

CUSC Panel

Friday 29 April 2022

National Grid ESO Offices, Faraday House

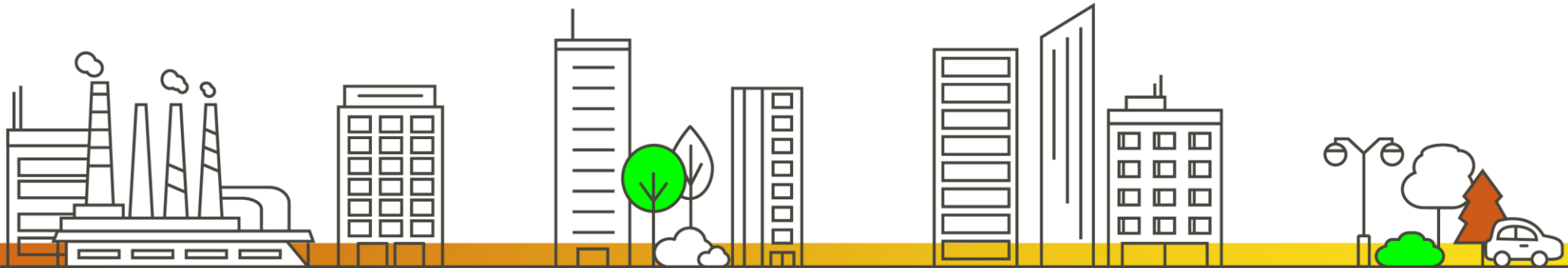
WELCOME

A wide-angle landscape photograph featuring a valley with a winding river and several bright, glowing orange-yellow lines that curve across the terrain, suggesting energy or data flow. In the background, large, rugged mountains are partially covered in snow under a dramatic, cloudy sky with sunlight breaking through.

nationalgridESO

Approval of Panel Minutes

Approval of Panel Minutes from the
Meetings held 25 March 2022



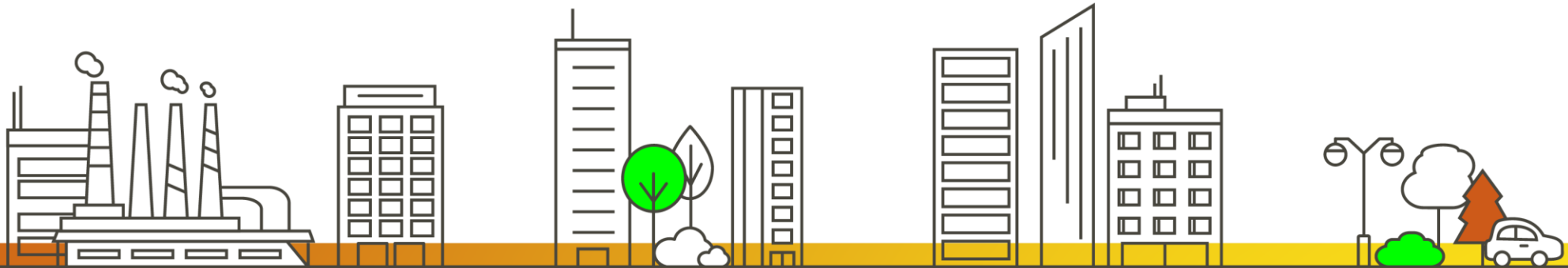
Actions Log

Review of the actions log



Chair's Update

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



Authority Decisions (as at 28 April 2022)



Decisions Received since last Panel meeting

- ❑ **CMP383** (Decision was received, approving the Original proposal, on 25 March 2022. Will be implemented 3 May 2022)
- ❑ **CMP377** (Decision was received, approving the Original proposal, on 31 March 2022. Implemented on 14 April 2022)
- ❑ **CMP308** (Ofgem decision received on 25 April 2022, approving the CMP308 Original. Implementation Date is 1 April 2023)

Decisions Pending

- ❑ **CMP292** (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).
- ❑ **CMP300** (Ofgem advised at CUSC Panel on 25 March 2022 that they would be seeking to make a decision on 13 May 2022)
- ❑ **CMP328** (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 (Code Administrator Consultation to be run from 28 April to 20 May 2022). Ofgem's latest expected decision dates table (published on 7 April 2022) confirms that there is currently no firm date for a decision)

Authority Decisions (as at 28 April 2022)



