

# CUSC Panel

**Friday 26 March 2021**

**Online Meeting via Teams**

# WELCOME



**nationalgrid**ESO



# Approval of Panel Minutes

**Approval of Panel Minutes from the  
Meetings held 26 February 2021 and 2  
March 2021**



# Actions Log

## Review of the actions log



# Chair's Update

An update from the Chair about ongoing relevant work, discussions etc.



# Authority Decisions



## Decisions Received since last Panel meeting

☐ None

## Decisions Pending

☐ CMP280, CMP292, CMP300, CMP335/336, CMP343/340, CMP360 (needed before 1 April 2021)

## Received Final Modification Reports since last Panel Meeting

☐ None

# New modifications submitted

- **CMP365: Improvements to CUSC Governance Arrangements**

**Louise Trodden, National Grid ESO**



# Critical Friend Feedback – CMP365

Code Administrator comments	Amendments made by the Proposer
<p>Added timeline and updated Implementation section</p> <p>Ensured that reflected standard rather than self-governance</p> <p>Proposed shortening some of the wording in the solution particularly on quoracy</p> <p>Grammatical and formatting changes</p>	<p>Proposer accepted all amendments made by the Code Administrator</p>



# History and Purpose

Driven by need to further update GC following Open Governance and the upcoming Energy Codes Review



Presented at TCMF- Sep 19 and Jan 20- with updates to panel through the process



A workgroup was held for Grid Code and an alternate raised



Ofgem approved the original proposal Nov 2020



Aim to raise this modification to adopt the principles approved by Ofgem to align the Governance rules across the codes

# Why

- Support creating a more efficient process for CUSC modifications
- Aligns to the recent changes implemented into the Grid Code through GC0131.
- Supporting better use of industry resources and the potential for workgroups and Panel members to respond quickly to drivers for change.
- This modification proposal aims to deliver some quick wins to the governance process before any formal changes are made within the energy code review.

# Proposed change

Initial assessment of proposals

- Panel can gain more clarity on a proposal

Quoracy

- Barrier to progress, reduced to 3 members minimum with some additional checks where below the current minimum of 5 members

Assessment of alternatives

- To allow more workgroup discretion in deciding which alternatives to develop but also to match with licence conditions [see next slide]

Titles and summaries of proposals

- Requirement for Code Admin and Proposer to work together to clarify

Role of the Code Administrator Consultation (CAC)

- Clarifications added to governance route for changes post-CAC

Production of draft legal text

- Lined up with guidance note; ultimately ESO responsibility as licensee

# Alternate in GC0131 Workgroup

The Grid Code previously required a workgroup to assess an alternative proposal against the baseline. Where it **will be better** it was accepted by the workgroup and developed.

Proposal was for workgroup to instead assess an alternative against the original proposal. Where it **may be better** it is developed.

They don't have to use this discretion...if any doubt remains the workgroup should develop the alternative; and the workgroup chair can also 'save' an alternative

This mirrors the licence condition text and gives the workgroup a little more discretion to choose which alternatives to develop

Alternative to GC0131 raised to continue with current practice

- CUSC text as below with the changes marked up from the baseline

- 8.20.~~45~~18

If a majority of the members of the **Workgroup** or the chairman of the **Workgroup** believe that the **Workgroup Consultation Alternative Request** ~~will~~ **may** better facilitate the **Applicable CUSC Objectives** than the ~~current version of the CUSC~~ **Modification Proposal**, the **Workgroup** shall develop it as a **Workgroup Alternative CUSC Modification(s)** or, where the chairman of the **Workgroup** agrees, amalgamate it with one or more other draft **Workgroup Alternative CUSC Modification(s)** or **Workgroup Consultation Alternative Request(s)**;



# Ofgem Decision on GC0131

- A majority of the workgroup and Panel voted for the GC0131 alternative (GC0131 WAGCM1)
- Ofgem however approved the GC0131 Original as:
  - *'[We] do not consider that this change should negatively impact the ability of a Workgroup to raise WAGCM proposals and may instead encourage additional assessment and consideration of WAGCMs before they enter the change process thereby better facilitating this objective by promoting efficiency. Our preference for the Original proposal is in line with our thinking that the codes should follow the licence provisions where possible. We do not consider the Original proposal to narrow the potential for alternative modifications. The test under GC0131 is that an alternative proposal may better facilitate the Grid Code objectives than the original solution proposed. This test should not act as a barrier for potentially beneficial alternatives. In this respect we consider the Original proposal is in keeping with the intent and spirit of open governance.'*
- Use in practice so far seems to confirm that the test of where an alternative 'may' be better than the original is quite broad and inclusive and encourages engagement and workgroup assessment

