

## CUSC Panel Minutes: 30 April 2021

### CUSC Panel Minutes: Meeting Number 276

**Date:** 30/04/2021      **Location:** Microsoft Teams

**Start:** 10:00am      **End:** 1:15pm

### 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 Jones	PJ	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)

Sean Donner	SD	National Grid Electricity System Operator – Observer
Binoy Dharsi	BD	EDF Energy - Observer
Rashmi Radhakrishnan	RR	National Grid Electricity System Operator – Proposer CMP370
Keren Kelly	KK	National Grid Electricity System Operator – Proposer CMP370
Katharina Birkner	KB	National Grid Electricity System Operator – Proposer CMP372
Jonathan Coe	JCo	Authority Representative – Agenda item 17
Apologies	Initials	Company

## 1. Introductions and Apologies for Absence

10859. No apologies were received.

## 2. Approval of minutes from previous meetings

10860. The meeting minutes from the CUSC Panels on 22 and 26 March 2021 will be presented for approval at the CUSC Panel on 28 May 2021 alongside the minutes from the CUSC Panels on 16, 21 and 30 April 2021.

## 3. Action log

10861. The CUSC Panel reviewed the open actions from the meeting held on 26 March 2021, which can be found on the Actions Log.

## 4. Chair update

10862. TM had no further updates for the Panel.

## 5. Authority decisions

Decisions since last normal monthly Panel

10863. NH stated that the following decisions have been published since the Panel in April:

- [CMP368 & CMP369](#) *'Updating Charges for the Physical Assets Required for Connection, Generation Output and Generator charges for the purpose of maintaining compliance with the Limiting Regulation & 'Consequential changes to Section 14 of the CUSC'*. Authority Decision received 22 April 2021 to reject request for urgency.
- [CMP373](#) *'Deferral of BSUoS billing error adjustment'*. Authority decision received on 23 April 2021 to approve request for urgency.

## Awaiting Decisions

10864. NH stated that the following modifications are still with the Authority pending decisions;

- Consultation on [CMP343](#) ('Transmission Demand Residual bandings and allocation for 1 April 2022 implementation (CMP343)') is expected to be published 10 May 2021 and the decisions on [CMP343](#), [CMP340](#) ('Consequential changes for CMP343') 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)') are all due end August 2021 (**Post Meeting Note – On 4 May 2021, Ofgem published a table that provides the expected decision date, or date they intend to publish an impact assessment or consultation, for code modifications/proposals that are with them for decision [here](#) - decisions on CMP343, CMP340 and CMP335/336 expected 27 August 2021).**
- [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 mid-May 2021 (**Post Meeting Note – decision expected May 2021).**
- [CMP344](#) 'Clarification of Transmission Licensee revenue recovery and the treatment of revenue adjustments in the charging methodology' decision is expected w/c 3 May 2021. (**Post Meeting Note: On 5 May 2021, Ofgem sent back CMP344 'Clarification of Transmission Licensee revenue recovery and the treatment of revenue adjustments in the Charging Methodology' as the Final Modification Report lacks clarity).**
- [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 (**Post Meeting Note – decision expected 27 May 2021).**
- [CMP292](#) 'Introducing a Section 8 cut-off date for changes to the Charging Methodologies' decision remains de-prioritised (**Post Meeting Note – decision expected 30 June 2021).**

## 6. New modifications

### [CMP370 'Revision of the connection offer acceptance period for interactive connection offers](#)

10865. RR and KK from National Grid ESO delivered a presentation on CMP370 to the CUSC Panel. RR explained that a new Interactivity policy has been developed collaboratively with industry through the Energy Networks Association (ENA) Open Network Projects. This CUSC modification seeks to align the CUSC with this Interactivity policy. RR provided further background of CMP370, explaining that through extensive consultation with industry, the Energy Network Association (ENA), as part of the Open Networks Project, has developed an Interactivity Process Guide.

