

Meeting 123

5 May 2022

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

nationalgridESO

# Agenda

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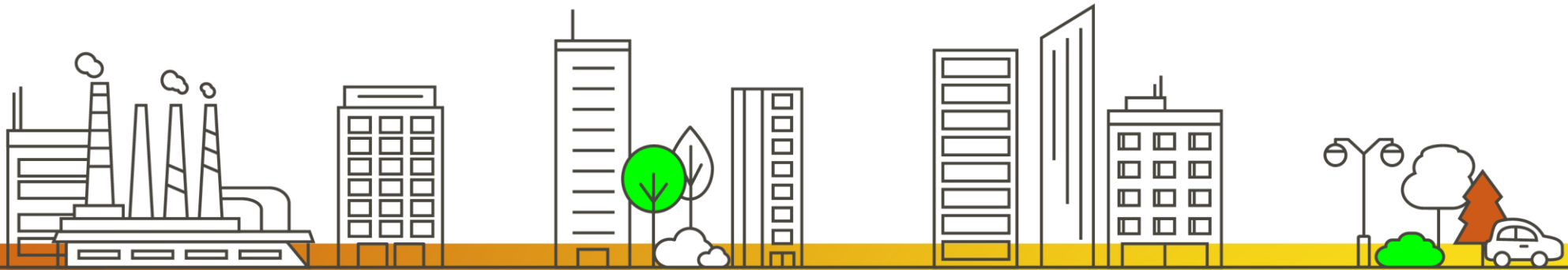
- 1 Introduction, meeting objectives and review of previous actions **Karen Thompson-Lilley - NGESO** 10:30 - 10:35
  - 2 Code Administrator update **Jennie Groome - Code Administrator NGESO** 10:35 - 10:45
  - 3 BSUoS & TNUoS Declaration Update **Sean Donner - NGESO** 10:45 - 10:55
  - 4 CMP389: Transmission Demand Residual (TDR) band boundaries updates **Grahame Neale - NGESO** 10:55 - 11:10
  - 5 TNUoS Taskforce verbal update **Grahame Neale - NGESO** 11:10 - 11:20
  - 6 AOB and Meeting Close **Karen Thompson-Lilley - NGESO** 11:20 - 11:45
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# Review of previous actions

ID	Month	Agenda Item	Description	Owner	Notes	Target Date	Status

# Code Administrator update

**Jennie Groome - Code Administrator**



# Authority Decisions Summary (as at 4 May 2022)

## Authority decisions since last TCMF

Modification	What this does?	Decision Date
<b>CMP308</b>	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 decision received on 25 April 2022, approving the CMP308 Original. Implementation Date is 1 April 2023)



# Authority Decisions Summary (as at 4 May 2022)

On 4 May 2021 (last updated 7 April 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
<b>CMP292</b>	Introduces a cut-off date for changes to the Charging Methodologies	<b>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.</b>
<b>CMP371</b>	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.	<b>Ofgem decision date TBC (previously 3 May 2022 and latterly 31 March 2022).</b>

# Authority Decisions Summary (as at 4 May 2022)

Modification	What this seeks to achieve?	Decision Date / Anticipated Decision Date
<b>CMP368/369</b>	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.	Ofgem at Panel on 29 April 2022 advised that on 11 April 2022, the outcome of the Judicial Review re: the CMA's decision of 30 March 2021 to dismiss the appeal against decisions by Ofgem on CMP317/327 was published and Ofgem are currently reviewing next steps. They indicated that a decision on CMP368/CMP369 would be issued ~ mid May 2022.
<b>CMP328</b>	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 (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 Summary (as at 4 May 2022)

Modification	What this seeks to achieve?	Decision Date / Anticipated Decision Date
<b>CMP300</b>	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, at Panel on 29 April 2022, confirmed they are seeking to make a decision on 13 May 2022.
<b>CMP361/CMP362</b>	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's latest expected decision dates table (as at 7 April 2022) indicates a decision date of 24 June 2022.
<b>CMP298</b>	The current Statement of Works process can be inefficient and time-consuming where there are concurrent multiple applications. Network Operators have for a number of years trialed 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.	Final Modification Report was issued to Ofgem 6 April 2022. No anticipated decision date confirmed at Panel on 29 April 2022.