## Timeline for CMP365 – Proposed Timeline (*Standard-Governance with Code Administrator Consultation*)

Milestone	Date	Milestone	Date
Modification presented to Panel	26 March 2021	Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	5 May 2021
Code Administrator Consultation (15 working days)	29 March 2021 to 21 April 2021	Final Modification Report issued to Ofgem	13 May 2021
Draft Final Modification Report (DFMR) issued to Panel	22 April 2021	Implementation Date	10 working days after Ofgem decision
Panel undertake DFMR recommendation vote (5 working days)	30 April 2021		

# CMP365 – the asks of Panel

- **AGREE** that this Modification should follow Standard Governance (Ofgem decision) rather than the Self-Governance Criteria (Panel decision)
- **AGREE** that this Modification should proceed to Code Administrator Consultation
- **NOTE** that there aren't any impacts anticipated on the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the CUSC
- **NOTE** the proposed timeline

# New modifications submitted

- **CMP366: Housekeeping Modification as a result of CMP346 and CMP324/CMP325 implementation**

**Ren Walker, National Grid ESO**





# Critical Friend Feedback – CMP366

Code Administrator comments	Amendments made by the Proposer
<p>Grammatical and formatting changes</p> <p>Recommended timeline including Implementation Date</p>	<p>Proposer accepted all amendments made by the Code Administrator</p>

# Background

**CMP366 seeks to ensure that the legal text in CUSC paragraph 14.14.5 reads correctly, following the implementation of CMP346 and CMP324/CMP325 (WACM2).**

Changes in **red** are introduced by CMP346.

Changes in **blue** are introduced by CMP324/CMP325 (WACM2)

Proposed changes for CMP366 are in **orange**

CUSC Baseline as of 1 April 2021:

Section 14, paragraph 14.14.5

- viii. **The** currently applicable number of generation zones, determined in accordance with 14.15.37 and using the criteria outlined in paragraph 14.15.42, is detailed in **The Company's Statement of Use of System Charges** which is available from the **Charging website** and **has been determined as 27**.

# Timeline for CMP366

Milestone	Date
Draft Fast Track Self- Governance Report issued to Panel	18 March 2021
Draft Fast Track Self-Governance Report presented to Panel	26 March 2021
Modification Panel decision	26 March 2021
Appeals Window (15 Working Days)	31 March 2021 – 5pm on 23 April 2021
Decision implemented in CUSC	30 April 2021

# CMP366 – the asks of Panel

- **AGREE** that this Modification should follow Fast Track Self-Governance Criteria (Panel decision, which must be unanimous)
- **NOTE** the proposed timeline and that this Modification will be implemented upon conclusion of the Appeals window (if no objections are received from industry)



# CUSC Fast Track Criteria

## “Fast Track Criteria”

a **CUSC Modification Proposal** that, if implemented,

(a) would meet the **Self-Governance Criteria**; and

(b) is properly a housekeeping modification required as a result of some error or factual change, including but not limited to:

(i) updating names or addresses listed in the **CUSC**;

(ii) correcting any minor typographical errors;

(iii) correcting formatting and consistency errors, such as paragraph numbering; or

(iv) updating out of date references to other documents or paragraphs .

# CUSC Self-Governance Criteria

## “Self-Governance Criteria”

a **CUSC Modification Proposal** that, if implemented,

(a) is unlikely to have a material effect on:

(i) existing or future electricity consumers; and

(ii) competition in the generation, distribution, or supply of electricity or any commercial activities connected with the generation, distribution or supply of electricity; and

(iii) the operation of the **National Electricity Transmission System**; and

(iv) matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; and

(v) the **CUSC**'s governance procedures or the **CUSC**'s modification procedures, and

(b) is unlikely to discriminate between different classes of **CUSC Parties**;

c) other than where the modification meets the **Fast Track Criteria** will not constitute an **EBGL Amendment**.



