

CUSC Panel

Friday 17 December 2021

Online Meeting via Teams

WELCOME

nationalgridESO

Approval of Panel Minutes

Approval of Panel Minutes from the
Meeting held 26 November 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 9 December 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 26 November 2021, Ofgem confirmed they have no firm date for a decision).
- ☐ CMP371 (decision was anticipated 29 September 2021 and then 19 November 2021; however this date has now passed and we are seeking clarity from Ofgem on new anticipated decision date. No update on new anticipated decision date provided at November 2021 Panel).
- ☐ 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 soon intend to consult on a minded-to position but cannot confirm yet when this will be issued. Ofgem reaffirmed this at CUSC Panel on 26 November 2021 but added that it will be issued "soon". On 8 December 2021, Ofgem advised that they are consulting on their minded-to decision on CMP308. Ofgem are minded-to approve the CMP308 Original Proposal, which would move BSUoS charges fully onto demand, with effect from 1 April 2023 and have launched the consultation to gather industry views).

Authority Decisions (as at 9 December 2021)



Decisions Pending

- ❑ **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). On 24 November 2021, Ofgem sent a letter (which was sent to Panel Members, industry and published on 25 November 2021). This formally confirms that Ofgem intend to wait until judgment has been issued in the Judicial Review before reaching a decision in respect of CMP368 and CMP369, even if judgment is not available before the end of the calendar year).
- ❑ **CMP377** (Final Modification Report received 6 October 2021, decision expected TBC in 2021). No update on anticipated decision date provided at November 2021 Panel).
- ❑ **CMP328** (Final Modification Report received 10 November 2021 and Ofgem confirmed at November 2021 Panel that no decision would be made on this until they have received the equivalent STC Modification).

Received Final Modification Reports since last Panel Meeting

- ❑ **None**

New modifications submitted



**CMP381 – Defer exceptionally high Winter 2021/22
BSUoS costs to 2022/2023**

Simon Vicary – EDF Energy

Critical Friend Feedback – CMP381

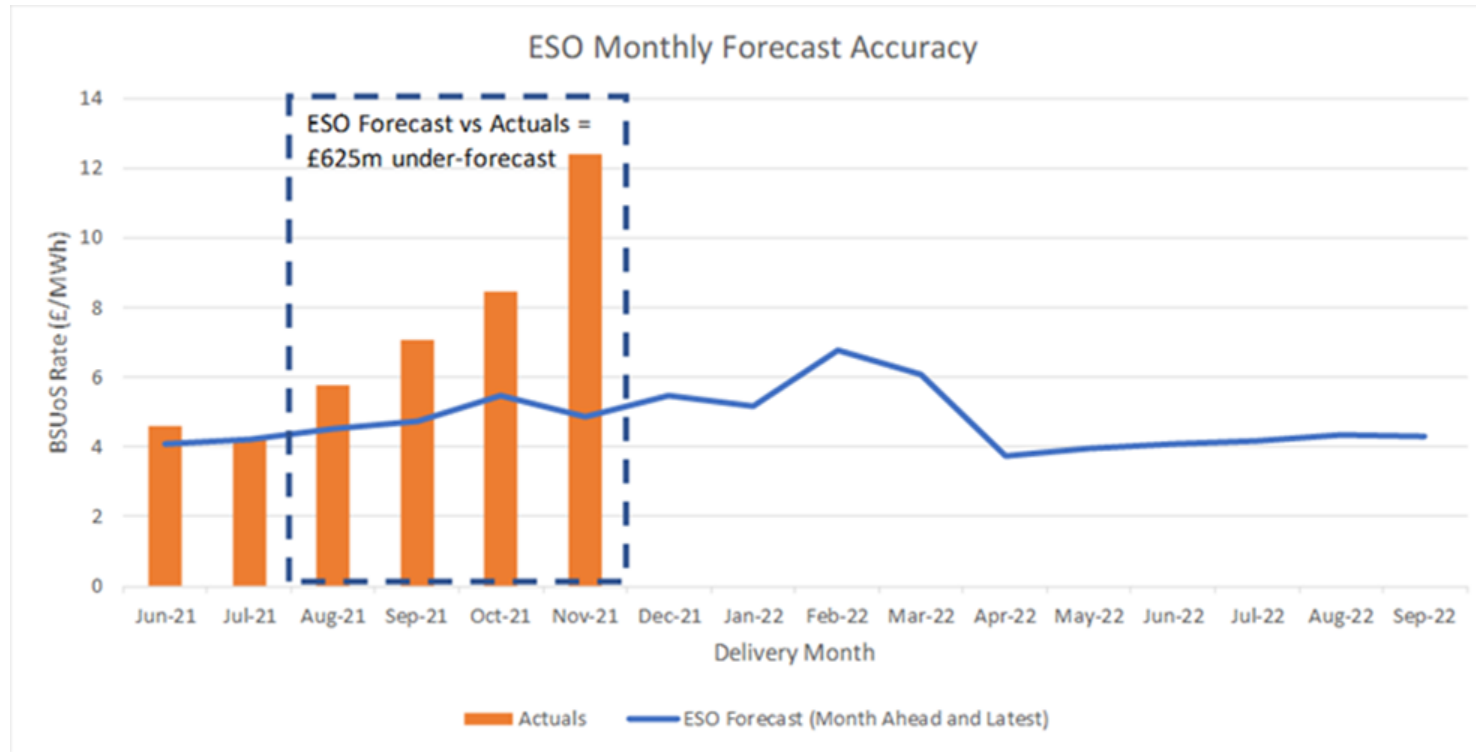
Code Administrator comments	Amendments made by the Proposer
<p>Questioned whether or not the wording “exceptionally high” in the title was potentially leading the witness</p> <p>Suggested that ESO impacts would be “High” and not “Medium”</p> <p>Proposed splitting the proposed solution into 3 defined components</p> <p>Sought further clarity on implementation date</p> <p>Moved text to different sections to aid flow</p>	<p>Proposer accepted some of the amendments made by the Code Administrator but they were keen to retain the “exceptionally high” wording in the title and argued that ESO impacts were just cashflow and therefore “Medium” when compared with the “real loss” impacts on Consumers, Suppliers and Generators</p>