10866. RR advised the Panel that in November 2018, the ENA launched the ‘Interactivity and Queue Management’ Consultation. In July 2019 the ENA presented a ‘mind-to’ position for Interactivity, the Conditional Interactivity approach, in a published ENA Consultation. The adoption of the Interactivity Policy by Network operators enables all the network companies to operate in a consistent manner and it ensures an applicant’s experience is similar across Transmission and Distribution networks, helps to resolve the interactivity quickly and effectively by providing more certainty to applicants and helps all Network Operators to administer the policy easily when a large number of customers are involved. KK advised that this Modification is seeking to align the CUSC with the Interactivity Policy document to facilitate the above benefits being realised.

10867. The CUSC Panel raised the following points of clarity on the proposal. These were:

- Sought the ESO to provide confirmation as to whether the interactivity policy is applicable to all types of party under the CUSC i.e. is it for anyone who wishes to connect to the transmission system;
- Asked that there is appropriate version control on the ESO Interactivity Policy;
- Asked that the ESO Interactivity Policy referenced a consultation process, associated timescales and how this interacts with the ENA Process Guide; and
- Sought clarification as to whether or not there are in practice different offer acceptance windows periods for transmission customers (30 days) compared with Distribution customers (45 days).

***(Post Meeting Note: On 10 May 2021, Code Admin relayed to Panel the Proposer’s response on all these points and Code Admin included these clarifications within the Code Administrator Consultation that was published on 14 May 2021).***

10868. The CUSC Panel unanimously agreed that CMP370 should follow standard governance route and proceed straight to Code Administrator Consultation once questions raised by the Panel have been addressed. ***(Post Meeting Note: See above comment)***

[CMP371 ‘Assessing CUSC Modification Proposals against charging and standard objectives’](#)

10869. PM from National Grid ESO delivered a presentation on CMP371. PM explained that CMP371 seeks to update the CUSC such that Charging and Non-Charging changes can be included in one Modification Proposal, but with such changes being judged against their respective Applicable CUSC Objectives, in order to remove the inefficient practice of raising multiple modifications to enact one related change.

10870. PM explained that efficiencies have already been built into the Modification process. However, the Proposal form (and guidance) will need to be tweaked to allow Proposers to include an assessment against both the CUSC Charging Objectives and CUSC Non-Charging Objectives and spell out which changes are related to CUSC Section 14 and which are non CUSC Section 14.

10871. The Panel had some feedback on the proposed legal text for CMP371, as the reading of it could be interpreted incorrectly. PM advised the Panel he is content to consider these changes to the legal text. He will, however, seek final confirmation from legal before amending. PM confirmed that he will circulate the revised text to Panel. GG questioned if one set of objectives could be listed alphabetically and the other in roman numerals, so it is

clearer when it comes to voting which objectives are being referred too. PM and the majority of the Panel did not agree that this needed to be amended.

10872. The CUSC Panel unanimously agreed that CMP371 should follow standard governance route and proceed straight to Code Administrator Consultation subject to tweaks to the proposed legal text being made. **(Post Meeting Note: The Code Administrator Consultation was issued on 11 May 2021 and will close 2 June 2021).**

#### CMP372 'CUSC changes to reflect the terms of the UK's departure from the EU'

10873. KB from National Grid ESO delivered a presentation on CMP372. KB explained that CMP372 seeks to ensure that retained EU law functions effectively in the context of the CUSC following the UK-EU Trade and Cooperation Agreement and the end of the transition period. It will ensure that the CUSC takes into account the provisions in the relevant Statutory Instruments prepared under the European Union (Withdrawal) Act 2018 as amended by the European Union (Withdrawal Agreement) Act 2020.

10874. KB advised the Panel that the requested governance route is Self- Governance and straight to Code Administrator Consultation. GG highlighted that this proposal could not follow the Self- Governance route as it has EBGL impacts and therefore would require a decision from the Authority. GG also noted some typographical errors in the legal text. KB took an action to liaise with GG offline about the errors in the legal text.

10875. GG stated that removing the Articles from the legal text would mean that CMP372 has no EBGL impacts; however, KB confirmed this would need to be checked before confirming.