# In Flight Modification Updates

**Review of all CUSC Modifications with  
current status, next steps and any Panel  
recommendations**

# Dashboard – CUSC (as at 25 March 2021)

Category	Oct	Nov	Dec	Jan	Feb	Mar
New Modifications	2	1	3	3	4	3
In-flight Modifications (includes those on hold but not New Modifications)	51	53	51	51	50	53
Modifications issued for Workgroup consultation	0	1 (CMP344)	0	2 (CMP357, CMP330)	2 (CMP326, CMP328)	0
Modifications issued for Code Administrator Consultation	1 (CMP351)	4 (CMP353, CMP309, CMP310, CMP300)	3 (CMP344, CMP354, CMP355/CMP356)	1 (CMP357)	1 (CMP360)	1 (CMP367)
Workgroups held	2	3	2	5	4	4 (CMP361/362 on 29 Mar)
Authority Decisions	0	2 (CMP324/325, CMP334)	4 (CMP353, CMP333, CMP317/327 and CMP339)	3 (CMP355/356, CMP357 and CMP351)	0	0
Implementations	0	0	3 (CMP334 on 14 Dec, CMP352 on 17 Dec, CMP342 on 23 Dec)	0	1 (CMP351)	0
Modifications Withdrawn	0	0	0	3 (CMP307, CMP309 and CMP310)	0	0
Modifications on Hold	5	3	5	5 (CMP271, 276, 305, 309, 310)	3 (CMP271, 276, 305)	3 (CMP271, 276, 305)
Workgroups postponed	0	0	0	1 (CMP328 from 12 Jan to 10 Feb)	0	0



# In flight Modifications – the asks of Panel

## **CMP286/287**

**ASSESS** if any change in priority now that TCR decisions are known or imminent

## **CMP315**

**NOTE** that Code Admin held a call with the Proposer and ESO after ESO's presentation at TCMF to have an initial conversation as to how the ESO's proposed thinking fits in with CMP315 and the timings of CMP315. It was agreed to have a Workgroup on 21 April 2021 to address this question.

## **CMP326**

**AGREE** that Workgroup has met its Terms of Reference

## **CMP330**

**NOTE** that Workgroup Report will be presented to June 2021 Panel rather than April 2021 Panel

# Discussions on Prioritisation

- **AGREE** where New Modifications that need Workgroups are placed in the prioritisation stack
- **AGREE** any movements in the current prioritisation stack (specifically **ASSESS** if any change in priority for CMP286/287 now that TCR decisions are known or imminent)

# Prioritisation Principles

Section 8: 8.19.1.(e) makes the following provision for the Panel and states “Having regard to the complexity, importance and urgency of particular CUSC Modification Proposals, the CUSC Modifications Panel may determine the priority of CUSC Modification Proposals and may (subject to any objection from the Authority taking into account all those issues) adjust the priority of the relevant CUSC Modification Proposal accordingly”

Complexity	The modification is viewed as being resource intensive and will most likely require a higher than average number of workgroups to conclude the process. Additionally the modification defect is viewed to have implications for many different areas of the energy market which need to be taken into consideration throughout the process.
Importance	The perceived value & risk associated with the proposed modification. The value / risk could be considered from a number of different perspectives i.e. financial / regulatory / licence obligations both directly for customer and end consumers more generally.
Urgency	A modification which requires speedy consideration within the code governance process, both complexity and importance should be factors considered in evaluating urgency as well as the timescales for implementation within the respective code.