Decisions Pending

- ❑ **CMP361/362** (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, this is not possible so CMP308 decision will be 14 April 2022 and CMP361/362 decision will be 24 June 2022)
- ❑ **CMP368/369** (Ofgem's latest expected decision dates table (published on 7 April 2022) confirms that there is currently no firm date for a decision).
- ❑ **CMP371** (Ofgem decision is now anticipated 3 May 2022 (formerly 31 March 2022) as confirmed at Panel on 25 March 2022)

Received Final Modification Reports since last Panel Meeting

- ❑ **CMP298** (Final Modification Report was issued to Ofgem 6 April 2022)

New modifications submitted



**CMP388: Transmission Demand Residual (TDR)
Minor Clarifications**

**CMP389: Transmission Demand Residual (TDR)
Band Boundaries**

Grahame Neale – National Grid ESO

Critical Friend Feedback – CMP388

Code Administrator comments	Amendments made by the Proposer
<p>Proposed and added timeline – flagged that a decision by 1 October 2022 would not be possible if this goes to Workgroup.</p> <p>Flagged possible Workgroup risk but noted that the Proposer is seeking this to go straight to Code Administrator Consultation – note we have prepared timelines for both scenarios.</p> <p>Asked that the proposed legal text changes are clear.</p> <p>Defined additional acronyms and suggested grammatical changes.</p>	<p>Proposer accepted all amendments made by the Code Administrator and noted Code Administrator comment on possible Workgroup risk.</p>

Critical Friend Feedback – CMP389

Code Administrator comments	Amendments made by the Proposer
<p>Proposed and added timeline – flagged that a decision by 1 October 2022 would not be possible if this goes to Workgroup.</p> <p>Suggested that this may need Workgroup. However, noted that the Proposer is seeking this to go straight to Code Administrator Consultation – note we have prepared timelines for both scenarios.</p> <p>Asked that the proposed legal text changes are clear.</p> <p>Defined additional acronyms and suggested grammatical changes.</p>	<p>Proposer accepted all amendments made by the Code Administrator apart from proposed amendment from Code Administrator Consultation to Workgroup.</p>

CMP388 & CMP389 Context

- Following the Targeted Charging Review, NGE SO raised various CUSC mods to implement the decision. Ofgem recently made decisions on CMP336 and CMP343
- As part of these decisions, Ofgem stated they expected additional clarity to be provided in some parts of the solution.
- At 25th November 2021 TCMF NGE SO also identified additional changes that may be beneficial. Some of these incorporated in to CMP388.

Paragraph 14.17.20

CMP336 submitted legal text erroneously removes the HH Gross Demand element from the demand forecast

Submitted CMP336 legal text

14.17.20 Throughout the year, Users' monthly demand charges will be based on:
a. the User's Demand Forecast which will consist of:
• half-hourly metered embedded export to be supplied during the Triad for each BM Unit, multiplied by the relevant zonal E/W tariff; and
• non-half hourly metered energy to be supplied over the period 16:00 hrs to 19:00 hrs inclusive every day over the Financial Year for each BM Unit, multiplied by the relevant zonal p/kWh tariff
b. Final Demand Site Count Forecast for the latest day (that The Company has data available for) multiplied by the relevant E/Site/Day Transmission Demand Residual Tariff for the relevant Charging Band.
c. the Unmetered Supply Volume Forecast for the latest day (that The Company has data available for) multiplied by the UMS Tariff.

Proposed revised legal text

14.17.20 Throughout the year, Users' monthly demand charges will be based on:
a. For HH Charges the Users Demand Forecast half-hourly metered gross demand to be supplied during the Triad for each BM Unit, multiplied by the relevant zonal E/W tariff; and where this results in a positive value the Users Demand Forecast half-hourly metered embedded export to be supplied during the Triad for each BM Unit, multiplied by the relevant zonal E/W tariff.
b. For NHH Charges the Users Demand Forecast non-half hourly metered energy to be supplied over the period 16:00 hrs to 19:00 hrs inclusive every day over the Financial Year for each BM Unit, multiplied by the relevant zonal p/kWh tariff
c. for FDSC Charges the Final Demand Site Count Forecast based on the latest day (that The Company has data available for) multiplied by the relevant E/Site/Day Transmission Demand Residual Tariff for the relevant Charging Band.
d. for the UMS Charges the Unmetered Supply Volume Forecast based on the latest day (that The Company has data available for) multiplied by the UMS Tariff.

