



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

Meeting 128 - 3 November 2022

Agenda

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| 1 | Introduction, meeting objectives and review of previous actions Claire Huxley - ESO | 10:30 - 10:35 |
| 2 | Code Administrator update Paul Mullen - Code Administrator ESO | 10:35 - 10:45 |
| 3 | CMP395 Operational update Heather Stratford - ESO | 10:45 - 10:50 |
| 4 | Early Competition - CUSC Modifications update Gareth Stanley - ESO | 10:50 - 10:55 |
| 5 | Tec Amnesty Laura Henry - ESO | 10:55 - 11:05 |
| 6 | AOB and Meeting Close Claire Huxley- ESO | 11:05 - 11:20 |
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Review of previous actions

ID	Month	Agenda Item	Description	Owner	Notes	Target Date	Status
22-13	Oct 22		To reach out to Ofgem for update on timescales for Code reform headline.	Claire Huxley		Nov	Open

Code Administrator update

Paul Mullen – Code Administrator ESO

Authority Decisions Summary (as at 1 November 2022)

On 4 May 2021 (last updated 14 October 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	Anticipated Decision Date
CMP288	Explicit charging arrangements for customer delays and backfeeds iro transmission connections	30 November 2022
CMP292	Introduces a cut-off date for changes to the Charging Methodologies	31 October 2023
CMP298	Process for aggregated assessment of Distributed Generators that impact (or may impact) on the National Electricity Transmission System.	30 November 2022
CMP328	Establish the process when any connection triggers a Distribution impact assessment.	30 November 2022

Authority Decisions Summary (as at 1 November 2022)

Modification	What this seeks to achieve	Anticipated Decision Date
CMP361/CMP362	Introduce an ex-ante fixed volumetric BSUoS tariff set over a total fix and notice period of 14 months (CMP361) and introduce and update required definitions into CUSC section 11 from CMP308 and CMP361 (CMP362)	31 October 2022 (Post Meeting Note: Code Admin understand that this will be delayed and await revised expected decision date from Ofgem)
CMP363/CMP364	TNUoS Demand Residual charges for transmission connected sites with a mix of Final and non-Final Demand (CMP363) and definition changes (CMP364)	Early December 2022
CMP384	Apply adjustments for inflation to manifest error thresholds using Indexation	31 January 2023
CMP388	Transmission Demand Residual (TDR) minor clarifications	16 December 2022
CMP389	Changes related to Transmission Demand Residual (TDR) band boundaries	16 December 2022
CMP390	Updating Connection application forms to enable disclosure of information to government for purposes of the National Security and Investment (NSI) Act 2021	3 February 2023

Authority Decisions Summary (as at 1 November 2022)

Modification	What this seeks to achieve	Decision
CMP395	Seeks to cap BSUoS per Settlement Period from 1 October 2022 (or such later date as the Authority may specify) to 31 March 2023, recoup the money in charging year 2023/24; and cap the liability to be carried by the ESO	Decision was received 5 October 2022 approving WACM3 (as per Original except cap BSUoS at £40/MWh rather than £15/MWh). CMP395 WACM3 came into effect from 1st Settlement Period (00:00 to 00:30) on 6 October 2022

In Flight Modification Updates

Other key Modification Updates as of 1 November 2022

Modification	What this does?	Latest
CMP286/287	Seeks increased notice of the Target Revenue (CMP286) and inputs (CMP287) used in the TNUoS Tariff Setting Process	Panel recommendation vote at November 2022 Panel.
CMP304	Enable reforms to commercial Reactive Power services	Prioritisation was discussed at October 2022 Panel and priority was not changed, as there remains a need for reactive services. However, the Panel (and Proposer) agreed that work on CMP304 is paused until such time that the ESO team, who are leading on the Reactive Reform (Market Design), have completed their Feasibility studies, which in turn will help to inform the Proposer's solution.
CMP315/375	Reviewing the calculation of the Expansion Constant & Expansion Factors.	Workgroup Report was planned to be presented to December 2022 Panel. Need further Workgroups to finalise the solutions, vote on which become formal alternatives, agree the legal text and then produce indicative tariffs for each solution. Therefore, there will be a 1 month delay in getting the Workgroup Report to Panel (i.e. January 2023) and a revised timeline will be presented to November 2022 Panel.
CMP316	TNUoS Charging Methodology for Co-located Generation	Panel recommendation vote at November 2022 Panel - linked to CMP397.
CMP330/374	Allowing new Transmission Connected parties to build Connection Assets	Workgroup Report was planned to be presented to October 2022 Panel; however further delays to finalising the legal text means this is being pushed back to February 2023 and a revised timeline will be presented to November 2022 Panel.
CMP331	Option for new generators to replace generic Annual Load Factors (ALFs) with site specific ALFs	Workgroup Consultation to be run from 24 November 2022 to 5pm on 15 December 2022.