# In Flight Modification Updates



# Other key Modification Updates

Modification	What this does?	Latest
<b>CMP286/287</b>	Seeks to improve TNUoS predictability through increased notice of the Target Revenue (CMP286) and inputs (CMP287) used in the TNUoS Tariff Setting Process	<b>2nd Workgroup Consultation will close 5pm on 9 May 2022</b>
<b>CMP288/289</b>	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.	<b>2nd Workgroup Consultation closed 5pm on 27 April 2022 – 12 non-confidential responses.</b>
<b>CMP304</b>	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 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. <b>Next Workgroup will therefore be 26 May 2022. Workgroup Report will be presented to Panel in July 2022 rather than April 2022 - Panel agreed to the revised timeline.</b>

# Other key Modification Updates

Modification	What this does?	Latest
<b>CMP315/375</b>	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.	<b>Workgroup Consultation will close 5pm on 17 May 2022</b>
<b>CMP316</b>	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.	Workgroup Report was to be presented to April 2022 Panel; however this is delayed as legal text needs to be finalised. <b>Revised timeline to be confirmed ahead of May 2022 Panel at which Panel will be asked to agree revised timeline</b>
<b>CMP330/374</b>	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 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 <b>Workgroup Report will be presented to Panel in June 2022 rather than April 2022 - Panel on 29 April 2022 agreed the revised timeline.</b>
<b>CMP363/364</b>	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	<b>Workgroup 11 May 2022 to finalise Workgroup Report and hold Workgroup Vote before presenting Workgroup Report to May 2022 Panel.</b>

# Other key Modification Updates

Modification	What this does?	Latest
<b>CMP382</b>	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 closed 5pm on 29 April 2022. No appeals received - <b>this will be implemented into CUSC on 9 May 2022.</b>
<b>CMP383</b>	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.	<b>Implemented 3 May 2022</b>
<b>CMP385</b>	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	Proposer to further develop CMP385 before presenting this and/or additional Modifications to a subsequent meeting of the CUSC Panel.
<b>CMP388</b>	Transmission Demand Residual (TDR) minor clarifications following Ofgem decisions on CMP335/336 and CMP340/343	<b>Code Administrator Consultation to be run from 6 May 2022 to 5pm on 27 May 2022.</b>
<b>CMP389</b>	Aims to implement changes related to Transmission Demand Residual (TDR) band boundaries as stated in paragraph 3.12 of Ofgem’s recent decision on CUSC modification CMP343.	<b>Code Administrator Consultation to be run from 13 May 2022 (to allow time for the ESO first to further engage with directly impacted parties) to 5pm on 8 June 2022.</b>
<b>CMP390</b>	Seeks to amend the CUSC application forms to recognise and provide consent to ESO sharing information about the applicant with Government enabling BEIS to carry out any initial national security checks in line with the National Security and Investment (NSI) Act 2021 and identify any issues at an early opportunity	<b>Code Administrator Consultation to be run from 6 May 2022 to 5pm on 27 May 2022.</b>

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 & TNUoS Declaration Update

**Sean Donner**



# Declaration reminder

A declaration (i.e. certificate) is currently required to avoid demand elements of DUoS and BSUoS charges for storage. Future changes will also remove demand residual TNUoS charges, expand the range of eligible properties from storage to non-Final Demand Sites' and exempt non-Final Demand from BSUoS charges.

There is a requirement to submit different declarations for DUoS, BSUoS and TNUoS. Who these need to be submitted to will be different depending on meter set up.

Network Charge	DNO - SVA	DNO - CVA	Transmission
BSUoS	Elexon	NGESO	NGESO
DUoS	DNO	DNO	N/A
TNUoS	DNO	DNO	NGESO

# Help wanted!

We are developing our internal processes and supporting documents to manage these declarations and would like your help to input into this development.

- We have drafted a single 'declarations guidance note' (with FAQ and template declaration) for both TNUoS and BSUoS.
  - Thanks to the CMP308 and CMP363/4 workgroups for their help so far on this.
- The ambition is to create a declaration form that is simple to use, provides all the info needed and covers both TNUoS and BSUoS.
- We'd like your feedback on this guidance note, specifically;
  1. Does the FAQ cover all the questions?
  2. Do the answers actually answer the question?
  3. Is the declaration template (and associated annex!) easy to use?
  4. Any other feedback would be appreciated
- We plan to create separate guidance for the TNUoS and BSUoS methodologies at a later date so this is focused purely on the declaration process.

