

# CUSC Panel Minutes: 27 May 2022

## CUSC Panel Minutes: Meeting Number 297

**Date:** 27/05/2022      **Location:** Microsoft Teams

**Start:** 10:00am      **End:** 12:30pm

### 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
Karen Thompson - Lilley	KTL	National Grid Electricity System Operator
Grace March	GM	Users' Panel Member
Nadir Hafeez	NH	Authority Representative
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)
Harriet Harmon	HH	Authority Observer – Agenda item 10
Dovydas Dyson	DD	National Grid Electricity System Operator – Presenter for Agenda Item 19
Nitin Prajapati	NP	National Grid Electricity System Operator – Presenter for Agenda Item 19

### 1. Introductions and Apologies for Absence

11473. No apologies were received.

### 2. Approval of minutes from previous meetings

11474. The meeting minutes from the CUSC Panel held on 25 March 2022 were approved. The Panel minutes from 29 April 2022 will be presented for approval at the CUSC Panel on 24 June 2022.

### 3. Action log

11475. The CUSC Panel reviewed the open actions from the meeting held on 29 April 2022, which can be found on the Actions Log.

### 4. Chair update

11476. TM had no further updates for the Panel.

### 5. Authority decisions

11477. NH confirmed that the following decisions on CUSC Modifications had been made since the Panel meeting that was held on 29 April 2022.

Modification	What this seeks to achieve	Decision
<b>CMP368/369</b>	Updating Charges for the Physical Assets Required for Connection, Generation Output and Generator charges for the purpose of maintaining compliance with the Limiting Regulation (CMP368) and Consequential changes to Section 14 of the CUSC (CMP369)	Rejected by the Authority on 20 May 2022 as they concluded that none of the proposals relating to the Connection Exclusion can lawfully be approved

11478. TM noted that the CMP368/369 decisions had referenced legal text ambiguities and inconsistencies, which need to be considered if similar Modifications on this topic are brought forward.

## Awaiting Decisions

11479. 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:

<b>Modification</b>	<b>What this seeks to achieve</b>	<b>Expected Decision Date</b>
<b>CMP292</b>	Introduces a cut-off date for changes to the Charging Methodologies	TBC in 2022 - Ofgem still consider this to be low priority.
<b>CMP298</b>	Process for aggregated assessment of Distributed Generators that impact (or may impact) on the National Electricity Transmission System.	30 November 2022
<b>CMP300</b>	Cost reflective Response Energy Payment for Generators with low or negative marginal costs as a consequence of having a Contract for Difference (“CfD”)	16 June 2022 (previously 13 May 2022 and advised on Ofgem’s latest expected decision date publication as 31 May 2022).
<b>CMP328</b>	Establish the process when any connection triggers a Distribution impact assessment.	30 November 2022
<b>CMP361/CMP362</b>	Introduce an ex-ante fixed volumetric BSUoS tariff set over a total fix and notice period of 14 months (CMP361) and associated definition changes (CMP362)	24 June 2022
<b>CMP371</b>	Allow Proposers to raise one CUSC Modification Proposal to seek changes to both charging and non-charging provisions within CUSC	17 June 2022 (previously 3 May 2022)

## 6. New modifications

11480. No new Modifications were presented to Panel.

## 7. In Flight Modification Updates

11481. 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-15>

11482. 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 the Panel, together with a view of modifications that are likely to be raised in the same period.

### CMP316: TNUoS Arrangements for Co-located Generation Sites

11483. PM advised the Panel that the Workgroup Report was to be presented to April 2022 Panel; however, this is delayed to August 2022 as legal text needs to be finalised and there are implementation challenges to address. The Panel agreed to the revised timeline for CMP316.

### CMP286 & CMP287: Improving TNUoS Predictability through Increased Notice of the Target Revenue (CMP286) and Inputs (CMP287) used in the TNUoS Tariff Setting Process

11484. PM advised the Panel that the second Workgroup Consultation was issued on 6 April 2022 and closed 5pm on 9 May 2022 with 7 non-confidential responses received. At the Workgroup meeting on 18 May 2022, the Workgroup agreed that a further Workgroup meeting would be needed before the Workgroup Report can be presented to Panel (predominantly as more clarification needed on the TO impacts and the licence changes). The Panel agreed to a one-month delay to the timeline, therefore the Workgroup Report will be presented at the July 2022 Panel.