Paragraph 14.17.25

Initial Reconciliation of demand charges

14.17.24 14.17.25 The initial reconciliation process compares Users' demand forecasts, The Company's FDSC Forecast and Unmetered Supply Volume Forecast and to the corresponding monthly charges paid over the year against actual outturn data (using latest Settlement data available at the time) and corresponding charges. Initial reconciliation is carried out in three parts: Initial Reconciliation Part 1 deals with the reconciliation of half-hourly metered demand charges, and Initial Reconciliation Part 2 deals with the reconciliation of non-half-hourly metered demand charges and Initial Reconciliation Part 3 deals with the reconciliation of Transmission Demand Residual charges.

The replacement of "and" with "to the" in the first sentence of this paragraph inadvertently alters its meaning and should remain unchanged.

Modification	Sections	Potential issues
CMP336	14.15.143	Paragraphs 2 i) and ii) could provide more clarity that data referred to is consumption data. Paragraph 2 ii) could make clearer that the mean average of available data should be used. Clarification may be beneficial as to what is meant by latest data.
CMP336	14.15.150	Text suggests "Charging Banding Interventions" are found at 14.15.153, which should be 14.15.147.
CMP336	General	End dates or definition / clarification of latest data may be beneficial.
CMP343		End dates or definition of data to be used in allocation may be beneficial.
CMP343	14.15.137	More clarity on the consumption data used, how long it is valid for and how it is reviewed may be beneficial.
CMP343	14.15.138	More clarity on timescales may be beneficial.
CMP343	14.15.139	More clarity on the consumption data used, how long it is used for and how it is reviewed may be beneficial.

CMP388 - Summary

- CMP388 looks to make most of the changes identified in the previous slide;
 1. How consumption data will be used and how long it will be valid for in paragraphs 14.15.137 to 14.15.139.
 2. That paragraphs 14.15.143 2(i) and 14.15.143 2(ii) both relate to consumption data and what is meant by 'latest' data.
 3. A mean average will be used for 14.15.143 2(ii)
 4. Add clarity in 14.15.143 2(iii) to ensure NGESO use all information when allocating new sites to bands.
 5. Correct a reference in 14.15.150 and typo in 14.17.25
 6. Clarification (to 14.17.20) that the Demand Forecast includes both HH and NHH (as today).
- These changes only affect Transmission connected sites

CMP389 - Summary

- Paragraph 3.12 of the CMP343 decision asked NGESO to *“to examine the location of the band boundaries (in terms of the percentiles that the boundary falls between)...Such a review of the distribution of sites across charging bands may allow band boundaries to be drawn in such a way as to help avoid clustering of similar sites either side of a given boundary”*.
- Following this review, CMP389 looks to revise the band boundary between the 3rd and 4th bands from 85th to 93rd percentile only (i.e. no other boundaries will change).
- Analysis supporting this review is included in the proposal form, including tariff impacts.
- Only affects Transmission connected sites in bands 3 or 4.

CMP388 & CMP389 - Governance route & implementation

- It's suggested that both CMP388 and CMP389 both progress straight to Code Administrator Consultation as;
 1. Changes are defined and self-evident (as per legal text in proposal forms) as they are implementing changes as identified by Ofgem.
 2. Implementation for 1 April 2023 (as per Ofgem's decision) will mean a decision is needed in October 2022 for draft tariffs (or January 2023 for final tariffs). This is difficult if progressed via Workgroup.
 3. Deciding quickly will give industry the most time to adapt to these proposals.
- NGESO still under licence direction to implement these for 1 April 2023

Timeline for CMP388 – Proposed Standard Timeline – If Code Administrator Consultation

Milestone	Date
Modification presented to Panel	29 April 2022
Code Administrator Consultation (15 working days)	6 May 2022 to 27 May 2022 (5pm)
Draft Final Modification Report (DFMR) issued to Panel	16 June 2022
Panel undertake DFMR recommendation vote	24 June 2022
Final Modification Report issued to Panel to check votes recorded correctly	28 June 2022
Final Modification Report issued to Ofgem	6 July 2022
Ofgem decision	By 31 October 2022
Implementation Date	1 April 2023

CMP388 – the asks of Panel if Code Administrator Consultation

- **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 Code Administrator Consultation
- **NOTE** that there appear not to be any impacts on the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the CUSC
- **NOTE** the proposed timeline

