

CUSC Panel Minutes: 29 April 2022

CUSC Panel Minutes: Meeting Number 296

Date: 29/04/2022 **Location:** Faraday House & 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
Grace March	GM	Users' Panel Member
Scott McPhillimy	SMP	Authority Representative (Alternate)
Andy Pace	AP	Users' Panel Member
Binoy Dharsi	BD	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
Paul Jones	PJ	Users' Panel Member
Mark Duffield	MD	Users' Panel Member (Alternate) Observer

Nick Rubin	NR	BSC Representative (Observer)
Karen Thompson – Lilley	KTL	National Grid Electricity System Operator – Alternate Proposer of CMP390 & Observer
Grahame Neale	GN	National Grid Electricity System Operator – Agenda Item 6
Angie Quinn	AQ	National Grid – Agenda Item 6
Apologies	Initials	Company
Nadir Hafeez	NH	Authority Representative
Jeremy Caplin	JC	BSC Representative

1. Introductions and Apologies for Absence

11434. Apologies were received from Nadir Hafeez and Jeremy Caplin. TM advised the Panel that this is JD’s last CUSC Panel meeting and thanked JD for all her contributions and support on the Panel and wished her the best of luck for her next role.

11435. TM also advised the Panel that Nick Rubin would be replacing Jeremy Caplin as the BSC representative as Jeremy has also secured another role. TM thanked JC for his work as a Panel member.

2. Approval of minutes from previous meetings

11436. The meeting minutes from the CUSC Panel held on 25 March 2022 will be presented for approval at the CUSC Panel on 27 May 2022.

3. Action log

11437. The CUSC Panel reviewed the open actions from the meeting held on 25 March 2022, which can be found on the Actions Log. However, there was wider discussion on Action 105 as set out below:

- **Update on Action 105:** SMP provided the Panel with an update on the BEIS/Energy code review. SMP stated that the government response was published on 6 April 2022, which outlined key decisions for the future. TM provided feedback for Ofgem, stating that the continuity of the Panel should remain and that the transition going forward takes into account expertise and experiences of Panel members. TM noted that it is important we work together, and engagement remains across the Panels. GG also questioned how the transition of new modifications will work and how will stakeholders be informed of this. SMP took an action to share this feedback with the team leading on this at Ofgem. **ACTION**

4. Chair update

11438. TM had no further updates for the Panel.

5. Authority decisions

11439. SMP confirmed that the following decisions on CUSC Modifications had been made since the Panel meeting that was held on 25 March 2022.

Modification	What this seeks to achieve	Decision
CMP383	To enable the ESO to recover the costs deferred under CMP381, a licence change is required. This will not be in place for 1 April 2022. Therefore, CMP383 seeks to change the recovery of CMP381 costs, to when the new licence comes into effect until 31 March 2023.	Ofgem decision approving the Original proposal received on 25 March 2022. Will be implemented 3 May 2022. (Post Meeting Note: Implemented 3 May 2022)
CMP377	Seeks to provide clarity on how the BSUoS charging methodology is described in Section 14 of the CUSC. The four areas being addressed are: Covid-19 cost recovery calculations, capitalisation of defined terms in CMP373 legal text, clarifying storage import terminology and general housekeeping.	Ofgem decision approving the Original proposal received on 31 March 2022 and this was implemented 14 April 2022.
CMP308	Seeks to modify the CUSC to better align GB market arrangements with those prevalent within other EU member states by removing BSUoS charges from Generation.	Ofgem decision received on 25 April 2022, approving the CMP308 Original. Implementation Date is 1 April 2023.

Awaiting Decisions

11440. SMP 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
CMP292	Introduces a cut-off date for changes to the Charging Methodologies	Expected decision date of TBC in 2022 (previously 30 June 2021 and latterly 30 September 2021) as Ofgem still consider this to be low priority.
CMP371	Seeks to update CUSC Section 8 such that it is possible, under one CUSC Modification Proposal, to change CUSC provisions relating to Connection Charges, and Use of System Charging Methodologies alongside non-charging provision.	Ofgem expected decision date is still 3 May 2022 as confirmed at Panel on 29 April 2022. Post Meeting Note: Ofgem decision date TBC (previously 3 May 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	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

