

Meeting 122

7 April 2022

**Transmission Charging
Methodologies Forum and
CUSC Issues Steering Group**

nationalgridESO

Agenda

- 1 Introduction, meeting objectives and review of previous actions **Jenny Doherty - NGESO** 10:30 - 10:35
 - 2 Code Administrator update **Paul Mullen - Code Administrator NGESO** 10:35 - 10:45
 - 3 BSUoS Operational Billing update **Heather Stratford - NGESO** 10:45 - 11:00
 - 4 FSO & Energy Code Reform **Jon Wisdom - NGESO** 11:00 - 11:10
 - 5 Offshore Transmission Network Review (OTNR): Offshore Co-ordination update **Amy Wong – NGESO** 11:10 - 11:25
 - 6 TDR update **Grahame Neale - NGESO** 11:25 - 11:40
 - 7 TNUoS Taskforce Verbal update **Grahame Neale - NGESO** 11:40 - 11:50
 - 8 AOB and Meeting Close **Jenny Doherty - NGESO** 11:50 - 12:00
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Review of previous actions

ID	Month	Agenda Item	Description	Owner	Notes	Target Date	Status
21-12	Dec 21	ESO Bad Debt Recovery	Update on BSUoS and TNUoS bad debt running total.	JM	Current balance £12m, with a forecast at year end of £14m	Apr 22	Open
22-1	Mar 22	Code Modifications update	Check TNUoS TCR impact guidance note issued by NGESO in October 2021 and to update TCMF via the TCMF mailing list when information available and update TCMF at next meeting.	JD	Advice was issued 7 March which can be found in the communication here	Apr 22	Open

Code Administrator update

Paul Mullen - Code Administrator



Authority Decisions Summary (as at 6 April 2022)

Authority decisions since last TCMF

Modification	What this does?	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	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.
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.	Decision was received, approving the Original proposal, on 25 March 2022. Will be implemented 3 May 2022.
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 decision approving the Original proposal received on 31 March 2022. Will be implemented 14 April 2022.

Authority Decisions Summary (as at 6 April 2022)

On 4 May 2021 (last updated 30 March 2022), Ofgem 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 [here](#)

Modification	What this seeks to achieve?	Decision Date / Anticipated Decision Date
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 now anticipated 3 May 2022 (formerly 31 March 2022) as confirmed at Panel on 25 March 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.	Ofgem advised at CUSC Panel on 25 March 2022 that they would be seeking to make a decision on 1 April 2022 but this has yet to be received and Code Admin are engaging with Ofgem re: revised decision date.

Authority Decisions Summary (as at 6 April 2022)

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Modification	What this seeks to achieve?	Decision Date / Anticipated Decision Date
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 and the Ex-Post Reconciliation within Section 14.17.37 of the CUSC to align with the updated definitions introduced by CMP368.	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.
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.

Authority Decisions Summary (as at 6 April 2022)

On 4 May 2021 (last updated 30 March 2022), Ofgem 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 [here](#)

Modification	What this seeks to achieve?	Decision Date / Anticipated Decision Date
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”)	Ofgem advised at CUSC Panel on 25 March 2022 that they would be seeking to make a decision on 13 May 2022.
CMP361/CMP362	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 (CMP361) and to facilitate the implementation of BSUoS Reform by introducing and updating required definitions into CUSC section 11 from CMP308 and CMP361 (CMP362)	Final Modification Report was sent to Ofgem on 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 and at Panel on 25 March 2022 confirmed that CMP308 decision will be 1 April 2022 and CMP361/362 decision will be 24 June 2022.

