

# CUSC Panel Minutes: 13 December 2019

## CUSC Panel Minutes: Meeting Number 244

<b>Date:</b> 13/12/2019	<b>Location:</b> Faraday House and WebEx
<b>Start:</b> 10:00am	<b>End:</b> 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
Joseph Dunn (Dial In)	JD	Users' Panel Member
Paul Mott	PMO	Users' Panel Member
Nadir Hafeez (Dial In)	NH	Authority Representative
Andy Pace	AP	Users' Panel Member (and Proposer of CMP330 and CMP331)
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
Cem Suleyman (Dial In)	CS	Users' Panel Member
Robert Longden	RL	Cornwall Insight - Observer
Susie Laing	SL	SSE Power Distribution Limited (Proposer of CMP328)
Catherine Falconer	CF	SSE Power Distribution Limited (Proposer of CMP328)
Grahame Neale	GN	National Grid Electricity System Operator (Proposer of CMP332)
Jenny Doherty	JDO	National Grid Electricity System Operator (Proposer of CMP333)
Apologies	Initials	Company

### 1. Introductions and Apologies for Absence

9997. No apologies were received from Panel Members. RL attended the Panel as an observer.

9998. Panel noted decision from Panel meeting on 29 November, that this meeting would focus on the 6 new modifications and the Workgroup Report for CMP320.

### 2. Approval of minutes from previous meeting

9999. The minutes from the Panel held on 29 November 2019 and 13 December 2019 will be approved at the meeting on 31 January 2020.

### 3. Action log

10000. The CUSC Panel agreed to review the open actions from the meeting held on 29 November 2019, which can be found on the Actions Log, at the meeting on 31 January 2020.

### 4. Chair update

10001. TM had no updates for the Panel.

### 5. Authority decisions

10002. NH stated that Ofgem have received the urgency and amalgamation requests for CMP317 and CMP327. NH advised that a final decision hasn't been reached however Ofgem's current position is that they shouldn't be treated as urgent, nor amalgamated. PJ questioned why Ofgem do not think the Modifications should be amalgamated given the interactions with

CMP317. GG stated that the issue is the defect and the Panel need to carefully consider amalgamating Modifications and ensure that the defects are broad enough to be amalgamated.

10003. The Panel discussed the urgency request for these Modifications. GG stated that urgency allows the process to be shortened so that the timeline can be met for implementing the Modification; therefore, if urgency isn't approved then the standard governance procedures and timelines need to be followed.

10004. The Panel questioned if CMP317 and CMP327 would require one Final Modification Report or two. PM advised that there would need to be a separate Final Modification Report for CMP317 and CMP327 if they are not amalgamated. NH confirmed that Ofgem will submit their formal response to the Code Administrator once their final decision has been made.

10005. NH advised the following Modifications are currently with the Authority for a decision, NH advised that a decision on these Modifications is expected in early 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>)

CMP303 'Improving local circuit charge cost – reflectivity'

(<https://www.nationalgrideso.com/codes/connection-and-use-system-code-cusc/modifications/cmp303-improving-local-circuit-charge-cost>)

CMP306 'Align annual connection charge rate of return at CUSC 14.3.21 to price control cost of capital'

(<https://www.nationalgrideso.com/codes/connection-and-use-system-code-cusc/modifications/cmp306-align-annual-connection-charge-rate>)

## 6. New modifications

### **CMP328 'Connections Triggering Distribution Impact Assessment'**

10006. CF from SSE Power Distribution Limited delivered a presentation on CMP328. 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-13-December-2019>

10007. SL advised that the purpose of this Modification is to put in place an appropriate process to be utilised when any connection triggers a Distribution impact assessment. Ensuring the process in place for such connections best reflects the necessary contractual relationship of parties involved.
10008. SL stated that the relevant sections of the CUSC are to be amended to provide an appropriate process for connections ensuring DNO obligations are ratified through enduring contractual bilateral relationships. CF advised that the third party works process doesn't allow for the distribution impact assessment to be undertaken and therefore proposes that amendments to the CUSC are made to define the assessment process.
10009. CF advised that discussions have been held with ESO connections team and the ENA who are both agree with the intent of the Modification proposal. GG stated that there are procedures already in place on other codes; therefore, could a solution be to duplicate those procedures in the CUSC. The Panel agreed that this will be for the Workgroup to discuss.
10010. The Panel concluded that this Modification meets the standard governance criteria and should proceed to a Workgroup.