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

11485. PM advised the Panel that there are further delays to CMP330/CMP374 due to legal text and some implementation approach issues. PM stated that the Workgroup need to be consulted on a revised timeline before this is presented to Panel.

## 8. Discussions on Prioritisation

11486. The Panel reviewed the Prioritisation Stack. This can be found via the following link:

<https://www.nationalgrideso.com/calendar/cusc-panel-meeting-15>

11487. There were no further discussions on the current prioritisation stack. The Panel will review this again at the meeting in June.

## 9. Workgroup Reports

### CMP363 & CMP364: TNUoS Demand Residual charges for transmission connected sites with a mix of Final and non-Final Demand & Definition changes for CMP363

11488. PM delivered a presentation on CMP363 & CMP364. PM stated that CMP363 seeks to clarify the TNUoS Demand Residual charging arrangements for transmission connected sites that have a mix of Final and non-Final Demand and CMP364 supports CMP363 by changing Section 11 to add/amend/remove definitions as needed. The CUSC Panel unanimously agreed that CMP363 and CMP364 should follow the standard governance route and proceed to joint Workgroup.

11489. PM confirmed that two solutions have been developed for CMP363 and one solution for CMP364. The Workgroup Consultation was held between 10 May 2021 and 1 June 2021 and received 7 non-confidential responses and 1 confidential response.

11490. The majority of respondents were supportive of the proposed changes and were overall content that the Workgroup have explored the right scenarios whilst noting that Sites could have a combination of these scenarios – one respondent thought it useful to show the impact of behind-the-boundary generation on final and non-final demand, and the scenarios document has been updated accordingly, and the same respondent also queried how on-

site generation/storage output should be accounted for when assessing a site's demand residual liability.

11491. PM noted that concerns were raised that it would be impractical to implement a consistent solution for transmission-connected and distribution-connected Final Demand Sites as data at Distribution level is incomplete and there is no practical way of splitting the Maximum Import Capacity across Meter Point Administration Numbers, which opens up opportunities for gaming. There are no Grid Code and BSC changes expected.
11492. PM advised that the Workgroup held their vote on 11 May 2022. For CMP363, the Workgroup concluded unanimously (5 out of 5 votes) that the Original and WACM1 better facilitated the Applicable Objectives than the Baseline. For CMP364, the Workgroup concluded unanimously (5 out of 5 votes) that the Original better facilitated the Applicable Objectives than the current CUSC (the Baseline).
11493. The CUSC Panel on 27 May 2022 agreed that a further scenario needs to be explored before the Workgroup Report can be signed off. This is specifically the metering solution for a site with generation and / or substantial on-site consumption or storage to demonstrate that it is technically feasible to apply CMP363 at such generation and storage sites. The expectation is that this will be considered over the next couple of weeks and the Workgroup Report will be re-presented to June 2022 Panel.

## 10. Draft Final Modification Reports

### CMP391: Definition of 'Charges for Physical Assets Required for Connection'

11494. Before presenting the Draft Final Modification Report to the Panel, the Panel noted that CMP391 is a formal proposal and the Panel agreed that it was happy to proceed to the recommendation vote.
11495. HH attended the Panel meeting and provided an overview of CMP391. HH explained that, on 17 December 2020, the Authority approved the Original Proposal in CMP339, inserting new definitions into Section 11, in conjunction with another CUSC modification proposal: CMP317/327. SSE Generation Ltd (and others related entities, 'SSE') appealed to the Competition and Markets Authority (the 'CMA') against the CMP317/327 and CMP339 decisions. The CMA dismissed all grounds of appeal.
11496. SSE subsequently applied for judicial review of the CMA decision. Judgment in the judicial review proceedings ('the Judgment') was handed down on 11 April 2022 with the claim allowed on one ground (of three) only. The relief granted by the court was to direct the CMA to partially quash one element of the modification made by CMP339, specifically to remove a definition: "Charges for Physical Assets Required for Connection".
11497. CMP391 therefore seeks to ensure that there is a definition of "Charges for Physical Assets Required for Connection" which reflects the Limiting Regulation, in light of the conclusions in the Judgment about what is required to achieve compliance.
11498. PM confirmed that the Authority have raised CMP391 under CUSC 8.17.A.1 and have set the timetable as per CUSC 8.17.A.3.
11499. The CUSC Panel held their recommendation vote for CMP391. The Panel unanimously recommended that the Original Solution better facilitated the CUSC Objectives than the current CUSC. The Final Modification Report will be sent to Ofgem on 30 May 2022. **(Post Meeting Note: CMP391 was submitted to the Authority on 30 May 2022 and the**