Other key Modification Updates as of 1 November 2022

Modification	What this does?	Latest
CMP344	Clarification of Transmission Licensee revenue recovery and the treatment of revenue adjustments in the Charging Methodology	How Workgroup have addressed the Terms of Reference (agreed following Ofgem's send-back in May 2021) will be presented to November 2022 Panel.
CMP376	Inclusion of Queue Management process within the CUSC	Additional Workgroups needed to finalise Milestone timings and interaction between Milestones and Modification Applications. Workgroup Report to be presented to February 2023 Panel.
CMP379	Determining TNUoS demand zones for transmission-connected demand at sites with multiple Distribution Network Operators	Workgroup Report to be presented to December 2022 Panel.
CMP385	Review of CUSC Section 15 (User Commitment)	Proposer to further develop CMP385 before presenting this and/or additional Modifications to a subsequent meeting of the CUSC Panel.
CMP392	TNUoS Methodology in accordance with the Limiting Regulation	Next Workgroup on 23 November 2022 given other priorities and Workgroup Report will now be issued to March 2023 Panel (rather than February 2023).
CMP393	Alter the definition of Annual Load Factor with respect to electricity storage, taking into account imports as well as exports.	Next Workgroup 22 November 2022.
CMP394	Exempt electricity storage assets in positive Transmission Network Use of System zones from payment of generation charges.	Next Workgroup 22 November 2022.

Other key Modification Updates as of 1 November 2022

Modification	What this does?	Latest
CMP396	Re-introduction Of BSUoS on Interconnector Lead Parties	Independent legal opinion required – ESO legal (on behalf of Code Admin) finalising who can provide such advice and Workgroup to then meet (during November) to agree question(s) to be asked
CMP397	Consequential changes required to CUSC Exhibits B and D to reflect CMP316 (Co-Located Generation Sites)	Panel recommendation vote at November 2022 Panel – linked to CMP316
CMP398	GC0156 Cost Recovery mechanism for CUSC Parties	1 st Workgroup on 3 November 2022 – to be run in parallel with related Grid Code Modification (GC0156)
CMP399	Minor amendments to CUSC Section 14	Code Administrator to be run from 3 November 2022 to 5pm on 24 November 2022
CMP400	Minor amendments to CUSC Non-Section 14	Code Administrator to be run from 3 November 2022 to 5pm on 24 November 2022
CMP401	Maintaining Non Half Hourly (NHH) charging arrangements for Measurement Classes F and G	Code Administrator to be run from 10 November 2022 to 5pm on 1 December 2022

For updates on all “live” Modifications please visit our “Modification Tracker” [here](#)

2022 and 2023 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

CUSC 2023 - Panel dates

CUSC	Panel Dates	Papers Day	Modification Submission Date	(TCMF) CUSC Development Forum
January	27 (Face to Face Meeting)	19	12	5
February	24	16	9	2
March	31	23	16	9
April	28 (Face to Face Meeting)	20	13	6
May	26	18	11	4
June	30	22	15	8
July	28 (Face to Face Meeting)	20	13	6
August	25	17	10	3
September	29	21	14	7
October	27 (Face to Face Meeting)	19	12	5
November	24	16	9	2
December	15	7	30/11	23/11

CMP395 Operational update

Heather Stratford - ESO

CMP395: Cap BSUoS costs and Defer payment to 2023/24 to protect GB customers

- Cap of £40/MWh per Settlement Period to be recouped in 2023/24
- The scheme is limited to £250m
- 6th October 2022 to 31st March 2023 or when the fund reaches its liability

Scheme Month	Last day of Settlement Month	II Processing Date for last Settlement Day of month	SF Processing Date for last Settlement Day of month	Credit Note Issue Date	Payment Date
Oct-22	31/10/2022	09/11/2022	23/11/2022	02/12/2022	07/12/2022
Nov-22	30/11/2022	08/12/2022	23/12/2022	10/01/2023	13/01/2023
Dec-22	31/12/2022	10/01/2023	25/01/2023	03/02/2023	08/02/2023
Jan-23	31/01/2023	08/02/2023	23/02/2023	06/03/2023	09/03/2023
Feb-23	28/02/2023	08/03/2023	23/03/2023	03/04/2023	06/04/2023
Mar-23	31/03/2023	12/04/2023	27/04/2023	09/05/2023	12/05/2023