**CMP329 'Housekeeping Modification to amend National Grid Electricity Transmission Plc to National Grid Electricity System Operator in Schedule 2, Exhibit 7 of the CUSC'**

10011. RW from National Grid Electricity System Operator delivered a presentation on CMP329. 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-13-December-2019>
10012. RW advised the Panel that CMP329 seeks to amend incorrect references from National Grid Electricity Transmission Plc to National Grid Electricity System Operator in the CMP295 legal text.
10013. The CUSC Panel unanimously agreed that CMP329 met the Fast Track Self- Governance criteria, subject to an amendment stating that the Modification also include numerical changes. The Code Administrator will open the appeals window for 15 Working days. **(Post Meeting Note: Appeals Window opened from 17 December 2019 to 10 January 2020. As no objections, this was implemented 13 January 2020)**

**CMP330 'Allowing new Transmission Connected Parties to build Connection Assets greater than 2km in length'**

10014. AP delivered a presentation on CMP330, AP presented this in the Proposers capacity and not in the Citizens Advice capacity. The presentation slides from the meeting can be found via the following link:  
<https://www.nationalgrideso.com/codes/connection-and-use-system-code-cusc/meetings/cusc-panel-meeting-13-December-2019>
10015. AP advised that the purpose of this Modification is to amend the definition of Connection Assets in Section 14 of the CUSC to allow cable and overhead line lengths over 2km to be contestable where agreed between the Transmission Owner and the User.

10016. The Panel questioned where the 2km boundary reference had come from as this isn't defined in the CUSC. GG advised that Ofgem would have said 2km is the limit unless Ofgem stated otherwise. The Panel agreed that this is a discussion the Workgroup would need to explore and noted this should be included in the Terms of Reference.

10017. Following discussions, the Panel concluded that this Modification would also require a consequential change to the STC due to the impact this has on the Transmission Owner. PJ stated that there is work on-going about contestability and a potential framework to be considered.

10018. The Panel unanimously agreed that CMP330 should follow the standard governance route and proceed to a Workgroup.

### **CMP331 'Option to replace generic Annual Load Factors (ALFs) with site specific ALFs'**

10019. AP delivered a presentation on CMP331. AP stated that the purpose of this Modification is to provide new generators with the option to replace the generic Annual Load Factors (ALFs) used to determine their TNUoS charges with a site - specific ALF. The site - specific ALF will be based on the generators expected output and require approval from the ESO.

10020. AP stated that the proposed solution is to allow the generic ALFs to be replaced with a site-specific ALF, this will ensure that site specific ALFs are more applicable to intermittent generation that can't export on demand. AP advised that this solution would enable new generators to pay TNUoS based on their expected use of the transmission of the network.

10021. The Panel further discussed the financial exposure this could have on the ESO and therefore unanimously agreed that CMP331 should follow the standard governance route and proceed to a Workgroup.

### **CMP332 'Transmission Demand Residual bandings and allocation (TCR)'**

10022. GN from National Grid Electricity System Operator delivered a presentation on CMP332. GN stated that the Authority published a direction requiring ESO to raise CUSC Modification proposals to give effect to the TCR Decisions. This Modification proposal will deliver their decision by creating a methodology by which the residual element of demand TNUoS can be apportioned to Half Hourly (HH) and Non - Half Hourly (NHH) demand, and a separate methodology to determine the 'bands' against which the residual element of demand TNUoS is levied.

10023. GN advised that this Modification will update the current methodology by using the concepts of final demand and single site, creating charging bands for TDR based on the methodology in Ofgem's decision, a new methodology to split the TDR cost to these bands based on final demand at single sites and a process for a periodic review of the TDR methodology.

10024. JW explained that the DNOs will provide the data and then assign site to bands to LLFs. JW continued by saying that Ofgem are asking ESO to deliver this by April 2021 which is why the request for urgency has been made. JW also stated that the ESO need to ensure they have the relevant data from Industry to progress with the change.

10025. The Panel held their recommendation vote on urgency and the Panel unanimously agreed that CMP332 should be treated as urgent. The Code Administrator will submit the urgency request to Ofgem for their decision (Post Meeting Note: Request for Urgency submitted to Ofgem 19 December 2019). NH stated that when the letter is submitted it is important that it emphasizes the Panel's rationale for the need for urgency to help Ofgem form a decision.

10026. The Panel requested that the Code Administrator open the Workgroup nominations and make it clear the amount of work that is required of the Workgroup. The Panel also suggested that the Code Administrator publish updates about the TCR Modifications and how they all interact with one another to ensure it is clear to Industry. (Post Meeting Note: Request for Nominations for CMP332 and CMP333, including clarity on the commitment required, timelines for all priority CUSC Modifications, pre-reading and clarification on interactions with TCR Modifications sent to industry 17 December 2019)
10027. The CUSC Panel concluded that CMP332 meets the urgency criteria and should be treated as urgent, subject to Ofgem approval.

