

# CUSC Panel Minutes: 30 July 2021

## CUSC Panel Minutes: Meeting Number 281

**Date:** 30/07/2021      **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
Jon Wisdom	JW	National Grid Electricity System Operator
Joseph Dunn	JD	Users' Panel Member
Paul Jones	PJ	Users' Panel Member
Paul Mott	PMO	Users' Panel Member
Nadir Hafeez	NH	Authority Representative
Andy Pace	AP	Users' Panel Member
Mark Duffield	MD	Users' Panel Member
Cem Suleyman	CS	Users' Panel Member
Garth Graham	GG	Users' Panel Member
Andrew Enzor	AE	Users' Panel Member (Alternate)
Jeremy Caplin	JC	BSC Representative (Observer)

Keren Kelly	KK	National Grid Electricity System Operator – Proposer of CMP376
Rashmi Radhakrishnan	RR	National Grid Electricity System Operator – Proposer of CMP376
Sean Donner	SD	National Grid Electricity System Operator – Proposer of CMP377
Joe Henry	JH	National Grid Electricity System Operator Agenda Item 10
Paul Youngman	PY	Drax – Proposer of CMP300 - Agenda Item 7
Abid Sheikh	AS	Ofgem - Agenda Item 3
<b>Apologies</b>	<b>Initials</b>	<b>Company</b>

### 1. Introductions and Apologies for Absence

10950. No apologies were received from Panel members.

### 2. Approval of minutes from previous meetings

10951. The meeting minutes from the CUSC Panel held on 28 May 2021 and 25 June 2021 were approved.

### 3. Action log

10952. The CUSC Panel reviewed the open actions from the meeting held on 25 June 2021, which can be found on the Actions Log.

### Market Half Hourly Settlement - Implementation and Governance Arrangements

10953. AS from Ofgem delivered a presentation to the CUSC Panel on Market Half Hourly Settlement – implementation and Governance Arrangements to provide an update on their recent consultation and actions 165 and 166 (raised at May 2021 Panel). AS advised the Panel that the two key messages from the consultation were that, there was broad support for having Code obligations and some drafting and other issues needed to be addressed prior to a decision.

10954. AS advised that they are looking to raise a modification under the Authority Led SCR Modification Process (as set out in CUSC 8.17B) and plan to bring this to August 2021 Panel. There would be a shorter consultation (10 rather than 15 working days) so that the Draft Final Modification Report can be presented to September’s Panel and they are looking at implementation ~ mid October 2021. Although, the Panel understand there will be no obligation on Panel now, the Panel agreed to keep action 166 open until the Modification proposal has been raised.

### 4. Chair update

10955. TM had no further updates for the Panel.

## 5. Authority decisions

10956. NH stated that the following decisions had been made since the June 2021 Panel meeting:

Modification	Decision Date
<b>CMP280</b>	Rejected 30 June 2021 given the high implementation costs, the short-term nature of the potential solution (implementation of CMP280 for the charging year 2022/23 could be superseded by any decision to implement CMP343) and the absence of evidence that the benefit would outweigh the costs
<b>CMP300</b>	Sent back 9 July 2021 asking to 1) Provide more evidence that demonstrates objective (b) would be better facilitated for CfD BMUs as a class of users, 2) Seek further feedback from industry and affected parties to improve the robustness of the assessment of the proposals and 3) Make best endeavours to secure further supporting evidence to demonstrate the economic impact of the Proposal against the class of users that would be affected
<b>CMP365</b>	Decision received 16 July 2021 approving the CMP365 Original. CMP365 implemented 30 July 2021.

### Awaiting Decisions

10957. NH provided an update at the Panel on Modifications awaiting decisions. The summary table below sets out which Modifications are with the Authority decision together with the expected decision date:

Modification	Expected Decision Date
<b>CMP335/336 and CMP343/340</b>	Consultation on CMP343 to be published 10 May 2021. Expected decision dates for all these Modifications is 27 August 2021.
<b>CMP292</b>	30 September 2021 (previously 30 June 2021) as Ofgem consider this to be low priority
<b>CMP326</b>	Final Modification Report received 10 June 2021 – expected decision date 10 August 2021
<b>CMP371</b>	Final Modification Report received 7 July 2021 – expected decision date end September 2021

## 6. New modifications

### CMP376 'Inclusion of Queue Management Process within the CUSC'

10958. KK and RR delivered a presentation on CMP376 to the CUSC Panel. RR explained that CMP376 seeks to implement the queue management process into CUSC including introducing a right for the Electricity System Operator (ESO) to terminate contracted projects which are not progressing against agreed milestones.