CUSC Modification- Enabling Network Competition

Gareth Stanley - ESO

Background

- This modification aims to introduce the concept of Onshore Network Competition for the design, build and ownership of Onshore Transmission assets.
- Network Competition winners will be appointed following a tender process and will be financed through a long Tender Revenue Stream.
- To allow **Onshore Network Competition** to be implemented effectively the competition processes, obligations, technical requirements, charges, and remuneration principles need to be embedded within the relevant codes.
- The proposed modifications will enable both early and late competition and are based upon the assumption that CATOs will be granted a Transmission Licence and will be categorised as Onshore Transmission Licensees.
- Non-Network Solutions will receive a contract and tender revenue stream only (no transmission licence)

CUSC- Network Competition Modification

- **The ESO intend to raise a CUSC mod in the coming weeks** to cover the requirements to competition for the construction of transmission network assets and how that will relate to the CUSC
- **The legal text changes are to be made in association with changes to other Codes**, including STC, CUSC, Grid Code and BSC
- The changes consist mainly of:
 - Introducing the **concept of Competitively Appointed Transmission Owner** into Section 11 (Terms & Definitions)
 - Statements in Section 14 (Charging) clarifying how funding stream payments will be recovered

Legal Text Changes

Please note the following points of guidance regarding the legal text changes.

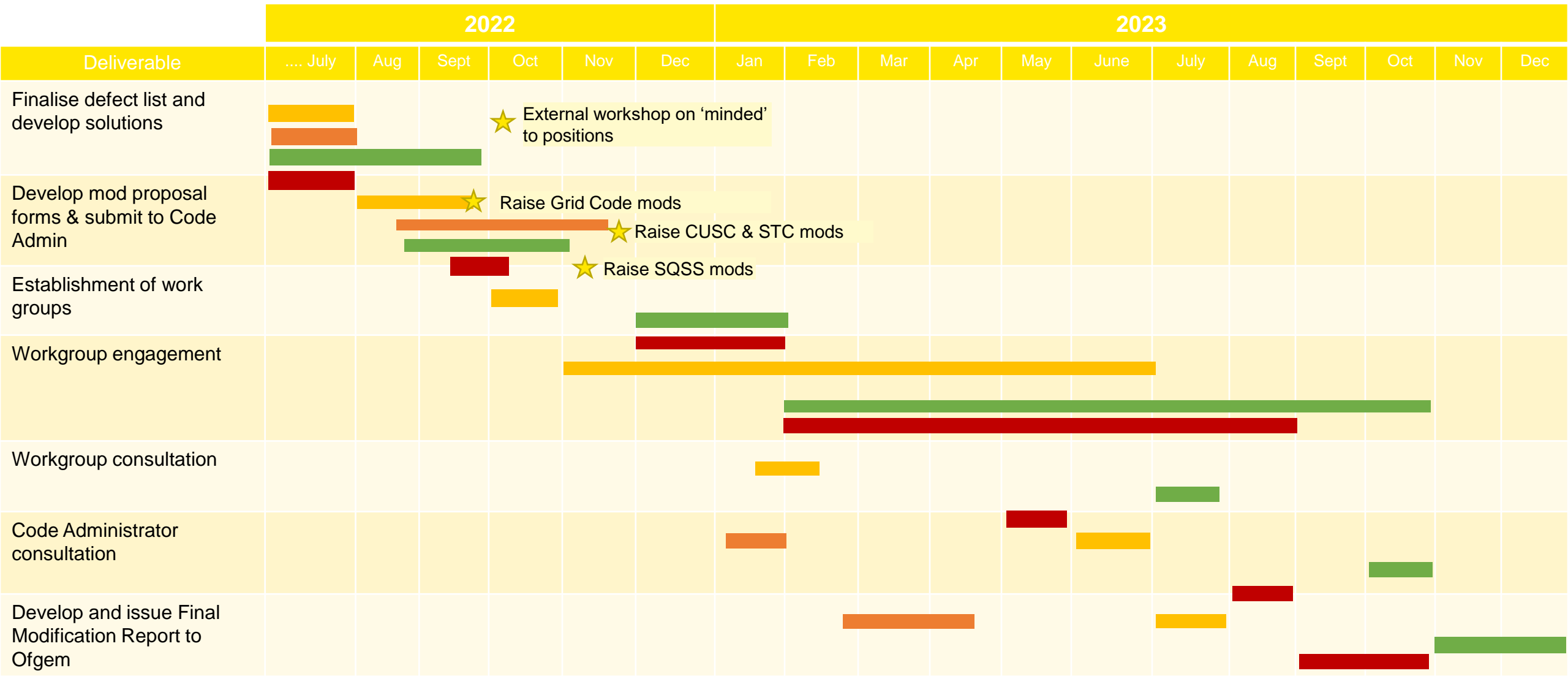
Note that the objective of this modification is to implement minimum changes to the CUSC to facilitate the introduction of CATOs and Non-Network Solutions that meet current CUSC categories.

