

CUSC Panel

Friday 25 March 2022

Online Meeting via Teams

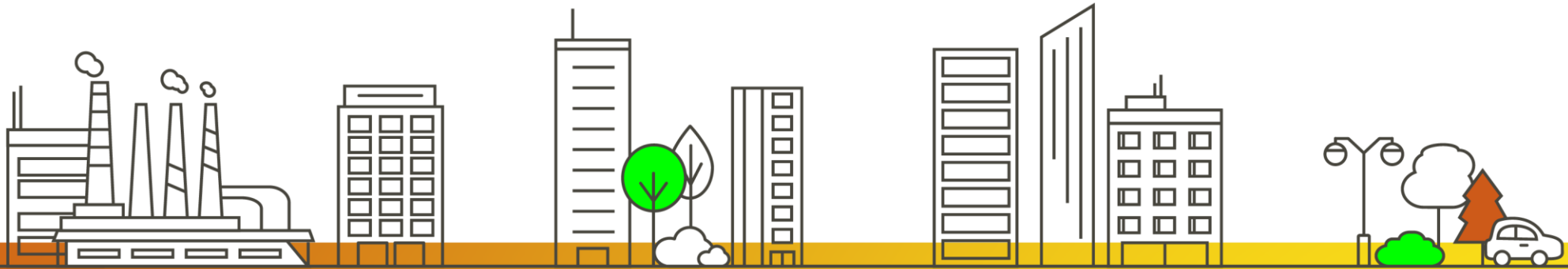
WELCOME



nationalgridESO

Approval of Panel Minutes

**Approval of Panel Minutes from the
Meetings held 25 February 2022 and 10
March 2022**



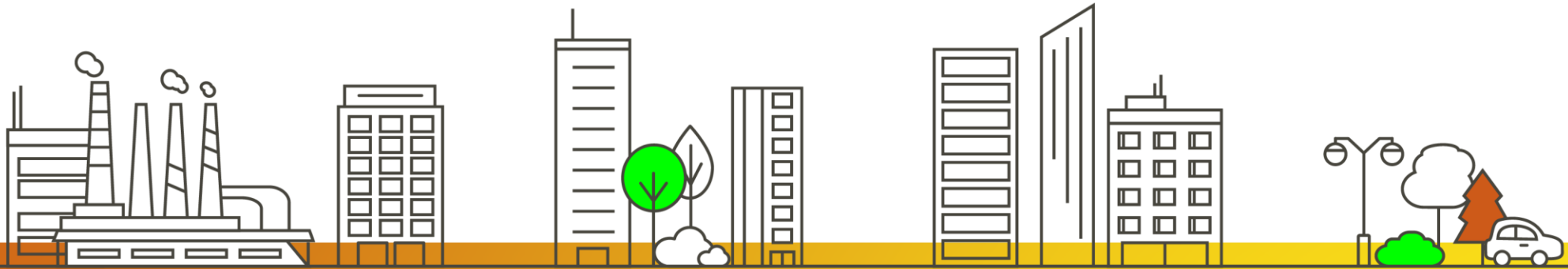
Actions Log

Review of the actions log



Chair's Update

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



Decisions Received since last Panel meeting

- ❑ CMP335/336 and CMP343/340 (Ofgem approved CMP343 WACM2 on 10 March 2022. WACM2 has four bands for transmission-connected final demand, and floors the forward-looking charge at £0 in negative locational TNUoS charging zones. The Authority has also approved the related Modifications - namely CMP340 Original, CMP335 Original and CMP336 WACM1 (As per the Original but introduce an annual September review to confirm the new transmission connection site is in the correct band and reallocate if required). To be implemented 1 April 2023).

Decisions Pending

- ❑ CMP308 (At Panel on 10 March 2022, Ofgem explained that CMP308 has inter dependencies with BSC Modification P419. Ofgem are also aware that industry would like any decision on CMP308 alongside the decision on CMP361/362 (which was submitted to Ofgem for decision on 8 March 2022). However, they will seek to make the decision on CMP308 ahead of CMP361/362 if timings don't work).
- ❑ CMP371 (decision now expected 31 March 2022 as confirmed at Panel on 25 February 2022).
- ❑ CMP292 (decision date TBC in 2022 (previously 30 June 2021 and latterly 30 September 2021) as Ofgem consider this to be low priority).
- ❑ CMP368/369 (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).