10959. RR stated that queue management arrangements have been developed through the Energy Network Association as part of the Open Networks Project. The Open Networks Project is a major industry initiative to transform the way our energy networks operate to facilitate the transition to a smart flexible energy system. All network companies will include Queue Management principles to all connection offers from 1<sup>st</sup> October 2021. It will be applied to all New and Modification applications.

10960. KK explained that the proposed solution is to codify the Queue Management Process described in the Queue Management User Guide within the CUSC subsidiary documents. The updates will be made to the Construction Agreement template (contained within CUSC Schedule 2 Exhibit 3 part 1 and 2 and Schedule 2 Exhibit 3A). KK stated that the Construction Agreement template will include: a new Appendix Q Queue Management Process and a new clause titled 'Queue Management Process' and new defined terms Queue Management Process and User Progression Milestones.
10961. The Panel held a discussion on CMP376 and concluded that, although a lot of work has gone into the development of queue management, there are further areas which need to be addressed by a Workgroup before this can proceed to consultation. These discussion points have been documented in the Terms of Reference for CMP376.
10962. The CUSC Panel unanimously agreed that CMP376 should follow a standard governance route and proceed to Workgroup. The Panel have started to draft the Terms of Reference, however these to be circulated post meeting for approval. **(Post Meeting Note: Panel have agreed Terms of Reference and the final Terms of Reference were circulated to Panel 11 August 2021)**

#### **CMP377 'Clarification of Section 14 BSUoS Charging Methodology'**

10963. SD from National Grid ESO delivered a presentation on CMP377. SD explained that this modification 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.
10964. The CUSC Panel unanimously agreed that CMP377 should follow a standard governance route and proceed to Code Administrator Consultation. PM confirmed that the consultation will be published on 4 August 2021 for 20 working days. **(Post Meeting Note: CMP377 Code Administrator Consultation was opened on 4 August 2021)**

## **7. In Flight Modification Updates**

10965. 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/industry-information/codes/connection-and-use-system-code-cusc-old/meetings/cusc-panel-meeting-5>

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 and a view of modifications that are likely to be raised in the same period. PM stated that there were 16 Workgroups in July 2021 which he stated was very high. August has 11 Workgroups planned cross code (including the start of CMP375, which is being worked on in parallel with CMP315). PM added that finalising the legal text has been the key reason why we have needed additional Workgroups / extensions to timelines particularly for CMP298 and CMP328 but noted it is better to get legal text right up front.

### CMP300 'Cost reflective Response Energy Payment for Generators with low or negative marginal costs'

10966. PM advised the Panel that following the Ofgem decision to send back CMP300, the Proposer of the modification (PY) was attending the Panel to present their thoughts on next steps.

10967. In the CMP300 send back letter, Ofgem stated the following:

- Provide more evidence that demonstrates objective (b) would be better facilitated for CfD BMUs as a class of users,
- Seek further feedback from industry and affected parties to improve the robustness of the assessment of the proposals
- Make best endeavours to secure further supporting evidence to demonstrate the economic impact of the Proposal against the class of users that would be affected

10968. The Panel held a discussion on the next steps for addressing the send-back. The Panel agreed that the Workgroup should reconvene to address the points raised in the send back letter. The Panel also asked if Ofgem could provide further clarity on what is meant by the term 'best endeavours' as this can be interpreted in different ways. NH stated that an Ofgem representative will be attending the Workgroup meetings, so will ensure this is addressed in the first meeting.

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

10969. The Panel was asked to agree a revised timeline for CMP298. PM noted that the Workgroup Report will be presented to September 2021 Panel rather than August 2021 Panel to allow further refinement of the legal text ahead of the Workgroup Consultation. PM confirmed that there is no impact on the date that the Final Modification Report is planned to be sent to Ofgem. The Panel agreed the revised timeline for CMP298.

### CMP328 'Connections Triggering Distribution Impact Assessment'

10970. PM advised the Panel that the last CMP328 Workgroup meeting that was held on 14 July 2021 was expected to be the last one before the Workgroup Report was issued to Panel. HPM stated that there is still more work to be done particularly on the legal text and new Exhibits for both the Distribution Impact Assessment application and output. The Panel agreed to a delay in the timeline so that legal text drafting issue could be resolved. The CMP328 Workgroup Report will be presented to September 2021 Panel.