Timeline for CMP388 – Proposed Standard Timeline – If Workgroup

Milestone	Date	Milestone	Date
Modification presented to Panel	29 April 2022	Panel sign off that Workgroup Report has met its Terms of Reference	26 August 2022
Workgroup Nominations (15 working days)	3 May 2022 to 24 May 2022	Code Administrator Consultation (15 working days)	30 August 2022 to 20 September 2022 (5pm)
Workgroup 1 (assuming at least Medium to High in prioritisation stack) Understand proposal and issue, review legal text, identify if any alternatives, agree timeline, agree and review terms of reference, agree next steps	1 June 2022	Draft Final Modification Report (DFMR) issued to Panel	22 September 2022
Workgroup 2 – agree legal text, finalise Workgroup Consultation and Workgroup Consultation questions	20 June 2022	Panel undertake DFMR recommendation vote	30 September 2022
Workgroup Consultation (15 working days)	27 June 2022 to 18 July 2022 (5pm)	Final Modification Report issued to Panel to check votes recorded correctly	3 October 2022
Workgroup 3 - Review Workgroup Consultation Responses and any alternatives, finalise solution(s) and legal text	26 July 2022	Final Modification Report issued to Ofgem	11 October 2022
Workgroup 4 - Finalise Workgroup Report and hold Alternative and Workgroup Vote	9 August 2022	Ofgem decision	By 31 October 2022
Workgroup report issued to Panel	18 August 2022	Implementation Date	1 April 2023

CMP388 – the asks of Panel if Workgroup

- **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 and that we propose to run CMP388 and CMP389 Workgroups on the same day but they are separate Modifications

Timeline for CMP389 – Proposed Standard Timeline – If Code Administrator Consultation

Milestone	Date
Modification presented to Panel	29 April 2022
Code Administrator Consultation (15 working days)	6 May 2022 to 27 May 2022 (5pm)
Draft Final Modification Report (DFMR) issued to Panel	16 June 2022
Panel undertake DFMR recommendation vote	24 June 2022
Final Modification Report issued to Panel to check votes recorded correctly	28 June 2022
Final Modification Report issued to Ofgem	6 July 2022
Ofgem decision	By 31 October 2022
Implementation Date	1 April 2023

CMP389 – the asks of Panel if Code Administrator Consultation

- **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 Code Administrator Consultation
- **NOTE** that there appear not to be any impacts on the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the CUSC
- **NOTE** the proposed timeline

Timeline for CMP389 – Proposed Standard Timeline – If Workgroup (same day as CMP388)

Milestone	Date	Milestone	Date
Modification presented to Panel	29 April 2022	Panel sign off that Workgroup Report has met its Terms of Reference	26 August 2022
Workgroup Nominations (15 working days)	3 May 2022 to 24 May 2022	Code Administrator Consultation (15 working days)	30 August 2022 to 20 September 2022 (5pm)
Workgroup 1 (assuming at least Medium to High in prioritisation stack) Understand proposal and issue, review analysis, identify if any alternatives, agree timeline, agree and review terms of reference, agree next steps	2 June 2022	Draft Final Modification Report (DFMR) issued to Panel	22 September 2022
Workgroup 2 – review any further analysis, finalise Workgroup Consultation and Workgroup Consultation questions	20 June 2022	Panel undertake DFMR recommendation vote	30 September 2022
Workgroup Consultation (15 working days)	27 June 2022 to 18 July 2022 (5pm)	Final Modification Report issued to Panel to check votes recorded correctly	3 October 2022
Workgroup 3 - Review Workgroup Consultation Responses and any alternatives, finalise solution(s) and legal text	26 July 2022	Final Modification Report issued to Ofgem	11 October 2022
Workgroup 4 - Finalise Workgroup Report and hold Alternative and Workgroup Vote	9 August 2022	Ofgem decision	By 31 October 2022
Workgroup report issued to Panel	18 August 2022	Implementation Date	1 April 2023

Timeline for CMP389 – Proposed Standard Timeline – If Workgroup (same day as CMP388)