Defect and Urgency

- BSUoS costs are significantly higher than the ESO forecasts so far this winter, as a result of exceptional market conditions, therefore much higher than consumers and industry parties could reasonably have expected or will have budgeted for.
- Our analysis suggests that the ESO BSUoS forecast will be inaccurate to a similar degree in Q1 2022. As a result both industry and consumers will not be prepared or able to tolerate the actual extreme prices that may outturn.
- It is absolutely critical to protect consumers, and prevent further insolvency contagion to suppliers and generators.
- We believe this proposal will have a positive impact on consumers as it spreads the recovery of a portion of the exceptional BSUoS costs over a longer period, providing time for consumers to budget for these exceptional costs at a time of already extreme power prices.

BSUoS variance to ESO forecast

The chart below shows the recent variance to the ESO BSUoS forecast, with the outturn being £625m higher across the last 4 months.



Proposed Solution

- To protect consumers, and prevent further insolvency contagion to suppliers and generators in Q1 2022:
 - a half-hourly £10/MWh cap should be put in place (as for CMP350)
 - additional BSUoS costs above the cap would be deferred to the 2022/23 charging year
 - the total costs which can be deferred are to be limited to £300m (which effectively means the impact of the inaccuracy of forecast is being shared across ESO and industry)
 - for clarity, we do not seek retrospective implementation.
- This is consistent with the mechanism approved under CMP345 and CMP350 to protect against extreme BSUoS costs in 2020 due to COVID.
 - This means minimal, if any, system impact as the change can use the existing processes.
 - The legal text required is also established.

Ofgem's Urgency Criteria

Ofgem's current view is that an urgent modification should be linked to an imminent issue or a current issue that if not urgently addressed may cause:

- a) A significant commercial impact on parties, consumers or other stakeholder(s); or
- b) A significant impact on the safety and security of the electricity and/or gas systems; or
- c) A party to be in breach of any relevant legal requirements.

More information can be found at:

https://www.ofgem.gov.uk/system/files/docs/2016/02/urgency_criteria.pdf

Proposer’s Justification vs Ofgem’s Urgency Criteria

The Proposer recommends that this modification should be treated as an Urgent Modification proposal and be assessed by a Workgroup.