Decisions Pending

- ❑ CMP377 (Final Modification Report received 6 October 2021. Ofgem's latest expected decision dates table (published on 10 February 2022) confirms that there is currently no firm date for a decision).
- ❑ 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. Ofgem's latest expected decision dates table (published on 10 February 2022) confirms that there is currently no firm date for a decision).

Received Final Modification Reports since last Panel Meeting

- ❑ CMP361/362 (Final Modification Report received 8 March 2022 - Ofgem aware that industry would like any decision on CMP308 alongside the decision on CMP361/362. However, they will seek to make the decision on CMP308 ahead of CMP361/362 if timings don't work).
- ❑ CMP300 (Final Modification Report received 9 March 2022)
- ❑ CMP383 (Final Modification Report received 14 March 2022 seeking decision by 31 March 2022)

New modifications submitted

CMP385: Improvements to Securities and Liabilities provisions within CUSC

Neil Bennett (on behalf of Euan Norrington)



Critical Friend Feedback – CMP385

Code Administrator comments	Amendments made by the Proposer
<p>Flagged and re-iterated general concern that the Modification is simply presenting a lot of issues with an initial idea of what solutions could be. Suggested further consultation/focus group to narrow it down and then present key recommendations/solutions for the CUSC Workgroup to consider. As it stands, the scope is wide and could encourage many alternatives across the 16 “issues” identified by the Proposer especially as there will be many combinations.</p> <p>Added timeline (based on Panel prioritising Medium to High or above).</p> <p>Clarified issue/defect and provided formatting/wording changes on the solution section.</p> <p>Suggested further clarity on impacted parties including landing on common terminology for developer, customer or end-user</p> <p>Sought clarity on who Proposer was</p>	<p>Proposer accepted most amendments proposed by the Code Administrator but feels that Workgroup progression would be the best way forward as ultimately it is their views that ultimately make decisions on progress/alternative solutions.</p>

BACKGROUND

- CUSC 15 has been in effect since 2013 and the energy industry has changed significantly in this period including diversity of plant such as battery storage, and also products and services to facilitate network stability such as Pathfinders.
- An ENA Open Networks working group was set up over 12 months ago to determine issues concerning CUSC 15 based on experience within the industry.
- Through an ENA consultation run over 2 months, 30 issues were raised. Although 14 of them were CUSC 15 related, these were not considered as directly impacting CUSC 15.
- 16 directly impacting CUSC 15 related issues were identified that have been brought forward as a mod to CUSC 15.

ISSUE

The 16 issues identified have been split into 5 categories:

- Trigger date not reflective of actual project development
- Wider cancellation charge does not always seem reflective of existing works
- Changing from fixed to variable liability
- Securities for the Transmission Impact Assessment (TIA) Subject to the approval of CMP298
- Scope and applicability of User Commitment

ISSUE EXAMPLES

Trigger date:

- The April 1st trigger date doesn't reflect the timing of completion of most connection schemes
- Consented schemes are reliant on reaching trigger date before any reduction in securities
- Where the TO incurs significant expenditure prior to trigger date, Users will secure 100% of costs incurred and so review of the percentage is required to account for this.

TIA:

- Consideration of how TIA(CMP298) interacts with securities- IE should there be a cooling off period once allocated onto Appendix G
- How does a User choose fixed/variable?

Fixed/Variable:

- There should be, under certain circumstances, the option to move from fixed to variable liability
- Scope/applicability- MITS nodes- Not all GSPs are MITS nodes and can have varying liabilities dependant if the embedded scheme connects to non MITS node GSPs

Scope and applicability:

- Demand Users are not party to CUSC 15
- Where there is no route to market for a User who has been delayed by the TO, there should be key criteria which allows the User to terminate without liability.



SOLUTION AND WAY FORWARD

- The proposal is to have a standard governance assessed by a workgroup.
- Solutions for each of the issues have been identified which should be assessed to determine whether these resolve the issues. These range from Amending the Trigger date, percentages once trigger has been reached, wider cancellation charge amendments and amending the definition of MITS nodes amongst others.
- In addition to CUSC 15 amendments, there will potentially be other amendments to CUSC 11 as well as impacts on the STC and TO's Final Sums process.
- It is proposed to apply any changes to existing contracted parties as well as new, however there will likely be some transitional arrangements to update existing contracts.