Milestone	Date	Milestone	Date
Modification presented to Panel	29 April 2022	Panel sign off that Workgroup Report has met its Terms of Reference	26 August 2022
Workgroup Nominations (15 working days)	3 May 2022 to 24 May 2022	Code Administrator Consultation (15 working days)	30 August 2022 to 20 September 2022 (5pm)
Workgroup 1 (assuming at least Medium to High in prioritisation stack) Understand proposal and issue, review analysis, identify if any alternatives, agree timeline, agree and review terms of reference, agree next steps	2 June 2022	Draft Final Modification Report (DFMR) issued to Panel	22 September 2022
Workgroup 2 – review any further analysis, finalise Workgroup Consultation and Workgroup Consultation questions	20 June 2022	Panel undertake DFMR recommendation vote	30 September 2022
Workgroup Consultation (15 working days)	27 June 2022 to 18 July 2022 (5pm)	Final Modification Report issued to Panel to check votes recorded correctly	3 October 2022
Workgroup 3 - Review Workgroup Consultation Responses and any alternatives, finalise solution(s) and legal text	26 July 2022	Final Modification Report issued to Ofgem	11 October 2022
Workgroup 4 - Finalise Workgroup Report and hold Alternative and Workgroup Vote	9 August 2022	Ofgem decision	By 31 October 2022
Workgroup report issued to Panel	18 August 2022	Implementation Date	1 April 2023

CMP389 – the asks of Panel if Workgroup

- **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 and that we propose to run CMP388 and CMP389 Workgroups on the same day but they are separate Modifications

New modifications submitted

CMP390: Updating application forms to enable disclosure of information to government for purposes of the National Security and Investment (NSI) Act 2021

Karen Thompson-Lilley (on behalf of Claire Huxley) –
National Grid ESO



Critical Friend Feedback – CMP390

Code Administrator comments	Amendments made by the Proposer
<p>Proposed and added timeline.</p> <p>Added additional wording and formatting changes to the solution section, to provide additional clarity.</p> <p>Advised that a reference to the NSI Act 2021 was needed to provide additional context and support.</p> <p>Sought clarification on how new/existing Users would be effected and suggested wording to reflect this within the implementation approach.</p> <p>Requested a review of CUSC Standard objective (b) to see if this needed amending from neutral to positive.</p> <p>Defined additional acronyms and suggested grammatical changes.</p>	<p>Proposer accepted all amendments made by the Code Administrator.</p>

CMP390 Background

Updating application forms to enable disclosure of information to government for purposes of the National Security and Investment (NSI) Act 2021

Purpose of the Modification

- The [National Security and Investment \(NSI\) Act 2021](#) enables Government to scrutinise the acquisition of rights in entities and assets and intervene where there is a risk to national security.
- This modification seeks to amend the CUSC application forms to recognise and provide consent to ESO sharing information about the applicant with Government. Currently, the ESO is bound by confidentiality agreements in the CUSC.
- This enables BEIS to carry out any initial national security checks in line with the NSI Act and identify any issues at an early opportunity.
- Not all applications will need to be shared as it is expected thresholds will be agreed with BEIS
- It will only impact new applications after the implementation date and will not impact users who are currently connected or have a current connection agreement

Governance Route

- We are seeking a decision from Panel on the governance route to be taken
- We propose this proceeds to Code Administrator Consultation (CAC)

Proposed Solution - Legal Text Changes

The following CUSC application forms will require legal text changes to recognise and provide consent to ESO sharing information about the applicant with the Government.

- CUSC Exhibit B – Connection Application
- CUSC Exhibit D – BEGA Application
- CUSC Exhibit I – Modification Application

Legal text changes are set out in further detail in the Appendix



Appendix – Legal Text Detail

Changes shown in red text

Legal Text Changes: CUSC – Exhibit B

Notes: 8. is now 8(a) and 8(b) has been added as follows:

8. In the course of processing the application it may be necessary:

(a) for The Company to consult the appropriate Public Distribution System Operator(s) on matters of technical compatibility of the National Electricity Transmission System with their Distribution System(s) or to consult the Relevant Transmission Licensees to establish the works required on the National Electricity Transmission System or to release information to The Authority in accordance with the Transmission Licence. On grounds of commercial confidentiality The Company shall need authorisation for the release to the Public Distribution System Operator(s) or Relevant Transmission Licensees or The Authority of certain information contained in the application. Any costs incurred by The Company in consulting the Public Distribution System Operator(s) or Relevant Transmission Licensees would be included in The Company Charges for the application. If it is found by the Public Distribution System Operator(s) that any work is required on their Distribution System(s) (except in the case of an Application for a New Connection Site located in Offshore Waters), then it will be for the Public Distribution System Operator(s) and the Applicant to reach agreement in accordance with Paragraph 6.10.3 of the CUSC; or

(b) for The Company to share with the relevant Competent Authority information from the application relevant in the consideration of control of qualifying assets under (and as defined in) the National Security and Investment Act 2021.

