

# CUSC Panel

**Friday 29 October 2021**

**Online Meeting via Teams**

# WELCOME

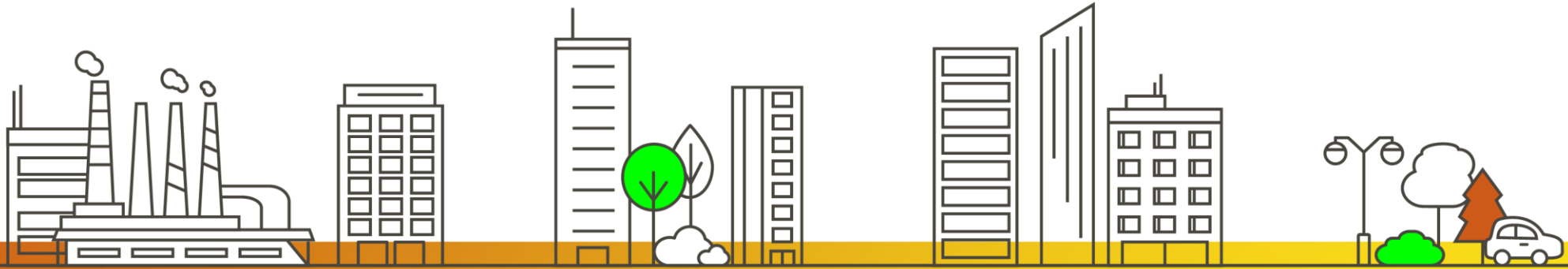


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# Approval of Panel Minutes

Approval of Panel Minutes from the  
Meetings held 14 and 24 September  
2021



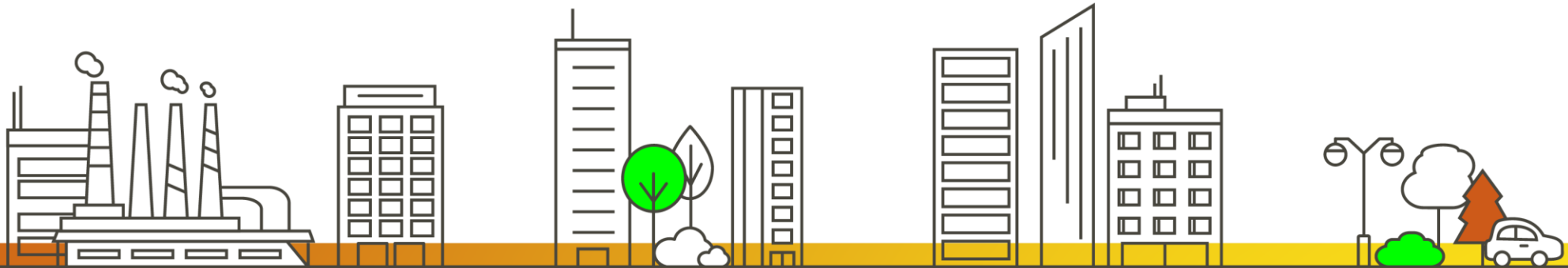
# Actions Log

## Review of the actions log



# Chair's Update

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



# Authority Decisions (as at 21 October 2021)



## Decisions Received since last Panel meeting

- ❑ **CMP378** (decision received 12 October 2021 approving the CMP378 Original Proposal. This was implemented 15 October 2021)

## Decisions Pending

- ❑ **CMP335/336** and **CMP343/340** (was expected 27 August 2021; however Ofgem confirmed at CUSC Panel on 27 August 2021 (and at CUSC Panel on 24 September 2021) that this date will not be met and will advise on the new expected decision date as soon as possible;
- ❑ **CMP371** (decision was expected 29 September 2021; however, Ofgem have identified legal issues, which they are in the process of considering so no new expected decision date is 19 November 2021);
- ❑ **CMP292** (decision was expected 30 September 2021 but now TBC in 2021 as Ofgem consider this to be low priority);
- ❑ **CMP308** (Final Modification Report received 23 September 2021, decision expected 19 October 2021); and
- ❑ **CMP368/369** (Final Modification Report received 23 September 2021, decision expected TBC in 2021).

