

CUSC Panel

Friday 27 August 2021

Online Meeting via Teams

WELCOME



nationalgridESO

Hybrid Working

Rob Marshall, ESO

Hybrid working

Facilities

We are upgrading the capabilities of our conference suite in Faraday House to better facilitate hybrid meetings – With some people meeting in person and others joining remotely

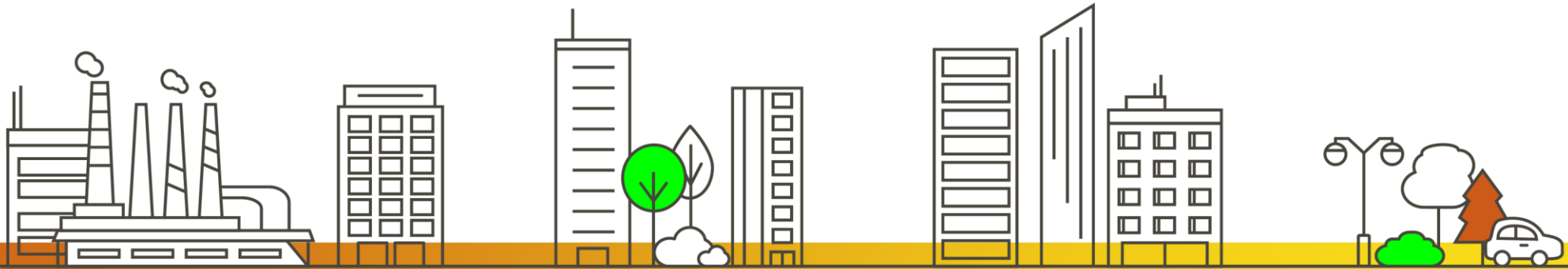
- New audio connections are being installed and calibrated
- All our meeting rooms will be equipped with cameras at the front of the room
- Rooms will be available with capacities of 6-16 people

Timelines

Currently ESO continues to have social distancing measures in place within its offices. These are anticipated to be reduced/removed in September as part of a phased return to the office for our people.

Approval of Panel Minutes

Approval of Panel Minutes from the
Meetings held 30 July 2021 and 6
August 2021



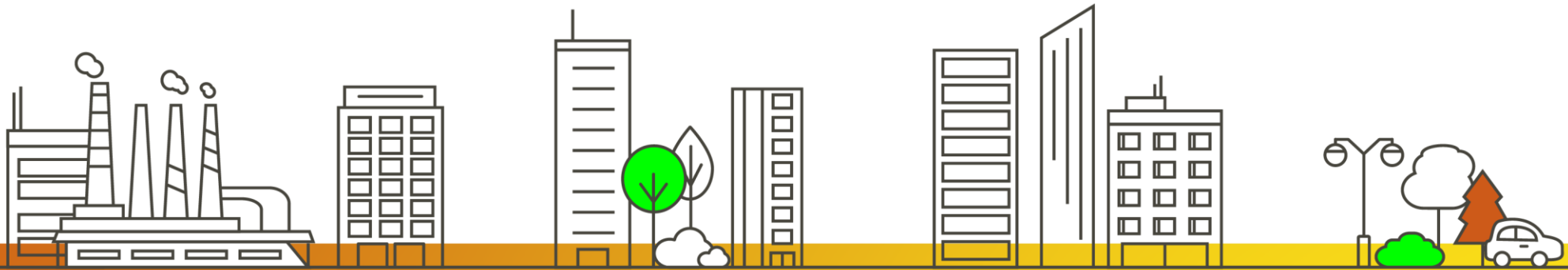
Actions Log

Review of the actions log



Chair's Update

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



Authority Decisions (as at 26 August 2021)



Decisions Received since last Panel meeting

- ☐ **CMP326 (Decision was received 10 August 2021 approving the Original proposal - implementation date is 1 December 2022)**

Decisions Pending

- ☐ **CMP335/336 (due 27 August 2021), CMP343/340 (due 27 August 2021), CMP292 (decision expected 30 September 2021), CMP371 (decision expected end September 2021)**

Received Final Modification Reports since last Panel Meeting

- ☐ **CMP370 (received 13 August 2021)**

New modifications submitted

CMP378: 'Market-wide Half-Hourly
Settlement (MHHS) Implementation and
Governance Arrangements'

**Abid Sheikh – Ofgem (on behalf of Proposer – Rachel
Clark)**



Critical Friend Feedback – CMP378

Code Administrator comments	Amendments made by the Proposer
<p>Added potential timeline to meet implementation date</p> <p>Proposed shortening the overview and suggested words to set out the defect</p> <p>Questioned if this particular change would be positive against CUSC Standard Objective (b)</p> <p>Proposed minor changes to Legal Text</p> <p>Proposed governance route needs to be justified</p> <p>Make clearer that the obligation is also on Code Admin as well as ESO</p> <p>Defined acronyms</p>	<p>All proposed amendments accepted by Proposer. Note that Proposer has added further clarity on why this particular change meets CUSC Standard Objective (b)</p>

Electricity Settlement Reform SCR: Authority Led CUSC modification - CMP378 (27 August 2021)



