

CUSC Panel Minutes: 28 February 2020

CUSC Panel Minutes: Meeting Number 246

Date: 28/02/2020 **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 (Dial In)	JD	Users' Panel Member
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
Cem Suleyman (Dial In)	CS	Users' Panel Member
Andrew Enzor (Dial In)	AE	Users' Panel Alternate - Observer
Rachel Kettles	RK	SSE Networks (Proposer of CMP337 & CMP338)
Michael Ferguson	MF	SSE Networks (Proposer of CMP337 & CMP338)
Eleanor Horn (Dial In)	EH	National Grid Electricity System Operator (Agenda Item 6)
John Welch	JWE	National Grid Electricity System Operator (Proposer of CMP323)
Jasmine Killen (Dial In)	JK	Ofgem (Presenter for agenda item 20)
Apologies	Initials	Company
Anna Stacey	AS	Ofgem (Presenter for agenda item 20)

1. Introductions and Apologies for Absence

10094. No apologies were received from Panel Members.

2. Approval of minutes from previous meeting

10095. The minutes from the Panel held on 31 January 2020 were approved, subject to incorporating PJ's comments.

3. Action log

10096. The CUSC Panel reviewed the open actions from the meeting held on 31 January 2020, which can be found on the Actions Log.

4. Chair update

10097. TM had no updates for the Panel.

5. Authority decisions

10098. NH provided the Code Administrator with feedback on the Final Modification Report for CMP320 'Island MITS Radial Link Security Factor'. NH stated that the formatting of the report has been improved and suggested this be used as the template going forward.

10099. NH provided an update on all the Modifications currently with the Authority for decision:

- **CMP292 ‘Introducing a section 8 cut-off date for changes to the Charging Methodologies’**. Ofgem advised that has been de-prioritised and that further updates on the pending decision will be provided in the summer.
- **CMP281 ‘Removal of BSUoS charges from energy taken from the National Grid ESO System by storage facilities’ and CMP319 ‘Consequential changes to Section 11 of the CUSC as a result of CMP280 and/or CMP281’**. Ofgem advised that a decision is expected by the end of March 2020.
- **CMP280 ‘Creation of a New Generator TNUoS Demand Tariff which Removes Liability for TNUoS Demand Residual Charges from Generation and Storage Users’**. Ofgem advised that the decision on CMP280 will be in Q2 2020 now as they believe this will be superseded by CMP334 (which defines Final Demand).
- **CMP306 ‘Align annual connection charge rate of return at CUSC 14.3.21 to price control cost of capital’**. Ofgem advised that the related STC issue has been resolved and they are minded to approve this by end March 2020.
- **CMP303 ‘Improving local circuit charge cost – reflectivity’ and CMP320 ‘Island MITs Radial Security Factor’**. NH stated that CMP303, CMP320 and CMP337 are all linked and propose to decide on them together in ~ June 2020. February Panel challenged why CMP303 and CMP320 (which are both already with Ofgem for decision) could not be decided upon first.

6. New modifications

CMP337 ‘Impact of DNO Contributions on Actual Project costs and Expansion Factors’ & CMP338 ‘Impact of DNO Contributions on Actual Project costs and Expansion Factors – New Definition of Cost Adjustment’

10100. At Panel on 31 January 2020, Panel asked for clarity on a number of issues (notably the impact on wider TNUoS) before determining whether this should proceed to Workgroup or Code Administrator Consultation. The presentation slides, addressing these questions can be found via the following link:

<https://www.nationalgrideso.com/codes/connection-and-use-system-code-cusc/meetings/cusc-panel-meeting-28-February -2020>

10101. Although, the slides presented by SHEPD showed there would be no impact on the local circuit charges, PJ highlighted the concern that if one of the alternatives for CMP320 is approved the MITS Node on the island would be part of the wider network and therefore not part of the local circuit charges. Therefore this could impact the zonal wider tariff and this needs to be looked at by a Workgroup.

