

CUSC Panel Minutes: 26 March 2021

CUSC Panel Minutes: Meeting Number 273

Date: 26/03/2021 **Location:** Microsoft Teams

Start: 10:00am **End:** 13:00pm

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
Nadir Hafeez	NH	Authority Representative
Andy Pace	AP	Users' Panel Member
Mark Duffield	MD	Users' Panel Member
Cem Suleyman	CS	Users' Panel Member
Garth Graham	GG	Users' Panel Member
Andrew Enzor	AE	Users' Panel Member
Jeremy Caplin	JC	BSC Representative (Observer)
Louise Trodden	LT	National Grid Electricity System Operator – Agenda Item 6 only

Binoy Dharsi	BD	EDF Energy - Observer
Rashmi Radhakrishnan	RR	National Grid Electricity System Operator – Observer
Apologies	Initials	Company
Paul Mott	PMO	Users' Panel Member

1. Introductions and Apologies for Absence

10797. Apologies were received from Paul Mott.

2. Approval of minutes from previous meetings

10798. The minutes from the CUSC Panel held on 26 February 2021 and Special CUSC Panel held on 2 March 2021 were approved, subject to minor amendments on the 26 February 2021 minutes.

3. Action log

10799. The CUSC Panel reviewed the open actions from the meeting held on 26 February 2021, which can be found on the Actions Log.

4. Chair update

10800. TM advised the Panel that the Joint Code Chairs' meeting will be held on 19 April 2021. Following this, updates will be provided to the Panel.

10801. TM stated that she attended a meeting with the Code Administrator, the STC Panel Chair and the Transmission Owners (TO's) to discuss how we can improve ways of working between the Codes notably how to better determine any cross-code impacts. TM confirmed that the Code Administrators took some actions away to help address the concerns raised.

10802. GG noted that the general issue of working across Codes was raised at the ESO Markets webinar, held on 24 March 2021. PJ highlighted that the STC was set up purposely to create an arms-length arrangement between the TOs and the User.

5. Authority decisions

10803. NH stated that the [Authority granted urgency](#) for [CMP367](#) '*Urgent housekeeping modification as a result of 1 April implementations*' on 23 March 2021. NH confirmed that a [decision](#) on [CMP360](#) '*Aligning Section 14 of the CUSC 'Balancing Services Use of System Charging Methodology' to the licence changes introduced by RIIO-2 in respect of the 'System Operator Revenue Restriction'*' was published on 23 March 2021. NH stated that the original proposal was approved and CMP360 should therefore be implemented on 1 April 2021.

10804. NH advised the Panel that the following modifications were still with the Authority for a decision;

- [CMP343](#) ('*Transmission Demand Residual bandings and allocation for 1 April 2022 implementation (CMP343)*') is expected on CMP343 ~ end March 2021 with the decisions on '*Consequential changes for CMP343*' ([CMP340](#)) and [CMP335/336](#)

(‘Transmission Demand Residual - Billing and consequential changes to CUSC Section 3 and 11 (TCR)’ & ‘Transmission Demand Residual - Billing and consequential changes to CUSC Section 14 (TCR)’ to follow.

- [CMP300](#) ‘Cost reflective responses energy payment for generators with low or negative marginal costs’ is expected to be delayed due to the responsible policy team focussing on high workload in Capacity Market issues. A decision is now expected in April 2021.
- [CMP344](#) ‘Clarification of Transmission Licensee revenue recovery and the treatment of revenue adjustments in the charging methodology’ decision is expected at the end March 2021.
- [CMP280](#) ‘Creation of a new generator TNUoS Demand Tariff which removes liability for TNUoS Demand Residual charges from generation and storage Users’ decision remains outstanding.
- [CMP292](#) ‘Introducing a Section 8 cut-off date for changes to the Charging Methodologies’ decision remains de-prioritised.