*decision to approve CMP391 was received on 31 May 2022. CMP391 was then implemented on 1 June 2022, in line with the Authority's decision).*

## 11. Standing Groups

### Transmission Charging Methodology Forum (TCMF)

11499. KTL advised the Panel that the TCMF was held on 31 May 2022. The papers and presentations from this meeting can be found via the following link:

<https://www.nationalgrideso.com/calendar/transmission-18>

The next TCMF will be held on 7 July 2022.

### Joint European Stakeholder Group (JESG)

11500. GG advised that the JESG meeting for May 2022 was cancelled. The next JESG meeting will be held on 14 June 2022. The papers and presentations for this meeting can be found via the following link:

<https://www.nationalgrideso.com/calendar/jesg-meeting-14-june-2022>

### Governance Standing Group

11501. No further updates for the Panel.

### EU Codes

11502. No further updates for the Panel.

## 12. Update on other Industry Codes

11503. No further updates for the Panel.

## 13. Relevant Interruptions Claim Report

11504. No further updates for the Panel.

## 14. Governance

11505. No further updates for the Panel.

## 15. Horizon Scan

11506. PM presented the Horizon Scan to the Panel and no further comments were received from Panel Members on the content.

## 16. Forward Plan Update

11507. No further updates for the Panel.

## 17. AOB

### Offshore Coordination Project

11508. DD and NP delivered a presentation on the Offshore Coordination Project. NP explained that Ofgem and BEIS asked the ESO to lead a Central Design Group to undertake a Holistic Network Design (HND) for projects in scope. In June 2022 the ESO will publish the HND, its views on the SQSS, and an Industry Code, Standard and Licence Recommendation Report.

The ESO will subsequently be undertaking a connection contract update programme and a code and standard modification programme. Further information on the Offshore Transmission Network Review, including the Pathway to 2030 workstream, can be found as follows:

[Offshore transmission network review - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/offshore-transmission-network-review)

[Consultation on changes intended to bring about greater coordination in the development of offshore energy networks | Ofgem](https://www.ofgem.gov.uk/consult/condocs/energy-networks/energy-networks-2021-22/energy-networks-2021-22-consultation-on-changes-intended-to-bring-about-greater-coordination-in-the-development-of-offshore-energy-networks)

[Offshore Coordination Project | National Grid ESO](https://www.nationalgrideso.com/offshore-coordination-project)

11509. DD stated that, currently, a 'review cycle' is ongoing with a working draft of the report being shared with Transmission Owners, Ofgem and internal ESO colleagues. Following the review cycle the ESO will enter into a period of content refinement (and thereafter governance) with the report to be published at the end of June 2022 alongside the HND. The ESO are currently awaiting Ofgem's minded-to decision regarding the offshore delivery model to deliver the HND in order to finalise content.
11510. DD confirmed that, following report publication, stakeholders will be invited to review the content and provide feedback. In addition, a webinar is likely to be scheduled in July 2022 to allow the ESO to talk through the content of the report and to take questions. The ESO will be attending code forums and/or panels throughout July 2022 to share and discuss key elements of the report.
11511. Throughout Summer 2022 the ESO will consider any feedback received on the report and will be arranging a suite of webinars/workshops to explore and discuss aspects of the report, as well as any feedback that had been received to date. The ESO will subsequently be using the above engagement to develop and raise code and standard modifications to facilitate the HND and the Ofgem decision (once available) on offshore delivery models.

### **Code Administrator Annual Report**

11512. PM stated that the ESO have published the ESO Code Administrator Annual Report for the period of 2021-2022 to provide further context and transparency on both its role and the level of activity across the codes it is responsible for. The report, which is the third to date, includes detailed insights into activities, key metrics and data available on modifications.

The report can be found via the following link:

<https://www.nationalgrideso.com/document/250266/download>

### **Cross-code survey**

11513. NH advised the Panel that Ofgem will not be commissioning the Code Administrators' Performance Survey for 2022.

**The next monthly CUSC Panel meeting will be held on Friday 24 June 2022 via Microsoft Teams.**