

CUSC Panel

Friday 26 November 2021

Online Meeting via Teams

WELCOME



nationalgridESO

Purpose of Panel & Duties of Panel Members

The **Panel** shall be the standing body to carry out the functions referred to in the Governance Rules.

Functions

The **Panel** shall endeavour at all times to operate: (i) in an efficient, economical and expeditious manner, taking account of the complexity, importance and urgency of particular **Modification Proposals**; and
With a view to ensuring that the relevant **Code** facilitates achievement of the **Code** Objectives.

Duties of Panel Members & Alternates

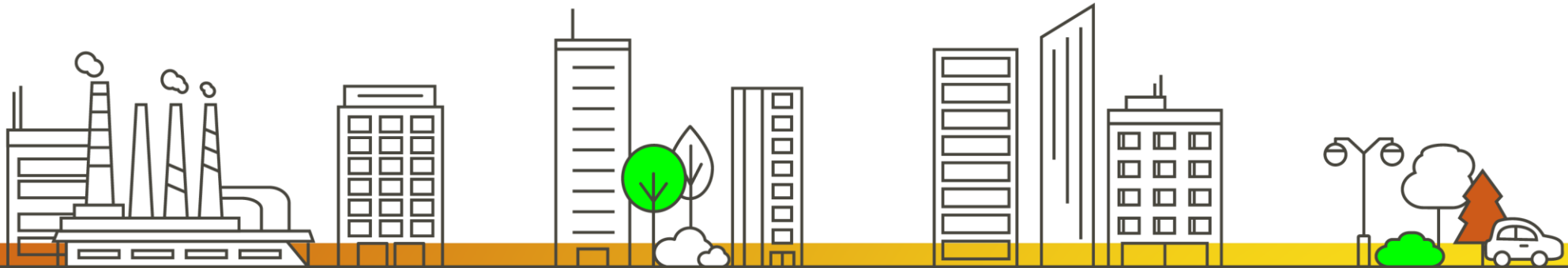
1. Shall act **impartially** and in accordance with the requirements of the **relevant Code**; and
2. Shall not have any **conflicts of interest**.

Alternates

Alternates represent Panel Members in their absence at Panel meetings and have the same rights and obligations attached to them.

Approval of Panel Minutes

Approval of Panel Minutes from the
Meeting held 29 October 2021



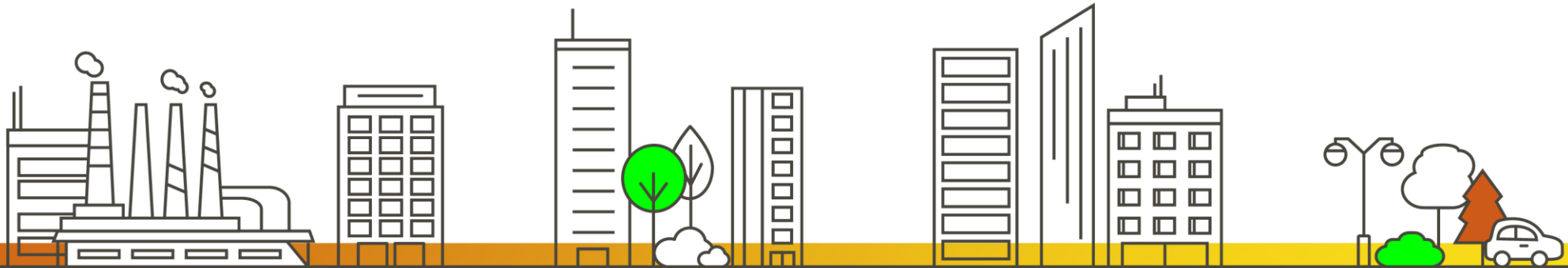
Actions Log

Review of the actions log



Chair's Update

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



Authority Decisions (as at 18 November 2021)