Timeline for CMP385 – Proposed Standard Timeline – Workgroup

Mile stone	Date	Mile stone	Date
Modification presented to Panel	25 March 2022	Workgroup report issued to Panel	20 April 2023
Workgroup Nominations (15 working days)	30 March 2022 to 22 April 2022 (5pm)	Panel sign off that Workgroup Report has met its Terms of Reference	28 April 2023
Workgroup 1 (assuming at least Medium to High in prioritisation stack) Understand proposal and issues, note the scope and agree best approach, agree timeline, agree and review terms of reference, agree next steps	16 May 2022	Code Administrator Consultation (20 working days as summer)	2 May 2023 to 23 May 2023 (5pm)
Workgroups 2 and 3 - Consider the following issues: Trigger Date not reflective of actual project development; Wider cancellation charge does not always seem reflective of existing works and Changing from fixed to variable liability)	15 June 2022 and 6 July 2022	Draft Final Modification Report (DFMR) issued to Panel	22 June 2023
Workgroups 4 and 5 - Consider the following issues: Securities for TIA (subject to approval of CMP298) and Scope and applicability of User Commitment	5 August 2022 and 9 September 2022	Panel undertake DFMR recommendation vote	30 June 2023
Workgroups 6 and 7 - Consolidate thinking and solutions, review Workgroup Consultation and questions and finalise Workgroup Consultation	11 October 2022 and 8 November 2022	Final Modification Report issued to Panel to check votes recorded correctly	4 July 2023
Workgroup Consultation (15 working days)	16 November 2022 to 7 December 2022 (5pm)	Final Modification Report issued to Ofgem	12 July 2023
Workgroup 8 - Review Workgroup Consultation Responses	16 January 2023	Ofgem decision	TBC
Workgroups 9 and 10 - Finalise solutions and alternatives and hold alternative vote	8 February 2023 and 1 March 2023	Implementation Date	TBC
Workgroup 11 - Finalise Workgroup Report and hold Workgroup Vote	5 April 2023		

CMP385 – the asks of Panel

- **AGREE** that this Modification should follow Standard Governance (Ofgem decision) rather than the Self-Governance Criteria (Panel decision)
- **AGREE** that this Modification should proceed to Workgroup
- **AGREE** Workgroup Terms of Reference
- **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



In Flight Modification Updates

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

Dashboard – CUSC (as at 24 March 2022)

Category	Oct	Nov	Dec	Jan	Feb	Mar
New Modifications	0	1	1	1	2	3
In-flight Modifications (includes those on hold but not New Modifications)	42	40	41	42	43	43
Modifications issued for Workgroup consultation	0	0	2 (CMP330/374 and CMP381)	0	2 (CMP316, CMP304)	0
Modifications issued for Code Administrator Consultation	0	0	3 (CMP380, CMP361/362 and CMP381)	3 (CMP381, CMP300, CMP298)	3 (CMP361/362, CMP383, CMP382)	0
Workgroups held	6	10	9	7	5	4 (Will be 9 by end of March with CMP316, CMP286/287, CMP304, CMP315/375, CMP330/374 all to follow)
Authority Decisions	1 (CMP378)	0	0	1 (CMP381)	0	4 (CMP343, CMP340, CMP335 and CMP336) - CMP371 due 31 Mar, CMP383 due by 31 Mar)
Implementations	3 (CMP373, CMP370 and CMP378)	0	0	1 (CMP381)	0	1 (CMP380)
Modifications Withdrawn	0	2 (CMP358 and CMP359)	0	0	0	0
Modifications on Hold	3 (CMP271, 276, 305)	3 (CMP271, 276, 305)	3 (CMP271, 276, 305)	3 (CMP271, 276, 305)	3 (CMP271, 276, 305)	3 (CMP271, 276, 305)
Workgroups postponed	0	0	0	1 (CMP379 – not quorate)	2 (CMP375/315 – more time for Proposer and Workgroup to complete actions and CMP376 – more time for ESO Connections team to review feedback)	1 (CMP304 – Proposer happy to delay the meeting until after ESO publish their recommendations on next steps for the future of a Reactive Power Market as Workgroup Consultation responses did not provide any firm conclusions for CMP304 Original)

In flight Modifications – the asks of Panel re: Timelines

CMP363/364

1 more Workgroup is needed (to review solution vs CMP343 decision, finalise Workgroup Report and hold Workgroup Vote) before Workgroup Report can be presented to Panel. Now that we have more certainty that CMP343 decision is due 31 March 2022, we have scheduled this final Workgroup for 27 April 2022 and seek to present Workgroup Report to May 2022 Panel. March 2022 Panel will be asked to **AGREE** the revised timeline.