### CMP368 & CMP369 'Updating Charges for the Physical Assets Required for Connection, Generation Output and Generator charges for the purpose of maintaining compliance with the Limiting Regulation & 'Consequential changes to Section 14 of the CUSC'

10971. PM advised the Panel that a Special Panel has been scheduled for 6 August 2021, for the CMP368 & CMP369 Workgroup Report to be presented. PM noted that the Panel will therefore only have 3 working days to review the report, instead of the standard 5 working days. The Panel were content to accept the Workgroup report, with 3 working days to review. It was also agreed that the Code Administrator will circulate a draft version of the report before the final version is published (**Post Meeting Note: draft version issued 30 July 2021 with final version issued 2 August 2021**)

10972. The CUSC Panel also agreed to a revision of the timeline noting that the Draft Final Modification Report will be presented to a Special Panel on 14 September 2021. TM noted that she is unavailable on 14 September 2021 and has asked David Wildash to stand in as Chair for her.

## 8. Discussions on Prioritisation

10973. The Panel reviewed the Prioritisation Stack. This can be found via the following link:

<https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/meetings/cusc-panel-meeting-5>

10974. The Panel reviewed the following modifications and their position on the Prioritisation Stack:

Modification	Comments	Position in Prioritisation Stack
<b>CMP376</b>	July 2021 Panel placed this as "Medium to High" in the prioritisation stack. Panel noted the high materiality and there a number of unanswered questions, which a CUSC Workgroup will need to address. Given the extensive work already done on "Queue Management" and that the process will be used across industry imminently, the July 2021 Panel agreed that this should be progressed sooner rather than later.	Placed as "Medium to High"
<b>CMP300</b>	July 2021 Panel noted that Ofgem have requested the Final Modification Report to be updated and returned to them as soon as possible. Panel members noted that whilst there is a low materiality, it is better to address now rather than later and agreed that it should be prioritised the same as CMP344. Therefore, CMP300 has been prioritised as "Medium to High"	Placed as "Medium to High"
<b>CMP288/CMP289</b>	On 22 July 2021 the Proposer notified Code Admin that they wished to withdraw as Proposer of CMP288 and Code Admin advised industry that if they would like to support CMP288 and become the official Proposer, they needed to notify us at cusc.team@nationalgrideso.com by 5pm on 29 July 2021. 2 parties advised Code Admin that they would like to support CMP288 and become Proposer. In accordance with CUSC 8.16.10(a) where more than 1 notice is received, the 1st notice is utilised so therefore, ESO became the Proposer. Given the interest in this progressing (2 different parties wished to become Proposer) , the July 2021 Panel agreed for the priority to move from "Low to Medium" to "Medium", which means Workgroups are likely to re-commence November 2021.	Moved from "Low to Medium" to "Medium"

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

## 9. Workgroup Reports

### CMP308 'Removal of BSUoS charges from Generation'

10975. JH from National Grid ESO and Chair of the CMP308 Workgroup, delivered a presentation on CMP308.
10976. JH explained that CMP308 seeks to modify the CUSC to better align GB market arrangements with those prevalent within other EU member states. This will deliver more effective competition and trade across the EU and so deliver benefits to all end consumers. It is proposed that liability to pay Balancing Services Use of System (BSUoS) charges, which are currently charged to all liable CUSC parties on a non-locational MWh basis, is removed from GB Generators. The Second Balancing Services Charges Task Force has now recommended that BSUoS should be paid by Final Demand which would be achieved by this proposal with an implementation date of 1 April 2023.
10977. JH stated that the Workgroup held their first Workgroup Consultation between 5 April 2019 and 8 May 2019 and received 20 responses. JH explained that a second Workgroup Consultation was required as a result of developments since the first Workgroup Consultation and changes to the Terms of Reference.
10978. The second consultation was held between 1 and 26 April 2021 and received 11 responses. The Workgroup held their vote on 15 July 2021 and concluded by majority (10 out of 11 votes) that the Original better facilitated the Applicable Objectives than the Baseline (the current CUSC).
10979. The CUSC Panel unanimously agreed that the CMP308 Workgroup had met its Terms of Reference and can proceed to Code Administrator Consultation. **(Post Meeting Note: Code Administrator Consultation was issued on 2 August 2021 and will close 31 August 2021).**

