

CUSC Panel Minutes: 26 January 2022

CUSC Panel Minutes: Meeting Number 291

Date: 26/01/2022 **Location:** Microsoft Teams

Start: 10:00am **End:** 1:00pm

Participants

Attendee	Initials	Company
Trisha McAuley	TM	Independent Panel Chair
Paul Mullen	PM	Code Administrator, National Grid Electricity System Operator
Ren Walker	RW	Technical Secretary, Code Administrator, National Grid Electricity System Operator
Jennifer Doherty	JD	National Grid Electricity System Operator
Paul Jones	PJ	Users' Panel Member
Nadir Hafeez	NH	Authority Representative
Andy Pace	AP	Users' Panel Member
Garth Graham	GG	Users' Panel Member
Joseph Dunn	JDu	Users' Panel Member
Cem Suleyman	CS	Users' Panel Member
Andrew Enzor	AE	Users' Panel Member
Mark Duffield	MD	Users' Panel Member (Alternate)
Jeremy Caplin	JC	BSC Representative (Observer)
Harvey Takhar	HT	Agenda Item 6 – Proposer of CMP382

Apologies	Initials	Company
Grace March	GM	Users' Panel Member

1. Introductions and Apologies for Absence

11240. Apologies were received from Grace March. Mark Duffield attended as the Alternate for Grace March.

2. Approval of minutes from previous meetings

11241. The meeting minutes from the CUSC Panel on 17 December 2021 and Special Panels on 6 and 12 January 2022 will be approved at the CUSC Panel on 25 February 2022.

3. Action log

11242. The CUSC Panel reviewed the open actions from the meeting held on 17 December 2021, which can be found on the Actions Log.

4. Chair update

11243. The Chair had no updates for the Panel.

5. Authority decisions

11244. NH confirmed that the following decisions on CUSC Modifications had been made since the Panel meeting that was held on 17 December 2021.

Modification	Decision
CMP381	Decision was received on 14 January 2022 to implement WACM4. WACM4 proposes a £20/MWh cap on BSUoS from the Ofgem Implementation Date until 31 March 2022 and the limit the BSUoS costs could be deferred to is £200m). This was implemented from the first settlement period (i.e. 00:00 - 00:30) of 17 January 2022.

Awaiting Decisions

11245. NH provided an update at the Panel on Modifications awaiting decisions. The summary table below sets out which Modifications are with the Authority for decision, together with the expected decision date:

Modification	What this seeks to achieve	Expected Decision Date
CMP335/336 and CMP343/340	Proposes the methodology for Transmission Demand Residual charges to be applied only to 'Final Demand' on a 'Site' basis, as well as how to treat negative locational charges and the application of any charging bands.; CMP335/336 looks at the Transmission Demand Residual billing and consequential changes	Expected final decision date for CMP343, CMP340, CMP335 and CMP336 Modifications was 27 August 2021; however, Ofgem confirmed at CUSC Panel on 27 August 2021 that this date would not be met. At CUSC Panel on 26 January 2022, Ofgem confirmed that no they are seeking to make their final decision by end March 2022.

CMP292	Introduces a cut-off date for changes to the Charging Methodologies	CMP292 has an expected decision date of TBC in 2022 (previously 30 June 2021 and latterly 30 September 2021) as Ofgem consider this to be low priority. Ofgem's latest expected decision dates table (published on 9 December 2021) confirms that there is currently no firm date for a decision.
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 was anticipated 29 September 2021 and then 19 November 2021 and now 28 February 2022 (according to Ofgem's latest expected decision dates table published on 9 December 2021 and as confirmed at Panel on 26 January 2022).
CMP308	Seeks to modify the CUSC to better align GB market arrangements with those prevalent within other EU member states by removing BSUoS charges from Generation.	On 8 December 2021, Ofgem advised that they were consulting on their minded-to decision on CMP308. Ofgem are minded-to approve the CMP308 Original Proposal, which would move BSUoS charges fully onto demand, with effect from 1 April 2023 and launched the consultation to gather industry views. The consultation closed 19 January 2022 and at CUSC Panel on 26 January 2022, Ofgem advised they would be looking to make a decision on CMP308 by end February 2022.
CMP368/369	CMP368 seeks to give effect to the Authority determination within the CMP317/327 decision published on the 17 December 2020 to amend the definition of Assets Required for Connection, create new definitions of 'GB Generation Output' and define Generator charges for use in the Limiting Regulation range calculation. To facilitate the change, CMP369 proposes to update the legal text relating to 'Generation Output' detailed in the tariff setting methodology within Section 14.14.5 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 9 December 2021) confirms that there is currently no firm date for a decision and no further update was provided at Panel on 26 January 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	Final Modification Report was sent to Ofgem 6 October 2021. Ofgem's latest expected decision dates table (published on 9 December 2021) confirms that there is currently no firm date for a decision and no further update was provided at Panel on 26 January 2022.

	import terminology and general housekeeping.	
CMP328	Seeks to put in place an appropriate process to be utilised when any connection triggers a Distribution impact assessment.	The 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 9 December 2021) confirms that there is currently no firm date for a decision.