CMP376

The Workgroup on 28 February 2022 was 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 solution had been fully thought through. Despite this “pause”, Panel agreed that this still “Medium to High” in the prioritisation stack. Workgroups will restart on 6 September 2022 and March 2022 Panel will be asked to **AGREE** the revised timeline.

CMP384

February 2022 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 Workgroups will start on 8 April 2022 as “Medium” and March 2022 Panel will be asked to **AGREE** the revised timeline.

CMP363 and CMP364 Timeline as at 11 March 2022

Milestone	Date	Milestone	Date
Workgroup Nominations (15 working days)	1 March 2021 to 5pm on 22 March 2021	Panel sign off that Workgroup Report has met its Terms of Reference	24 September 2021 27 May 2022
Workgroup 1 - Understand proposal and solution, agree timeline, agree terms of reference, agree WG Consultation questions + agree analysis for solution	8 April 2021 1 – 5pm	Code Administrator Consultation (15 Working Days)	27 September 2021 to 5pm on 18 October 2021 6 June 2022 to 5pm on 27 June 2022
Workgroup 2 – Review solution, any analysis and discuss alternatives + agree Workgroup Consultation questions	19 April 2021 10 – 2pm	Draft Final Modification Report (DFMR) issued to Panel (5 working days)	21 October 2021 21 July 2022
Workgroup 3 – Agree alternatives + finalise Workgroup Consultation	5 May 2021 10 – 2pm	Panel undertake DFMR recommendation vote	29 October 2021 29 July 2022
Workgroup Consultation (15 Working Days)	7 May 2021 to 5pm 28 May 2021	Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	2 November 2021 2 August 2022
Workgroup 4 and non-Workgroup meeting - Assess Workgroup Consultation Responses, develop alternatives, review legal text and carry out Alternative Vote	10 June 2021 and 12 July 2021 (11am to 2pm) 12 July 2021 was not quorate	Final Modification Report issued to Ofgem	10 November 2021 10 August 2022
Workgroups 5 and 6 – Finalise solution(s), review legal text	12 August 2021 (10am – 1pm) and 6 September 2021	Ofgem decision	TBC
Workgroup 7 – Review solution (s) and legal text following publication of CMP343 decision and hold Workgroup Vote	6 September 2021-27 April 2022	Implementation Date	1 April 2023 (CMP363) / 10 working days after Authority Decision (CMP364)
Workgroup report issued to Panel (5 working days)	16 September 2021	Date changes highlighted in yellow	

Timeline for CMP376 V4 as at 28 February 2022

Milestone	Date	Milestone	Date
Workgroup Nominations (15 working days)	Closed	Panel sign off that Workgroup Report has met its Terms of Reference	24 June 2022 16 December 2022
Workgroups 1 – 3	28 October 2021, 13 December 2021 and 28 January 2022	Code Administrator Consultation (20 Working Days)	27 June 2022 to 5pm on 18 July 2022 16 December 2022 to 5pm on 18 January 2023
Workgroup 4 - Understand revised proposal and solution, note the scope, cross code interactions, and identify any possible alternative solutions, agree next steps	28 February 2022 6 September 2022	Draft Final Modification Report (DFMR) issued to Panel (5 working days)	21 July 2022 19 January 2023
Workgroups 5 and 6 - Review solution(s) including potential alternatives, Legal Text, understand STC changes, finalise Workgroup consultation (including agreeing Workgroup Consultation questions)	23 March 2022 27 September 2022 and 12 October 2022	Panel undertake DFMR recommendation vote	29 July 2022 27 January 2023
Workgroup Consultation (15 Working Days)	4 April 2022 to 5pm on 27 April 2022 19 October 2022 to 5pm on 9 November 2022	Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	2 August 2022 27 January 2023
Workgroup 7 - Assess Workgroup Consultation Responses, further review of Original and alternatives (including legal text) and carry out Alternative Vote	9 and 24 May 2022 17 November 2022	Final Modification Report issued to Ofgem	10 August 2022 7 February 2023
Workgroup 8 - Finalise solution(s) and legal text, agree that Terms of Reference have been met, Review Workgroup Report and hold Workgroup Vote	7 June 2022 1 December 2022	Ofgem decision	TBC
Workgroup report issued to Panel (5 working days)	16 June 2022 8 December 2022	Implementation Date	10 working days after Authority Decision
		Date changes highlighted in yellow	