## 10. Draft Final Modification Reports

### CMP370 'Revision of the Connection Offer acceptance period for interactive connection offers'

10980. PM delivered a presentation on CMP370 to the CUSC Panel. PM advised that a new Interactivity policy has been developed collaboratively with industry through the Energy Networks Association (ENA) Open Network Projects. CMP370 seeks to align the CUSC with this Interactivity policy.
10981. At the Panel, held on 30 April 2021, the CUSC Panel unanimously agreed that CMP370 should follow standard governance route and proceed straight to Code Administrator Consultation, after further clarifications sought from Panel had been addressed. The Code Administrator Consultation was held from 14 May 2021 to 5pm on 7 June 2021 with 2 non-confidential responses received.
10982. Following the first Code Administrator Consultation and the proposed legal text changes to the definition of "Interactivity", at the June 2021 Panel, the Panel agreed that a second Code Administrator Consultation would be held, specifically regarding the definition of "Interactivity" for 5 working days between 13 July 2021 and 20 July 2021.

10983. PM stated that one non-confidential response was received, and the respondent proposed the removal of some of the additional proposed legal text as in their view it creates ambiguity. After discussions, the Panel unanimously concluded that the proposed changes made by the respondent were not needed and proceeded to carry out their recommendation vote.

10984. The Panel held their recommendation vote on CMP370. The Panel unanimously agreed that CMP370 should be implemented. The Final Modification Report will be issued to Ofgem on 13 August 2021. **(Post Meeting Note: Final Modification Report issued to Ofgem 13 August 2021).**

## 11. Standing Groups

### Transmission Charging Methodology Forum (TCMF)

10985. JW advised the Panel that TCMF was cancelled in July due to lack of agenda items. JW stated that the August TCMF has also been cancelled and the next meeting will be held in September 2021.

### Joint European Stakeholder Group (JESG)

10986. GG advised that the JESG meeting was held on 13 July 2021. The meeting papers can be found via the following link:

<https://www.nationalgrideso.com/industry-information/codes/european-network-codes-old/meetings/jesg-meeting-13-july-2021>

The next JESG meeting will be held on 10 August 2021.

### Governance Standing Group

10987. No further updates.

### EU Codes

10988. No further updates for Panel.

## 12. Update on other Industry Codes

10989. No further updates for the Panel.

## 13. Relevant Interruptions Claim Report

10990. There were no comments from Panel on the quarterly Relevant Interruptions Claim Report that was included within the Panel papers and covered the period 1 April 2021 to 30 June 2021.

## 14. Governance

### CUSC Panel Elections Update

10991. PM provided an update on the timeline for the CUSC Panel Elections. It was highlighted by a Panel member that if some of the same candidates are selected as part of the Election process then they would not be able to serve again after two years, this following the implementation of [CMP285 'CUSC Governance Reform – Levelling the playing field'](#). However, a Panel member confirmed that the WACM that proposed that amendment wasn't approved by the Authority as limiting the number of terms could create a risk that not enough candidates were nominated.



## 15. Horizon Scan

10992. No further updates for Panel.

## 16. Forward Plan Update

### **Critical Friend Quarterly Update**

10993. PM advised the Panel that there has been 5 CUSC Modification Proposals received from 16 April 2021 to 15 July 2021 inclusive (including 1 request for Urgency). PM stated 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 and will also continue engagement with Proposers on possible Governance routes (and justification), timelines and possible challenges/questions.

10994. PM confirmed that discussions with Proposers ahead of Modification Proposal Submission date will continue so that proposers are clear on expectations, possible routes and timelines, level of detail and process.

## 17. AOB

### **General Discussion on Covid-19**

10995. TM advised the Panel that Rob Marshall (ESO) is leading a build back better workstream, who are looking into the re-opening of Faraday House and future ways of working. TM confirmed that Rob will be attending the August Panel meeting to provide a further update to the Panel.

### **SSE Generation Ltd appeal update**

10996. GG (in the capacity of his organisation, SSE Generation Ltd) advised the Panel that the JR has been granted and a court hearing will be held in October 2021.

**The next CUSC Panel meeting will be held on Friday 27 August 2021 via Microsoft Teams.**