## Received Final Modification Reports since last Panel Meeting

- ❑ **CMP377** (Final Modification Report received 6 October 2021, decision expected TBC in 2021)

# New modifications submitted

None this month





# In Flight Modification Updates

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



# Dashboard – CUSC (as at 21 October 2021)

Category	May	Jun	Jul	Aug	Sep	Oct
New Modifications	1	1	2	1	1	0
In-flight Modifications (includes those on hold but not New Modifications)	42	43	43	44	44	42
Modifications issued for Workgroup consultation	0	1 <i>(CMP368/369)</i>	0	1 <i>(CMP298)</i>	1 <i>(CMP361/362)</i>	0
Modifications issued for Code Administrator Consultation	4 <i>(CMP373, CMP371, CMP370, CMP372)</i>	0	1 <i>(CMP370 on 13 Jul)</i>	3 <i>(CMP308 , CMP377), CMP368/369)</i>	1 <i>(CMP328)</i>	0
Workgroups held	8	8	9	6	8	6 <i>(CMP361/362 27 Oct; CMP376 28 Oct)</i>
Authority Decisions	2 <i>(CMP344, CMP373)</i>	1 <i>(CMP280)</i>	2 <i>(CMP300 and CMP365)</i>	1 <i>(CMP326)</i>	1 <i>(CMP370)</i>	1 <i>(CMP378)</i>
Implementations	0	0	1 <i>(CMP365)</i>	1 <i>(CMP372)</i>	0	3 <i>(CMP373, CMP370 and CMP378)</i>
Modifications Withdrawn	0	0	0	0	0	0
Modifications on Hold	3 <i>(CMP271, 276, 305)</i>	3 <i>(CMP271, 276, 305)</i>	3 <i>(CMP271, 276, 305)</i>	3 <i>(CMP271, 276, 305)</i>	3 <i>(CMP271, 276, 305)</i>	3 <i>(CMP271, 276, 305)</i>
Workgroups postponed	0	3 <i>(CMP298 – was 7 Jun, CMP363/364 was 11 Jun, CMP328 was 30 Jun)</i>	0	0	0	0

# In flight Modifications – the asks of Panel re: Timelines

## CMP298

On 22 September 2021, the Workgroup met to discuss the Workgroup Consultation Responses received. It was clear from the responses and subsequent discussion that the STC changes need to be defined more fully, the implementation plan needs to be further developed and there are currently up to 4 possible alternatives to consider. This means the Workgroup Report will not be ready for October 2021 Panel and following a Workgroup on 6 October 2021, Workgroup agreed to target December 2021 Panel. **Panel will be asked to AGREE to a delay to December 2021 for Workgroup Report to be presented to them.**

## CMP330/374

Workgroup met on 5 October 2021 and clarified what the Original solution was and further understood the concerns some Workgroup Members expressed on this solution; however, the Workgroup still need to finalise their assessment of the CMP330 Workgroup Consultation responses to ensure nothing has been missed and develop the CMP330/374 Workgroup Consultation. 2 more meetings (on 26 October 2021 and 25 November 2021) are required before the CMP330/374 Workgroup Consultation is issued and therefore a further delay (for Workgroup Report to be issued to Panel) from December 2021 to February 2022 is needed. **Panel will be asked to AGREE to a delay to February 2022 for Workgroup Report to be presented to them.**