6. New modifications

[CMP365 'Improvements to CUSC Governance Arrangements'](#)

10805. LT from National Grid ESO delivered a presentation on CMP365 to the CUSC Panel. LT explained that CMP365 is based upon the principles of Grid Code [GC0131 'Quick Wins'](#). The aim of CMP365 is to incorporate a smoother and more efficient process for code modifications that will allow for the best use of industry time.
10806. GG sought clarity on the legal text for CMP365 paragraphs 8.16.11 and 8.20.11. GG asked if the proposer could clarify if there is a conflict about producing the legal text. LT confirmed she would take this away and confirm offline. PJ also flagged that there might be inconsistencies within the legal text as the changes made to the Grid Code governance rules may differ to the CUSC, which could result in implementing text into the CUSC that shouldn't be there. JW confirmed that the CUSC text was used as a baseline for creating the Grid Code governance rules so therefore there shouldn't be any issues; however, he agreed it is sensible to check the legal text. It was agreed that the Code Administrator work with the Proposer to address the concerns raised and report back to Panel. **ACTION (Post meeting note: Email sent to Panel on 2 April 2021 clarifying the concern raised).**
10807. Following these discussions, CUSC Panel unanimously agreed that CMP365 should follow standard governance route and proceed to Code Administrator Consultation once the possible issue in the legal text has been addressed. Code Admin intended to issue the Code Administrator Consultation on 12 April 2021. **(Post meeting note: CMP365 consultation was published on 12 April 2021 and closed on 4 May 2021).**
10808. [CMP366 Housekeeping Modification as a result of CMP346 and CMP324/CMP325 implementation](#)

10809. LW from National Grid ESO delivered a presentation on CMP366. LW explained that CMP366 seeks to ensure that the legal text in paragraph 14.14.5 reads correctly, following the implementation of CMP346 and CMP324/CMP325 (WACM2).
10810. The Panel unanimously agreed that CMP366 met the Self Governance and Fast Track criteria and agreed the modification should be implemented. The date for implementation is 30 April 2021 subject to there being no objections received from industry in the Appeals Window which will run from 31 March 2021 – 5pm on 23 April 2021. **(Post meeting note: CMP366 was implemented on 30 April 2021)**

7. In Flight Modification Updates

10811. 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/industry-information/codes/connection-and-use-system-code-cusc-old/meetings/cusc-panel-meeting-1>

8. Discussions on Prioritisation

10812. The Panel reviewed the Prioritisation Stack. This can be found via the following link:

<https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/meetings/cusc-panel-meeting-1>

10813. The CUSC Panel reviewed CMP286/287 following a stakeholder's question about why this wasn't currently being progressed. The CUSC Panel's views were mixed on the materiality of the proposed change; however, before they consider amending CMP286/287's position in the prioritisation stack, they needed assurance that the Proposer still wishes to progress this. Code Admin noted they have already tried to contact the Proposer but would contact them again ahead of April 2021 Panel and provide them with some options on next steps.

9. Workgroup Reports

EBGL Article 18 – Panel asks at each process step

10814. PM delivered a presentation on EBGL Article 18. PM explained that 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)
10815. 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.
10816. 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.

10817. PM explained to the Panel what the EBGL requirements mean for each stage in the Governance process and what the asks of the Panel will be going forward. The slides outlining this process can be found via the following link:

<https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/meetings/cusc-panel-meeting-1>

10818. PM stated that there is a nuance between the Codes. Under the BSC, the ESO formally delegated some of its tasks under the EBGL to Elexon and the BSC Panel. In contrast, there are no such delegations in CUSC and Grid Code. PM also confirmed that, if an urgent modification is raised and does have EBGL impacts then a one-month Code Administrator Consultation would need to be held in line with the EBGL rules.

10819. PM noted that ESO will make the decision that a CUSC or Grid Code Modification should pass through the EBGL process, not the Panels. Panels will be informed, rather than being asked to agree, and, like industry, can offer views if they so wish— clearly though, it makes sense to get people’s thoughts throughout to get that rounded understanding. Panel welcomed the clarity provided and PM thanked GG for his prior input into this presentation.