Timeline for CMP384 V2 as at 11 March 2022

Milestone	Date	Milestone	Date
Modification presented to Panel	9 February 2022	Code Administrator Consultation (20 15 working days as summer)	2 August 2022 to 31 August 2022 (5pm) 1 September 2022 to 22 September 2022 (5pm)
Workgroup Nominations (15 working days)	9 February 2022 to 2 March 2022 (5pm)	Draft Final Modification Report (DFMR) issued to Panel	22 September 2022 20 October 2022
Workgroup 1, 2 and 3 (as Medium to High in prioritisation stack)	14 March 2022, 8 April 2022, 5 May 2022, 6 June 2022	Panel undertake DFMR recommendation vote	30 September 2022 28 October 2022
Workgroup Consultation (15 working days)	16 May 2022 to 7 June 2022 (5pm) 17 June 2022 to 8 July 2022 (5pm)	Final Modification Report issued to Panel to check votes recorded correctly	4 October 2022 1 November 2022
Workgroup 4 and 5 - Assess Workgroup Consultation Responses and Workgroup Vote	16 June 2022 and 4 July 2022 20 July 2022 and 10 August 2022	Final Modification Report issued to Ofgem	12 October 2022 9 November 2022
Workgroup report issued to Panel	21 July 2022 18 August 2022	Ofgem decision	TBC
Panel sign off that Workgroup Report has met its Terms of Reference	29 July 2022 26 August 2022	Implementation Date	1 April 2023
		Date changes highlighted in yellow	

Withdrawal of CMP386 and CMP387

- **CMP386** (Creating a TNUoS generation classification for storage) proposes to introduce a new generation classification for battery storage and pumped storage which, in the view of the Proposer, reflects the value that storage assets in generation constrained areas provide to transmission licensees. **CMP387** (Removing generation charges from storage operators who provide contracted stability services) seeks to create a new generation classification for storage, and to exempt storage operators contracted to provide stability services from Transmission Network Use of System (TNUoS) charges.
- Proposer submitted these Modifications on 9 March 2022 and Code Admin were content that these met the requirements of CUSC 8.16.4. On 11 March 2022, we notified industry that they have been raised and assigned Modification Numbers CMP386 and CMP387 respectively.
- Code Admin have been working with the Proposer prior to submission and between submission and Panel Papers Day (17 March 2022) to help refine the Proposal Forms. However, the Proposer formally notified Code Admin on 17 March 2022 that they wish to withdraw.
- CUSC 8.16.10 defines the process for withdrawal and industry were notified on 17 March 2022 and had until 5pm on 24 March 2022 to express their wish to become the new Proposer. As no-one expressed a wish to become the new Proposer by 5pm on 24 March 2022, Panel, on 25 March 2022, will be asked under CUSC 8.16.10(b) to agree to the withdrawal of CMP386 and/or CMP387.

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.



Workgroup Reports

None this month

BREAK



Draft Final Modification Reports

CMP298: Updating the Statement of Works process to facilitate aggregated assessment of relevant and collectively relevant embedded generation

Paul Mullen

CMP298 Summary

- The current Statement of Works process can be inefficient and time-consuming where there are multiple concurrent applications. Network Operators have for a number of years trialled and refined a more efficient aggregated assessment (widely known as the “Appendix G” process) of Distributed Generators (DG) that have or may have an impact on the National Electricity Transmission System (NETS). CMP298 seeks to introduce this process into the CUSC, which will sit alongside the current Statement of Works process.
- CUSC Panel unanimously agreed that CMP298 should follow standard governance route and proceed to Workgroup.
- 4 Solutions developed.