# BREAK



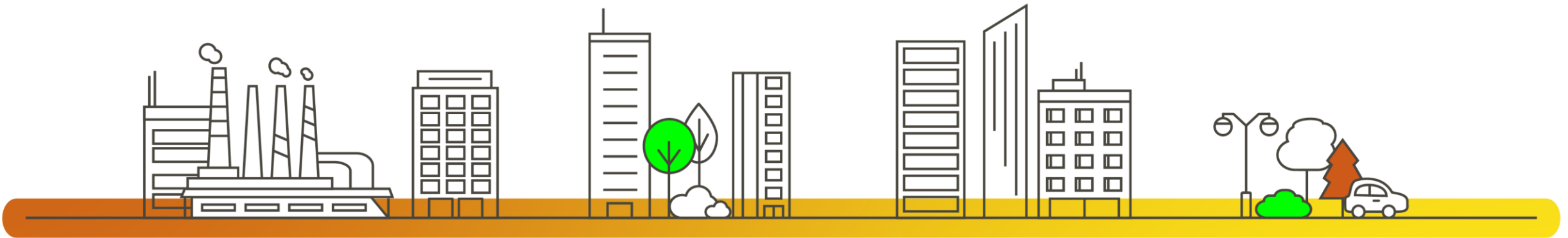
# Workgroup Reports

**EBGL Article 18 – Panel asks at each process step; and**

**CMP326 - Introducing a ‘Turbine Availability Factor’ for use in Frequency Response Capacity Calculation for Power Park Modules (PPMs)**

**Paul Mullen, Code Administrator**

# EBGL Article 18 – Panel asks at each process step



# What is EBGL Article 18?

- The Electricity Balancing Guideline (EBGL) is a European Network Code introduced by the Third Energy Package European legislation in late 2017.
- The EBGL regulation lays down the rules for the integration of balancing markets in Europe, with the objectives of enhancing Europe's security of supply. The EBGL aims to do this through harmonisation of electricity balancing rules and facilitating the exchange of balancing resources between European Transmission System Operators (TSOs)
- Article 18 of the EBGL states that TSOs such as the ESO should have terms and conditions developed for balancing services, which are submitted and approved by Ofgem.
- There is a change process outlined in other EBGL Articles 4, 5, 6 & 10 on how a proposal should be submitted, approved by Ofgem, how it should be amended, and that there should be a one month public consultation.
- ESO submitted terms and conditions for approval to Ofgem that included different sections of different GB network codes, BSC, CUSC and Grid Code, as well as some of the Standard Contract Terms (SCTs).
- This means that if any of those sections change through a modification, they will also legally have to go through a change process that meets the criteria set out in EBGL.



# What does this mean for our process

## Modification presented at Panel

- Proposal Form will note EBGL Interactions i.e.
- Always ask Panel to:
  - **NOTE** that there appear [not to be/to be] any impacts on the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the [CUSC/Grid Code]?
- If Workgroup required, ensure that "Consider EBGL implications" is added as a Terms of Reference

## Workgroup Consultation

- Workgroup Consultation (which is not the EGBL Consultation) will include commentary on EBGL.
- Always ask the following questions:
  - Do you consider that there are any impacts on the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the [CUSC/Grid Code]?
  - Do you have any comments as to whether or not the proposed changes concur with the EBGL Article 3 Objectives?

# What does this mean for our process

## Workgroup Report

- Workgroup Report will include commentary on EBGL Interactions (including summary of industry responses to the EBGL questions posed as part of the Workgroup Consultation). Workgroup will always be asked to:
  - **NOTE** that European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions [are/are not] impacted by the Original [and WACMs/WAGCMs]

## Workgroup Report at Panel

- “Consider EBGL implications” is a Terms of Reference
- Always ask Panel to:
  - **NOTE** that this Modification [does/does not] impact the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the [CUSC/Grid Code]?

# What does this mean for our process

## Code Administrator Consultation

- This is the official EBGL Consultation
- CUSC: 1 month if EBGL; Grid Code: 1 month for all Modifications (unless Urgent and not EBGL)
- Only if EBGL interactions identified, ask the following questions:
  - What are your views on the proposed change to the EBGL Article 18 terms and conditions related to balancing?
  - Do you have any comments as to whether or not the proposed changes concur with the EBGL Article 3 Objectives?

## Draft Final Modification Report

- Draft Final Modification Report will include commentary on EBGL Interactions (including summary of industry responses to the EBGL questions posed as part of the Code Administrator Consultation (CAC))
- If EBGL, as well as the Code Admin summary of CAC responses, the ESO will provide their view on the CAC responses included (particularly justification as to whether they are included or not included in the solution(s) proposed)

# What does this mean for our process

## Draft Final Modification Report (at Panel)

- Ask Panel to:
  - **NOTE** that this Modification [does/does not] impact the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the [CUSC/Grid Code]?
  - [Only if impacted ask] Do you have any comments as to whether or not the proposed changes concur with the EBGL Article 3 Objectives?