Ofgem’s Urgency Criteria	Proposer’s Justification
a) A significant commercial impact on parties, consumers or other stakeholder(s).	<p>The ‘significant commercial impact’ arises for both Suppliers and Generators as they could not have forecasted or expected such surges in BSUoS – not least because forecasts provided by ESO have consistently and materially under forecasted the correct position. Under the status quo arrangements those parties who pay BSUoS for the most part will be unable to recover the amount concerned via retail tariff changes (for Suppliers) given price caps and fixed price contracting etc., or via wholesale price increases (for Generators). These parties, and consumers on direct pass through contracts (or contracts that can be reopened by Suppliers to pass on these costs), face a significant commercial impact from this current issue.</p> <p>Without this change further insolvencies seem inevitable, leading to further costs and then in turn potential further insolvencies – driving a systemic contagion that could critically disrupt the sector. Urgent action to stabilise the market is needed now and this cannot be delayed.</p>
b) A significant impact on the safety and security of the electricity and/or gas systems.	n/a
c) A party to be in breach of any relevant legal requirements	n/a

Timeline for CMP381 – Proposed Urgent Timeline – Workgroup. *Meeting Proposer's requested decision date*

Milestone	Date	Milestone	Date
Modification presented to Panel	17 December 2021	Code Administrator Consultation	24 December 2021 (2pm) to 29 December 2021 (5pm)
Workgroup Nominations	17 December 2021 to 5pm on 20 December 2021	Draft Final Modification Report (DFMR) issued to Panel	30 December 2021 (11am)
Ofgem grant Urgency	20 December 2021 (5pm)	Panel undertake DFMR recommendation vote	30 December 2021 (1pm)
Workgroup 1 (assuming Ofgem have granted Urgency)	21 December 2021 (9am to 2pm)	Final Modification Report issued to Panel to check votes recorded correctly	30 December 2021 (2pm)
Workgroup Consultation	22 December 2021 (9am to 5pm)	Final Modification Report issued to Ofgem	30 December 2021 (3pm)
Workgroup 2 - Assess Workgroup Consultation Responses and Workgroup Vote	23 December 2021 (11am to 3pm)	Ofgem decision	31 December 2021 (3pm)
Workgroup report issued to Panel	24 December 2021 (10am)	Implementation Date	1 January 2022 (in practice we would need to implement on 31 December 2021)
Panel sign off that Workgroup Report has met its Terms of Reference	24 December 2021 (12pm)		

Timeline for CMP381 – Proposed Urgent Timeline – Workgroup. *Allowing time to produce documents, give Workgroup opportunity to consider and a minimum 3 Working Day consultation period*

Milestone	Date	Milestone	Date
Modification presented to Panel	17 December 2021	Code Administrator Consultation	6 January 2022 (5pm) to 11 January 2022 (5pm)
Workgroup Nominations	17 December 2021 to 5pm on 20 December 2021	Draft Final Modification Report (DFMR) issued to Panel	13 January 2022 (9am)
Ofgem grant Urgency	20 December 2021 (5pm)	Panel undertake DFMR recommendation vote	14 January 2022 (11am)
Workgroup 1 (assuming Ofgem have granted Urgency)	21 December 2021 (9am to 2pm)	Final Modification Report issued to Panel to check votes recorded correctly	14 January 2022 (1pm)
Workgroup Consultation (3 working days)	23 December 2021 (9am) to 29 December 2021 (5pm)	Final Modification Report issued to Ofgem	14 January 2022 (5pm)
Workgroup 2 - Assess Workgroup Consultation Responses and Workgroup Vote	31 December 2021	Ofgem decision	21 January 2022
Workgroup report issued to Panel	5 January 2022	Implementation Date	24 January 2022
Panel sign off that Workgroup Report has met its Terms of Reference	6 January 2022 (12pm)		

Timeline for CMP381 – Proposed Urgent Timeline - Code Administrator Consultation

Milestone	Date	Milestone	Date
Modification presented to Panel	17 December 2021	Final Modification Report issued to Panel to check votes recorded correctly	24 December 2021 (1pm)
Ofgem grant Urgency	20 December 2021 (5pm)	Final Modification Report issued to Ofgem	24 December 2021 (3pm)
Code Administrator Consultation (3 working days)	21 December 2021 (9am) to 23 December 2021 (5pm)	Ofgem decision	31 December 2021 (3pm)
Draft Final Modification Report (DFMR) issued to Panel	24 December 2021 (10am)	Implementation Date	1 January 2022 (in practice we would need to implement on 31 December 2021)
Panel undertake DFMR recommendation vote	24 December 2021 (12pm)		

Timeline for CMP381 – Proposed Standard Timeline – Workgroup.