What are the CMP298 Solutions – the Original

Update CUSC Section 6.5 and definition of “Relevant” to facilitate assessment of relevant embedded small or medium power stations or ‘collectively relevant’ power stations on an aggregated basis in line with the “trials” that have been undertaken over the past few years and link the definition of “Relevant” to a defined level of MW.	Introducing the high-level process between National Grid ESO and DNOs for Appendix G updates (currently outlined in the BCAs for GSPs involved in the trials undertaken over the past few years.	Update CUSC exhibits currently used for the Statement of Works (and Project Progression) process to facilitate the aggregated application and assessment process to be introduced.	Retain existing Statement of Works & Project Progression process for where single applications are still required; however, make a small change to clarify that multiple projects can be applied for at the same time (i.e. bulk Statement of Works applications.
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Implementation Date: 10 working days after Authority Decision. However, there will be a 24 month transition period to allow existing Appendix G contracts to be transferred to the new Transmission Impact Assessment arrangements.

What are the CMP298 Solutions – 3 WACMs

Alternative Solution(s)	Details	Implementation Date
WACM1	As per Original but DNO updates to Appendix G are deemed to be accepted unless ESO confirm otherwise rather than ESO Approve/Reject process	As per Original
WACM2	As per Original but to remove the need for a re-work fee to be charged by the ESO to DNOs to confirm requirements of Transmission Impact Assessment are met	As per Original
WACM3	Combination of WACM1 and WACM2	As per Original

CMP298 Workgroup Consultation

The Workgroup held their Workgroup Consultation between 12 August 2021 and 10 September and received 7 responses, all of which were non-confidential. In summary:

- Majority supportive of change and implementation approach although with a clear desire for the Workgroup to develop a more detailed implementation plan to give confidence that the revised contractual arrangements can be all put in place within 24 months of Ofgem decision. The Workgroup considered this in their discussions post Workgroup Consultation and the results of this are set out in the “When will this change take place - Implementation approach” section.
- STC changes needed to be understood and developed and sufficiently set out such that minimal risk of having to unpick the CMP298 solution(s). There was also a desire to present the Final Modification Reports for the CUSC and the STC changes at the same time (or as near as possible) to Ofgem for decision. The Workgroup agreed with these views. The STC changes are set out in the “Interactions – Implications on STC” section
- In terms of publication of information to assist stakeholders to understand where the gaps are, respondents welcomed ESO publishing data but noted that interested parties still need to engage with DNOs to understand the options. Also, for the data to be really useful to stakeholders, it needs to show the capacity available. The Workgroup considered this in their discussions post Workgroup Consultation and the results of this are set out in the “When will this change take place - Implementation approach” section.
- There were some points raised on possible interactions with the Access and Forward-Looking Charges SCR proposals, the need for a review of connection securities for Distributed Generation and there were concerns expressed on how “Large” generation in Scotland is treated. These are all out of scope of CMP298.

CMP298 Workgroup Vote 14 January 2022

- The Workgroup concluded unanimously that the Original and WACM1 better facilitated the CUSC Objectives than the Baseline and concluded by majority that WACM2 and WACM3 better facilitated the CUSC Objectives than the Baseline.

Option	Number of voters that voted this option as better than the Baseline
Original	10
WACM1	10
WACM2	9
WACM3	9

- 8 Workgroup Members voted that WACM3 was the best option with 1 vote cast for each of the Original and WACM1

CMP298 Workgroup Terms of Reference

Workgroup Term of Reference	Location in Workgroup Report
a) Consider EBR implications	"Interactions"
b) Consider generation connection Types A, B, C, D and storage	"Other Workgroup discussion points not in scope of CMP298" - Consideration of generation connection Types A, B, C, D"
c) Review the existing trial Appendix G documents	"Workgroup Considerations"
d) Ensuring transparency around future changes to Appendix G	"Workgroup Considerations"
e) Consider consumer and customer impacts	"What is the impact of this change?"
f) Cross code impacts including the consideration of suitable pass through fees	"Interactions" – "Implications on STC"
g) Consider work carried out in 2017 by the ENA Open Networks SOW focus group along with current SO/TO interfaces	"Workgroup Considerations"
h) Consider responses to User Commitment (CMP192) Open Letter by National Grid	"Other Workgroup discussion points not in scope of CMP298" – "Changes to User Commitment"
i) Consider existing SOW process within the CUSC	"Workgroup Considerations"
j) Clarification on the process and timescales	"Workgroup Considerations"