The following Mods are currently being finalised for submission to CUSC panel on 10th November

- **11. Interpretations and Definitions**
 - Introduce “Competitively Appointed Transmission Owner” definition
 - Insert “Competitively Appointed Transmission Owner” within definitions for
 - Onshore Tender Regulations
 - Onshore Transmission Licensee
 - Transmission Licences
- **14. Charging**
 - State that TNUoS will be used to recover payments made to Competitively Appointed Transmission Owners
 - State that BSUoS will be used to recover payments made to Non- Network Solutions (no transmission licence)
- **Note-** There is currently no plan to introduce new categories into the CUSC for Non-Network Solutions that aren’t currently listed in Section 1 of the CUSC

POAP for all CATO mods

Grid Code ■ CUSC ■ STC ■ SQSS ■



Questions



Email us with your views on Early Competition or any questions
at:

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alastair.grey@nationalgrideso.com

TEC Amnesty

Laura Henry - ESO



TEC Amnesty



ESO launches new initiative to connect electricity generation to the transmission system faster



TEC (Transmission Entry Capacity) Amnesty launched to clear stalled projects from the TEC register.



[Expression of Interest](#) running from 1 October to 30 November 2022 the amnesty window allows customers to leave the register at no cost or a reduced fee.



Part of a wider initiative of actions and reforms that the ESO are leading on to improve connections management in the short and longer term

TEC Amnesty

What is the TEC Register?

- The TEC Register dictates the queue for connections to the national electricity transmission network and includes all projects that seek a connection offer.

What is the TEC Amnesty?

- To support the delivery of Net Zero, the ESO are offering network participants the opportunity to request to Terminate their Connection Agreement with minimal or no charges.

What are the criteria for projects to leave the TEC Register?

- That no costs associated with Transmission reinforcements would still have to be incurred had the original application been for the newly requested value;
- That the Termination is not considered to require any further analysis beyond a desktop assessment to ascertain the impact of the Termination on the planned Transmission works, or have an impact on the local connection works or to require significant changes to the Connection Agreement;
- That there is no detrimental effect on other Users of the network in that connection dates or costs are adversely affected

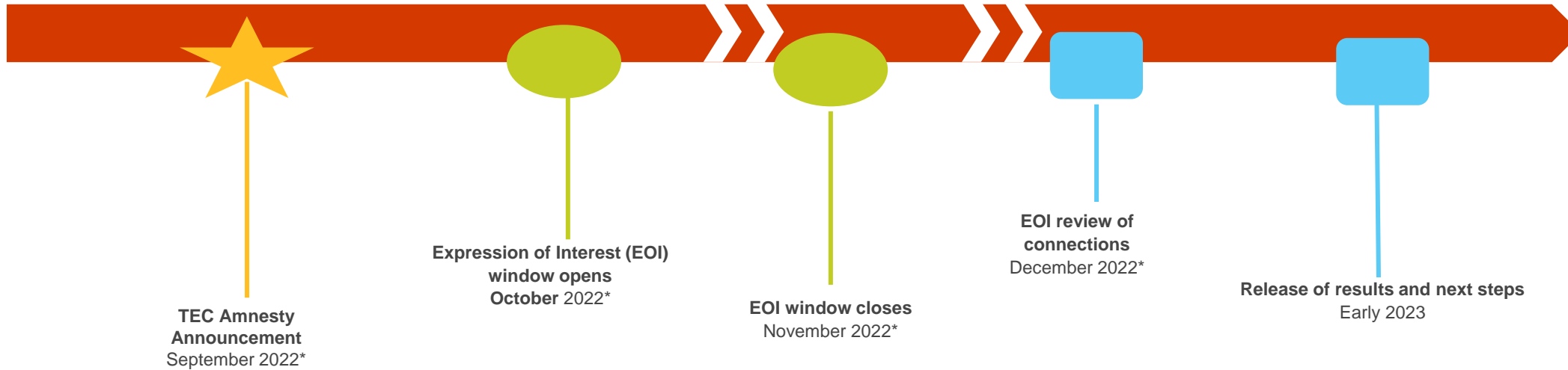
Does TEC Amnesty apply to Bilateral Embedded Generation Agreement (BEGA) connections?