Legal Text Changes: CUSC – Exhibit B

Connection Application: 4. now states:

4. We authorise the release of certain information, on the grounds of commercial confidentiality, (a) to the appropriate Public Distribution System Operator(s) or to the Relevant Transmission Licensee, or to the Authority in order to comply with The Company's obligations with respect to the Offshore Tender Process, should it be considered necessary and (b) to the relevant Competent Authority relevant in the consideration of control of qualifying assets under (and as defined in) the National Security and Investment Act 2021.

Legal Text Changes: CUSC – Exhibit D

Notes: 8. is now 8(a) and 8(b) has been added as follows:

8. In the course of processing your application, it may be necessary:

- (a) for The Company to consult the appropriate Public Distribution System Operator(s) on matters of technical compatibility of the National Electricity Transmission System with their Distribution System(s) or to consult the Relevant Transmission Licensees to establish the works required on the National Electricity Transmission System. On grounds of commercial confidentiality The Company shall need your authorisation to the release to the Public Distribution System Operator(s) or the Relevant Transmission Licensees of certain information contained in your application. Any costs incurred by The Company in consulting the Public Distribution System Operator(s) or Relevant Transmission Licensees would be included in The Company Charges for the application. If it is found by the Public Distribution System Operator(s) that any work is required on their Distribution System(s), then it will be for the Public Distribution System Operator(s) and the Applicant to reach agreement in accordance with Paragraph 6.10.3 of the CUSC; or
- (b) for The Company to share with the relevant Competent Authority information from the application relevant in the consideration of control of qualifying assets under (and as defined in) the National Security and Investment Act 2021.

Legal Text Changes: CUSC – Exhibit D

Use of System Application. 4. now states:

4. We authorise the release of certain information, on the grounds of commercial confidentiality, (a) to the appropriate Public Distribution System Operator(s) or Relevant Transmission Licensees should it be considered necessary and (b) to the relevant Competent Authority relevant in the consideration of control of qualifying assets under (and as defined in) the National Security and Investment Act 2021.

Legal Text Changes: CUSC – Exhibit I

Notes: 8. is now 8(a) and 8(b) has been added as follows:

8. In the course of processing the application, it may be necessary:

(a) for The Company to consult the appropriate Public Distribution System Operator(s) on matters of technical compatibility of the National Electricity Transmission System with their Distribution System(s) or to consult the Relevant Transmission Licensees to establish the works required on the National Electricity Transmission System. On grounds of commercial confidentiality, The Company shall need authorisation for the release to the Public Distribution System Operator(s) or Relevant Transmission Licensees of certain information contained in your application. Any costs incurred by The Company in consulting the Public Distribution System Operator(s) or Relevant Transmission Licensees would be included in The Company charges for the application. If it is found by the Public Distribution System Operator(s) that any work is required on their Distribution System(s), then it will be for the Public Distribution System Operator(s) and the Applicant to reach agreement in accordance with Paragraph 6.10.3 of the CUSC; **or**

(b) for The Company to share with the relevant Competent Authority information from the application relevant in the consideration of control of qualifying assets under (and as defined in) the National Security and Investment Act 2021.

Legal Text Changes: CUSC – Exhibit I

Modification Application. 4. now states:

4. We authorise the release of certain information, on the grounds of commercial confidentiality, (a) to the appropriate Public Distribution System Operator(s) or Relevant Transmission Licensees should it be considered necessary and (b) to the relevant Competent Authority relevant in the consideration of control of qualifying assets under (and as defined in) the National Security and Investment Act 2021.

Timeline for CMP390 – Proposed Standard Timeline – Code Administrator Consultation

Milestone	Date
Modification presented to Panel	29 April 2022
Code Administrator Consultation (15 working days)	6 May 2022 to 27 May 2022 (5pm)
Draft Final Modification Report (DFMR) issued to Panel	16 June 2022
Panel undertake DFMR recommendation vote	24 June 2022
Final Modification Report issued to Panel to check votes recorded correctly	28 June 2022
Final Modification Report issued to Ofgem	6 July 2022
Ofgem decision	TBC
Implementation Date	10 working days after Authority decision

CMP390 – 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 Code Administrator Consultation
- **NOTE** that there appear not to be any impacts on the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the CUSC
- **NOTE** the proposed timeline