### **CMP333 ‘BSUoS – Charging Supplier Users on gross demand (TCR)’**

10028. JDO from National Grid Electricity System Operator delivered a presentation on CMP333. The presentation slides can be found via the following link:

<https://www.nationalgrideso.com/codes/connection-and-use-system-code-cusc/meetings/cusc-panel-meeting-13-December-2019>

10029. JDO explained that on 21 November 2019, the Authority published a direction for ESO to raise a CUSC Modification proposal which will give effect to their decision to levy BSUoS to Suppliers on a gross volumetric basis.
10030. JDO stated that Urgency is being requested due to the system changes that are required and the timescales that are needed to ensure the change is implemented in time.
10031. PJ noted that the Panel need to consider how this Modification impacts CMP308. JW advised that this has been discussed with Ofgem and stated that there’s no reason an alternative can’t be raised under CMP333 which achieves what CMP308 intends to.
10032. The Panel held their recommendation vote on urgency. The Panel, by majority recommended that CMP333 should be treated as urgent. The Code Administrator will submit the urgency request to Ofgem for their decision. (Post Meeting Note: Request for Urgency submitted to Ofgem 19 December 2019).

## **7. Discussions on Prioritisation**

10033. 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-13-December-2019>

10034. Following Ofgem’s TCR SCR decision on 21 November 2019, National Grid ESO raised CMP332 and CMP333 as Urgent CUSC Modifications. The CUSC Panel recommended that both Modifications should be treated as Urgent, subject to Ofgem approval.
10035. The Panel concluded that CMP332 and CMP333 should be placed at the top of the prioritisation stack and will be worked on as a priority, alongside CMP327, CMP317, CMP324/325 and CMP308.
10036. The Panel agreed that Modification CMP311, CMP326, CMP316 and CMP304 inclusive would be progressed where gaps present themselves in the next 2-3 months.
10037. The Panel confirmed that other Modifications where Workgroups are needed will recommence from April 2020. The Panel noted that the priority order for these Modifications

needs to be refreshed and agreed at the February 2020 Panel. The Code Administrator will ensure this is included on the agenda for February's Panel.

10038. Workgroup nominations for CMP328, CMP330 and CMP331 will be requested in March 2020.

## 8. Workgroup Reports

### **CMP320 'Island MITS Radial Link Security Factor'**

10039. PM delivered a presentation on CMP320. PM advised the Panel that the purpose of CMP320 is to amend Section 14 of the CUSC to apply a Security Factor of 1.0 (rather than 1.8) where a MITS node is located on an island which, in turn, is connected to the mainland on a single radial circuit. The Modification proposal form and other CMP320 related documentation can be found via the following link:

<https://www.nationalgrideso.com/codes/connection-and-use-system-code-cusc/modifications/island-mits-radial-link-security-factor>

10040. PM confirmed that eleven responses were received to the Workgroup consultation, with the majority of respondents supportive of the Original Proposal. PM stated that some respondents believed a better option would be to redefine what a MITS node is in terms of remote islands connected by a single circuit and reclassify them as "local circuits". This became a Workgroup Alternative Code Modification (WACM1). PM stated that some respondents believed the scope should be extended to all connections with the same characteristics. This became WACM2.

10041. The Workgroup vote was held on 5 December 2019 and the Workgroup concluded that the Original better facilitated the Applicable CUSC Objectives than the baseline;

10042. The Workgroup by majority concluded that both WACM1 and WACM2 better facilitated the Applicable CUSC Objectives than the baseline. 2 Workgroup members abstained from this vote as they did not consider these to be valid alternatives.

10043. The Workgroup by majority that both WACM1 (5 out of 8 votes) and WACM2 (5 out of 8 votes) better facilitated the Applicable CUSC Objectives than the Original. 2 Workgroup members abstained from this vote; and 4 Workgroup Members voted that WACM1 was the best option, 4 votes were also cast for WACM2 and 2 votes were cast for the Original.

10044. The CUSC Panel were asked to approve that the Terms of Reference have been met and agree for CMP320 to proceed to Code Administrator Consultation. The Panel unanimously agreed that CMP320 Workgroup had met its Terms of Reference and as such, the Workgroup can be discharged.

10045. The Panel agreed for a 20-day Code Administrator Consultation period, which will close on 20 January 2020 and the Draft Final Modification Report will be submitted as a paper for the January 2020 Panel.

## 9. Draft Final Modification Reports

10046. There were no Draft Final Modification Reports presented to the CUSC Panel.

## 10. AOB

### **Ofgem/BEIS Energy Code Review Consultation**

10047. PMO advised that the Ofgem/BEIS Energy Code review consultation was due to be published in December. JW confirmed that this will be published in early 2020. The Panel agreed to include this as an agenda item for a future Panel. **ACTION**

**Special CUSC Panel Meeting – January**

10048. The Panel agreed that no Special Panel meeting would be required in January to discuss the standard agenda items that weren't discussed at December's Panel. These agenda items will be discussed at the Panel on 31 January 2020.

**The next CUSC Panel meeting will be held on Friday 31 January 2020 at Faraday House, Warwick.**