## Final Modification Report

- Any Panel views (if needed i.e. there is an impact on the EBGL Article 18 terms and conditions) on EBGL interactions included in the “Panel Recommendation/Determination Vote” section of the Final Modification Report

# EBGL Article 3 Objectives

**For reference, the Electricity Balancing Guideline (EBGL) Article 3 (Objectives and regulatory aspects) are:**

1. This Regulation aims at:

- (a) Fostering effective competition, non-discrimination and transparency in balancing markets;
- (b) enhancing efficiency of balancing as well as efficiency of national balancing markets;
- (c) integrating balancing markets and promoting the possibilities for exchanges of balancing services while contributing to operational security;
- (d) contributing to the efficient long-term operation and development of the electricity transmission system and electricity sector while facilitating the efficient and consistent functioning of day-ahead, intraday and balancing markets;
- (e) ensuring that the procurement of balancing services is fair, objective, transparent and market-based, avoids undue barriers to entry for new entrants, fosters the liquidity of balancing markets while preventing undue market distortions;
- (f) facilitating the participation of demand response including aggregation facilities and energy storage while ensuring they compete with other balancing services at a level playing field and, where necessary, act independently when serving a single demand facility;
- (g) facilitating the participation of renewable energy sources and supporting the achievement of any target specified in an enactment for the share of energy from renewable sources.

# Workgroup Reports

**CMP326 - Introducing a 'Turbine Availability Factor' for use in Frequency Response Capacity Calculation for Power Park Modules (PPMs)**

**Paul Mullen, Code Administrator**

# CMP326 Background

- CMP326 seeks to introduce a cap on the MW element in the Holding Payment calculation to reflect reduced capability to ramp from de-loaded positions – this will be dependent on proportion of turbines available.
- CMP326 has been assessed by a Workgroup and will require Authority decision (Standard Governance).
- CMP326 requires changes to CUSC 4.1.3.9, and so impacts on the European Electricity Balancing Guideline (EBGL) Article 18 Terms and Conditions.
- The required system functionality will be introduced for minimal cost as part of the build/scope for the replacement of the Ancillary Services Business (ASB) system (expected to be completed ~ September 2022).
- Implementation Date is 1 December 2022 - this will allow the ESO to further engage with PPMs and wider industry (via the Wind Advisory Group) in order to develop efficient, proportionate and cost-effective arrangements for response capability reporting and resolve current data accuracy issues.



# CMP326 Workgroup Consultation Responses Summary

- Workgroup Consultation held between 1 February 2021 and 22 February 2021 with 4 responses (none of which were confidential). All respondents supported the change. However:
- Some respondents noted the mismatch between the response capability data that windfarms hold versus that of the Power Available (PA) signal and how this may result in windfarms either not being instructed for Frequency Response or the potential for reduced Holding Payments being made using PA signals. Another respondent added that a regular reporting process should be put in place about Providers' ongoing Power Available signal performance so that they can react in advance and be able to work on improving accuracy. Although the data accuracy issues are not strictly within the scope of this change, the majority of respondents agreed that these need to be addressed prior to implementation to ensure the expected increased cost savings are realised. Some respondents noted the ongoing work to resolve these issues and the Proposer, in their response, proposed delaying the Implementation Date to December 2022 with a final check that the issues have been resolved before the new functionality is switched on.
- One respondent argued that this change should also be applied to other ancillary services such as Firm Frequency Response to allow Power Park Modules to engage with that market. The respondent recognised this is not within the scope of CMP326; however, there could be merit for a future modification to address this.
- No Workgroup Alternatives raised

# CMP326 Workgroup Vote – took place 11 March 2021

The Workgroup concluded unanimously that the Original better facilitated the Applicable Objective (a) than the Baseline (the current CUSC).

