

Headline Report – 25 February 2022

Connection and Use of System Code (CUSC) Panel

The CUSC Panel Headline Report is produced after every CUSC Panel and aims to provide an overview of the key decisions made. Minutes for this meeting will be published separately.

Approval of Panel Minutes

The meeting minutes from the CUSC Panel on 17 December 2021, the Special Panels on 6 and 12 January and the CUSC Panel on 26 January 2022 were approved at the CUSC Panel meeting on 25 February 2022. These will be uploaded to our website.

Prioritisation Stack

For each Modification in the prioritisation stack, Panel have determined if the Priority is “High”, “Medium to High”, “Medium”, “Low to “Medium” or Low”. Panel continue to review the prioritisation stack on a monthly basis and every quarter hold a more in-depth review (ahead of this review, Proposers will be asked to provide updated justification against the prioritisation criteria). This next in-depth review will be carried out at our April 2022 Panel.

At February 2022 Panel, the prioritisation of the following Modifications was discussed

Modification	What this seeks to achieve	Panel Comments	Position in Prioritisation Stack
CMP376	To implement the queue management process in to CUSC including introducing a right for the ESO to terminate contracted projects which are not progressing against agreed milestones.	Code Admin advised that the CMP376 Workgroup on 28 February 2022 had been postponed as the Workgroup had provided extensive feedback particularly on the practicality of the proposed milestones that needed to be considered further by the ESO Connections team. CUSC Panel were advised that it was prudent to postpone Workgroups will be paused until September 2022 to allow the ESO Connections team to fully take into account the feedback received and ensure the	Unchanged at “Medium – High”

		solution had been fully thought through. Despite this “pause”, Panel agreed that this still “Medium to High” in the prioritisation stack.	
CMP384	To ensure that fixed manifest error thresholds stated within the CUSC account for inflation and are better aligned with current TNUoS tariffs to which they relate	Panel agreed that CMP384 will be placed as “Medium” in the prioritisation stack. Although Urgent treatment was sought on this and Panel had by majority recommended Urgent treatment (although Ofgem did not approve this, the materiality is such that “Medium” is more appropriate. Code Admin advised that CMP384 would have started 14 March 2022 if it had been placed as “Medium to High” or “High” but as “Medium” Workgroups will start in April 2022 (Post Meeting Note: 8 April 2022) and a revised timeline will be presented to March 2022 Panel.	Placed as “Medium”

The full discussions on each Modification can be found [here](#).

New Modifications

No New Modifications presented to Panel this month.

New / Pending Authority Decisions

Ofgem provided an update on Modifications that are currently awaiting their decision or have been decided upon since CUSC Panel on 26 January 2022.

Decisions since last CUSC Panel

Modification	What this seeks to achieve	Decision
CMP383	To enable the ESO to recover the costs deferred under CMP381, a licence change is required. This will not be in place for 1 April 2022. Therefore CMP383 seeks to change the recovery of CMP381 costs, to when the new licence comes into effect until 31 March 2023.	Urgent treatment approved 11 February 2022
CMP384	To ensure that fixed manifest error thresholds stated within the CUSC account for inflation and are better	Urgent treatment not approved 11 February 2022

	aligned with current TNUoS tariffs to which they relate	
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Awaiting Decisions

Ofgem did provide an update at Panel on the Modifications awaiting decision. However, since 4 May 2021 Ofgem have published a table that provides the expected decision date, or date they intend to publish an impact assessment or consultation, for code modifications/proposals that are with them for decision. This was last updated on 10 February 2022 and is published [here](#). The CUSC position is summarised below:

Modification	What this seeks to achieve	Expected Decision Date
CMP335/336 and CMP343/340	Proposes the methodology for Transmission Demand Residual charges to be applied only to ‘Final Demand’ on a ‘Site’ basis, as well as how to treat negative locational charges and the application of any charging bands.; CMP335/336 looks at the Transmission Demand Residual billing and consequential changes	Expected final decision date for CMP343 is now 31 March 2022. Decisions for CMP340, CMP335 and CMP336 Modifications are expected to follow shortly thereafter but are currently showing as TBC 2022 on Ofgem's latest publication (10 February 2022) of anticipated decision dates.
CMP292	Introduces a cut-off date for changes to the Charging Methodologies	Expected decision date of TBC in 2022 (previously 30 June 2021 and latterly 30 September 2021) as Ofgem still consider this to be low priority.
CMP371	Seeks to update CUSC Section 8 such that it is possible, under one CUSC Modification Proposal, to change CUSC provisions relating to Connection Charges, and Use of System Charging Methodologies alongside non-charging provision.	Ofgem decision is anticipated 31 March 2022 (as confirmed at Panel on 25 February 2022).
CMP308	Seeks to modify the CUSC to better align GB market arrangements with those prevalent within other EU member states by removing BSUoS charges from Generation.	On 18 February 2022, Ofgem advised they would be looking to make a decision on CMP308 on 4 March 2022.
CMP368/369	CMP368 seeks to give effect to the Authority determination within the CMP317/327 decision published on the 17 December 2020 to amend the definition of Assets Required for Connection, create new definitions of ‘GB Generation Output’ and define Generator charges for use in the Limiting Regulation range calculation. To facilitate the change, CMP369 proposes to update the legal text relating to ‘Generation Output’ detailed in the tariff setting methodology within Section 14.14.5	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 2021. Ofgem's latest expected decision dates table (published on 10 February 2022) confirms that there is currently no firm date for a decision.

	and the Ex-Post Reconciliation within Section 14.17.37 of the CUSC to align with the updated definitions introduced by CMP368.	
CMP377	Seeks to provide clarity on how the BSUoS charging methodology is described in Section 14 of the CUSC. The four areas being addressed are: Covid-19 cost recovery calculations, capitalisation of defined terms in CMP373 legal text, clarifying storage import terminology and general housekeeping.	Ofgem's latest expected decision dates table (published on 10 February 2022) confirms that there is currently no firm date for a decision.
CMP328	Seeks to put in place an appropriate process to be utilised when any connection triggers a Distribution impact assessment.	Final Modification Report was sent to Ofgem on 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 (expected to be raised to STC's March 2022 Panel). Ofgem's latest expected decision dates table (published on 10 February 2022) confirms that there is currently no firm date for a decision.

In flight Modifications

Please refer to latest Modification Tracker for an update on each in flight Modification. This is published monthly at <https://www.nationalgrideso.com/industry-information/codes> and will be published on 7th of the following month or the next working day thereafter.

Draft Final Modification Reports

CMP300 ‘Cost reflective Response Energy Payment for Generators with low or negative marginal costs’

CMP300 seeks to improve the cost reflectivity of the Response Energy Payment (“REP”) for Balancing Mechanism Units (“BMUs”) with low or negative marginal costs, as a consequence of having a Contract for Difference (“CfD”).

At February 2022 Panel, the CUSC Panel by majority recommended that both the CMP300 Original and WACM1 better facilitated the CUSC objectives than the current CUSC.

CMP300 Final Modification Report will be sent to Ofgem on 9 March 2022.

CMP300 documentation can be found via the following link:

<https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/cmp300-cost>

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

CMP361 seeks to introduce an ex ante fixed volumetric BSUoS tariff set over a total fix and notice period of 14 months. This tariff would be split with a different price for the summer and winter periods. This will deliver the recommendations of the Second BSUoS Task Force Modification. CMP362 introduces and updates required definitions into CUSC section 11 from CMP308 and CMP361.

The Draft Final Modification Report was due to be presented for recommendation vote at January 2022 Panel. However a Panel Member proposed legal text changes and Panel agreed some were typographical and some needed to be consulted on. Therefore a 2nd Code Administrator Consultation was run from 3 February 2022 to 10 February 2022 and 1 non-confidential response was received, which supported the changes. The Draft Final Modification Report was re-presented to February 2022 CUSC Panel for their recommendation vote.

CMP361 Vote - At February 2022 Panel, the CUSC Panel unanimously recommended that both the CMP361 Original and WACM2 better facilitated the CUSC objectives than the current CUSC. They also by majority recommended that WACM1, WACM3, WACM4, WACM5, WACM6 and WACM7 better facilitated the CUSC objectives than the current CUSC.

CMP362 Vote - At February 2022 Panel, the CUSC Panel unanimously recommended that the CMP362 Original, WACM1, WACM2, WACM5 and WACM6 better facilitated the CUSC objectives than the current CUSC. They also by majority recommended that WACM3 and WACM4 better facilitated the CUSC objectives than the current CUSC.

CMP361/CMP362 Final Modification Report will be sent to Ofgem on 8 March 2022.

CMP361/CMP362 documentation can be found via the following link:

<https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/cmp361-cmp362>

Workgroup Reports

No Workgroup Reports presented to Panel this month.

Questions or feedback?

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