In Flight Modification Updates



Other key Modification Updates

Modification	What this does?	Latest
CMP286/287	Seeks to improve TNUoS predictability through increased notice of the Target Revenue (CMP286) and inputs (CMP287) used in the TNUoS Tariff Setting Process	2nd Workgroup Consultation was issued on 6 April 2022 and will close 5pm on 9 May 2022
CMP288/289	Seeks to recover additional costs incurred by Transmission Owners and TNUoS liable parties as a result of Transmission Owners completing transmission works earlier than the contracted Completion Date or the party connecting initiating a delay to the contracted Completion Date. The changes to the non-charging element of the CUSC are covered under CMP289.	2nd Workgroup Consultation was issued 28 March 2022 and will close 5pm on 27 April 2022.
CMP298	Seeks to introduce the process to facilitate aggregated assessment of relevant and collectively relevant embedded generation into the CUSC, which will sit alongside the current Statement of Works process.	Panel on 25 March 2022 recommended unanimously that all options better facilitated the CUSC Objectives than the current CUSC and there was a strong preference (8 out of 9 votes) for WACM3 (deemed acceptance by the ESO and no re-work fee). Final Modification Report was issued to Ofgem 6 April 2022.
CMP304	Seeks to enable reforms to commercial Reactive Power services that, in the Proposer's view would create new opportunities for providers.	Proposer agreed to postpone Workgroup on 24 March 2022 (to 25 April 2022) 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. Workgroup Report will be presented to Panel on June 2022 rather than April 2022 - Panel will be asked to agree the revised timeline.

Other key Modification Updates

Modification	What this does?	Latest
CMP315/375	CMP375 seeks to amend the calculation of the Expansion Constant & Expansion Factors to better reflect the growth of and investment in the National Electricity Transmission System (NETS), CMP315 is a related but separate change and seeks to review how the Expansion Constant is determined such that it best reflects the actual NETS costs as a result of locational decisions taken by generation and/or demand.	Workgroup Consultation is on course to be issued 12 April 2022 (closing 5pm on 13 May 2022) and Workgroup Report will be presented to July 2022 Panel.
CMP316	Generation sites which comprise multiple technology types within one Power Station are termed “co-located”. This modification will develop a cost-reflective methodology to allow the CUSC charging arrangements to accommodate the growing number of such sites.	Final Workgroup meeting 9 May 2022 to discuss legal text and hold Workgroup Vote and Workgroup Report will now be presented to May 2022 Panel rather than April Panel - April Panel will be asked to agree the revised timeline.
CMP330/374	To amend the definition of Connection Assets in section 14 of the CUSC to allow cable and overhead line lengths over 2km to be contestable where agreed between the Transmission Owner and the User.	Workgroup Meeting that is scheduled for 31 March 2022 will be postponed until 4 May 2022. This is to allow time for the ESO to complete the amendments to the CMP330/CMP374 legal text (and Workgroup to review) following feedback at Workgroup meeting on 16 March 2022.
CMP363/364	CMP363 seeks to clarify the TNUoS Demand Residual charging arrangements for transmission connected sites that have a mix of Final and non-Final Demand. CMP364 is to support CMP363 by changing Section 11 to add/amend/remove definitions as needed	Final Workgroup will be 27 April 2022 and seek to present Workgroup Report to May 2022 Panel. Revised timeline was agreed at March 2022 Panel.

Other key Modification Updates

Modification	What this does?	Latest
CMP380	To remove any gender specific references or terminology within the CUSC.	Will be implemented into CUSC on 9 March 2022.
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”.	Appeals Window was opened on 6 April 2022 and will close 5pm on 29 April 2022. If no appeals are received, this will be implemented into CUSC on 9 May 2022.
CMP385	CUSC Section 15 is need of a review and the Energy Networks Association have identified a number of issues that may have an impact on securities and liabilities for Generators and Demand Users	The Panel met on 25 March 2022 and raised concerns predominantly on the scope of the issue and invited the Proposer (under CUSC 8.19.2) to further develop CMP385 before presenting this and/or additional Modifications to a subsequent meeting of the CUSC Panel.
CMP386	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	CUSC Panel 25 March 2022 agreed to the withdrawal of CMP386.
CMP387	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	CUSC Panel 25 March 2022 agreed to the withdrawal of CMP387.

For updates on all “live” Modifications please visit our “Modification Tracker” [here](#)