	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.	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.
CMP328	Seeks to put in place an appropriate process to be utilised when any connection triggers a Distribution impact assessment.	Final Modification Report was sent to Ofgem on 10 November 2021 and Ofgem confirmed at November 2021 Panel that no decision would be made on this until they have received the equivalent STC Modification (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.
CMP300	Seeks to improve the cost reflectivity of the Response Energy Payment ("REP") for Balancing Mechanism Units ("BMUs") with low or negative marginal costs, as a consequence of having a Contract for Difference ("CfD")	Ofgem, at Panel on 29 April 2022, confirmed they are seeking to make a decision on 13 May 2022. Post Meeting Note: Ofgem decision date TBC (previously 13 May 2022)
CMP361/CMP362	To introduce an ex-ante fixed volumetric BSUoS tariff set over a total fix and notice period of 14 months. This tariff would be split with a different price for the summer and winter periods. This will deliver the recommendations of the Second BSUoS Task Force Modification (CMP361) and to facilitate the implementation of BSUoS Reform by introducing and updating required definitions into CUSC section 11 from CMP308 and CMP361 (CMP362)	Final Modification Report was sent to Ofgem on 8 March 2022. Ofgem's latest expected decision dates table (as at 7 April 2022) indicates a decision date of 24 June 2022.
CMP298	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	Final Modification Report was issued to Ofgem 6 April 2022. No anticipated decision date confirmed at Panel on 29 April 2022.

<p>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.</p>	
--	--

6. New modifications

CMP388: Transmission Demand Residual (TDR) Minor Clarifications

11441. GN delivered a presentation on CUSC Modification CMP388 to the Panel. GN explained that CMP388 has been raised as Ofgem’s recent decisions on CUSC modifications [CMP336](#) and [CMP343](#) contained several small changes/clarifications that would be beneficial, in addition to some identified by the ESO. This proposal seeks implement these clarifications.
11442. The Panel held discussions on CMP388 and agreed that CMP388 should follow the standard governance route and proceed to Code Administrator Consultation. **(Post meeting note: Code Administrator Consultation was issued on 6 May 2022 and will close 5pm on 27 May 2022).**

CMP389: Transmission Demand Residual (TDR) band boundaries updates

11443. GN delivered a presentation on CUSC Modification CMP389. GN explained that this modification aims to implement changes related to band boundaries, as stated in paragraph 3.12 of Ofgem’s recent decision on CUSC modification CMP343.
11444. GN stated that paragraph 3.12 of the CMP343 decision asked NGENSO 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).
11445. GN confirmed that analysis supporting this review is included in the proposal form, including tariff impacts and that this only affects Transmission connected sites in bands 3 or 4. GN also stated that a further modification would be raised ~ Summer 2022 ~ to address wider issues.
11446. The Panel held discussions on the governance route for CMP389. Some Panel members could see merit in CMP389 proceeding to a Workgroup because this could materially impact parties and a Workgroup would allow possible alternatives and further analysis to support other solutions. However, some Panel members were of the view that this should proceed to Code Administrator Consultation.

11447. After further discussion, the Panel agreed that CMP389 should follow the standard governance route and proceed to Code Administrator Consultation on the basis that ESO added further detail on the analysis to support their conclusion and flag to TCMF and those parties directly impacted by the change (**Post Meeting Note: this was all completed**). The Panel also noted that a further Modification in this area would be raised ~ summer 2022 and the Panel were made aware that they can, at any time prior to the Draft Final Modification Report being presented for Recommendation Vote, ask for a Workgroup to be formed (**Post Meeting Note: Code Administrator Consultation was issued on 16 May 2022 and will close 13 June 2022**).

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

11448. KTL (presenting in the capacity of the Proposer) delivered a presentation on CMP390. KTL explained that this modification has been raised because 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 the ESO sharing information about the applicant with Government, enabling BEIS to carry out any initial national security checks in line with the NSI Act and identify any issues at an early opportunity.

11449. GG raised a comment regarding the legal text for CMP390. GG questioned the double use of the word 'relevant' so close together. AQ confirmed that the first relevant can be removed from the legal text. However, the second use of the word needs to remain. The proposer took an action to update the legal text ahead of the consultation being published. (**Post Meeting Note: was addressed ahead of CMP390 Code Administrator Consultation being issued**)

11450. The Panel agreed that CMP390 should follow the standard governance route and proceed to Code Administrator Consultation. (**Post Meeting note: CMP390 Code Administrator Consultation was issued on 9 May 2022 and will close on 30 May 2022**).

7. In Flight Modification Updates

11451. 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/electricity-transmission/calendar/cusc-panel-meeting-faraday-house-290422>

11452. 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.

11453. PM proposed to remove the Dashboard going forward as it is no longer needed for the Panel. The Panel agreed to this, on the basis that is not needed for any CACoP metrics. PM took an action to confirm this. **ACTION**

CMP384 'Apply adjustments for inflation to manifest error thresholds using Indexation'

11454. PM advised that the CMP384 Workgroup met on 20 April 2022 and proposed an additional Terms of Reference. The Panel agreed to the additional Terms of Reference.

