-use-system-code-cusc/modifications/consequential-changes-section-11-cusc>)

6. New modifications

Prior to discussing the new modifications, the Panel received a presentation from the ESO on the Ofgem decision on the Targeted Charing Review and the impact of this on the CUSC modification process regarding new modifications, the timescales involved and the significance for the industry and stakeholders. The Panel noted these impacts and agreed on the importance of continuing effective scrutiny and also communication with industry and stakeholders.

CMP327 'Removing the Generator Residual from TNUoS Charges'

9959. GN from National Grid Electricity System Operator (NGESO) delivered a presentation on CMP327. The presentation slides can be found using the following link:

<https://www.nationalgrideso.com/codes/connection-and-use-system-code-cusc/meetings/cusc-panel-meeting-29-november-2019>

9960. GN advised that, on 21st November 2019, the Authority directed NGESO to change the TNUoS Charging Methodology such that the Residual element of Generator TNUoS is £0 and ensure that the correct interpretation of 838/2010 is incorporated. CMP327 has been raised to give effect to that direction.

9961. NGESO proposed that CMP327 be treated as an Urgent modification proposal. As CMP317 has a direct link to CMP327, and therefore NGESO are also requesting CMP317 to be treated as Urgent.

9962. GG questioned when the Section 11 definition changes would be raised as a consequence to the Modification. JW advised that this consequential Modification would not be raised until more certainty on the definitions that need to be amended. JW also stated that further

Modifications would need to be raised to deliver other aspects of the Targeted Charging Review.

9963. The Panel discussed how the TCR direction and the BSUoS task force will impact CMP308. The view of some Panel members was that CMP308 could be superseded by the task force due to the proposed implementation date of 2021. JW stated that NGENSO would not support this implementation date due to the impact this would have on generators and suppliers. PJ voiced that CMP308 should proceed and not be put on hold due to the TCR.
9964. The CUSC Panel held their recommendation vote on Urgency for CMP317 and CMP327. The Panel by majority agreed that these Modifications should be treated as Urgent. Next step is for the Code Administrator to prepare and submit the Urgency request letter to Ofgem (Post Meeting Note: Sent 2 December 2019).
9965. The Panel also discussed amalgamation of CMP327 and CMP317. GG noted that CMP317 has already held Workgroups so therefore if you amalgamate CMP327 and request further Workgroup nominations, then some Workgroup Members wouldn't have attended 50% of the Workgroup meetings and wouldn't be eligible to participate in the Workgroup vote.
9966. The Panel, by majority did agree to amalgamate the Workgroups and noted in the terms of reference that any new Workgroup members must attend 50% of the subsequent Workgroups so they are eligible to vote at the Workgroup Vote stage. Whilst Panel agreed to amalgamate, as this is related to a TCR decision it is Ofgem who ultimately determine if CMP317 and CMP327 can be amalgamated. Code Administrator noted that if amalgamation is not granted there would need to be separate Workgroup Reports and separate Final Modification Reports sent to Ofgem. Next step is for the Code Administrator to prepare and submit the request for amalgamation to Ofgem (Post Meeting Note: Sent 2 December 2019).

7. In flight modification updates

9967. PMU 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-29-November-2019>
9968. PMU advised the Panel that CMP320 'Island MITS Radial Link Security Factor' (<https://www.nationalgrideso.com/codes/connection-and-use-system-code-cusc/modifications/island-mits-radial-link-security-factor>) will be submitted to the Panel as a late Paper for December. The Panel agreed to accept the late paper.

8. Discussions on Prioritisation

9969. The CUSC Panel reviewed the prioritisation stack. The CUSC Panel's rationale on the prioritisation stack is included to show transparency to industry members. The revised version of the stack can be found via the following link: <https://www.nationalgrideso.com/codes/connection-and-use-system-code-cusc/meetings/cusc-panel-meeting-29-November-2019>
9970. The CUSC Panel gave the prioritisation stack careful consideration and concluded that they will be prioritising CUSC charging Modifications due to the SCR and TCR. The Panel

recognise that there is not enough industry resource to work on every modification, but recognise that once the SCR and TCR is complete the Panel will look to bring back Modifications that have been delayed back on track.

The Panel asked that Code Administration ensures that the Headline Report reflects the Panel's decisions and the rationale for reviewing the prioritisation and timing of current modifications.

9. Workgroup Reports

9971. **CMP300 'Cost reflective Response Energy Payment for Generators with low or negative marginal costs'**

9972. PMU delivered a presentation on CMP300. PMU advised the Panel that the purpose of CMP300 is to ensure that the Response Energy Payment paid to or by generators with respect to a Balancing Mechanism Unit (BMU) with low or negative marginal costs is reflective of the cost or avoided cost of energy production. The Modification proposal form and other CMP300 related documentation can be found via the following link:

<https://www.nationalgrideso.com/codes/connection-and-use-system-code-cusc/modifications/cmp300-cost-reflective-response-energy>

9973. PMU confirmed that three responses were received to the Workgroup consultation, with two out of the three respondents agreeing that the proposed change better facilitates the CUSC objectives than the Baseline. However, 1 of these respondents favors an optional pricing approach as it allows market participants to provide their own approach in terms of cost reflective pricing. This has subsequently been raised as a Workgroup Alternative Code Modification (WACM1).