2022 Dates

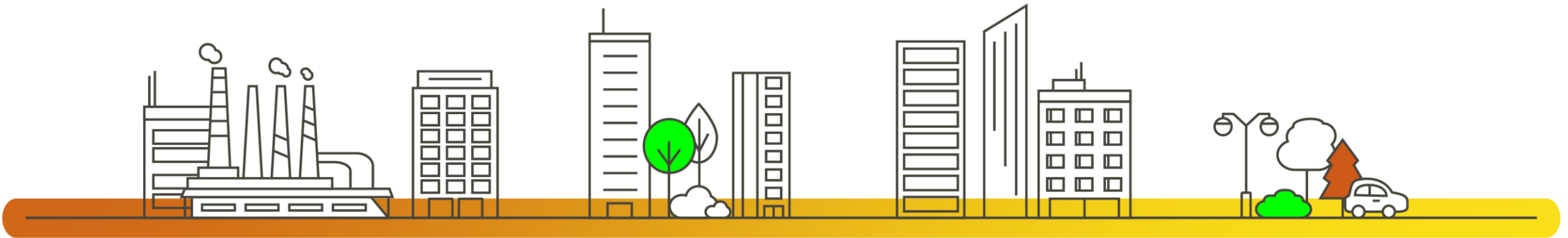


CUSC 2022 - Panel dates

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

BSUoS Operational Billing update

Heather Stratford



BSUoS Operational Billing update

- Recent delays with invoices
 - Invoices were delayed to 5.05pm on 22/03/22
 - Issue with our invoicing system affecting all users whereby it had to be taken down for a fix to be implemented.
 - The above issue impacted the VDD collection for one day's BSUoS invoicing, further detail on this in our comms [here](#).
- CMP381 credit notes have been issued and February's were paid yesterday 06/03/22
 - The current deferral amount stands at £43.9m
 - Recovery will begin on this for the 03/05/22 settlement day (invoiced 26/05/22)
- We have a new payment calendar released for 2022/23 available on the website [here](#).
- Includes an extended SAP shutdown over the Easter weekend
 - SF runs for 22/03/22 and 23/03/22 will be billed 20/04/22, payment date 25/04/22
 - RF runs for 23/02/21 and 24/02/21 will be billed 20/04/22, payment date 25/04/22
- For further information on the above or anything else BSUoS billing related, please contact me directly at heather.stratford@nationalgrideso.com or the wider team at bsuos.queries@nationalgrideso.com
- To receive our comms and updates, please sign up to our mailing list [here](#).

Date	Status
Monday 11/04/2022	BSUoS Billing
Tuesday 12/04/2022	BSUoS Billing
Wednesday 13/04/2022	BSUoS Billing
Thursday 14/04/2022	System Outage
Friday 15/04/2022	Bank Holiday
Saturday 16/04/2022	Weekend
Sunday 17/04/2022	Weekend
Monday 18/04/2022	Bank Holiday
Tuesday 19/04/2022	System Outage
Wednesday 20/04/2022	BSUoS Billing
Thursday 21/04/2022	BSUoS Billing
Friday 22/04/2022	BSUoS Billing

FSO & Energy Code Reform

Jon Wisdom



Offshore Transmission Network Review (OTNR): Offshore Co-ordination update

Amy Wong



November Workshops

In November 2021, we held five code workshops on, the purpose of these workshops were to:

- to share our current thinking on the impacts to codes.
- discuss and obtain industry feedback on the challenges and enablers.
- collaborate with the industry on identifying and prioritising the themes to codes.

Following the workshops, industry agrees:

SQSS and Grid Code

- ✓ Generally, no/minimal change is needed for non-MPI concepts.
- ✓ Change needed is dependant on individual Early Opportunities design or Holistic Network Design.
- ✓ Determine change for MPI once there is more information on how it is designed.

STC

- ✓ No change needed unless licence changes for licencee's.
- ✓ To be reviewed under Pathway to 2030 under the delivery models.

BSC

- ✓ Consequential change may be required dependant on change to other CUSC principles.
- ✓ Engagement with Elexon.

CUSC

- ✓ Change may be needed for section 13, 14 and 15. Require detail scenarios and assumptions.
- ✓ Other sections have no/minimal change.

April Charging Workshop

Following the CUSC 14 November Workshop, we have identified three Charging code modifications that need to be raised:

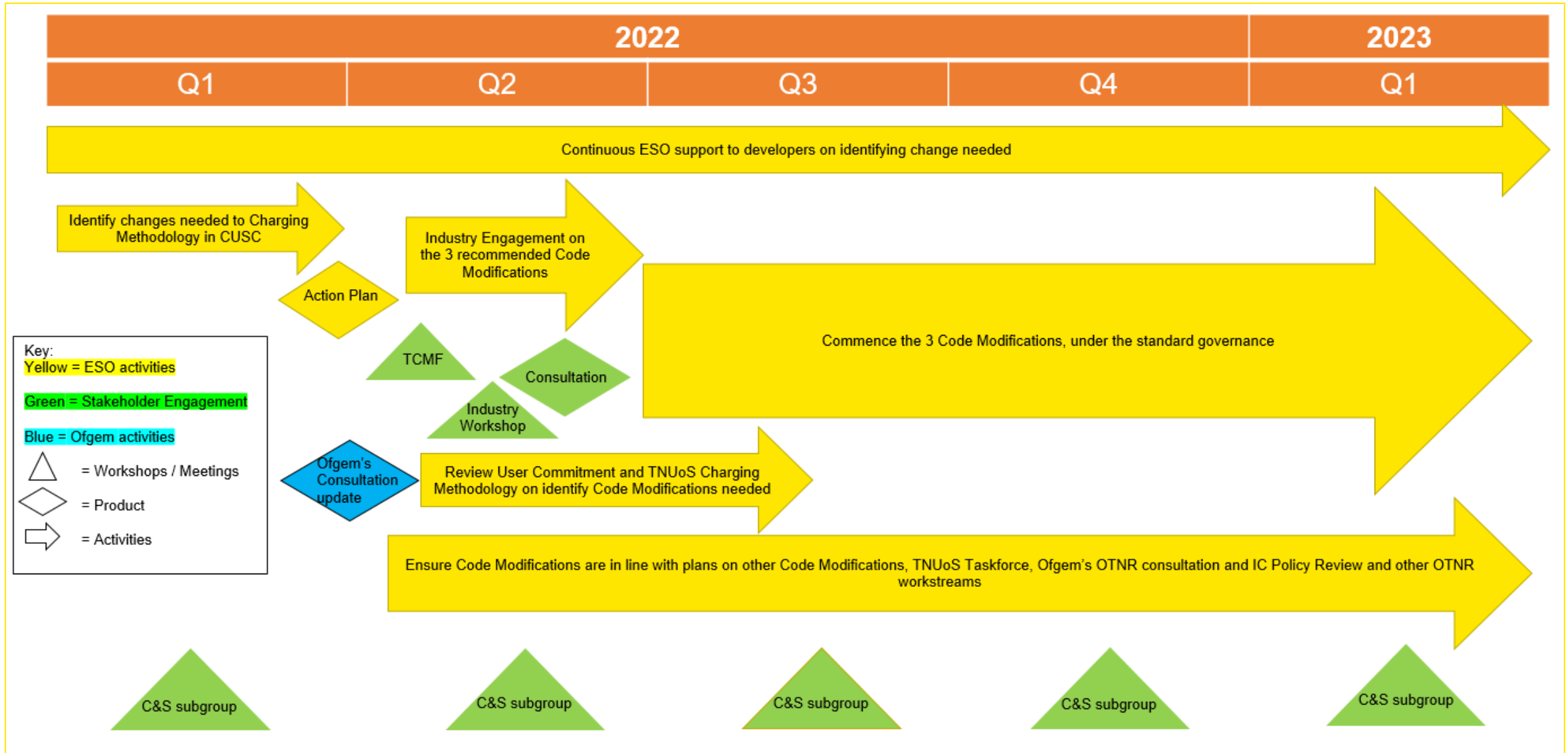
1. The allocation of charges between two or more users when sharing the same offshore circuits and substation, under the Charging Methodology.
2. Clarity of which wider tariff is applied, when a user is connecting to two Main Interconnected Transmission System (MITS) nodes that are in different zones (i.e. under a bootstrap concept), under the Charging Methodology.
3. Under a generator build option, when a user is building the OFTO assets for the connection of multiple users and are connected at various times

We would like to invite you to a workshop on **April 27th 9am – 12:30am** to discuss these code changes particularly:

- What the code changes are
- Why the modification is needed and why raise them now
- What the possible solutions are
- Next steps

The ESO will share our preference but we welcome industry views and discussion.