Panel on 26 January 2022 agreed that Workgroup had met its Terms of Reference and that CMP298 could proceed to Code Administrator Consultation

Code Administrator Consultation Responses– Summary (CMP298)

- Ran from 31 January 2022 to 5pm on 21 February 2022 and 4 non-confidential responses were received.
 - There was support expressed for all options predominantly on the grounds of efficiency; however, there was a preference (3 out of 4 respondents) for WACM3. The other respondent didn't support WACM3 (or WACM2) as, in their view, the removal of the re-work fee undermines cost reflectivity;
 - The majority of respondents (3 out of 4) supported the implementation approach but 2 of these were keen that progress is made as early as possible (e.g. to clarify responsibilities and data requirements and agree the prioritisation). The one respondent, who didn't support implementation noted that the required STC modification (CM080) to enable implementation of CMP298 has only just been initiated; and
 - No Legal Text issues were identified.

CMP298 Next Steps

Milestone	Date
Draft Final Modification Report presented to Panel	25 March 2022
Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	29 March 2022
Submission of Final Modification Report to Ofgem	6 April 2022
Implementation Date	10 working days after Authority Decision. However, there will be a 24 month transition period to allow existing Appendix G contracts to be transferred to the new Transmission Impact Assessment arrangements.

CMP298 - 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 CMP298 Original proposal and/or WACM1, 2 or 3 better facilitate the objectives than the current CUSC arrangements?*
- **NOTE** next steps

EBR Article 3 Objectives

For reference, the Electricity Balancing Regulation (EBR) Article 3 (Objectives and regulatory aspects) are:

1. This Regulation aims at:
 - (a) Fostering effective competition, non-discrimination and transparency in balancing markets;
 - (b) enhancing efficiency of balancing as well as efficiency of national balancing markets;
 - (c) integrating balancing markets and promoting the possibilities for exchanges of balancing services while contributing to operational security;
 - (d) contributing to the efficient long-term operation and development of the electricity transmission system and electricity sector while facilitating the efficient and consistent functioning of day-ahead, intraday and balancing markets;
 - (e) ensuring that the procurement of balancing services is fair, objective, transparent and market-based, avoids undue barriers to entry for new entrants, fosters the liquidity of balancing markets while preventing undue market distortions;
 - (f) facilitating the participation of demand response including aggregation facilities and energy storage while ensuring they compete with other balancing services at a level playing field and, where necessary, act independently when serving a single demand facility;
 - (g) facilitating the participation of renewable energy sources and supporting the achievement of any target specified in an enactment for the share of energy from renewable sources.

Draft Final Self Governance Modification Reports

CMP382: Amend the terminology used in CUSC Section 14 to align with the definitions of 'Financial Year' and 'Business Day' within CUSC Section 11

Paul Mullen

CMP382 Summary

- CMP382 seeks to ensure that the use of “charging year” and “Working Day” in Section 14 is replaced and aligned with the already defined “Financial Year” and “Business Day”
- CUSC Panel on 26 January 2022 unanimously agreed that CMP382 should follow self-governance route and proceed straight to Code Administrator Consultation.
- Code Administrator Consultation was issued on the 18 February 2022 and closed 5pm on 11 March 2022 and received 2 non-confidential responses:
 - Both respondents supported the change to “Business Day”; however, 1 respondent did not support the change to “Financial Year” and believe it would be clearer to continue to use the term Charging Year (from Section 14.3.21 onwards) as this is well understood by industry and the charging year for TNUoS does not equate with financial year for some companies. Panel will be asked to consider this proposed change before carrying out their vote as to whether or not to implement CMP382.

CMP382 Code Administrator Consultation – Legal Text Changes. What do the CUSC Governance Rules say?