Decisions Received since last Panel meeting

- ☐ None

Decisions Pending

- ☐ CMP335/336 and CMP343/340 (expected final decision date for CMP343, CMP340, CMP335 and CMP336 Modifications was 27 August 2021; however Ofgem confirmed at CUSC Panel on 27 August 2021 that this date would not be met. At CUSC Panel on 29 October 2021, Ofgem confirmed they have no firm date for a decision).
- ☐ CMP371 (decision was expected 29 September 2021; however Ofgem have since communicated that the 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 was sent to Ofgem on 23 September 2021 and at CUSC Panel on 29 October 2021, Ofgem advised that they intend to consult of a minded-to position but cannot confirm yet when this will be issued)
- ☐ CMP368/369 (Final Modification Report was sent to Ofgem 23 September 2021 seeking decision on or before 28 October 2021. At CUSC Panel on 29 October 2021, Ofgem noted that their decision will follow the outcome of the current judicial review re: the CMA's decision of 30 March 2021 to dismiss the appeal against decisions by Ofgem on CMP317/327).
- ☐ CMP377 (Final Modification Report received 6 October 2021, decision expected TBC in 2021).

Received Final Modification Reports since last Panel Meeting

- ☐ CMP328 (Final Modification Report received 10 November 2021)

New modifications submitted

CMP380: 'Making the CUSC Gender Neutral'

**Paul Mullen (on behalf of Shazia Akhtar) – National Grid
ESO Code Administrator**



Critical Friend Feedback – CMP380

Code Administrator comments	Amendments made by the Proposer
Timeline discrepancies found on Proposal form	All changes accepted by Proposer
Clarify why this is not fast-track self governance	Code Admin considered Fast-Track Self-Governance but believe it is more appropriate to include provision for an industry consultation
Proposer was same person as Code Admin contact	Changed Code Admin contact to Panel Rep (Paul Mullen)

Background

- The Code Admin team are looking to remove all gender specific references and terminology within our Codes and make them gender neutral.
- As part of this journey we have raised two new modifications in November for the CUSC and Grid Code and requesting that these go down the self-governance route and straight to Code Administrator Consultation. Further modifications to make changes to the STC and SQSS will also be raised in January 2022.
- The CUSC changes that we are proposing are:

Current Term	Future Term	Parts of the code impacted
Chairman	Chair	Sections 8 and 11
Dear Sir/Madam	Dear XXXXXX	Schedule 2 Exhibit 3, Exhibits C, E, G, H, J, N, R and V
He/She	They	Sections 7, 8 and 11, Schedule 2 Exhibit 3 and 3a, Exhibits B, F, U, V, O (Part I B, Part I C, Part II B and Part II C)
Him/Himself	Them/Themselves	Sections 6, 7, 8 and 11, Schedule 2 Exhibit 3 and 3a, Exhibits O (Part I B, Part I C, Part II B and Part II C)
His	Their	Sections 1, 5, 6, 7, 8, 11, Schedule 2 Exhibit 3 and 3a, Exhibits G, H, O (Part I B, Part I C, Part II B and Part II C)

Timeline for CMP380 – Proposed Timeline (Self-Governance with Code Administrator Consultation)

Milestone	Date	Milestone	Date
Modification presented to Panel	26 November 2021	Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	1 February 2022
Code Administrator Consultation (15 working days)	29 November 2021 to 5pm on 20 December 2021	Appeals Window (15 working days)	9 February 2022 to 2 March 2022
Draft Final Modification Report (DFMR) issued to Panel (5 working days)	18 January 2022	Implementation Date (5 working days)	9 March 2022
Panel undertake DFMR recommendation vote	26 January 2022		

CMP380 – the asks of Panel

- **AGREE** that this Modification meets the Self-Governance Criteria (Panel decision) rather than Standard Governance (Ofgem 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 18 November 2021)