10876. The CUSC Panel unanimously agreed that CMP372 should proceed straight to Code Administrator Consultation. However, the governance route could not be determined as current legal text indicates there may be EBGL interactions, which means the final decision must be made by Ofgem and therefore would need to follow standard governance. It is however possible as part of the Proposer's review that the text being changed that impacts EBGL could be removed and therefore self-governance would be an option. The updated legal text will be circulated for Panel to review and as part of this review, the governance route will be determined by Panel **ACTION**

## 7. In Flight Modification Updates

10877. 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-2>

## 8. Discussions on Prioritisation

10878. 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-2>

10879. The Panel reviewed the following 3 modifications but left them unchanged on the Prioritisation Stack:



CMP286/287	April 2021 Panel left priority unchanged. They noted that Paul Mullen spoke to the Proposer on 1 April 2021 and that the Proposer remains keen to move this forward. However, the Proposer acknowledged they may need to review their solution following the TCR decisions.
CMP315	April 2021 Panel noted that no CMP315 Workgroups are planned to be held until the ESO have clarified their wider solution on the Expansion Constant but the ESO and the CMP315 Proposer would continue to discuss data requirements with the Transmission Owners. ESO are expected to raise a Modification in ~ June 2021 and it is possible that the scope of CMP315 is incorporated within this Modification. On balance, the Panel agreed to keep CMP315 high in the prioritisation stack given the materiality of the proposed change and the expected ESO Modification even though there will be no Workgroups planned for the foreseeable future.
CMP368/369	CUSC Panel on 30 April 2021 agreed to place these high in the prioritisation stack as this is related to the TCR and an Ofgem decision is needed by 31 October 2021.

## 9. Workgroup Reports

10880. No Workgroup Reports were presented to Panel.

## 10. Draft Final Modification Reports

10881. No Draft Final Modification Reports were presented to Panel.

## 11. Standing Groups

### Transmission Charging Methodology Forum (TCMF)

10882. JW advised the Panel that TCMF was held on 8 April 2021. The presentation slides and minutes from the meeting can be found via the following link:

<https://www.nationalgrideso.com/transmission-charging-methodology-forum-and-cusc-issues-steering-group>

The next TCMF meeting will be held on 6 May 2021.

### Joint European Stakeholder Group (JESG)

10883. GG advised that the JESG meeting was held on 13 April 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-13-april-2021>

### Governance Standing Group

10884. No further updates.

### EU Codes

10885. No further updates for Panel.

## 12. Update on other Industry Codes

10886. JC advised that discussions with the ESO are being held regarding the digitalisation of the BSC. JC stated that work is progressing with this.

### 13. Relevant Interruptions Claim Report

10887. There were no comments from Panel on the quarterly Relevant Interruptions Claim Report that was included within the Panel papers and covered the period 1 January 2021 to 31 March 2021.

### 14. Governance

10888. No further updates for the Panel.

### 15. Horizon Scan

10889. No further updates for the Panel.

### 16. Forward Plan Update

#### **Critical Friend Update**

10890. PM advised the Panel that 12 modifications have been submitted from 15 January 2021 to 15 April 2021, each having critical friend checks carried out by the Code Admin team. PM advised the Panel that feedback that the Code Admin team will work on to further improve the service is;

- Reinforce that solution should not be set out in the “What’s the Issue” section;
- Ensure everyone using current Modification template; and
- Continue to have discussions with Proposers ahead of Modification Proposal Submission Date so they are clear on expectations, possible routes and timelines, level of detail and process.

### 17. AOB

#### **General Discussion on Covid-19**

10891. The Panel had no further comments.

#### **Update on Ofgem approach to setting code modification decision timings and some further thoughts on various aspects of code governance**

10892. JCo delivered a presentation to the Panel on Ofgem’s approach to setting Code Modification decision timings and Code Governance. JCo stated that Ofgem have reviewed their Key Performance Indicator (KPI) approach to making code modification decisions and intend to adopt a new approach for a trial period.