10102. The Panel determined that CMP337 and CMP338 should proceed to Workgroup and agreed the Terms of Reference for the Workgroup. The Code Administrator will email industry seeking Workgroup nominations. **ACTION**

7. In Flight Modification Updates

CMP323 ‘Updating the CUSC governance process to ensure we capture the EBGL change process for Article 18 T and Cs’.

10103. CMP323 ‘Updating the CUSC governance process to ensure we capture the EBGL change process for Article 18 T and Cs’ was presented to the CUSC Panel on 25 October 2019 where the Panel, by majority agreed that this should proceed to Code Administrator Consultation and follow the same timeline for the Grid Code Modification GC0132 ‘Updating the Grid Code Governance process to ensure we capture EBGL change process for Article 18 Terms and Conditions (T&Cs)’. The publishing of the Code Administrator Consultation has been delayed due to progression in the Grid Code and BSC Modifications, resulting in the legal text requiring some minor amendments. JWE provided the Panel with the revised legal text for CMP323 and sought Panel’s approval for this to proceed to Code Administrator Consultation.
10104. The Panel, by majority, agreed that CMP323 should proceed to Code Administrator Consultation. One Panel member disagreed with CMP323 proceeding straight to Code Administrator Consultation - this was due to the wording of the legal text, however the Panel member advised that this concern would be highlighted in their response to the Code Administrator Consultation. It was agreed that the legal text would be circulated to the Panel for five further working days for Panel to provide any further comments on this. Following this, the Code Administrator Consultation will be published week commencing 16 March 2020.
10105. PM advised the Panel that the Proposer of CMP274 has withdrawn support of the Modifications. In line with section 8.16.10 (b) of the CUSC, the Code Administrator wrote out to industry seeking for support of this modification, however none has been received. The Panel agreed that CMP274 should be withdrawn. Five further working days will be given to industry and if no support is received, CMP274 will be formally withdrawn. **ACTION**
10106. 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-28-February-2020>
10107. PM talked the Panel through the Workgroups to be held over the next 2-3 months with March 2020 being particularly challenging.
- PM explained that, in August 2020, Code Administration committed to Panel that it would look to hold 8-12 workgroups per month cross Code but would keep under review. Code Administration also committed to providing visibility of planned workgroups for the next 3 months and reaffirmed its commitment to continue doing this as this will help Panel make informed decisions on prioritisation.
- PM stated that Code Administration has reviewed its assumptions and, given current commitments on all across industry and its desire to ensure quality, it has amended this commitment to 7-9 workgroups cross Code. It will of course keep this under review.

8. Discussions on Prioritisation

10108. The CUSC Panel reviewed the prioritisation stack and, as planned, gave careful consideration to the current placing of modifications in the three tranches, in the light of the impact of the current TCR-related modifications. The CUSC Panel's rationale on the prioritisation stack is included to show transparency to industry members. The Panel also asked that the Headline Report gives clear communication to the industry on the outcomes of the Panel's consideration. 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-28-February-2020>

9. Workgroup Reports

10109. There were no Workgroup Reports presented to the CUSC Panel.

10. Draft Final Modification Reports

10110. There were no Draft Final Modification Reports presented to the CUSC Panel.

11. Standing Groups

Transmission Charging Methodology Forum (TCMF)

10111. JW advised the Panel that TCMF was held on 6 February 2020. The main agenda items discussed at TCMF were the TCR Modifications and forecasting TNUoS tariffs from 2021 onwards. The TCMF presentation slides and minutes can be found using the following link:

<https://www.nationalgrideso.com/codes/transmission-charging-methodology-forum-tcmf>

The next TCMF meeting will be held on 3 March 2020.

Joint European Stakeholder Group (JESG)

10112. GG advised the Panel that the JESG meeting was held on 11 February 2020. The agenda items discussed were the Clean Energy Package, EGBL and an update on balancing settlement from Ofgem. The next JESG meeting will be held on 10 March 2020 [Post Meeting Note: this meeting has been cancelled].