Category	Jun	Jul	Aug	Sep	Oct	Nov
New Modifications	1	2	1	1	0	1
In-flight Modifications (includes those on hold but not New Modifications)	43	43	44	44	42	42
Modifications issued for Workgroup consultation	1 <i>(CMP368/369)</i>	0	1 <i>(CMP298)</i>	1 <i>(CMP361/362)</i>	0	0
Modifications issued for Code Administrator Consultation	0	1 <i>(CMP370 on 13 Jul)</i>	3 <i>(CMP308 , CMP377), CMP368/369)</i>	1 <i>(CMP328)</i>	0	0 <i>(CMP380 on 29 Nov)</i>
Workgroups held	8	9	6	8	6	7 <i>(CMP316 on 22 Nov, CMP298 on 24 Nov, CMP300 on 25 Nov)</i>
Authority Decisions	1 <i>(CMP280)</i>	2 <i>(CMP300 and CMP365)</i>	1 <i>(CMP326)</i>	1 <i>(CMP370)</i>	1 <i>(CMP378)</i>	1 <i>(CMP371 due 19 Nov)</i>
Implementations	0	1 <i>(CMP365)</i>	1 <i>(CMP372)</i>	0	3 <i>(CMP373, CMP370 and CMP378)</i>	0
Modifications Withdrawn	0	0	0	0	0	0 <i>(CMP358 and CMP359 to be formally withdrawn 26 Nov)</i>
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	3 <i>(CMP298 – was 7 Jun, CMP363/364 was 11 Jun, CMP328 was 30 Jun)</i>	0	0	0	0	0

In flight Modifications – the asks of Panel

CMP300

NOTE that Workgroup on how to address Terms of Reference agreed by Panel (to address Ofgem's send-back) was held 8 November 2021. Further analysis (using published Future Energy Scenarios) to assess whether or not any future CfD Balancing Mechanism Units are likely to come on line in the future will be discussed at a Workgroup on 25 November 2021 ahead of presenting Workgroup's conclusions to December 2021 Panel.

CMP358/CMP359

The Proposer of CMP358 & CMP359 notified Code Admin on 2 November 2021 that they no longer wish to be Proposer of these modifications. Industry were notified on 2 November 2021 and had until 5pm on 10 November 2021 to express their wish to become the new Proposer. As no-one expressed a wish to become the new Proposer by 5pm on 10 November 2021, Panel to, under 8.16.10(b), **AGREE** to the withdrawal of CMP358 and CMP359.

CMP361/362

Panel to **AGREE** if the CMP361/362 Workgroup has met its Terms of Reference.

CMP304, CMP375 / CMP315 and CMP376

NOTE that we will be seeking agreement of revised timelines at December 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

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

CMP361/CMP362 - BSUoS Reform: Introduction of an ex ante fixed BSUoS tariff (CMP361) and Consequential Definition Updates (CMP362)

Jennie Groome

CMP361 & CMP362 Background

- CMP361 seeks to introduce an ex ante fixed volumetric BSUoS tariff set over a total fixed and notice period of 15 months. This will deliver the recommendations of the Second BSUoS Task Force.
- CMP362 facilitates the implementation of BSUoS Reform by introducing and updating required definitions into CUSC section 11 from CMP308 and CMP361.
- CMP361 & CMP362 has been assessed by a Workgroup and will require Authority decision (Standard Governance).
- Implementation date is 1 April 2023.

CMP361 & CMP362 Workgroup Consultation Responses Summary

- The Workgroup held their consultation between 1 September – 24 September 2021 and received 16 non-confidential responses and 1 confidential response.
- Most respondents were supportive of the proposal and/or some of the alternatives mentioned.
- **Implementation timescales:** Some respondents voiced that industry needs sufficient time to factor in the change before it's implemented. Some Workgroup members highlighted that a longer notice period would provide more certainty of future tariffs and more accurate charges for customers.
- **Residual Cashflow Reallocation Cashflow issues:** One respondent believed that any RCRC issues should be addressed now. The Workgroup discussed this further and agreed that RCRC is material to BSUoS and therefore would need to be aligned with the reformed BSUoS. It was also noted that only liable Parties would be involved with this.
- **BSUoS Fund:** Some consultation respondents were supportive of more exploration of options without a BSUoS Fund. The Workgroup questioned if all cost options had been fully explored.
- **BSUoS Fund collection time:** There was some support for the BSUoS Fund being built up over two financial years. There was also some support for it to be built up over more than two years, e.g. five.
- **Length of notice and fixed Periods:** Mixed views. The Workgroup noted that respondents gave more support for a longer notice period, than the Original solution.
- **Probability of tariff reset:** Respondents had mixed views on what the appropriate probability level would be, with P99 being the most popular.
- **Respondents were supportive of CMP362.** Workgroup members noted that CMP361 provides the benefits and CMP362 makes it happen, so the modifications do not work if they are not both implemented together.