# Timeline for CMP298 V10 as at 5 October 2021

Milestone	Date	Milestone	Date
Workgroups 1 to 6	Already held – Workgroup 6 was 4 October 2019	Panel sign off that Workgroup Report has met its Terms of Reference	17 December 2021
Workgroup 7 – present Product Document, clarify solution, review legal text, review terms of reference	23 February 2021	Code Administrator Consultation (usually 15 Working Days but extended due to Christmas)	20 December 2021 to 5pm on 17 January 2022
Workgroup 8 – finalise Product document, review legal text and schedules, implementation approach and discuss Workgroup Consultation Questions	28 June 2021 (10-3pm)	Draft Final Modification Report (DFMR) issued to Panel	20 January 2022
Workgroup 9 and 10 – finalise legal text and schedules, finalise Workgroup Consultation	26 July 2021 (12 – 3pm)	Panel undertake DFMR recommendation vote	28 January 2022
Workgroup Consultation (15 Working Days)	12 August 2021 – 5pm on 10 September 2021	Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	2 February 2022
Workgroup 11, 12 and 13 - Assess Workgroup Consultation Responses, review any request for Alternatives and hold Alternative Vote	22 September 2021 (9.30 – 12.30pm), 6 October 2021 and 12 November 2021	Final Modification Report issued to Ofgem	10 February 2022
Workgroup 14 – Confirm Terms of Reference have been met and hold Workgroup Vote	24 November 2021	Ofgem decision	TBC
Workgroup report issued to Panel	9 December 2021	Implementation Date	TBC

# CMP330 & CMP374 Proposed Timeline as at 15 October 2021

Milestone	Date	Milestone	Date
Modification presented to Panel	28 May 2021	Code Administrator Consultation (15 working days)	2 March 2022 – 23 March 2022
Workgroup Nominations (10 Working days)	28 May 2021 – 14 June 2021	Draft Final Modification Report (DFMR) issued to Panel	21 April 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)	29 April 2022
Workgroup meetings (Agree solution & Workgroup Consultation Questions & Finalise legal text) & Workgroup Meeting 3 (Finalise Workgroup Consultation)	5 October 2021 26 October 2021 25 November 2021	Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	3 May 2022
Workgroup Consultation	10 December 2021 – 12 January 2022	Final Modification Report issued to Ofgem	11 May 2022
Workgroup Meetings post consultation (review CMP374 Workgroup Consultation responses, finalise solution, hold Votes)	w/c 24 January 2022 & w/c 7 February 2022	Ofgem Decision	TBC
Workgroup Report issued to Panel	17 February 2022	Implementation Date	TBC
Workgroup Report presented to Panel	25 February 2022	<b>NOTE: 8 previous Workgroups for CMP330</b>	



# In flight Modifications – the asks of Panel

**NOTE the following Implementations:**  
**CMP373 was implemented 1 October 2021;**  
**CMP370 was implemented 4 October 2021;**  
**CMP378 was implemented 15 October 2021.**

**CMP286/287**  
**NOTE that Proposer is seeking re-prioritisation of this Modification**

# Discussions on Prioritisation

- **AGREE** where New Modifications that need Workgroups are placed in the prioritisation stack
- **CARRY OUT** deep-dive assessment of all Modifications that sit within the prioritisation stack notably CMP315/CMP375 and CMP286/287
- Panel to **PROVIDE** their thoughts on current prioritisation process

# 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**



# Draft Final Modification Reports

**CMP328: Connections Triggering Distribution Impact  
Assessment**

**Paul Mullen**

# CMP328 Summary

- CMP328 seeks to put in place an appropriate process to be utilised when any connection triggers a Distribution impact assessment.
- CUSC Panel unanimously agreed that CMP328 should follow standard governance route and proceed to Workgroup.
- 3 Solutions developed.
- On 8 September 2021, Workgroup concluded that they had addressed the Terms of Reference and also concluded, by majority, that the CMP328 Original, WACM1 and WACM2 better facilitated the objectives than the current CUSC. There was majority support (7 out of 9 votes) for the CMP328 Original.

# What are the CMP328 Solutions – the Original

## CMP328 Original

**DIA process applies to all new connecting assets  $\geq$  1MVA unless agreed otherwise\* including, but not limited to, those from Independent DNOs, DNOs, TOs, Offshore TOs and Interconnectors (as well as Generation and Demand**

*\* The final decision on whether a DIA is required will sit with the DNO but clear reasoning for this decision will be provided to the ESO to pass to the Transmission User*

**Embedded Users that hold Transmission Entry Capacity (TEC) and those that do not hold TEC are included in DIA assessment. However, Embedded TEC Users will not see their access rights constrained under this process**

**Transmission User\* choice as to whether or not to trigger the DIA after Original Offer has been signed or run in parallel with the normal Offer process** *\*via the ESO*