8.23.4 A draft of the **CUSC Modification Report** shall be tabled at the **Panel Meeting** prior to submission of that **CUSC Modification Report** to the **Authority** as set in accordance with the timetable established pursuant to Paragraph 8.19.1 at which the Panel may consider any minor changes to the legal drafting, which may include any issues identified through the **Code Administrator's** consultation and:

(i) if the change required is a typographical error the **CUSC Modifications Panel** may instruct the **Code Administrator** to make the appropriate change and the **Panel Chairman** will undertake the **CUSC Modifications Panel Recommendation Vote**; or

(iv) In the case of a modification that had been directed pursuant to CUSC 8.19.2(e) to proceed directly to wider consultation without the formation of a **Workgroup**, and if the change required is not considered to be a typographical error, then the **CUSC Modifications Panel** may direct the **Code Administrator** in conjunction with the **Proposer** to review the change. If the **CUSC Modifications Panel**, the **Code Administrator** and the **Proposer** agree that the change is minor the **CUSC Modifications Panel** may instruct the **Code Administrator** to make the appropriate change and the **Panel Chairman** will undertake the **CUSC Modifications Panel Recommendation Vote**, otherwise for changes that are not considered to be minor the **Code Administrator** shall issue the **CUSC Modification Proposal** for further **Code Administrator** consultation after which the **Panel Chairman** will undertake the **CUSC Modifications Panel Recommendation Vote**. In the case of a change that is not considered to be minor, the **CUSC Modifications Panel** may also consider whether to establish a **Workgroup** of the **CUSC Modifications Panel**, to further consider the **CUSC Modification Proposal**, in which case the procedures set out within CUSC 8.20 will be followed as required.

(v) if a change is not required after consideration by the **CUSC Modifications Panel**, the **Panel Chairman** will undertake the **CUSC Modifications Panel Recommendation Vote**.

Code Admin must present the proposed legal text changes

Panel have 3 choices:

- **Agree the change is typographical and instruct Code Admin to make the change under 8.23.4(i). Then we carry out Recommendation Vote; or**
- **Agree the change is not needed under 8.23.4(v). Then we carry out Recommendation Vote; or**
- **Under 8.23.4(iv), Direct Code Admin and Proposer to review the change or Agree to run a 2nd Code Administrator Consultation (and agree how long this is to be run for) or Ask for a Workgroup to be formed. Then re—issue the Draft Final Modification Report to Panel for Recommendation Vote.**

CMP382 Timeline

Milestone	Date
Panel undertake Draft Self Governance Modification Report vote	25 March 2022
Final Self Governance Modification Report issued to Panel to check votes recorded correctly (5 working days)	29 March 2022
Appeals Window (15 working days)	6 April 2022 to 29 April 2022
Implementation Date (5 working days)	9 May 2022


CMP382 - the asks of Panel

- **CONSIDER** the proposed changes to the legal text from Section 14.3.21 onwards
- **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 implement
 - *Does the CMP382 Original proposal better facilitate the objectives than the current CUSC arrangements?*
- **NOTE** next steps

EBR Article 3 Objectives

For reference, the Electricity Balancing Regulation (EBR) Article 3 (Objectives and regulatory aspects) are:

1. This Regulation aims at:
 - (a) Fostering effective competition, non-discrimination and transparency in balancing markets;
 - (b) enhancing efficiency of balancing as well as efficiency of national balancing markets;
 - (c) integrating balancing markets and promoting the possibilities for exchanges of balancing services while contributing to operational security;
 - (d) contributing to the efficient long-term operation and development of the electricity transmission system and electricity sector while facilitating the efficient and consistent functioning of day-ahead, intraday and balancing markets;
 - (e) ensuring that the procurement of balancing services is fair, objective, transparent and market-based, avoids undue barriers to entry for new entrants, fosters the liquidity of balancing markets while preventing undue market distortions;
 - (f) facilitating the participation of demand response including aggregation facilities and energy storage while ensuring they compete with other balancing services at a level playing field and, where necessary, act independently when serving a single demand facility;
 - (g) facilitating the participation of renewable energy sources and supporting the achievement of any target specified in an enactment for the share of energy from renewable sources.



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 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 left, there are several thin, curved lines that sweep downwards and to the right. On the right side, there are several thick, parallel diagonal lines that sweep upwards from the bottom left towards the top right. A horizontal yellow line runs across the bottom of the slide, with a small step-up on the right side.

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

AOB

- 1. April 2022 Panel Meeting (TM)***
- 2. Review Urgency and Send-Backs process (PM)***
- 3. Sanctions (JD)***

Next Panel Meeting

10am on 29 April 2022 at ESO Offices at Faraday House

Papers Day – 21 April 2022

Modification Proposals to be submitted by – 12 April 2022

TCMF – 7 April 2022

Close



Trisha McAuley

Independent Chair, CUSC Panel

national**grid**ESO