11246. NH advised the Panel that the Code Administrators' Performance (CACoP) Survey results have been published on Ofgem's website.

6. New modifications

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

11247. HT delivered a presentation on CMP382 to the CUSC Panel. HT advised that this modification 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".

11248. HT explained that CMP382 will resolve ambiguity in the interpretation of the terminology within section 14 only and Financial Year & Business Day are already defined in Section 11. This modification therefore seeks to align all sections within the CUSC with the aim of providing greater clarity to the end user.

11249. HT noted that this proposal was presented at the TCMF meeting on 25 November 2021 and that feedback received from Industry participants notes that financial years are different for different organisations. Due to the Section 11 definition highlighting the dates, the Proposer believes that this covers the concern raised; however, they appreciate that this may require additional communications for some organisations.

11250. PJ noted that some companies may also change the timing of their Financial Year and the Panel noted if e.g. ESO did this, a CUSC Modification would be needed to reflect this. GG also noted that the definition of Business Day comes from the licence and Working Day comes from what is written in the Energy Act. HT and JD took an action check the definitions and provide clarification in the Code Administrator Consultation before this is published.
ACTION.

11251. The CUSC Panel unanimously recommended that CMP382 should follow self-governance route and proceed to Code Administrator Consultation. ***(Post Meeting Note: The Code Administrator Consultation will be issued on 18 February 2022 and will close 5pm on 11 March 2022).***

7. In Flight Modification Updates

11252. PM talked the Panel through the progression of the in-flight modifications. The in-flight modifications can be found within the CUSC Panel papers pack on the National Grid ESO website via the following link:

<https://www.nationalgrideso.com/calendar/cusc-panel-meeting-260122>

11253. PM also presented the latest rolling 12-month cross code view of all the Workgroups currently planned in and when Workgroup Reports and Draft Final Modification Reports are planned to be presented to Panel, together with a view of modifications that are likely to be raised in the same period.

[CMP288 & 289 'Explicit charging arrangements for customer delays and backfeeds \(CMP288\) and consequential change \(CMP289\)](#)

11254. PM advised the Panel that the CMP288 & CMP289 Workgroup restarted on 20 January 2022 and there were concerns from some Workgroup Members that the revised solution does not address the defect set out in CMP288. PM sought Panel views as to whether the proposed solution addresses the CMP288 defect.

11255. Following Panel discussions, the Panel had a split view as to whether or not the updated solution addresses the defect, with some Panel Members expressing concern with the principle that a Transmission Owner can add a charge to their Charging Statements and these can then be passed on by the ESO without the arrangements being explicitly set out in the CUSC. Some Panel Members agreed that the solution could address the defect; however, the majority of these Panel Members stated that the solution proposed was in need of further development. Given that it can be interpreted both ways whether or not the updated solution addresses the defect, the Panel agreed that there is nothing to stop this solution from proceeding and PM and other Panel Members noted that the Workgroup can raise alternative solutions. The Panel also took the opportunity to revise the Terms of Reference which will be shared with the CMP288 & CMP289 Workgroup (**Post Meeting Note: Terms of Reference have been shared with Workgroup**).

[CMP304 'Improving the Enhanced Reactive Power Service by making it fit for purpose'](#)

11256. PM advised that at the December 2021 meeting, the Panel had agreed that the Workgroup Report will be presented to the March 2022 Panel rather than the February 2022 Panel. The Panel were asked to agree to a further delay to the April 2022 Panel as more time is required to issue the Workgroup Consultation (it was 31 January 2022 but now 15 February 2022) and resolve actions from the 15 December 2021 Workgroup meeting. The Panel agreed to the further delay to CMP304.