Milestone	Date	Milestone	Date
Modification presented to Panel	17 December 2021	Code Administrator Consultation	25 March 2022 to 5pm on 19 April 2022
Workgroup Nominations (15 working days)	20 December 2021 to 5pm on 14 January 2022	Draft Final Modification Report (DFMR) issued to Panel	21 April 2022
Workgroup 1	24 January 2022	Panel undertake DFMR recommendation vote	29 April 2022
Workgroup Consultation (15 working days)	7 February 2022 to 5pm on 28 February 2022	Final Modification Report issued to Panel to check votes recorded correctly	3 May 2022
Workgroup 2 - Assess Workgroup Consultation Responses and Workgroup Vote	8 March 2022	Final Modification Report issued to Ofgem	11 May 2022
Workgroup report issued to Panel	17 March 2022	Ofgem decision	TBC
Panel sign off that Workgroup Report has met its Terms of Reference	25 March 2022	Implementation Date	TBC

What can only be changed by Urgency - CUSC

Milestone	Standard Timescale	Referenced in CUSC Section 8	Referenced in CACOP V5.1	Referenced in Terms of Reference	Comments
Workgroup Nominations	15 working days	No	No	No	15WD appears to be industry practice but nothing preventing Panel agreeing to a shorter period without the need for Urgency
Workgroup Consultation	15 working days	Yes – 8.20.7 and 8.20.8(d)	Yes - Principle 10 (<i>Standard 15 Business Days</i>)	Yes	CACOP Principle 10 states a standard 15 business days. In theory, Panel under 8.20.7 and 8.20.8(d) can set a shorter period (as part of the Terms of Reference; however the standard Terms of Reference states 15 WD) without the need for Urgency
Workgroup Report to Panel	5 working days	No	No	No	Panel can agree to a shorter period without the need for Urgency.
Code Administrator Consultation	15 working days (1 month if EBGL)	Yes – 8.22.2	Yes - Principle 10 (<i>Standard 15 Business Days</i>)	No	CACOP Principle 10 states a standard 15 business days. 1 month if EBGL.
DFMR to Panel	5 working days	Yes – 8.23.3	No	No	Must be 5WD notice (8.23.3)
FMR to Panel to check Votes	5 working days	Yes – 8.23.5	No	No	Must be 5WD notice (8.23.5)

CMP381 - the asks of Panel

- **AGREE** that this Modification should proceed to Workgroup
- **NOTE** that there appear not to be any impacts on the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the CUSC
- **VOTE** whether or not to recommend Urgency
- **AGREE** timetable for Urgency
- **AGREE** Workgroup Terms of Reference
- **NOTE** next steps:
 - Under CUSC Section 8.24.4, we will now consult the Authority as to whether this Modification is an Urgent CUSC Modification Proposal
 - Letter to be sent to Ofgem 17 December 2021
 - Ofgem approval of Urgent treatment sought by 5pm on 20 December 2021
 - 1st Workgroup to be held 21 December 2021

CMP381 – Possible Terms of Reference

- Consider whether or not a £10/MWh cap on BSUoS is appropriate or justify if another £/MWh cap is more appropriate
- Consider if the £10/MWh cap on BSUoS should be in place from 1 January 2022 to 31 March 2022 or a different time period
- Consider the impacts of deferring the additional BSUoS costs above the cap to the 2022/23 charging year
- Consider if capping the additional BSUoS costs that would be deferred is appropriate and whether £300m is the right number



In Flight Modification Updates

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

Dashboard – CUSC (as at 16 December 2021)