**Contractual Arrangements will be between the ESO and Transmission User, and the ESO and the DNO. The ESO will trigger the DIA on behalf of the Transmission User and the DNO will send an Offer (rather than a DIA Conclusions Report) to the ESO**

**The DIA works will be published by the DNOs on their Distribution Works Register (the existing Embedded Capacity Register)**

**This change does not seek to amend nor remove the existing Third Party Works process**

**Implementation Date:** 6 months after Authority Decision although some concern expressed that this is not sufficient and 9-12 months after Authority Decision is more appropriate



# What are the CMP328 Solutions – 2 alternatives

Alternative Solution(s)	Details	Implementation Date
WACM1	Enhance the current TPW Works process instead of introducing DIA	1 month after Authority decision
WACM2	<p>As per the Original but:</p> <ul style="list-style-type: none"><li>• Use applicability criteria rather than blanket 1MVA threshold; and</li><li>• DNO will send a DIA Conclusions Report (rather than an Offer) to the ESO</li></ul>	12 months after Authority decision

# CMP328 Workgroup Consultation

The Workgroup held their Workgroup Consultation between 19 February 2021 (9am) and 19 March 2021 (5pm) and received 11 non-confidential responses. Key points were:

- The majority (8 of 11 respondents) were supportive of the principle of the DIA (some questioned the 1MW threshold though as leads to unnecessary DIAs as majority of applications to the NETS will have no impact on distribution systems and this which add more costs to consumers) itself. (Note this has since been somewhat mitigated as the Proposer, following this feedback, have amended their Original Proposal to allow flexibility for DNOs as to whether a DIA is needed (even if it meets the MW/MVA criteria). Some of these respondents expressed a preference for a criteria-based approach - this is covered as part of WACM2.
- 6 out of 11 respondents supported implementation 12 months after Ofgem decision (3 would have liked it earlier with 2/3 months suggested); however, there was general recognition that STC changes are needed, which is discussed further below in the “Interactions” section of this document. There are different implementation periods proposed for the CMP328 Original, WACM1 and WACM2 and these are explored in the “When will this change take place” section of this document.
- Strong views were expressed that the Third-Party Works (TPW) is not fit for purpose – it is inconsistent across DNOs and there are no formal timescales. WACM1 proposes enhancing the TPW process but the Workgroup in general thought this was not suitable to resolve the current issue.

# CMP328 Workgroup Terms of Reference

Workgroup Term of Reference	Location in Workgroup Report
a) Consider EBGL implications	None – see “Interactions” section
b) Evaluate the suitability of how impacts of transmission connections to distribution networks are assessed currently to identify perceived gaps and improvements, in order to define a comprehensive repeatable and consistent methodology	“Workgroup Discussion on Proposer’s Solution” section – various discussion on the pros and cons of the Distribution Impact Assessment and Third Party Works
c) Develop the proposed arrangements for a Distribution(al) Impact Assessment type process for connecting the new user; consider existing requirements of other directly connected users inclusive of scope, roles and responsibilities and compliance processes.	“Workgroup Discussion on Proposer’s Solution” section
d) Consider how the TSO and relevant network operator will ensure they coordinate and agree the connection requirements with the generation, storage or demand user.	“Workgroup Discussion on Proposer’s Solution” section
e) Consider if the constraint payment arrangements in the CUSC need to be updated.	“Workgroup Discussion on Proposer’s Solution” section – “Clean Energy Package (CEP) / Compensation Arrangements”
f) Consider if the substantial modification requirements e.g. RFG, DCC etc. will apply to the DSO or the existing generation or demand User in terms of seeking to amend their respective connection agreements.	“Workgroup Discussion on Proposer’s Solution”
g) Consider cross-code impacts, notably on STC.	“Interactions” section
h) Consideration of the interaction and impacts of changes in distributed generation/storage/demand on one distribution system upon another distribution system on generation/storage/demand connected to its system.	“Workgroup Discussion on Proposer’s Solution” section

# CMP328 Code Administrator Consultation

Code Administrator Consultation was held between 27 September 2021 and 18 October 2021 (5pm) and received 6 non-confidential responses. In summary:

Option	Number of respondents that believed this option is better than the Baseline	Number of respondents that believed this was Best Option
Original	5	4
WACM1	2	1
WACM2	4	1

There was a strong preference for the CMP328 Original (4 out of 6 Votes) as, in the view of those in support, this ensures that the ESO, the Transmission User(s) and the DNO work together throughout the connection process with the basis of a contractual offer to ensure all rights are protected. Some respondents noted as a positive that, since being raised, the CMP328 Original now includes flexibility for the DNOs to decide whether or not a DIA is needed, which will avoid unnecessary administration and cost to both Transmission Users and Network Companies.

The 1 respondent, who believes WACM1 is the best option, believes this clarifies existing processes and increases awareness and understanding of the Third Party Works process but most respondents believe that WACM1 does not address the issue identified as part of the CMP328 Proposal. The 1 respondent, who believes WACM1 is the best option, also raised concerns that both the CMP328 and the Original propose very significant changes to the existing connections process and that these should be picked up as part of a more fundamental review of the connections and associated licence conditions required.

The 1 respondent, who believes WACM2 is the best option, argues it is more transparent, more proportionate, and reduces unnecessary referrals, whilst also better supporting users with limited resources. Additionally, they argued that WACM2 would enable users to avoid transmission applications that are likely to trigger significant DNO upgrade works. However, some respondents noted the additional burdens that WACM2 places on the DNOs and also that a formal Contract following a DIA is more appropriate than the Report suggested under WACM2.



## CMP328 Code Administrator Consultation - continued

In general, there were some concerns on implementability with 1 respondent specifically calling out the need for STC changes to be progressed further before you could confirm if the implementation timescales were appropriate. 2 other respondents believed that the implementation timescales for the Original proposal needed to be longer than the proposed 6 months after Ofgem decision date, whilst another respondent preferred implementation shorter than 6 months after Ofgem decision date.


No legal text issues were identified.

# CMP328 Next Steps

Milestone	Date
Draft Final Modification Report presented to Panel	29 October 2021
Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	2 November 2021
Submission of Final Modification Report to Ofgem	10 November 2021
Implementation Date	TBC (depends on solution)

# CMP328 - the asks of Panel

- **NOTE** that this Modification does not impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the CUSC?
- **VOTE** whether or not to recommend implementation
  - *Does the CMP328 Original proposal, and/or WACM1 and/or WACM2 better facilitate the objectives than the current CUSC arrangements?*
- **NOTE** next steps



# **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

**None**

**Paul Mullen**

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# Horizon Scan

(February, May, August, November)

# 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)

**Critical Friend Quarterly Update (for information only)**

# Critical Friend Feedback

2 CUSC Modification Proposals received from 16 July 2021 to 14 October 2021 inclusive

- Both have had critical friend checks undertaken on them
- For both of these, required communications were sent to Independent Chair, Panel and industry within agreed timescales (i.e. on the next working day after Modification Proposal Submission Date)
- Note there has been 1 Grid Code Modification Proposal raised in the same period

General areas of feedback (across all CUSC and Grid Code Modifications)

- Continue to work with the Proposer ahead of Modification Proposal Submission Date (even if Urgency requested) to help ensure the best outcome at Panel.
- Continue engagement with Proposers on possible Governance routes (and justification), timelines and possible challenges/questions

Feedback we will act on to further improve our service:

- Ensure there is clear justification why a Modification needs to be Standard Governance / cannot be Self-Governance
- Work with Proposers to split the Original solution into clear components to avoid it being lost in the narrative

Any thoughts from Panel?

- Are you seeing better quality Modification Proposals?
- Any further feedback?

# AOB

## ***1. General discussion on impacts of coronavirus outbreak (All)***



# Next Panel Meeting

**10am on 26 November 2021 via Teams**

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**Papers Day – 18 November 2021**

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**Modification Proposals to be submitted  
by – 11 November 2021**

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**TCMF – 4 November 2021**

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**Close**



**Trisha McAuley**

**Independent Chair, CUSC Panel**

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