11257. JD flagged concerns regarding the timeline for CMP304 and noted that the ESO are looking to publish their conclusions on Reactive Power in March 2022. She questioned if it would be a better use of industry time to wait for these conclusions to be published. Some Panel members noted that CMP304 had originally been put on hold whilst the ESO produced roadmaps, and these were not in the end taken forward. Therefore, some Panel members did not believe it prudent to pause the issue of the Workgroup Consultation and one Panel Member asked if the ESO could bring forward their publication instead.

[CMP376 'Inclusion of Queue Management process within the CUSC'](#)

11258. PM advised the Panel that at, its meeting on 13 December 2021, the Workgroup reviewed the timeline and agreed that 3 more Workgroup meetings were needed before the

Workgroup Consultation is launched in order to ensure full understanding of the Original Solution. The CUSC Panel agreed to the revised timeline for CMP376.

11259. BD raised a concern that the ESO were including the Queue Management milestones ahead of CMP376 being implemented into the CUSC. JD advised the Panel that the ESO Connections Team are considering feedback they have received, and that they are working with the Transmission Owners and will look to publish an update on Queue Management within the next month.
11260. PM noted that, in his role as Chair of CMP376, he would appraise the CMP376 Workgroup of this; however, he would also stress that this is entirely separate to the Workgroup's role in developing the CMP376 solution(s).

[CMP379 'Determining TNUoS demand zones for transmission - connected demand at sites with multiple Distribution Network Operators \(DNOs\)'](#)

11261. PM advised the Panel that Workgroups will now commence from 2 March 2022 (originally the 1st Workgroup was to be 19 January but needed to seek further Workgroup membership first). The Nominations deadline has been extended to the end of January and the Chair has also contacted targeted stakeholders directly to see if any further interest could be generated. Consequently, a few more Workgroup members have been secured. The CUSC Panel agreed to the revised timeline for CMP379.

[CMP381 'Defer exceptionally high Winter 2021/22 BSUoS costs to 2022/2023'](#)

11262. PM noted that WACM4 (proposes a £20/MWh cap on BSUoS from the Ofgem Implementation Date until 31 March 2022 and the limit the BSUoS costs could be deferred to is £200m) was implemented from the first settlement period (i.e. 00:00 - 00:30) of 17 January 2022. JD noted that, in order 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, the ESO will be raising a modification to change the recovery of CMP381 costs to when the new licence comes into effect until 31st March 2023 (**Post Meeting Note: this Modification (CMP383) was presented to a Special Panel on 9 February 2022**)

8. Discussions on Prioritisation

11263. The Panel reviewed the Prioritisation Stack but had no further amendments to make. This can be found via the following link:

<https://www.nationalgrideso.com/calendar/cusc-panel-meeting-260122>

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

9. Workgroup Reports

[CMP298 'Updating the Statement of Works process to facilitate aggregated assessment of relevant and collectively relevant embedded generation'](#)

11264. PM delivered a presentation on CMP298. PM stated that 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.

11265. The CUSC Panel unanimously agreed that CMP298 should follow the standard governance route and proceed to Workgroup, where four solutions were developed, including the original solution.
11266. PM advised that 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, the majority of respondents were supportive of the change and the 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.
11267. PM noted that the STC changes needed to be understood and developed and sufficiently set out such that there was 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.
11268. In terms of publication of information to assist stakeholders to understand where the gaps are, respondents welcomed the 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.
11269. There were some points raised on possible interactions with the Access and Forward-Looking Charges SCR proposals, and also the need for a review of connection securities for Distributed Generation. There were also concerns expressed on how “Large” generation in Scotland is treated. These are all out of scope of CMP298.
11270. PM confirmed that the Workgroup held their vote on 14 January 2022 and 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. 8 Workgroup Members voted that WACM3 was the best option with 1 vote cast for each of the Original and WACM1
11271. The CUSC Panel agreed that the Workgroup had met its Terms of Reference. The Code Administrator Consultation will be issued on 31 January 2022 and will close 5pm on 21 February 2022. ***(Post Meeting Note: The Code Administrator Consultation was published on 31 January 2022).***

10. Draft Final Modification Reports

[CMP361 & CMP362 'BSUoS Reform: Introduction of an ex ante fixed BSUoS tariff & Consequential Definition Updates'](#)

11272. PM delivered a presentation on CMP361 & CMP362. PM advised the Panel that CMP361 seeks to introduce an ex ante fixed volumetric BSUoS tariff set over a total fixed and notice period of 15 months. This will deliver the recommendations of the Second BSUoS Task Force. CMP362 facilitates the implementation of BSUoS Reform by introducing and updating required definitions into CUSC section 11 from CMP308 and CMP361.
11273. CMP361 & CMP362 has been assessed by a Workgroup and will require Authority decision. The proposed implementation date is 1 April 2023.