Category	Jul	Aug	Sep	Oct	Nov	Dec
New Modifications	2	1	1	0	1	0
In-flight Modifications (includes those on hold but not New Modifications)	43	44	44	42	40	41
Modifications issued for Workgroup consultation	0	1 <i>(CMP298)</i>	1 <i>(CMP361/362)</i>	0	0	0 <i>(CMP330/374 on 17 Dec)</i>
Modifications issued for Code Administrator Consultation	1 <i>(CMP370 on 13 Jul)</i>	3 <i>(CMP308 , CMP377), CMP368/369)</i>	1 <i>(CMP328)</i>	0	0	2 <i>(CMP380, CMP361/362)</i>
Workgroups held	9	6	8	6	10	7
Authority Decisions	2 <i>(CMP300 and CMP365)</i>	1 <i>(CMP326)</i>	1 <i>(CMP370)</i>	1 <i>(CMP378)</i>	0	0
Implementations	1 <i>(CMP365)</i>	1 <i>(CMP372)</i>	0	3 <i>(CMP373, CMP370 and CMP378)</i>	0	0
Modifications Withdrawn	0	0	0	0	2 <i>(CMP358 and CMP359)</i>	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	0	0	0	0	0

In flight Modifications – the asks of Panel - Timelines

CMP375 / CMP315

At October 2021 Panel, a Panel Member proposed moving the priority from “High” to “Medium” on the basis that this may be better progressed as part of a broader review of TNUoS and Ofgem have launched a Call for Evidence on this (1 October 2021 to 12 November 2021). Other Panel Members, noted that as this is just at the Call for Evidence stage, it would be more appropriate to revisit priority at January 2022 Panel. However, Panel did agree that this does not need to be progressed at current pace but the pace needs to be in line with that for other “High” priority Modifications. At Workgroup on 15 November 2021, the Workgroup agreed the need for 2 more meetings before the Workgroup Consultation is issued and therefore the timeline will be delayed. December 2021 Panel will be asked to **AGREE** that the Workgroup Report is presented to May 2022 Panel rather than February 2022 Panel.

CMP316

Original plan was to issue the Workgroup Consultation on 13 December 2021; however, Workgroup agreed that 1 more Workgroup to clarify the solution would be required ahead of the Workgroup Consultation (which is now planned to be issued on 17 January 2022) and therefore December 2021 Panel will be asked to **AGREE** that the Workgroup Report is presented to April 2022 Panel rather than March 2022 Panel

CMP375 (and CMP315) Proposed Timeline as at 8 December 2021

Milestone	Date	Milestone	Date
Modification presented to Panel	25 June 2021	CMP375/CMP315 Workgroup 9	9 May 2022
Workgroup Nominations (15 Working days)	1 July 2021– 5pm on 22 July 2021	Workgroup report issued to Panel	19 May 2022
CMP375/CMP315 Workgroup 1	10 August 2021	Workgroup report presented to Panel	27 May 2022
CMP375/CMP315 Workgroups 2 and 3	1 and 13 September 2021	Code Administrator Consultation (15 working days)	3 – 24 June 2022
CMP375/CMP315 Workgroup 4	15 November 2021	Draft Final Modification Report (DFMR) issued to Panel	21 July 2022
CMP375/CMP315 Workgroup 5	12 January 2022	Panel undertake DFMR recommendation vote	29 July 2022
CMP375/CMP315 Workgroup 6	9 February 2022	Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	2 August 2022
CMP375/CMP315 Workgroup Consultation (15 working days)	21 February – 14 March 2022	Final Modification Report issued to Ofgem	10 August 2022
CMP375/CMP315 Workgroup 7	29 March 2022	Implementation	1 April 2023
CMP375/CMP315 Workgroup 8	26 April 2022	NOTE: 3 previous Workgroups for CMP315	

Timeline for CMP316 as at 8 December 2021

Milestone	Date	Milestone	Date
Workgroups 1 to 5	Already held – Workgroup 5 was 6 December 2021	Code Administrator Consultation (15 Working Days)	10 May 2022 to 30 May 2022
Workgroup 6 – Review Workgroup Consultation document	5 January 2022 (10–1pm)	Draft Final Modification Report (DFMR) issued to Panel	16 June 2022
Workgroup Consultation (15 Working Days)	17 January 2022 to 4 February 2022	Panel undertake DFMR recommendation vote	24 June 2022
Workgroup 7 – Review consultation responses	15 February 2022	Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	28 June 2022
Workgroup 8 - Review any changes required to solutions, hold WACM Vote (if required)	3 March 2022	Final Modification Report issued to Ofgem	6 July 2022
Workgroup 9 - Finalise Workgroup Report, Legal text and hold Workgroup Vote	22 March 2022	Ofgem decision	TBC
Workgroup report issued to Panel	21 April 2022	Implementation Date	1 April 2023
Panel sign off that Workgroup Report has met its Terms of Reference	29 April 2022		