Next Steps

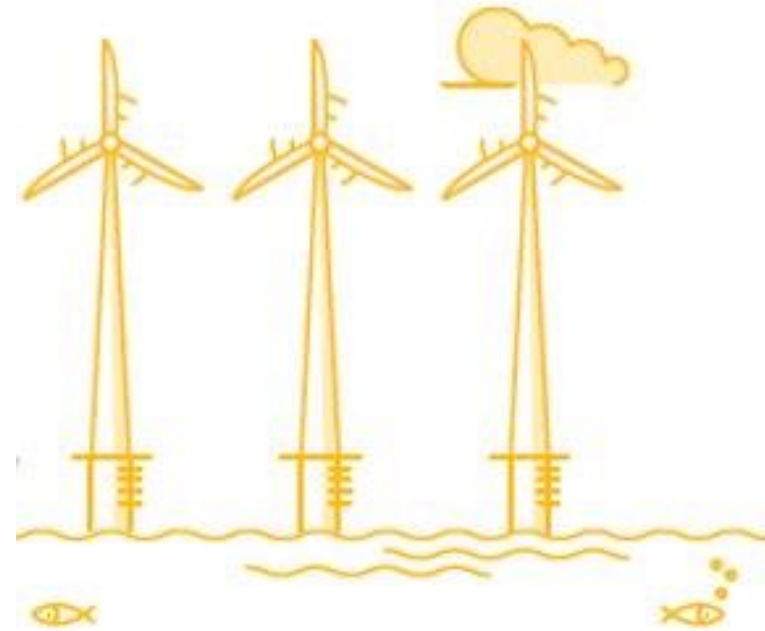


Thank you!

Please register your interest in the workshop by completing the Microsoft form linked below:

[Register Interest for ESO Offshore Coordination CUSC 14 Workshop \(office.com\)](#)

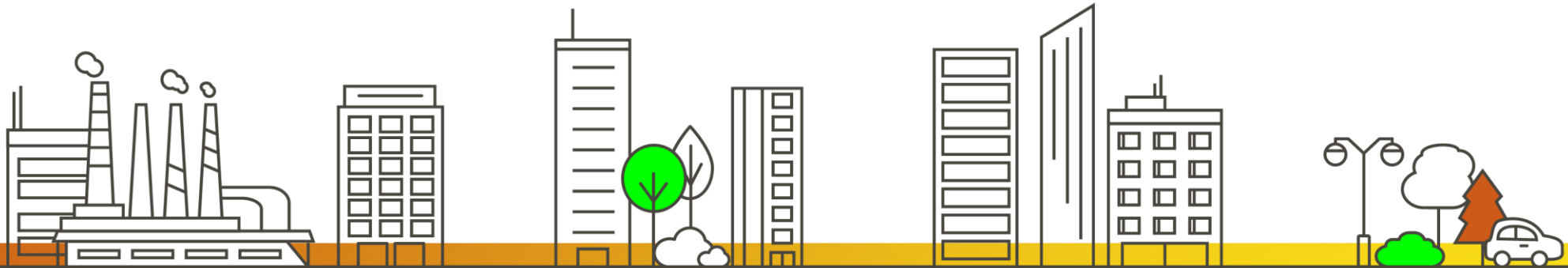
- If you have any questions, please email box.OffshoreCoord@nationalgridESO.com



TDR update

Grahame Neale

grahame.neale@nationalgrideso.com



Transmission Demand Residual (TDR) update

- As part of Ofgem's decision on the Targeted Charging Review, numerous changes were [proposed to the TDR](#).
- NGENSO raised various CUSC modifications (CMP334/5/6 & CMP340/3) to develop these changes, [Ofgem made their decision](#) on the remaining CUSC modifications on 10th March.
- Summary of the decision;
 1. A £/site/day tariff based on voltage and percentiles – aligned to DUoS.
 2. Locational tariffs floored at £0
 3. 4 bands for transmission connected sites
 4. Some follow up changes required (next slide)
 5. April 2023 implementation

TDR additional/potential modifications

Ofgem requested changes

1. Mixed Use Sites (CMP363/4) – already raised and in workgroup.
2. Clarify how consumption data is used and tweak how new sites are allocated to bands. To be raised this month (to Code Admin Consultation) for April 2023 implementation.
3. Reanalyse the band boundaries for the 4 transmission bands. To be raised this month (to Code Admin Consultation?) for April 2023 implementation.
4. Document process for re-evaluating number and boundary of transmission bands for RIIO-3. To be raised later for April 2025(?) implementation via workgroup.

Other enhancements

- a) Clarifications/corrections as presented at [Nov 2021 TCMF](#). Incorporate in to (2) above.
- b) Remove the need for Suppliers to forecast (and NGENSO to validate) volumes for locational tariffs. TBC when raised but aspirational implementation date of April 2023 via workgroup.
- c) Align ex-post reconciliation process to the TDR methodology. TBC when raised but aspirational implementation date of April 2025 via workgroup.

TNUoS Taskforce verbal update

Grahame Neale

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AOB & Close

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