# CMP326 Terms of Reference

- The Workgroup conclude that they have met their Terms of Reference and the references can be located below:

Workgroup Term of Reference	Location in Workgroup Report
a) Consider EBGL implications	See “Interactions” section
b) Consider effect in terms of Frequency Containment Reserve (FCR) and Frequency Restoration Reserve (FRR); and	See “What is the Impact of this Change?” section
c) Consider evidence of Ramp Rate capability testing if available or desktop analysis if possible.	See “What is the Solution” and “Annex 3”

# CMP326 Timeline

Milestone	Date
Code Administrator Consultation (1 month as impact on EBGL Article 18 Terms and Conditions)	6 April 2021 to 6 May 2021
Draft Final Modification Report (DFMR) issued to Panel	20 May 2021
Panel undertake DFMR recommendation vote	28 May 2021
Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	1 June 2021
Final Modification Report issued to Ofgem	9 June 2021
Ofgem decision	TBC
Implementation Date	1 December 2022

# CMP326 - the asks of Panel

- **AGREE** that the Workgroup have met their Terms of Reference
- **AGREE** that this Modification can proceed to Code Administrator Consultation (once additional clarification wording has been added to the Workgroup Report)
- **NOTE** that this Modification does impact the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the CUSC
- **NOTE** the ongoing timeline

# Draft Final Modification Reports

**CMP367 - Urgent housekeeping modification as a result of 1 April implementations**

**Paul Mullen, Code Administrator**

# CMP367 Background

- CMP367 seeks to amend Section 14 of the CUSC due to the overlap of the implementation of CMP333 and CMP360 (if approved by the Authority). It also aligns numbering within Section 14.30.
- The Proposer sought urgent treatment and CUSC Panel on 22 March 2021 unanimously agreed that this met Ofgem's Urgency criteria (c) and therefore recommended urgent treatment to Ofgem. Ofgem approved this request for Urgency on 23 March 2021.
- CUSC Panel on 22 March 2021 also unanimously agreed that CMP367 should proceed to Code Administrator Consultation
  - The Code Administrator Consultation was run from 5pm on 23 March 2021 to 25 March 2021.
  - 2 responses were received and all supported the change and proposed implementation




## Timeline for CMP367

Milestone	Date
Panel undertake DFMR recommendation vote	26 March 2021 (at CUSC Panel)
Final Modification Report issued to Panel to check votes recorded correctly	26 March 2021 (2pm)
Final Modification Report issued to Ofgem	26 March 2021 (4pm)
Ofgem decision	30 March 2021 (5pm)
Implementation Date	1 April 2021

# CMP367 - the asks of Panel

- **NOTE** that this Modification does not impact the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the CUSC?
- **VOTE** whether or not to recommend implementation
  - *Does the CMP367 Original proposal better facilitate the objectives than the current CUSC arrangements?*
- **NOTE** next steps specifically that you will have until 4pm today to check that your votes have been recorded correctly



# **Standing Groups** - *Updates on all standing groups relevant to CUSC panel e.g. potential for future governance changes or modifications*



**Governance Standing Group – Garth Graham**  
**TCMF – Jon Wisdom**

# **European Updates** - *Updates on all European developments relevant to CUSC panel e.g. potential for future governance changes or modifications*

**European Code Development – Nadir Hafeez**

**Joint European Stakeholder Group – Garth Graham**

# Update on Other Industry Codes

**Grid Code**

**STC**

**SQSS**

**DCUSA**

**BSC**



# Relevant Interruptions Claim Report

(January, April, July, October)

The slide features several decorative yellow lines. In the top left, there are several curved, overlapping lines. In the bottom right, there are several straight, parallel lines sloping upwards from left to right. The text is centered in the upper half of the slide.

# Governance

**No items this month**



The background features several abstract, flowing yellow lines. Some lines are curved and sweep across the top left, while others are more linear and extend towards the bottom right. The lines vary in thickness and create a sense of movement and depth.

# Horizon Scan

(February, May, August, November)



# Forward Plan Update/Customer Journey)

- **Update on Onboarding (Introduction to Code Change webinars - Paul Mullen**

# AOB

- 1. General discussion on impacts of coronavirus outbreak (ALL)***
- 2. Independent Chairs for Workgroups (GG)***

# Next Panel Meeting

**10am on 30 April 2021 via Teams**

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**Papers Day – 22 April 2021**

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**Modification Proposals to be submitted  
by 15 April 2021**

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**TCMF – 8 April 2021**

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**Close**



**Trisha McAuley**

**Independent Chair, CUSC Panel**

**nationalgrid**ESO