In flight Modifications – the asks of Panel - Timelines

CMP304

Workgroups recommenced from 8 November 2021 with next Workgroup scheduled for 15 December 2021. The next Workgroup was originally scheduled for 1 December 2021; however the Proposer had another meeting, which took precedence. It is also felt prudent to include an additional Workgroup prior to the Workgroup Consultation being issued. Therefore, December 2021 Panel will be asked to **AGREE** that the Workgroup Report is presented to March 2022 Panel rather than February 2022 Panel.

Timeline for CMP304 V4 as of 17 November 2021

Milestone	Date	Milestone	Date
Workgroup 1 (re-education of proposal and solution, agree timeline and terms of reference)	8 November 2021	Code Administrator Consultation	1 April 2022 to 27 April 2022
Workgroup 2 and 3 (finalise solution to be consulted on, agree alternatives and agree Workgroup Consultation questions)	15 December 2021 and 18 January 2022	Draft Final Modification Report (DFMR) issued to Panel	19 May 2022 (CMP305 as well?)
Workgroup Consultation (15 Working Days)	31 January 2022 to 21 February 2022	Panel undertake DFMR recommendation vote	27 May 2022 (CMP305 as well?)
Workgroup 4 - Assess Workgroup Consultation Responses and any alternatives + hold alternative vote	1 March 2022	Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	31 May 2022
Workgroup 5 – finalise solutions, review terms of reference, hold Workgroup Vote	9 March 2022	Final Modification Report issued to Ofgem	9 June 2022
Workgroup report issued to Panel (5 working days)	17 March 2022	Ofgem decision	TBC (Note CMP305 as well)
Panel sign off that Workgroup Report has met its Terms of Reference	25 March 2022	Implementation Date	TBC

In flight Modifications – the asks of Panel - Other

CMP300

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 was discussed at a Workgroup on 25 November 2021 ahead of presenting Workgroup's conclusions to December 2021 Panel. Panel will be asked to **NOTE** the Workgroup's findings against each of the Terms of Reference but will not be asked to formally agree that this can proceed to Code Administrator Consultation.

CMP300 – What Panel agreed at July 2021 Panel

8.23.12 If the **Authority** determines that the **CUSC Modification Report** is such that the **Authority** cannot properly form an opinion on the **CUSC Modification Proposal** and any **Workgroup Alternative CUSC Modification(s)**, or where the **CUSC Modification Proposal** and/or any **Workgroup Alternative CUSC Modification(s)** constitutes an **EBGL Amendment** where the **Authority** requires an amendment to **CUSC Modification Proposal** and/or any **Workgroup Alternative CUSC Modification(s)** in order to approve it, it may issue a direction to the **CUSC Modifications Panel**:

- (a) specifying the additional steps (including drafting or amending existing drafting associated with the **CUSC Modification Proposal** and any **Workgroup Alternative CUSC Modification(s)**), revision (including revision to the timetable), analysis or information that it requires in order to form such an opinion; and
- (b) requiring the **CUSC Modification Report** to be revised and to be re-submitted.

8.23.13 If a **CUSC Modification Report** is to be revised and re-submitted in accordance with a direction issued pursuant to Paragraph 8.23.12, it shall be re-submitted as soon after the **Authority's** direction as is appropriate, (and in the case of an **EBGL Amendment** within 2 months), taking into account the complexity, importance and urgency of the **CUSC Modification Proposal** and any **Workgroup Alternative CUSC Modification(s)**. The **CUSC Modifications Panel** shall decide on the level of analysis and consultation required in order to comply with the **Authority's** direction and shall agree an appropriate timetable for meeting its obligations. Once the **CUSC Modification Report** is revised, the **CUSC Modifications Panel** shall carry out its **CUSC Modifications Panel Recommendation Vote** again in respect of the revised **CUSC Modification Report** and re-submit it to the **Authority** in compliance with Paragraphs 8.23.4 to 8.23.6.