# Timeline, Next Steps & Getting Involved.

1. Seek industry feedback on the declaration and means of submission – Now until June 2022
2. Develop and build internal processes (inc. resourcing and training) – Jan to June 2022
3. Final guidance (inc. TNUoS and BSUoS methodology guidance) circulated – July to Oct 2022
4. Start submission of declarations – 1<sup>st</sup> Sept 2022 to 30<sup>th</sup> Nov 2022
5. Tariffs published and go-live (reflecting declarations submitted) – Jan 2023 and April 2023 respectively

## Notes

- We would welcome your feedback at any point and we'll provide updates throughout
- Aim to accelerate these dates if possible
- Declarations submitted after 30<sup>th</sup> Nov 2022 will be processed but not included in calculation of 2023/4 tariffs
- Longer-term piece of work underway to streamline/systematise this across industry, still early days but this is our clear intent. What timescales do you think are necessary to achieve this?

To get involved, please contact: [Grahame.Neale@nationalgrideso.com](mailto:Grahame.Neale@nationalgrideso.com)

# CMP389: Transmission Demand Residual (TDR) band boundaries updates

**Grahame Neale**

[grahame.neale@nationalgrideso.com](mailto:grahame.neale@nationalgrideso.com)



## CMP389 Overview

- As part of Ofgem's decision on CMP343 NGENSO was asked to review the band boundaries for transmission connected sites. NGENSO recently raised CMP389 to do this.
- In summary, CMP389 will revise the band boundary between the 3<sup>rd</sup> and 4<sup>th</sup> transmission bands from the 85<sup>th</sup> to the 93<sup>rd</sup> percentile.
- This will affect tariffs for the 19 largest demand sites connected to the transmission system – all other sites are unaffected.
- Next few slides show a summary of the analysis undertaken, more is in the proposal form, available here - <https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/cmp389>



# Distribution of data



— CMP343 Boundaries   
 — Proposed Boundary   
 ● 2020 to 2022   
 ● 2019 to 2022   
 ● 2019 to 2021

# Tariff Impact

CMP343 approved boundaries	Band	Percentile		Threshold (MWh)		Sites		Consumption		Annual Tariff	Total Revenue
	Band	Lower	Upper	Lower	Upper	Count	%	MWh	%	(£)	(Annual Tariff x Site Count)
	1	-	40	-	23,800	26	40.0%	317,362	6.8%	£ 108,474	£ 2,820,326
2	40	70	23,800	68,099	20	30.8%	873,668	18.8%	£ 388,205	£ 7,764,091	
3	70	85	68,099	128,292	10	15.4%	953,325	20.5%	£ 847,198	£ 8,471,983	
4	85	100	128,292	699,373	9	13.8%	2,512,664	54.0%	£ 2,481,052	£ 22,329,467	
	Total				65	100.0%	4,657,020	100.0%		£41,385,866.80	

CMP389 proposed boundaries	Band	Percentile		Threshold (MWh)		Sites		Consumption		Annual Tariff	Total Revenue
	Band	Lower	Upper	Lower	Upper	Count	%	MWh	%	(£)	(Annual Tariff x Site Count)
	1	-	40	-	23,800	26	40.0%	317,362	6.8%	£ 108,474	£ 2,820,326
2	40	70	23,800	68,099	20	30.8%	873,668	18.8%	£ 388,205	£ 7,764,091	
3	70	93	68,099	185,270	14	21.5%	1,656,496	35.6%	£ 1,051,493	£ 14,720,896	
4	93	100	185,270	699,373	5	7.7%	1,809,494	38.9%	£ 3,216,111	£ 16,080,553	
	Total				65	100.0%	4,657,020	100.0%		£41,385,866.80	

No impact on;

- The 46 sites located in bands 1 or 2
- Sites connected to the distribution system

Annual impact on sites		Approved (CMP343) Banding	
		Band 3	Band 4
Proposed (CMP389) Banding	Band 3	+£204,294 (+24%)	-£1,429,559 (-58%)
	Band 4	N/A	+£735,059 (+30%)

# Timeline & Next Steps

- CMP389 was presented to CUSC panel and progressed straight to Code Admin Consultation.
- NGENSO are approaching affected sites directly to raise awareness of CMP389 and encourage them to respond
- Happy to chat through the mod or analysis – [Grahame.Neale@nationalgrideso.com](mailto:Grahame.Neale@nationalgrideso.com)

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

Milestone	Date
Modification presented to Panel	29 April 2022
Code Administrator Consultation (15 working days)	13 May 2022 to 8 June 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

# TNUoS Taskforce verbal update

**Grahame Neale**

[grahame.neale@nationalgrideso.com](mailto:grahame.neale@nationalgrideso.com)



# AOB & Close