Governance Standing Group

10113. No further updates.

EU Codes

10114. No further updates were provided on EU Codes.

12. Update on Other Industry Codes

BSUoS Task Force

10115. PJ provided an update on the BSUoS Task force. PJ stated that the purpose of the task force is to review who pays BSUoS and how this should happen. PJ stated that the work done with CUSC Modifications CMP250 'Stabilising BSUoS with at least a 12-month notice period' and CMP308 'Removal of BSUoS charges from Generation' has helped the Task Force with their discussions.

10116. PM advised the Panel that Grid Code Modification GC0139 'Enhanced Planning – Data Exchange to facilitate Whole System Planning' was raised at the Grid Code Panel on 27 February 2020. PM stated that this modification has an impact on CMP298 'Updating the Statement of Works process to facilitate aggregated assessment of relevant and collectively relevant Embedded Generation'. This has been recorded in the Terms of Reference for the GC0139 Workgroup to consider.

10117. PM highlighted the joint working that has been ongoing between CUSC and DCUSA for CMP334 'Transmission Demand Residual – consequential definition changes (TCR) and DCP359 'Ofgem Targeted Charging Review (TCR) implementation – customers: who should pay?'. PM stated that the first joint Workgroup will be held via WebEx on Monday 2 March 2020.

13. Relevant Interruptions Claim Report

10118. There were no further updates on the Relevant Interruptions Claim Report.

14. Governance

Process for issuing CAC where delay between Original decision

10119. GG stated that there is a difference in views on the procedure for issuing the Code Administrator Consultation once the Panel has confirmed their decision but where there has been a delay between the original decision to proceed to CAC and its eventual date of issue. PM advised that the governance rules for CUSC were silent on this particular issue but reminded the Panel that its remit was to agree the governance route of a modification and not to authorise the actual content of the CAC document. Nevertheless, it was clear, and the Panel agreed, that where there were subsequent changes to the legal text, the due diligence meant that the Panel should be content that such changes would deliver the solution to the defect identified by the modification. PM stated that the same issue had been raised at the Grid Code Panel and the views of the Panel were that it had to be comfortable with the legal text but that formal submission of the CAC document to the Panel could cause unnecessary complexity and delay to the process. The CUSC Panel agreed that its focus and remit should be on ensuring satisfactory legal text changes rather than requiring submission of the CAC document. PM took an action ensure any changes to the legal text in a Code Administration Consultation would be flagged to the Panel for agreement.

15. Horizon Scan

10120. PM presented the horizon scan to the CUSC Panel.

16. CACoP Update

Website

10121. PM advised the Panel that the Code Administrator has an external party working on improving the current website and will present a further update at the March Panel.

The Panel again highlighted the concern around the WebEx facilitates and how they can better be improved. PM confirmed that the ESO has updated their systems to improve the WebEx quality; however, clearly this remains an issue for parties on the WebEx and he will feed this back again internally to ensure this is resolved. **ACTION.**

17. Market-Wide Half-Hourly Settlement Reform

10122. DC and AS delivered a presentation on Market - Wide Half-Hourly Settlement Reform. The full presentation slides can be found via the following link:

<https://www.nationalgrideso.com/codes/connection-and-use-system-code-cusc/meetings/cusc-panel-meeting-28-February-2020>

The next stage is for the respective code bodies to identify (by end May 2020) changes that may be required to their code to effect this. Consultation on this would then be held between June and July 2020.

18. AOB

10123. The Panel held a discussion around how implementation of CUSC Modifications will work for April 2021 if the same baseline legal text is being used across different CUSC Modification Proposals. The Panel highlighted the risk that conflicting text would be in the CUSC.

10124. The Code Administrator took an action to think about how the implementation of the Modifications will work and update Panel on this at the next meeting. **ACTION**

The next CUSC Panel meeting will be held on Friday 27 March 2020 at Faraday House, Warwick.