11274. PM advised the Panel that the Workgroup held their consultation between 1 September – 24 September 2021 and received 16 non-confidential responses and 1 confidential response. Most respondents were supportive of the proposal and/or some of the alternatives mentioned.
11275. Implementation timescales: Some respondents voiced that industry needs sufficient time to factor in the change before it's implemented. Some Workgroup members highlighted that a longer notice period would provide more certainty of future tariffs and more accurate charges for customers.
11276. Residual Cashflow Reallocation Cashflow issues: One respondent believed that any RCRC issues should be addressed now. The Workgroup discussed this further and agreed that RCRC is material to BSUoS and therefore would need to be aligned with the reformed BSUoS. It was also noted that only liable Parties would be involved with this.
11277. BSUoS Fund: Some consultation respondents were supportive of more exploration of options without a BSUoS Fund. The Workgroup questioned if all cost options had been fully explored. BSUoS Fund collection time: There was some support for the BSUoS Fund being built up over two financial years. There was also some support for it to be built up over more than two years, e.g. five.
11278. Length of notice and fixed Periods: Mixed views. The Workgroup noted that respondents gave more support for a longer notice period, than the Original solution.
11279. Probability of tariff reset: Respondents had mixed views on what the appropriate probability level would be, with P99 being the most popular.
11280. Respondents were supportive of CMP362. Workgroup members noted that CMP361 provides the benefits and CMP362 makes it happen, so the modifications do not work if they are not both implemented together.
11281. PM noted that the Workgroup Vote took place on 3 November 2021 (CMP361) and 10 November 2021 (CMP362). For CMP361, the Workgroup concluded unanimously that the Original and WACM2 better facilitated the Applicable Objectives than the Baseline, and by majority concluded that WACMs 1, 3, 4, 5, 6 and 7 better facilitated the Applicable Objectives than the Baseline.
11282. For CMP362, the Workgroup concluded unanimously that the Original and WACMs 1, 2, 5 and 6 better facilitated the Applicable Objectives than the Baseline, and by majority concluded that WACMs 3 and 4 better facilitated the Applicable Objectives than the Baseline.
11283. The Workgroup Report was presented to the November 2021 Panel and the Panel had unanimously agreed that CMP361/362 Workgroup has met its Terms of Reference.
11284. PM advised that the Code Administrator Consultation was published on 3 December 2021 and closed on 7 January 2022. The majority of the respondents felt that all of the solutions better facilitated the applicable objectives. Support was shown for the Original, WACM1, WACM2, WACM3, WACM4, WACM5, WACM7. There was no specific mention to WACM6.
11285. The majority of respondents supported the implementation approach. Some respondents felt that these modifications should be implemented at the same time as CMP308. There was mixed support for each of the different options, with some preferences shown for

longer notice periods for tariffs and some preferences shown for shorter periods. Some did not support the BSUoS Fund whilst others did.

11286. There were a couple of comments stating that they expect the ESO's BSUoS Forecasts to be accurate and monitored by Ofgem. Some noted that the solution should reduce the likelihood of tariffs being reset within the fixed period and that it should benefit consumers.
11287. One respondent raised that the solution should be simple given the amount of change currently affecting the industry. Another raised that CMP361 would require a change to include the new fixed BSUoS price in the price cap at the point of implementation. No legal text issues identified as part of Code Administrator Consultation but subsequently identified by a Panel Member.
11288. For CMP362, the majority of respondents felt that all of the solutions better facilitated the objectives. Some gave the same answer as for CMP361. Others felt like this was a purely enabling modification for CMP361. One highlighted the importance that the corresponding solution to CMP361 needs to be implemented to ensure this facilitates the objectives.
11289. The CUSC Panel discussed the proposed legal text changes at their meeting on 26 January 2022 and agreed that the changes to CUSC 14.30.5 and 14.30.24 were typographical. However, Panel agreed that the change to CUSC 14.30.7 (Post Meeting Note: Panel agreed post Panel that changes to 14.30.18 also need to be consulted on) needs to be consulted on and Panel agreed to run a 5 working day Code Administrator Consultation (from 3 February 2022 to 5pm on 10 February 2022) specifically on the changes to CUSC 14.30.7 and 14.30.18. ***(Post meeting Note, the Code Administrator Consultation was published on 3 February 2022 and closed 5pm on 10 February 2022.)***