CMP304 'Improving the Enhanced Reactive Power Service by making it fit for purpose'

11455. PM advised the Panel that the Workgroup Consultation opened on 17 February 2022 and closed 5pm on 10 March 2022, with 3 non-confidential responses received. The Proposer agreed to postpone the Workgroup on 24 March 2022 until after the ESO published their recommendations on next steps for the future of a Reactive Power Market (and held webinar) as the Workgroup Consultation responses did not provide any firm conclusions for CMP304 Original. The next Workgroup will therefore be held on 26 May 2022. The Workgroup Report will be presented to the Panel in July 2022 rather than April 2022. The Panel agreed to the revised timeline for CMP304.

CMP330/CMP374 'Allowing new Transmission Connected parties to build Connection Assets greater than 2km in length & CMP374: Extending contestability for Transmission Connections'

11456. PM advised the Panel that the 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 the Workgroup meeting on 16 March 2022. This means that the Workgroup Report will be presented to the Panel in June 2022 rather than April 2022. The Panel agreed to the revised timeline for CMP330/CMP374.

8. Discussions on Prioritisation

11457. The Panel reviewed the Prioritisation Stack. This can be found via the following link:

<https://www.nationalgrideso.com/electricity-transmission/calendar/cusc-panel-meeting-faraday-house-290422>

11458. An in-depth review of the Prioritisation Stack was planned to be carried out at the April 2022 Panel. However, it was felt prudent to delay this as the scope of the TNUoS Taskforce is still unclear on and no updated justification was provided by Proposers ahead of this meeting. In summary, one change was made to the prioritisation stack. This change was to the prioritisation of [CMP331: Option to replace generic Annual Load Factors \(ALFs\) with site specific ALFs](#). The Panel agreed for the priority of this modification to move from 'Low' to 'Low to Medium' on the basis that this has become more pressing for potential new connectees.

11459. The Panel will next review the prioritisation stack at the meeting in May.

9. Workgroup Reports

11460. No Workgroup Reports were presented to the CUSC Panel.

10. Draft Final Modification Reports

11461. No Draft Final Modification Reports were presented to the CUSC Panel.

11. Standing Groups

Transmission Charging Methodology Forum (TCMF)

11462. JD advised the Panel that the TCMF was held on 7 April 2022. The papers and presentations from this meeting can be found via the following link:

<https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc/cusc-forum>

The next TCMF will be held on 5 May 2022.

Joint European Stakeholder Group (JESG)

11463. GG advised that the JESG meeting was held on 26 April 2022. The papers and presentations from this meeting can be found via the following link:

<https://www.nationalgrideso.com/calendar/jesg-meeting-26-april-2022>

The next JESG meeting will be held on will be held on 14 June 2022.

Governance Standing Group

11464. No further updates for the Panel.

EU Codes

11465. No further updates for the Panel.

12. Update on other Industry Codes

11466. No further updates for the Panel.

13. Relevant Interruptions Claim Report

11467. PM advised the Panel that the Relevant Interruptions Claim report had been included within the Panel papers. GG asked if PM could confirm the dates on the report as there is a valid claim (Claim 83) which doesn't appear to have been paid. **ACTION**

14. Governance

11468. No further updates for the Panel.

15. Horizon Scan

11469. No further updates for the Panel.

16. Forward Plan Update

Critical Friend Update

11470. PM presented the critical friend updates to the Panel. PM advised that as this role has been fulfilled by the Code Administrator since the implementation of [CMP313: Critical Friend review period for submission of new modifications](#) this reporting should be removed from the agenda as this is now Business as Usual and details of the Code Administrator's checks are picked up in discussions on New Modifications. The Panel agreed to the removal of this agenda item.

17. AOB

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

11471. KTL delivered a presentation on the ESO's second RIIO-2 Business Plan (BP2). KTL explained that the ESO's 2019 RIIO-2 Business Plan set out ambitious goals for the five-year period 2021-2026. This Business Plan 2 (BP2) is a refresh of the ESO's RIIO-2 plans and details what they will deliver from April 2023 – March 2025.

11472. KTL confirmed that the draft BP2 will be submitted to Ofgem on Friday 29 April 2022. The ESO will consult on their draft BP2 from Friday 29 April to Friday 10 June and consultation feedback will inform the final BP2, which the ESO will submit in August 2022.

The next CUSC Panel meeting will be held on Friday 27 May 2022 via Microsoft Teams.