CMP361 & CMP362 Workgroup Alternative CUSC Modifications

- 7 Workgroup Alternative CUSC Modifications (WACMs) were brought forward by the Workgroup for CMP361.
- 6 WACMs were brought forward for CMP362. The option which has a BSUoS Fund collected over 5 years uses the Original CMP362 solution.

CMP361 solution	Alternative name	Notice Period	Fixed Period	P level	BSUoS Fund?	BSUoS Fund recovery period	Corresponding CMP362 solution
Original		3 months	12 months		Yes	2 years	362 Original
WACM1	12N 3F	12 months	3 months	P99	Yes	2 years	362 WACM 1
WACM2	9N 6F	9 months	6 months	P99	Yes	2 years	362 WACM 2
WACM3	9N 6F, No BSUoS Fund	9 months	6 months	P99	No	N/A	362 WACM 3
WACM4	12N 3F, No BSUoS Fund	12 months	3 months	P99	No	N/A	362 WACM 4
WACM5	5-year BSUoS Fund Recovery	3 months	12 months	P99	Yes	5 years	362 Original
WACM6	9N 6F, P90, BSUoS Fund cap	9 months	6 months	P90	Yes	Capped at £25m per year	362 WACM 5
WACM7	12N 3F, P90, BSUoS Fund cap	12 months	3 months	P90	Yes	Capped at £25m per year	362 WACM 6

CMP361 & CMP362 Workgroup Vote

The Workgroup Vote took place on 3 November 2021 (CMP361) and 10 November 2021 (CMP362).

CMP361 - Assessment of the Original and WACM1 to WACM7 vs Baseline

The Workgroup concluded unanimously that the Original and WACM2 better facilitated the Applicable Objectives than the Baseline, and by majority concluded that WACMs 1, 3, 4, 5, 6 and 7 better facilitated the Applicable Objectives than the Baseline.

CMP362 - Assessment of the Original and WACM1 to WACM6 vs Baseline

The Workgroup concluded unanimously that the Original and WACMs 1, 2, 5 and 6 better facilitated the Applicable Objectives than the Baseline, and by majority concluded that WACMs 3 and 4 better facilitated the Applicable Objectives than the Baseline.

CMP361 & 362 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 (to be completed at Workgroup Report stage)
A	Consider EBGL implications	None identified
B	Consider impact on consumers	Proposal Form, Solution, Workgroup Considerations, Impact section
C	Consider conclusions of 2 nd BSUoS Taskforce on “Deliverable 2 – how BSUoS charges should be levied” and Ofgem’s response letter of 10 December 2020 re: Deliverable 2	Solution, Workgroup considerations
D	Consideration of any points of learning from the CMP250 Workgroup and Ofgem’s CMP250 decision	Workgroup considerations
E	Consider interactions with the Consumer Price Cap	Workgroup considerations
F	Consider what will be covered in CUSC and what will be covered in Licence	Workgroup considerations and Annex 6
G	Consideration of ESO Financeability	Workgroup considerations
H	Consider the mechanisms and effects of a situation where the ESO’s Working Capital is in danger of being exceeded. Consider effects on: BSUoS payers; and Parties with Balancing Services Contracts.	Workgroup considerations
I	Consider how any non-payments by those liable for BSUoS will be addressed	Workgroup considerations
J	Consider how the ESO creates visibility and transparency of its BSUoS forecasting processes	Proposers Solution and Workgroup considerations
K	Consider what (if any) ringfencing arrangements may be required	Workgroup considerations
L	Consideration of ongoing System Operator review	Workgroup considerations
M	Consideration of other market mechanisms that allow financing of asset light organisations	Workgroup considerations and Annex 3
N	Consider impact of re-openers on stakeholders	Workgroup considerations

CMP361 & CMP362 Timeline

Milestone	Date
Code Administrator Consultation	3 December 2021 – 7 January 2022
Draft Final Modification Report (DFMR) issued to Panel	18 January 2022
Panel undertake DFMR recommendation vote	26 January 2022
Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	28 January 2022
Final Modification Report issued to Ofgem	7 February 2022
Ofgem decision	By 17 March 2021
Implementation Date	1 April 2023