July 2021 Panel agreed next steps following send-back on 9 July 2021:

NOTED that Ofgem are asking the Final Modification Report to be revised and resubmitted

AGREED that this needs to be assessed by a Workgroup (*there is no Workgroup Consultation, or Workgroup Report and no further Workgroup Alternatives can be raised*)

AGREED Workgroup's Terms of Reference

AGREED (following the assessment by the Workgroup) that a Code Administrator Consultation is needed to be run before it is re-presented to Panel for Recommendation Vote

CMP300 – Terms of Reference

- Provide more evidence that demonstrates CUSC Objective (b) would be better facilitated for CfD Balancing Mechanism Units (BMUs) as a class of users.
 - Confirm that there is only 1 CfD BMU currently impacted; and
 - Assess whether or not any future CfD BMUs are likely to come on line in the future and assess how it can be ensured that they are not negatively impacted.
- Seek further feedback from industry and affected parties to improve the robustness of the assessment of the proposals.
- Secure further supporting evidence to demonstrate the economic impact of the Proposal against the class of users that would be affected or clearly articulate why this has not been possible.

CMP300 – What have Workgroup done?

- Workgroup met on 8 and 25 November 2021 to address each Terms of Reference with the majority of the discussion focused on the following Terms of Reference:

“Assess whether or not any future CfD BMUs are likely to come on line in the future and assess how it can be ensured that they are not negatively impacted”

- Workgroup agreed that the Future Energy Scenarios (FES) data was the most appropriate data source to quickly help the Workgroup provide a view of “whether or not any future CfD BMUs are likely to come on-line in the future”. The baseline FES data will only consider the CfD auctions that have occurred and therefore does not provide a direct forward view of what technology may or may not receive a CfD or similar incentive in the future.
- Excluded technologies not expecting to be connected at transmission and/or those that have no fuel cost.
- Documented approach, assumptions and conclusions.

Timeline for CMP300 V2 as at 8 November 2021

Milestone	Date	Milestone	Date
Workgroup 1 – clarity from Ofgem on expectations, agree timeline, review terms of reference, which costs are covered and agree next steps	8 November 2021 (2pm to 3pm)	Panel undertake DFMR recommendation vote	25 February 2022
Workgroup 2 – discuss findings of FES analysis and articulate arguments to address Terms of Reference	25 November 2021 (3pm to 4pm)	Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	1 March 2022
Present findings to Panel – <i>not for approval</i>	17 December 2021 (Papers 9 December 2021)	Final Modification Report issued to Ofgem	9 March 2022
Code Administrator Consultation (20 Working Days)	20 December 2021 to 21 January 2022	Ofgem decision	TBC
Draft Final Modification Report (DFMR) issued to Panel	17 February 2022	Implementation Date	10 working days after Authority Decision

CMP300 – the asks of Panel

- **NOTE** the findings/conclusions of the Workgroup and **FLAG** if any concerns
- **NOTE** the ongoing timeline - *Code Administrator Consultation will be run before the Draft Final Modification Report is presented to Panel. The aim would be to target the potential new technology types identified by the Future Energy Scenarios (that may be seeking connection to the transmission system) coming forward.*

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



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 thicker, parallel diagonal lines that sweep upwards and to the right, creating a sense of movement and energy.

Governance

None this month

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 from the bottom left towards the right side of the frame.

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)

None this month

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 three thick, parallel diagonal lines that sweep upwards and to the right, starting from the bottom left and extending towards the top right. The overall design is clean and modern, with a focus on geometric shapes and a limited color palette of yellow and blue.

Expectations of new Panel

Trisha McAuley and Paul Mullen

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.

Who is on CUSC Panel?

Panel Setup – CUSC (8.3)

Non Voting Members

Chair (there are some exceptions)

Code Admin Rep

Panel Secretary

Authority Rep

Observers

Voting Members – 1 Vote per party

ESO (x2) – 8.3.1

Appointed Members (x7) – 8.3.1 or their Alternates (up to 5) – 8.7

Consumer Rep x 1 – 8.3.1

A person appointed by Ofgem – 8.3.1/8.4.3

Code Modification Process Overview



Talk to us

Forums



Raise a
mod

Panels



Refine
solution

Workgroups
(Workgroup Consultations)



Consult



Decision

Ofgem/Panel



Implement

Voting

Any matter is decided by simple majority of the votes cast at the meeting. Panel members have to be present for vote to count.