Anna Stacey/Abid Sheikh

On 11 August 2021 we published our [Decision on MHHS Implementation and Governance Arrangements](#)

On 12 August 2021 we published an [Update - Electricity Settlement Reform Significant Code Review: Authority-Led Code Modification Proposals | Ofgem](#)

Purpose: Place an obligation on NGESO and the CUSC Code Administrator to comply with Market-wide Half-Hourly Settlement (MHHS) implementation provisions that will apply to them as set out in Section C12 of the BSC

Benefits:

- MHHS will send accurate signals to suppliers about the cost of serving their customers throughout each day
- Will incentivise suppliers to offer new tariffs and products that encourage more flexible use of electricity
- Net benefits for consumers of £1.6bn-£4.5bn (2021-2045)
- Key enabler for Net Zero
- Also more competition and innovation in the market

Proposed Legal Text:

8.2.3 Market-wide Half-Hourly Settlement Implementation

The Company shall (and shall ensure that the **Code Administrator** shall) comply with the obligations expressed to apply to **The Company** (either specifically or generally as a category of participant) under section C12 (Market-wide Half Hourly Settlement Implementation) of the **Balancing and Settlement Code**.

NB. Slight differences from our published text – formatting of defined terms in bold, correcting a minor typo

12 August 2021: Modification proposal submitted under Authority-led SCR procedure

27 August 2021 (today): present CMP 378 to CUSC Panel

31 August 2021 – 14 September 2021: Consultation

16 September 2021: draft Final Modification Report

24 September 2021: CUSC Panel meeting – Panel vote on recommendation

12 October 2021: Target date for Authority decision

Our core purpose is to ensure that all consumers can get good value and service from the energy market. In support of this we favour market solutions where practical, incentive regulation for monopolies and an approach that seeks to enable innovation and beneficial change whilst protecting consumers.

We will ensure that Ofgem will operate as an efficient organisation, driven by skilled and empowered staff, that will act quickly, predictably and effectively in the consumer interest, based on independent and transparent insight into consumers' experiences and the operation of energy systems and markets.

Timeline for CMP378 – Proposed Timeline (*Standard-Governance with Code Administrator Consultation*)

Milestone	Date	Milestone	Date
Modification presented to Panel	27 August 2021	Final Modification Report issued to Panel to check votes recorded correctly (1 working day)	24 September 2021
Code Administrator Consultation (10 working days)	31 August 2021 to 14 September 2021	Final Modification Report issued to Ofgem	28 September 2021
Draft Final Modification Report (DFMR) issued to Panel	16 September 2021	Ofgem Decision	By no later than 12 October 2021
Panel undertake DFMR recommendation vote (5 working days)	24 September 2021	Implementation Date	3 working days after Ofgem decision / 15 October 2021 if decision received by 12 October 2021

CMP378 – the asks of Panel

- **NOTE** that this Modification will follow the **AUTHORITY LED SCR MODIFICATION** process as set out in CUSC 8.17B
- **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 appear not to be any impacts on the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the CUSC
- **NOTE** the proposed timeline

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 26 August 2021)

Category	Mar	Apr	May	Jun	Jul	Aug
New Modifications	3	6	1	1	2	1
In-flight Modifications (includes those on hold but not New Modifications)	53	36	42	43	43	44
Modifications issued for Workgroup consultation	0	2 (CMP308, CMP373)	0	1 (CMP368/369)	0	1 (CMP298)
Modifications issued for Code Administrator Consultation	1 (CMP367)	2 (CMP326), CMP365)	4 (CMP373, CMP371, CMP370, CMP372)	0	1 (CMP370 on 13 Jul)	3 (CMP308 , CMP377), CMP368/369)
Workgroups held	5	7	8	8	9	6
Authority Decisions	2 (CMP360, CMP367)	0	2 (CMP344, CMP373)	1 (CMP280)	2 (CMP300 and CMP365)	1 (CMP326) . Note that CMP335/336 and CMP340/343 expected 27 August 2021
Implementations	0	18 (CMP281, 306, 317/327, 319, 320, 324/325, 333, 339, 346, 347, 349, 353, 354, 355/356 , 357, 360, 366, 367)	0	0	1 (CMP365)	1 (CMP372)
Modifications Withdrawn	0	0	0	0	0	0
Modifications on Hold	3 (CMP271, 276, 305)	3 (CMP271, 276, 305)	3 (CMP271, 276, 305)	3 (CMP271, 276, 305)	3 (CMP271, 276, 305)	3 (CMP271, 276, 305)
Workgroups postponed	0	1 (CMP298 – was 7 Apr)	0	3 (CMP298 – was 7 Jun, CMP363/364 was 11 Jun, CMP328 was 30 Jun)	0	0

In flight Modifications (Revised Timelines) – the asks of Panel

CMP330/374

June 2021 Panel agreed that Workgroup Report will be presented to September 2021 Panel rather than August 2021 Panel to allow sufficient scrutiny ahead of 2nd Workgroup Consultation. However, Workgroup are still firming up the solution with next Workgroup on 26 August 2021 and therefore Workgroup Report will not be presented at September Panel. August 2021 Panel to **AGREE** to a further delay to December 2021.