CMP380 'Making the CUSC Gender Neutral'

11290. PM advised the Panel that CMP380 seeks to remove any gender-specific references or terminology within the CUSC. The CUSC Panel unanimously agreed that CMP380 should follow the self-governance route and proceed straight to Code Administrator Consultation.
11291. The Code Administrator Consultation was issued on the 3 December 2021 and closed on 7 January 2022 and received 4 non-confidential responses All were supportive of the change and implementation approach; however, there were changes proposed to the legal text by one respondent.
11292. The Panel discussed the suggested change to the CUSC Section 7.3.3 (a)1 raised as part of the Code Administrator Consultation. The Panel did not consider this change to be necessary as the clause already considers both the plural and singular. The Panel then undertook their vote and agreed unanimously that CMP380 better facilitated the CUSC objectives than the current CUSC. The Appeals Window will run from 9 February 2022 to 5pm 2 March 2022 ***(Post Meeting Note: Appeals Window was opened on 9 February 2022 and will close 5pm on 2 March 2022)*** and if no appeals are received in this window, this will be implemented into CUSC on 9 March 2022.

11. Standing Groups

Transmission Charging Methodology Forum (TCMF)

11294. JD advised the Panel that the next TCMF will be held on 3 February 2022.

Joint European Stakeholder Group (JESG)

11295. GG advised that the next JESG meeting will be held on 8 February 2022.

Governance Standing Group

11296. No further updates.

EU Codes

11297. No further updates for the Panel.

12. Update on other Industry Codes

11298. No further updates for the Panel.

13. Relevant Interruptions Claim Report

11299. PM presented the Relevant Interruptions Claim Report covering the period 1 October 2021 to 31 December 2021. GG noted that the value of Claim 83 as a reason for the importance of this report.

14. Governance

11300. No further updates for the Panel.

15. Horizon Scan

11301. No further updates for the Panel.

16. Forward Plan Update

Critical Friend Update

11302. PM advised the Panel that the Code Administrator, will continue to work with the Proposer ahead of Modification Proposal Submission Date (even if Urgency requested) to help ensure the best outcome at Panel. PM added that the Code Administrator would continue engagement with Proposers on possible Governance routes (and justification), timelines and possible challenges/questions and ensure that the defect/issue and the solution are not one and the same.

17. AOB

General Discussion on Covid-19

11303. The Chair sought a view from the Panel if this still needed to be a standing agenda item for Panel. The Panel agreed that this should be removed as an agenda item; however, a Panel Member asked the Code Administrator to consider revising start and end times of meetings if and when the transition from virtual Workgroup meetings to physical Workgroup meetings takes place.

CACoP Results

11304. JG delivered a presentation on the CACoP results. JG advised the Panel that the Code Administrator is proud to see such a positive increase in satisfaction across all three of our Codes since the survey was last held in 2019. The biggest increase in satisfaction was seen on CUSC with an increase of +26 percentage points (+11 for Grid Code and +19 for STC). CUSC and Grid Code two of the top codes for perceived improvements across the 11 codes. CUSC and STC scored high on provision of support / provision of support when requested areas. Facilitation of meetings was a high scoring area across all of our codes.

11305. JG explained to the Panel that improvement areas and next steps for the Code Administrator team are:

- **Perceptions of information provision:** This was the lowest scoring area in the survey. This shows that the Code Administrator needs to make improvements in keeping people informed about its codes and make its information easier to interpret.
- **Emails and Website:** The Code Administrator will work to ensure that communication and reporting on its codes is easy to understand and that it is able to provide support when the subject matter might be complex. It also needs to make improvements to its website - this scored particularly low in relation to the Grid Code page, where the ease of finding information was a concern. A Panel Member stressed the importance of maintaining the archive functionality on the ESO Website. They reiterated their preference for a daily email of all ESO and Code Administrator publications, in-line with Ofgem's Daily Update emails. JG thanked the Panel member for their feedback and shared that, following the recent feedback about older TCMF documents not being available on the TCMF page, these have been restored. 11306. JG advised that in March 2022, the Code Administrator will be holding an ESO- wide survey where they will ask stakeholders their thoughts on the ESO's service as well as in specific areas they engage with. This feedback will be built into their next Deliverables Plan for 2022-23 which will be shared in the coming months.

The next CUSC Panel meeting will be held on Friday 25 February 2022 via Microsoft Teams.