

CUSC Panel Minutes: 25 October 2019

CUSC Panel Minutes: Meeting Number 242

Date: 25/10/2019 **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
Joseph Dunn	JD	Users' Panel Member
Paul Mott	PMO	Users' Panel Member
David Hall	DH	Authority Representative (Alternate)
Andy Pace	AP	Users' Panel Member
Garth Graham (Dial in)	GG	Users' Panel Member
Cem Suleyman	CS	Users' Panel Member

Mark Duffield	MD	Users' Panel Member
Paul Jones	PJ	Users' Panel Member
Damian Clough	DC	BSC Representative
Andrew Enzor (Dial in)	AE	Users' Panel Member (Alternate)
Harriet Harmon	HH	National Grid Electricity System Operator – Proposer of CMP325
Eleanor Horn	EH	National Grid Electricity System Operator – Proposer of CMP326
Hannah Urquhart	HU	National Grid Electricity System Operator - Observer
Apologies	Initials	Company
Grace Smith	GS	Users' Panel Member
Nadir Hafeez	NH	Authority Representative

1. Introductions and Apologies for Absence

9901. Apologies were received from Grace Smith and Nadir Hafeez. Andrew Enzor and David Hall attended as their alternates.

2. Approval of minutes from previous meeting

9902. The Panel approved the minutes from the meetings held on 30 August, 12 September and 27 September 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

9903. The CUSC Panel reviewed the open actions from the meeting held on 27 September 2019 which can be found on the Actions Log.

4. Chair update

9904. TM had no updates for the Panel.

5. Authority decisions

9905. DH stated that the following CUSC Modifications are currently with the Authority for a decision:

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>)

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>)

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>)

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>)

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>)

All apart from CMP292 were submitted in October 2019 so are within Ofgem's 25 working day target. DH did not have a timescale for a decision on CMP292.

6. New modifications

CMP323 Updating the CUSC governance process to ensure we capture the EBGL change process for Article 18 T and Cs

9906. JW advised the Panel that the amended proposal form was re-submitted to the Panel, this included further information that the Panel requested at the Panel meeting on 27 September 2019.

9907. The Panel, by majority agreed the modification should proceed to Code Administrator Consultation but delay this until the related BSC and Grid Code Modification Workgroups have been held so there is process alignment across the Codes and the legal text has been agreed (this will be agreed offline). CMP323 documentation can be located via the following link:

<https://www.nationalgrideso.com/codes/connection-and-use-system-code-cusc/modifications/updating-cusc-governance-process-ensure-we>

9908. The Code Administrator took an action to work with DC and JW to ensure that the solution to be consulted on for CMP323 is aligned with the solution Grid Code and BSC. **ACTION**

CMP325 'Re-Zoning – CMP324 Expansion'

9909. Following the Panel discussion on 27 September 2019, the Proposer of CMP324 'Generation Zones – Changes for RIIO -T2' raised CMP325 'Re-Zoning – CMP324 Expansion'. HH from National Grid Electricity System Operator, summarised that CMP324 seeks to change the methodology to underpin how re-zoning is done and CMP325 has

been raised to broaden the defect of CMP324 and allow industry to raise alternative proposals if they choose to.

9910. GG noted the CUSC governance rules (8.19.3) and the importance of ensuring that CMP 325 did not have the same substantial effect as CMP 324. He stated that, although he was in support of aligning CMP325 with CMP324, he would like to make the point that if the Panel made the decision to do this, it could create a precedent which could make it difficult for the Panel not to treat future Modification proposals in the same way.

The Panel noted CUSC governance rule (8.19.3) and agreed that CMP325 did not have the same substantial effect as CMP324.