9974. The CUSC Panel were asked to approve that the Terms of Reference have been met and agree for CMP300 to proceed to Code Administrator Consultation; however, Panel Members requested further rationale in relation to WACM1.

9975. The Code Administrator took an action to liaise with the Proposer of the Modification and the Proposer of WACM1 to agree suitable wording and aim to re-submit the Workgroup Report to January's CUSC Panel. PJ advised the Panel he can help the Code Administrator and Proposer with the wording in the legal text. **ACTION**

10. Draft Final Modification Reports

CMP322 'Updating the CUSC Section 4 'Balancing Services' to ensure Ofgem have the appropriate authority to approve Ts and Cs, relevant to EGBL Article 18, held within the SCTs' (<https://www.nationalgrideso.com/codes/connection-and-use-system-code-cusc/modifications/updating-cusc-section-4-balancing-services>)

9976. PMU delivered a presentation on CMP322. PM stated that the purpose of CMP322 is to update Section 4.2B of the CUSC where general provisions for balancing services are held, CMP322 seeks to allow Ofgem to approve future changes to the terms and conditions for Balancing Service Providers (BSPs) and Balancing Responsible Parties (BRPs), as defined in Article 18 (A18) of the European Balancing Guidelines (EBGL), that have been identified as existing in National Grid ESO SCTs for certain Balancing Services, while maintaining the necessary flexibility required to the SCTs.

9977. PMU advised that the Code Administrator Consultation was published on 21 October 2019, with a close date of 14 November 2019. No responses were received to this consultation. GG noted two typographical errors in the legal text. Panel agreed that these were typographical and instructed the Code Administrator to amend. **ACTION** (Post Meeting Note: Completed 5 December 2019)

9978. The CUSC Panel held their recommendation vote on CMP322. The Panel unanimously recommended that the Original better facilitated the Applicable CUSC Objectives. The Final Modification Report will be sent to the Authority week commencing 16 December 2019. All CMP322 documentation can be found via the following link:

<https://www.nationalgrideso.com/codes/connection-and-use-system-code-cusc/modifications/updating-cusc-section-4-balancing-services>

11. Standing Groups

TCMF

9979. JW advised that no TCMF was held in November. The next TCMF meeting will be held on 11 December 2019. JW advised that National Grid ESO are also hosting a webinar on 4 December 2019 for TCR. The webinar recording can be accessed via the following link:

<https://uknationalgrid.webex.com/uknationalgrid/ldr.php?RCID=cefccf84e770d328b5f3c9e8e8fc8113>

Governance Standing Group

9980. No meeting held since the last Panel meeting.

12. European Updates

Joint European Stakeholder Group

9981. GG advised the Panel that JESG was held on 12 November 2019. GG stated that National Grid ESO provided updates on the Clean Energy Package and Emergency and Restoration Codes.

9982. The presentation slides from the JESG meeting can be found via the following link:

<https://www.nationalgrideso.com/codes/european-network-codes/meetings/jesg-meeting-12-November-2019>

13. Updates on other Industry Codes

9983. JW stated that a possible CUSC Modification and license change might be required due to the document Ofgem published on the recovery of NEMO development costs related to the implementation of the CACM. JW stated that NGESO are waiting for Ofgem to draft the license changes before any Code Modification is raised and that NGESO expected these to affect charges in 2021/22.

9984. A Panel member asked if there was any information available on the costs this would add to TNUoS. JW indicated that he did not know and had asked the question of Ofgem.

14. Relevant Interruptions Claims Report

9985. PMU advised the Panel that the Customer Connections Team, NGENSO will be responsible for publishing the relevant interruptions claim report on the NGENSO website going forward. They will publish reports in January, April, July and October covering the previous quarter.

15. Governance

Workgroup Report Improvements

9986. PMU advised the Panel that Work streams have been created to look to Workgroup report improvements. PMU stated that this work is on-going and will provide Panel with updates accordingly.

16. Horizon Scan

9987. An update will be provided at the February Panel meeting.

17. CACoP update

9988. KS delivered a presentation on the results from the Code Administrators' Performance Survey (CACoP). KS advised that the results show a significant decrease within the three codes that National Grid ESO administer; however, this decrease is also apparent across all industry codes. KS stated that the key messages from the survey are: Reduced Industry Resource, ESO Code Governance is not perceived to be acting independently and the need for website improvements.

9989. KS advised the Panel to contact her if they have any further feedback on the CACoP results. The Survey results can be found on the National Grid ESO website via the following link:

<https://www.nationalgrideso.com/document/156551/download>

18. Forward Plan Update

9990. An update will be provided at the December Panel meeting.

19. AOB

Ofgem Christmas publishing moratorium

9991. NH advised the Panel that Ofgem's last publishing day for 2019 will be Wednesday 18 December 2019 and it will begin to publish documents again on Thursday 2 January 2020.

Agenda Items for December's Panel

9992. PMU advised the Panel that four new CUSC Modifications have been submitted, to be tabled at the December meeting, pending the Code Administrators Critical Friend checks. The Panel were in agreement that the new Modifications should be a priority at the next Panel and, if required, look to hold a WebEx meeting in January to discuss the non-urgent agenda items that don't get discussed at the meeting in December. (Post Meeting Note: Panel agreed on 13 December that no WebEx meeting needed in January)

The next CUSC Panel meeting will be held on Friday 13 December 2019 at Faraday House, Warwick.