10893. JCo advised that the Authority prioritises decisions on code modifications where there is a material impact. The assessment of materiality is conducted against criteria set out in relevant licence conditions. The current KPI for making code modification decisions is to issue 90% of decisions within 25 working days (after they receive the Final Modification Report (FMR) or the closing date of their Impact Assessment/consultation), and where relevant, to issue an Impact Assessment or consultation 3 months after they receive the FMR.

10894. JCo stated that overall, Ofgem do not think the KPI is providing the benefits around transparency in their decision-making approach nor providing the certainty to industry that it could. JCo advised that Ofgem propose to take a new approach where each modification is assessed and an expected decision date set. The expected decision date will be based on

the importance, urgency and impact of the modification – considering their strategic priorities.

10895. The decision dates will be published on the Ofgem website and if they are missed, Ofgem will aim to provide a new date. Ofgem expect to continue to publish their performance on making Code Modification decisions. The intention is that the new process will give more transparency on when Ofgem will aim to make decisions and will still allow performance to be visible by continuing to report on decisions.

10896. JC advised that this trial will be started from April, with a six-month trial period. The Panel provided feedback on this. The Panel stated that it is important for Ofgem to be transparent and provide rationale to industry on the anticipated decision dates and explanation if Ofgem's anticipated decision dates are missed and delayed. JCo thanked the Panel for their feedback and noted that NH would continue to provide updates on decision dates at the monthly Panels as he does now.

***(Post Meeting Note: On 4 May 2021, Ofgem published a table that provides the expected decision date, or date they intend to publish an impact assessment or consultation, for code modifications/proposals that are with them for decision [here](#))***

### **Code Governance**

10897. JCo advised the Panel that a joint consultation was issued with BEIS in 2019 on reforming the Energy Industry Codes. JCo stated that there were 66 responses to this and a summary of these was published on 14 December 2020. At the same time, the UK Government published the Energy White Paper. The white paper includes a commitment to ensure that the institutional arrangements governing the energy system are fit for purpose for the long term. The white paper also includes a commitment to consult in 2021 on organisational functions including code governance.

10898. JCo confirmed that Ofgem are working with BEIS on the issues set out in their July 2019 consultation and expect to consult further this year. The reforms set out in their consultation propose significant change to the existing regulatory framework for gas and electricity markets. To achieve the aims set out they expect that implementation of reforms will take a number of years, and that the delivery of some elements may need to be staged. Ofgem encourage Code Administrators and industry to continue to consider improvements to existing governance arrangements ahead of any future fundamental reform.

### **Code Administrator Survey**

10899. NH advised the Panel that the Code Administrators Performance Survey will be carried out by Savanta in late May 2021. NH confirmed that Ofgem have been in contact with each of the Code Administrators to start preparing for the survey.

### **Market Wide Half Hourly Settlement Reform Update**

10900. NH stated that on 20 April 2021, Ofgem published their decision on Market Wide Half Hourly Settlement Reform. PM noted that Jasmine Killen will be attending May 2021 Panel to provide a detailed update. Further information on this can be found via the following links:

Decision & Full Business Case: <https://www.ofgem.gov.uk/publications-and-updates/electricity-retail-market-wide-half-hourly-settlement-decision-and-full-business-case>



Consultation on HHS Implementation & Governance: <https://www.ofgem.gov.uk/publications-and-updates/market-wide-half-hourly-settlement-mhhs-consultation-implementation-and-governance-arrangements>

### **Panel voting outcomes**

10901.GG questioned if stakeholders have visibility on the individual Panel Members' voting on Urgent Modifications or is a copy of the voting spreadsheet shared with Ofgem before they make their decision. PM confirmed that there is no such visibility at this time and GG asked if this could be included for transparency purposes in the reports. PM stated that he will consider and provide feedback to the Panel - **ACTION**

**The next CUSC Panel meeting will be held on Friday 28 May 2021 via Microsoft Teams.**