BREAK





In Flight Modification Updates

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

Dashboard – CUSC (as at 28 April 2022)

Category	Nov	Dec	Jan	Feb	Mar	Apr
New Modifications	1	1	1	2	3	3
In-flight Modifications (includes those on hold but not New Modifications)	40	41	42	43	43	45
Modifications issued for Workgroup consultation	0	2 (CMP330/374 and CMP381)	0	2 (CMP316, CMP304)	1 (CMP288/289)	2 (CMP286/287 and CMP315/375)
Modifications issued for Code Administrator Consultation	0	3 (CMP380, CMP361/362 and CMP381)	3 (CMP381, CMP300, CMP298)	3 (CMP361/362, CMP383, CMP382)	0	0
Workgroups held	10	9	7	5	7	3
Authority Decisions	0	0	1 (CMP381)	0	6 (CMP343, CMP340, CMP335 and CMP336, CMP383 and CMP377)	1 (CMP308)
Implementations	0	0	1 (CMP381)	0	1 (CMP380)	1 (CMP377)
Modifications Withdrawn	2 (CMP358 and CMP359)	0	0	0	2 (CMP386 and 387)	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	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)	2 (CMP304 – Proposer happy to delay and CMP330/374 – Legal Text)	1 (CMP304 – Proposer happy to delay)

Ask of Panel: Are Panel content that this is no longer needed?

In flight Modifications – the asks of Panel

CMP304

Workgroup Consultation opened on 17 February 2022 and closed 5pm on 10 March 2022 with 3 non-confidential responses received. Proposer agreed to postpone Workgroup on 24 March 2022 until after ESO published their recommendations on next steps for the future of a Reactive Power Market (and held webinar) as Workgroup Consultation responses did not provide any firm conclusions for CMP304 Original. Next Workgroup will therefore be 26 May 2022. Workgroup Report will be presented to Panel on July 2022 rather than April 2022

- **Panel will be asked to agree the revised timeline.**

CMP330/374

Workgroup Meeting that was scheduled for 31 March 2022 will be postponed until 17 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. This means the Workgroup Report will be presented to Panel in June 2022 rather than April 2022 - **Panel will be asked to agree the revised timeline.**

CMP384

Workgroup met on 20 April 2022 and proposed an additional Terms of Reference. **Ask of Panel is to agree to this additional Terms of Reference.**

Timeline for CMP304 V7 as of 12 April 2022

Milestone	Date	Milestone	Date
Restart Workgroup 1 (re-education of proposal and solution, agree timeline and terms of reference)	8 November 2021	Code Administrator Consultation (20 day consultation)	28 June 2022 to 19 July 2022 2 August 2022 to 31 August 2022
Restart Workgroup 2 and 3 (finalise solution to be consulted on, agree alternatives and agree Workgroup Consultation questions)	15 December 2021 and 1 February 2022	Draft Final Modification Report (DFMR) issued to Panel	21 July 2022 22 September 2022
Workgroup Consultation (15 Working Days)	17 February 2022 to 10 March 2022	Panel undertake DFMR recommendation vote	29 July 2022 30 September 2022
Restart Workgroup 4 - Assess Workgroup Consultation Responses and any alternatives + hold alternative vote	24 March 2022 25 April 2022 26 May 2022	Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	4 August 2022 4 October 2022
Restart Workgroup 5 and 6 – finalise solutions, review terms of reference, hold Workgroup Vote	8 June 2022 & 28 June 2022 12 July 2022 – (Showstopper if needed)	Final Modification Report issued to Ofgem	12 August 2022 12 October 2022
Workgroup report issued to Panel (5 working days)	16 June 2022 21 July 2022	Ofgem decision	TBC (Note CMP305 as well)
Panel sign off that Workgroup Report has met its Terms of Reference	25 June 2022 29 July 2022	Implementation Date	TBC