[CMP326 ‘Introducing a ‘Turbine Availability Factor’ for use in Frequency Response Capacity Calculation for Power Park Modules \(PPMs\)’](#)

10820. PM delivered a presentation on CMP326. PM stated that 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).

10821. PM noted that 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).

10822. The proposed 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.

10823. PM advised that the Workgroup Consultation was held between 1 February 2021 and 22 February 2021 with 4 responses received (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.

10824. 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. PM confirmed that no Workgroup Alternatives were raised.
10825. JD questioned if the proposed implementation date for CMP326 was achievable. JW stated that the date set by the Workgroup is realistic and it was suggested that bi-monthly updates on the implementation progress of CMP326 be given to the Panel to ensure the implementation is on track. TM flagged that this had been done previously for Grid Code modification [GC0130](#) ‘OC2 change for simplifying ‘output useable’ data submission and utilising REMIT data’ which had a similar issue. The ESO took an action to provide the Panel with bi-monthly updates from when (and if) Ofgem approve CMP326. **ACTION**
10826. The CUSC Panel on 26 March 2021 unanimously agreed that the Workgroup Report had met its Terms of Reference and could proceed to Code Administrator Consultation. This will be opened on 6 April 2021 and run until 5pm on 6 May 2021. **(Post meeting note: CMP326 Consultation was issued on 6 April 2021 and closed 6 May 2021).**

10. Draft Final Modification Reports

CMP367 'Urgent housekeeping modification as a result of 1 April implementations'

10827. PM delivered a presentation on CMP367. PM advised the Panel that CMP367 seeks to amend Section 14 of the CUSC due to the overlap of the implementation of [CMP333](#) ‘BSUoS – Charging Supplier Users on gross demand (TCR)’ and [CMP360](#) ‘Aligning Section 14 of the CUSC ‘Balancing Services Use of System Charging Methodology’ to the licence changes introduced by RIIO-2 in respect of the ‘System Operator Revenue Restriction’. It also aligns numbering within Section 14.30.
10828. 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.
10829. The 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. PM confirmed that 2 responses were received, and both supported the change and proposed implementation.
10830. The CUSC Panel held their recommendation vote. The Panel unanimously recommended that the CMP367 Original is implemented. **(Post Meeting Note: Final Modification Report was sent to Ofgem 26 March 2021, decision received on 31 March 2021 and CMP367 was implemented on 1 April 2021).**

11. Standing Groups

Transmission Charging Methodology Forum (TCMF)

10830. JW advised the Panel that TCMF was held on 4 March 2021. The presentation slides and minutes from the meeting can be found via the following link:
10831. <https://www.nationalgrideso.com/transmission-charging-methodology-forum-and-cusc-issues-steering-group>

The next TCMF meeting will be held on 8 April 2021.

Joint European Stakeholder Group (JESG)

10832. GG advised that the JESG meeting was held on 9 March 2021. The meeting papers can be found via the following link:

<https://www.nationalgrideso.com/industry-information/codes/european-network-codes-old/meetings/jesg-meeting-9-march-2021>

Governance Standing Group

10833. No further updates.

EU Codes

10834. No further updates for Panel.

12. Update on other Industry Codes

10835. PM advised the Panel that [GSR027](#) 'Review of the NETS SQSS Criteria for Frequency Control that drive reserve, response and inertia holding on the GB electricity system' will be implemented on 1 April 2021.

13. Relevant Interruptions Claim Report

10836. No further updates for Panel.

14. Governance

10837. No further updates for the Panel.

15. Horizon Scan

10838. No further updates for the Panel.

16. Forward Plan Update

10839. PM advised the Panel that the introduction to the Code Change webinars have concluded. PM stated that the Code Admin team received positive feedback on the webinars and will look to run further sessions in the future.

17. AOB

General Discussion on Covid-19

10840. The Panel had no further comments.

Independent Chairs for Workgroup Meetings

10841. The Panel held a discussion around the use of Independent Chairs for Workgroup meetings. Some Panel members saw the benefit in having independent chairs as this could assist the Code Administrator and help with resource and the development of modifications. TM thanked the Panel for their views.

The next CUSC Panel meeting will be held on Friday 30 April 2021 via Microsoft Teams.