9911. The Panel further discussed CMP325 and decided that CMP325 met the Standard Governance criteria and agreed the modification should proceed to workgroup. Panel also agreed that CMP324 and CMP325 will be progressed jointly, with one Workgroup Report. Although CMP324 is quorate, the Code Administrator agreed to open the Workgroup nominations for 10 Working days for CMP325 and set up the 1st Workgroup meeting for mid November 2019. **ACTION**

9912. CMP325 documentation can be located via the following link:

<https://www.nationalgrideso.com/codes/connection-and-use-system-code-cusc/modifications/re-zoning-cmp324-expansion>

CMP326' Introducing a 'Turbine Availability Factor' for use in Frequency Response Capacity Calculation for Power Park Modules'

9913. EH delivered a presentation on CMP326. 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-25-october-2019>

9914. EH advised the Panel that CMP326 seeks to introduce a Turbine Availability Factor into the CUSC to enable accurate calculation by the NGENO Control Centre and consequently accurate settlement of the Frequency Response capability of Power Park Modules when some of the turbines on site are unavailable ensuring cost reflectivity when turbines are unavailable.

9915. EH explained that the issue of overpayment can be improved by creating a cap to ensure an accurate reflection of the holding payment.

9916. JD questioned how these calculations apply to other stations and could this Modification cause any conflict to their approach. EH explained that because of the current scaling factor and the individual nature of other sites, she doesn't foresee this impacting any other technologies.

9917. The Panel unanimously agreed that this Modification should follow the standard governance route and proceed to Workgroup. The Panel agreed the Terms of Reference for the Workgroup to consider. The Code Administrator will open the nominations period for 15 working days. **ACTION**

7. In flight modification updates

9918. PM 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-25-October-2019>
9919. PM advised that the Code Administrator was seeking Panel' approval for an extension request for CMP308 until January 2020. PM confirmed a Workgroup meeting has been scheduled for November and the legal text for the Original and Alternatives should be ready to be discussed at this meeting and envisaged a further meeting will be needed following this to undertake the Workgroup Vote. JD requested that when the CMP308 Workgroup Report is presented to the Panel, a summary of the alternatives be prepared for the Panel. PM confirmed that this will be done and stated that this is an example of a quick win which can demonstrate improvement in the service from the Code Administrator. **ACTION**
9920. PJ stated that the CMP308 Workgroup should be coming to a close, but appreciated the limitations and what still needed to be done, and therefore agreed with the extension request. On this basis, the Panel agreed to the request for an extension for CMP308 until January 2020.

8. Discussions on Prioritisation

9921. 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-25-october-2019>
9922. TM advised the Panel that the Proposer of CMP288 'Explicit charging arrangements for customer delays and back-feeds' has written to provide Panel with his views on why the Modification should move up on the prioritisation stack, making a point generally about the visibility of the Panel's decisions on prioritisation and overall transparency for the industry.
9923. The Chair agreed that the prioritisation process still required further work to improve transparency to the industry and took an action to discuss this with Gareth Davies and the Code Administration team. **ACTION**
9924. PJ agreed that the prioritisation process needs to be transparent to industry and was comfortable with Proposers putting forward their justification on why their Modifications should be progressed or moved on the stack, noting that the Panel should rightly be open to challenge.
9925. PM stated that the Code Administrator would update Proposers if their Modifications move up or down on the stack to ensure the transparency is there and also offered to represent Proposers' (who were not Panel members) views and justification for moving their Modification up the prioritisation stack should they wish to. **ACTION**

9. Draft Final Modification Reports

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>)

9926. PM delivered a presentation on CMP303. PM stated that on 11 June 2019, Ofgem directed that the Final Modification report is revised and resubmitted to take into account the concerns addressed in the decision letter namely that the Workgroup had not undertaken sufficient analysis and the legal text was not sufficiently robust.
9927. PM advised the Panel that four responses were received to the second Code Administrator Consultation which closed on 2 October 2019. PM stated that three out of the four respondents agreed with the proposed implementation approach for CMP303 and no changes to the legal text were raised as part of the second Code Administrator Consultation.
9928. At the request of the Chair, the Panel agreed that the DFMR took due account of Ofgem's send-back requests.
9929. The CUSC Panel held their recommendation vote on CMP303. The Panel, by majority recommended that the Original and WACM3 better facilitated the Applicable CUSC Objectives. The Final Modification report will be sent to the Authority week commencing 4 November 2019.
9930. CUSC Panel noted that the voting template needed to be updated as, where there are WACMs, it needs to confirm all of the Original and WACMs that by majority better facilitate the CUSC objectives and not just the options that the individual Panel members think best facilitate the CUSC objectives (albeit this is information that Ofgem also request) ACTION