CMP361/CMP362 - the asks of Panel

- **AGREE** that the Workgroup have met their Terms of Reference
- **AGREE** that this Modification can proceed to Code Administrator Consultation
- **NOTE** that this Modification does not impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the CUSC?
- **NOTE** the ongoing timeline



Draft Final Modification Reports

None this month

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 – Jenny Doherty

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 background features several decorative yellow lines. In the top left, there are several thin, curved lines that sweep upwards and to the right. In the bottom right, there are several thick, parallel diagonal lines that sweep upwards and to the right, creating a sense of movement and energy.

Governance

None

Paul Mullen

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, creating a sense of movement and energy.

Horizon Scan

(February, May, August, November)

CUSC Horizon Scan – November 2021

Slide to follow on 25 November 2021

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)

Update on Code Administrator 2021/2022 Deliverables and ESO Customer Satisfaction Survey results

Slides to follow on 25 November 2021

AOB

- 1. General discussion on impacts of coronavirus outbreak (All)***
- 2. CACOP Website Update (Jennie Groome)***
- 3. Updated Voting Template (Ian Ascroft)***
- 4. 2022 Panel Dates (Paul Mullen)***

CACoP Website

Launch of the new CACoP Website:

www.cacop.co.uk

The CACoP Forum is delighted to announce the launch of our new website. The CACoP Website is the new home of all information related to the CACoP. You will be able to find latest versions of all our products in one central place, where previously these were stored across various code websites. Information on the new website includes:

The Code Administration Code of Practice – the set of principles that the Code Administrators agree to uphold

The Central Modifications Register – the consolidated record of all live industry code changes

The Horizon Scanner – a forward look at what could impact our industry codes in the medium/long-term

CACoP issued guidance – any information that we have published to support parties navigating our codes

[Industry codes meeting calendar](#) - here you can access information about when meetings are happening across the industry, filter by individual codes, and navigate to individual meeting pages on specific code websites through integrated links. It includes meeting information for all 10 CACoP Codes.

The latest and historic versions of the CACoP Newsletter – the quarterly publication that keeps interested parties updated on CACoP matters. By visiting the [CACoP Newsletter](#) page, you can sign up to receive direct notification from the CACoP Forum each time the latest newsletter is released.

You can send any queries or feedback on the website directly to the CACoP Forum Secretary, through a form on the [Contact Us](#) page.

Please share the link with your colleagues who may find this useful. We welcome your feedback and ideas around what we could add to the website to provide further value in the future.

Voting Template

Voting Template

Panel Feedback	Action Taken
Simpler interface in instances where there are WACMs	WACMs can now be displayed in a matrix to make it clearer what is being voted on.
Ability to review or edit voting submissions needed.	Form responses can be navigated through and amended up until point of submission. A personal record of the completed Form can be downloaded once submitted. Code Admin will be able to edit or delete submissions by request.
Are there alternatives to Microsoft Forms?	Yes. However, these alternatives sit outside of the Microsoft products and would require further cost or significant development.

2022 Panel Dates

CUSC 2022 - Panel dates

CUSC	Panel Dates	Papers Day	Modification Submission Date	(TCMF) CUSC Development Forum
January	26 (Face to Face Meeting)	18	11	6
February	25	17	10	3
March	25	17	10	3
April	29 (Face to Face Meeting)	21	12 (Taking Bank holidays into account)	7
May	27	19	12	5
June	24	16	9	31/05 (2nd is bank holiday)
July	29 (Face to Face Meeting)	21	14	7
August	26	18	11	4
September	30	22	15	8
October	28 (Face to Face Meeting)	20	13	6
November	25	17	10	3
December	16	8	1	24/11

Next Panel Meeting

10am on 17 December 2021 via Teams

Papers Day – 9 December 2021

**Modification Proposals to be submitted
by – 2 December 2021**

**TCMF – To be held 25 November 2021
(ahead of Panel on 26 November 2021)**

Close



Trisha McAuley

Independent Chair, CUSC Panel

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