CMP365 and CMP372

NOTE that CMP365 Original was implemented on 30 July 2021 and CMP372 Original was implemented on 3 August 2021

CMP330 & CMP374 Proposed Timeline as at 12 August 2021

Milestone	Date	Milestone	Date
Modification presented to Panel	28 May 2021	Code Administrator Consultation (15 working days)	21 December 2021 – 24 January 2022 (20 day consultation)
Workgroup Nominations (10 Working days)	28 May 2021 – 14 June 2021	Draft Final Modification Report (DFMR) issued to Panel	17 February 2022
CMP330/CMP374 Workgroup Meeting 1 (Discuss CMP374 solution and any potential alternatives & review legal text)	18 June 2021	Panel undertake DFMR recommendation vote (5 working days)	25 February 2022
Workgroup meetings (Agree solution & Workgroup Consultation Questions & Finalise legal text) & Workgroup Meeting 3 (Finalise Workgroup Consultation)	26 August 2021 w/c 20 September 2021 w/c 4 October 2021	Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	28 February 2022
Workgroup Consultation	11 October 2021 – 1 November 2021	Final Modification Report issued to Ofgem	9 March 2022
Workgroup Meetings post consultation (review CMP374 Workgroup Consultation responses, finalise solution, hold Votes)	w/c 8 November 2021 & w/c 22 November 2021	Ofgem Decision	TBC
Workgroup Report issued to Panel	9 December 2021	Implementation Date	TBC
Workgroup Report presented to Panel	17 December 2021	NOTE: 8 previous Workgroups for CMP330	

Date changes highlighted in yellow

Discussions on Prioritisation

- **AGREE** where New Modifications that need Workgroups are placed in the prioritisation stack
- **AGREE** any movements in the current prioritisation stack

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

None this month

Paul Mullen



Draft Final Modification Reports

None this month

Paul Mullen

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

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Relevant Interruptions Claim Report

(January, April, July, October)

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Governance

CUSC Panel Elections Update

Paul Mullen

What's happening next:

Date	Milestone
Thursday 1st July 2021	Invitations will be sent out to CUSC Schedule 1 Users to nominate candidates to stand for election.
Friday 23rd July 2021	Nomination Forms to be returned no later than 5.00pm
Monday 9th August 2021	List of candidates and voting papers to be circulated, or we will announce the outcome of the Elections.
Tuesday 31st August 2021	Voting papers to be returned no later than 5pm.
Wednesday 15th September 2021	Election results will be announced.
1st October 2021 – 30th September 2023	Newly elected Panel Members and Panel Alternate Members will take up office.

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Horizon Scan

(February, May, August, November)

CUSC Horizon Scan – August 2021

							2022						2023						2024																					
	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	Possible Governance									
TNUoS - Additional Clarity on which Demand Zone a Transmission Demand User falls within	Q3' 21			Expect to raise Modification in September 2021																											Workgroup: Ofgem decision									
User Commitment - MM3 notification of fixed attributable works (Cancellation Charges)				Q4' 21			Expect to raise Modification in October 2021																											Workgroup: Ofgem decision						
Offshore Co-ordination				Q4' 21			Still determining when these will be raised and numbers of modifications																											Workgroup: Ofgem decision						
Early Competition				Q4' 21			Still determining when these will be raised and numbers of modifications																											Workgroup: Ofgem decision						
Access and Forward Looking Charges Significant Code Review							Q1' 22			Expect to raise Modifications Q1 2022																											Workgroup: Ofgem decision			
TNUoS - Charging for Tertiary Connections							Q1' 22			Still determining when these will be raised and numbers of modifications																											Workgroup: Ofgem decision			
TCR - CMP324/325 Rezoning										Q2' 22			Still determining when this will be raised. Recognition that this is related to the Expansion Constant Review but Proposer believe it is prudent to only raise this change once the wider review of the Expansion Constant Modification (CMP375) is close to being finalised																											Workgroup: Ofgem decision
Market Wide Half Hourly Settlement Reform - CUSC changes										Q2' 22			Expect for Ofgem to direct the ESO to raise changes from April 2022 with the expectation that the changes will be delivered ~ October 2022																											Workgroup: Ofgem decision
Energy Codes Review - CUSC changes										Q2' 22			Not currently clear when changes will be raised																											Workgroup: Ofgem decision

Ask of Panel: Is there anything else you were expecting to see on this list?

Forward Plan Update/Customer Journey)

(January, March, May, July, September, November)

(Critical Friend Quarterly Update in Panel Pack – January, April, July and October. To be discussed at Panel – January and July)

None

AOB

- 1. General discussion on impacts of coronavirus outbreak (All)***
- 2. Plugged in Newsletter update following May Panel feedback (Laura Gordon)***

Next Panel Meeting

10am on 24 September 2021 via Teams

Papers Day – 16 September 2021

**Modification Proposals to be submitted
by 9 September 2021**

TCMF – 2 September 2021

Close



Trisha McAuley

Independent Chair, CUSC Panel

national**grid**ESO