

Headline Report – 27 November 2020

Connection and Use of System Code (CUSC) Panel

The CUSC Panel Headline Report is produced after every CUSC Panel and aims to provide an overview of the key decisions made. Minutes for this meeting will be published separately.

Approval of Panel Minutes

The meeting minutes from the CUSC Panel on 30 October 2020 were approved at the CUSC Panel meeting on 27 November 2020. These will be uploaded to our website.

Prioritisation Stack

Between 29 May 2020 Panel and June 2020 Panel, all the Proposers with in-flight Modifications provided updated justification against each of the Prioritisation Criteria – namely Complexity, Importance and Urgency. The June Panel carefully considered the views of the Proposers. For each Modification, Panel determined if the Priority was High, Medium to High, Medium, Low to Medium or Low. This exercise was repeated between 25 September 2020 Panel and October 2020 Panel and October 2020 Panel reviewed the Prioritisation Stack.

At November Panel, the following movements were agreed:

- CMP315 was moved from “Low to Medium” to “High” in light of recent developments re: the Expansion Constant. Workgroups on CMP315 will re-start in early 2021.

The positions of CMP328 and CMP326 were re-assessed at November’s Panel; however, their positions remain unchanged. In summary:

- The Panel were satisfied with the plan for CMP326; and
- The Panel noted the complexity of CMP328 and the need for one more Workgroup in January 2021 prior to the Workgroup Consultation being issued. They were content to defer the decision on CMP328 until January 2021 Panel with the expectation that the Workgroup Consultation has been issued by then.

The position of CMP308 was also due to be re-assessed at November’s Panel; however, Ofgem have not yet published the conclusions of the 2nd BSUoS Taskforce

The full discussions on each Modification can be found [here](#).

The Prioritisation Stack will continue to be reviewed on a monthly basis.

Proposers continue to have the opportunity to feed their views into these discussions. Additionally, on a quarterly basis, Proposers will be asked to provide updated justification against the prioritisation criteria - this will be requested from Proposers at the start of January 2021 in readiness for assessment at January 2021's Panel.

New Modifications

1 new Modification Proposal was presented for consideration.

CMP354 'Capacity Allocation and Congestion Management Regulation (CACM) cost sharing consequential changes'

CMP354 seeks to allow the ESO to ensure that any Capacity Allocation and Congestion Management Regulation (CACM) related payments (determined by the Authority) are paid to relevant interconnector licensees in 2021 and to facilitate the interconnector adjustment payment process for future Authority cost recovery decisions.

The Panel unanimously agreed that CMP354 met the Self-Governance criteria and agreed the modification should proceed to Code Administrator Consultation.

CMP354 documentation can be located via the following link:

<https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/cmp354-capacity>

New / Pending Authority Decision/

Ofgem provided an update on Modifications that are currently awaiting their decision:

- **CMP324/325** decision was made 11 November 2020 – CMP325 WACM2¹ will be implemented 1 April 2021.
- On the TCR decisions, which Ofgem are prioritising, Ofgem provided the following update:

Modification	Anticipated Decision Date
CMP334	w/c 30 November 2020 ²
CMP317/327, CMP339, CMP333, CMP335/336	Before Christmas 2020
CMP343/340	Early 2021

- Update on **CMP280** was provided on 2 October 2020. Ofgem will consider whether or not CMP280 is needed after they have decided on the other Transmission Demand Residual Modifications but do not expect to make a decision on CMP280 in the near future.
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¹ CMP325 WACM2 - use the current 27 TNUoS charging zones within the CUSC and remove the requirement of re-zoning at the start of every Transmission Price Control

² Decision made on 30 November 2020 to implement CMP334 WACM1 (*Amend definition of "Final Demand Site" so those "Single Sites" that import Active Power from the transmission network solely for voltage support are excluded from paying the Transmission Demand Residual*) on 14 December 2020

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- Ofgem continue to assess the Self-Governance Appeal for **CMP342**. Ofgem published a [letter](#) on 2 November 2020 stating that they were satisfied that this is a valid request for appeal and set out next steps. Based on the timetable in this letter, Ofgem are seeking to publish their decision by 7 December 2020.
 - **CMP292** decision was expected 20 September 2019; however this remains de-prioritised due to Ofgem's focus on the TCR modifications.
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In flight Modifications

Please refer to latest Modification Tracker for an update on each in flight Modification. This is published monthly at <https://www.nationalgrideso.com/industry-information/codes> and will be published on 7th of the following month or the next working day thereafter.

There continues to be uncertainty as to whether or not the UK will leave the EU with a deal. CMP309 and CMP310 (2nd Code Administrator closed 27 November 2020 with no responses received) cover the scenario if the UK leave the EU without a deal. However, if the UK do agree a deal, there is a possibility that Modifications will need to be raised and progressed at pace.

Draft Final Modification Reports

CMP351 'Financial Securities – 'Timescales for Provision of Cash Deposit into Escrow'

CMP351 seeks to change the timescales (from 45 calendar days to 21 calendar days) by which Cash Deposits need to be provided to National Grid ESO through the bi-annual financial securities process.

Draft Final Modification Report was presented to November's Panel at which Panel recommended unanimously that the Original proposal was better than the current CUSC arrangements. Final Modification Report is to be sent to Ofgem on 9 December 2020.

CMP351 documentation can be located via the following link:

<https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/cmp351-financial>

Workgroup Reports

CMP344 'Clarification of Transmission Licensee revenue recovery and the treatment of revenue adjustments in the Charging Methodology'

CMP344 seeks to clarify that the allowed revenue for Transmission Owners recovered from Transmission Users under the Charging Methodologies is fixed for each onshore price control period for onshore transmission licensees and at the point of asset transfer for OFTOs.

The CUSC Panel unanimously agreed that CMP344 had met its Terms of Reference and could proceed to Code Administrator Consultation once Workgroup were content with the proposed changes to the legal text³. Code Administrator Consultation will be issued on 1 December 2020.

CMP344 documentation can be located via the following link:

<https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/cmp344>

Questions or feedback?

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Panel Secretary: Joe Henry, *Code Administrator*

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³ On 30 November 2020, CMP344 Workgroup confirmed that they were happy with proposed changes