CMP330 & CMP374 Proposed Timeline as at 19 April 2022

Milestone	Date	Milestone	Date
Modification presented to Panel	28 May 2021	Code Administrator Consultation (15 working days)	4 May 2022—25 May 2022 27 June 2022 – 18 July 2022
Workgroup Nominations (10 Working days)	28 May 2021 – 14 June 2021	Draft Final Modification Report (DFMR) issued to Panel	17 June 2022 21 July 2022
CMP330/CMP374 Workgroup Meeting 1 (Discuss CMP374 solution and any potential alternatives & review legal text)	18 June 2021	Panel undertake DFMR recommendation vote (5 working days)	24 June 2022 29 July 2022
Workgroup meetings (Agree solution & Workgroup Consultation Questions & Finalise legal text) & Workgroup Meeting 3 (Finalise Workgroup Consultation)	5 October 2021 26 October 2021 25 November 2021	Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	29 June 2022 3 August 2022
Workgroup Consultation	17 December 2021 – 17 January 2022	Final Modification Report issued to Ofgem	7 July 2022 11 August 2022
Workgroup Meetings post consultation (review CMP374 Workgroup Consultation responses, finalise solution, hold Votes)	24 January 2022 & 7 February 2022 16 March 2022 & 31 March 2022 (<i>meeting postponed</i>) 17 May 2022 & 31 May 2022 8 June 2022 – Showstopper meeting (if needed)	Ofgem Decision	TBC
Workgroup Report issued to Panel	21 April 2022 16 June 2022	Implementation Date	TBC
Workgroup Report presented to Panel	29 April 2022 24 June 2022		

CMP384 Terms of Reference

Workgroup Term of Reference	Location in Workgroup Report (to be completed at Workgroup Report stage)
a) Consider EBR implications	
b) Consider if there are alternative approaches	
c) Consider how these alternative approaches may cause disproportionate impacts on different parties now an issue has been identified	
d) If a decision is received after April 2022's reconciliation (of generator 2021/22 charges), consider whether it is still reasonable to apply this for relevant Users during 2021/22 using the approach applied with GB ECM-05.	
e) Have there have been any instances of a manifest error since GB ECM-05 was introduced in 2006?	
f) Consider what constitutes as an error	

Ask of Panel: Are Panel content with the addition of Terms of Reference (f)?

Discussions on Prioritisation

- **AGREE** where New Modifications that need Workgroups are placed in the prioritisation stack
- **CARRY OUT** deep-dive assessment of all Modifications that sit within the 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



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 –Scott McPhillimy
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)

Critical Friend Quarterly Update (for information only) – Paul Mullen

Critical Friend Feedback

8 CUSC Modification Proposals received from 12 January 2022 to 12 April 2022 inclusive

- All 8 have had critical friend checks undertaken on them
- For 6 of these, required communications were sent to Independent Chair, Panel and industry within agreed timescales (i.e. on the next working day after Modification Proposal Submission Date) - the other 2 were Urgent Modifications so no such communications required; and
- Note there has been 1 Grid Code Modification Proposal raised in the same period.

General areas of feedback (across all CUSC and Grid Code Modifications)

- Continue to work with the Proposer ahead of Modification Proposal Submission Date (even if Urgency requested) to help ensure the best outcome at Panel.
- Continue engagement with Proposers on possible Governance routes (and justification), timelines and possible challenges/questions
- Ensuring that the defect/issue and the solution are not one and the same
- Ensure interactions and impacts of the modification are considered

Feedback we will act on to further improve our service:

- Ensure that the defect/issue and the solution are not one and the same
- Continue to work with Proposers to split the Original solution into clear components to avoid it being lost in the narrative

Any thoughts from Panel?

- Are you seeing better quality Modification Proposals?
- Any further feedback?

AOB

1. ESO's second RIIO-2 Business Plan (BP2) (Karen Thompson-Lilley)

National Grid ESO's second RIIO-2 Business Plan (BP2)

Please note: The ESO's BP2 Team will be attending the Grid Code Development Forum and the Transmission Charging Methodology Forum in May/June to share further details.



Our 2019 RIIO-2 Business Plan set out ambitious goals for the **five-year period 2021-2026**

Business Plan 2 (BP2) is a refresh of our RIIO-2 plans and details what we will deliver from **April 2023 – March 2025**

Draft BP2 will be submitted to Ofgem on **Friday 29 April 2022**
We will consult on our draft BP2 from **Friday 29 April to Friday 10 June**
Consultation feedback will inform our final BP2, which we will submit in **August 2022**

Join us for our [launch webinar](#) on **Wednesday 4th May at 13:00** where we will provide an overview of what is in our BP2 plan and provide further details for how you can respond to the consultation

Next Panel Meeting

10am on 27 May 2022 via Teams

Papers Day – 19 May 2022

**Modification Proposals to be submitted
by – 12 May 2022**

TCMF – 5 May 2022

Close



Trisha McAuley

Independent Chair, CUSC Panel

nationalgridESO