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>

9931. PM delivered a presentation on CMP306. PM stated that CMP306 seeks to amend section 14.3.21 of CUSC by changing the annual connection charge rate of return from a set 6% *[plus a margin of 1.5% in the case of Modern Equivalent Asset (MEA) linked assets]* for to the % set for the price control cost of capital value in a given year thus enabling the rate of return to be cost reflective, particularly as cost of capital has become cheaper in recent years.
9932. PM advised the Panel that no Workgroup alternatives were raised for this Modification and the Workgroup unanimously voted for the Original solution over the baseline.
9933. Three responses were received to the Code Administrator Consultation which closed on 2 October 2019. PM stated that respondents unanimously agreed that CMP306 better facilitated the Applicable CUSC Objectives.
9934. PM advised the Panel that comments with regard to the implementation date were raised with some respondents seeking an earlier implementation date, as well as feedback in relation to the STCP Modification proposal not being progressed at the same time as the Code Administrator Consultation. PM confirmed that a minor typographical error to the legal text was identified by a Workgroup member. The Panel agreed that this was a minor, non-material typographical error and directed the Code Administrator to amend this.
9935. The CUSC Panel held their recommendation vote on CMP306. 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 4 November 2019.

10. Standing Groups

TCMF

9936. JW advised that no TCMF was held in October. Whether or not there is a meeting in November is to be confirmed and is dependent on agenda items from Industry.

Governance Standing Group

9937. No meeting held since the last Panel meeting.

11. European Updates

Joint European Stakeholder Group

9938. GG advised the Panel that JESG was held on 8 October 2019. GG stated that an update was provided by ELEXON on the Report from 17 September Market European Stakeholder Committee (MESOC) meeting. National Grid Electricity System Operator (NGESO) provided an update on the Clean Energy Package and GB Interconnector Capacity Restrictions and Payments. An update was also provided by BEIS on BREXIT. Next meeting is 12 November 2019.

9939. 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-8-October-2019>

12. Updates on other Industry Codes

9940. 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 the ESO expected these to affect charges in 2021/22.

9941. 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.

13. Relevant Interruptions Claims Report

9942. PM advised the Panel that an update will be provided in November.

14. Governance

Critical Friend Update

9943. PM advised that six new CUSC Modification proposals have been received since CMP313 'Critical friend review period for submission of new modifications' was implemented on 1 August 2019. PM stated that general areas of feedback that the Code Administrator will work on to improve the service are, recognising that Modification titles are clear and contact details populated on proposal forms and if any further

documentation, such as process flows or tables, could help the reader better understand the proposal.

9944. DC stated that similar feedback has been received on BSC Modification proposals and suggested this is something that could be raised at a CACoP forum, as the issue could be the proposal form itself and not the person populating it.

Ways of Working – Panel

9945. PM stated that the Code Administrator is seeking feedback from Panel members on this as it will be a live document, owned by the Code Administrator, that is published on the National Grid EOS website.
9946. The Panel agreed with the Chair's suggestion that this agenda item be reviewed offline, given that it is not an official Panel decision paper. However, it asked PM to make it clear in the document that its purpose was for guidance only and that the content did not override CUSC governance rules.
9947. PM took an action to circulate to Panel members for their comments by 8 November 2019 after which PM would review the document and shortly thereafter publish. **ACTION**

15. Horizon Scan

9948. An update will be provided at the November Panel meeting.

16. CACoP update

9949. PM highlighted that CACoP have published their October newsletter and Ofgem have published the CACoP survey results. The results can be found via the following link:

<https://www.ofgem.gov.uk/publications-and-updates/code-administrators-performance-survey-findings-2019>

9950. The Panel requested that the results from the survey be presented to the Panel. Code Administrator agreed to present to the November Panel meeting. **ACTION**

17. Forward Plan Update

9951. An update will be provided at the November Panel meeting.

18. AOB

9952. The Panel had no further AOB.

The next CUSC Panel meeting will be held on Friday 29 November 2019 at Faraday House, Warwick.