Process	Voting
Urgency	Vote on whether or not to recommend Urgent treatment – In the event of a tie, the Chair can exercise casting vote if they so choose (8.24.5)
Fast Track	No specific vote, unanimous agreement required (8.29.5)
Workgroup Report	No specific vote, majority agreement required (8.20.21)
Draft Final Modification Report	Vote on whether or not to recommend implementation - Chair does not have a casting vote in the event of a tie (8.11.4)
Draft Final Self Governance Modification Report	Vote to decide whether to implement – In the event of a tie, the Chair can exercise casting vote if they so choose (8.11.4)

Getting Prepared

Event	Date	Description	Panel Requirement
CUSC Panel	Last Friday of each month unless agreed otherwise (except December where Panel is held 3 rd Friday of the month)	Meeting to discuss progress of modifications and CUSC issues.	Attend meeting (or send apologies early) Vote Prepare for meeting
Papers Day	5 clear working days prior to Panel	Panel members sent relevant papers for CUSC Panel meeting	Read papers to enable full participation in meeting - <i>We will set out the key asks in our covering email</i> Complete voting statements if required

Panel Ways of Working

Objective of Panel: Panels facilitate change to the respective Code by overseeing the modification process ensuring modifications and changes to the Codes are carried out in an efficient, economical and timely manner.

Areas of responsibility	Success criteria
<p>For each modification proposal:</p> <ul style="list-style-type: none">• Agreeing the route and timetable it should follow• Assessing if a workgroup is required and setting the terms of reference• Consideration of the Applicable Code Objectives set out in the Transmission Licence• Recommendation to Ofgem / Decision where Ofgem decision not required• Establishing Standing Groups• Prioritisation (in flight and new modifications)	<p>Timely progression of all modifications with a strong focus on quality inputs and outputs and all pertinent information set out clearly in Final Modification Reports to allow Ofgem to make informed decisions</p> <p>Modifications being challenged by a wide audience with participation across all stakeholder groups and all views being taken into account within recommendations</p> <p>Efficient development of changes that demonstrate value for money for consumers</p>
What Panel do?	Behaviour Charter
<p>Strive to attend all meetings, or send apologies to allow an alternate to attend, having completed any preparation work</p> <p>Remain impartial with appropriate challenge</p> <p>Actively participate in discussions</p> <p>Have the interests of the industry in mind at all times</p> <p>Fulfil any responsibilities assigned</p> <p>Address any conflicts of interest</p>	<p>Listen quietly to and respect the views of others</p> <p>Value Diversity</p> <p>Make smart use of time</p> <p>Contribute to good quality discussions and provide constructive challenge</p> <p>Progress Code development with impartiality and for the benefit of the whole of the industry</p> <p>Raise significant concerns/AOBs in advance to Chair (cc Code Admin)</p> <p>Sending apologies in advance</p>

Chair's Expectations

Trisha McAuley

Behaviours

- Respect housekeeping protocols
- Read and fully digest papers – employer letter gives priority to Panel work
- Respect Code Admin, each other, ESO, Ofgem
- Understand Code Admin – timely input of voting statements and prioritisation views
- Impartiality and independence – represent your constituency not your company – understand your responsibilities to understand your sector
- Discuss AoB items first with Chair and secretariat
- Raise contentious issues in advance – no surprises or agenda derail
- Respect the process – no “after the event” or post-decision thoughts

Prioritisation

- Take responsibility, take it seriously and be accountable for using your industry expertise to identify where the Panel should focus its priorities
- Focus on issues of strategic importance and not on detailed points of process or operation
- Understand resource constraints

Voting

- Please do not raise new issues in the midst of the vote – hampers independence
- No herd voting or manipulation of voting order

General

- Focus on the strategic role of the Panel and avoid straying into detailed Workgroup conversations
- Greater focus on end consumer impacts

AOB

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

Next Panel Meeting

**10am on 26 January 2022 at National Grid
ESO offices at Faraday House, Warwick**

Papers Day – 18 January 2022

**Modification Proposals to be submitted
by – 11 January 2022**

TCMF – 6 January 2022

Close



Trisha McAuley

Independent Chair, CUSC Panel

national**grid**ESO