- Customers that hold a BEGA can also come forward to express their interest to terminate or reduce TEC on the transmission contract held with NGESO;
- However, the TEC Amnesty doesn't extend to connection contracts between Customer and the relevant Distribution Network Operators;

TEC Amnesty

What are the timescales to apply for this voluntary process?

For the period 1 October to 30 November 2022 inclusive users can fill out an expression of interest form and their agreement will then be assessed against the criteria and a decision will be made by early 2023.



*Dates for reference only

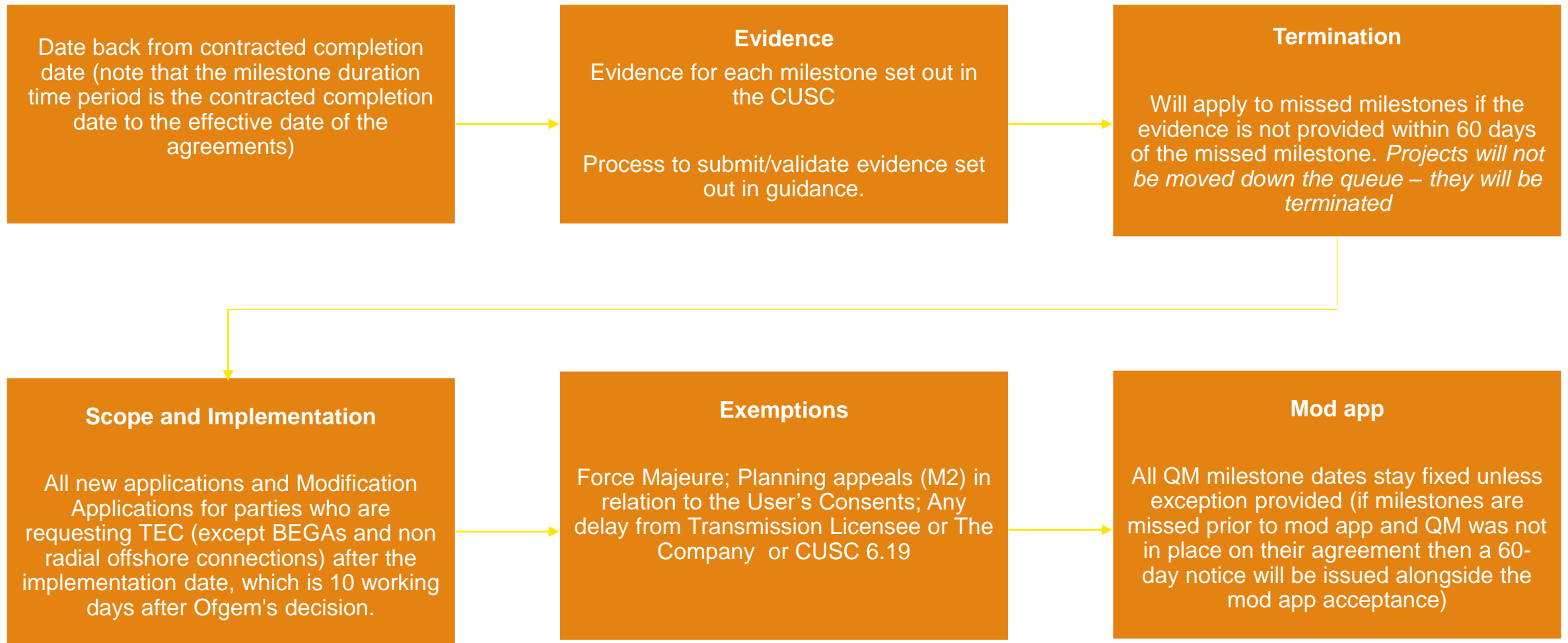
TEC Amnesty Q&A Sessions

In August 2022 we held a Customer Connections Agora dedicated to providing further insight to the TEC Amnesty process, you can find the slides and recording from this session [on our website](#).

Queue Management CMP376

Laura Henry - ESO

Summary of Proposal



Updated Transmission Milestones Proposal

Retained Distribution Milestone Names for consistency

1 year from requested Completion date	2 years from requested Completion date	3 years from requested Completion date	4 years from requested Completion date	5 years and above from requested Completion date (including EIA, DCO)
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Milestones: All durations referenced from contracted Completion Date

M1 - Initiate Planning Consent	Bilaterally negotiated	18 months	24 months	36 months	48 months
M2 - Secure Consent		12 months	18 months	24 months	30 months
M3 - Land Rights		21 months	30 months	39 months	48 months

M4 N/A for transmission (referenced to provide consistency to distribution)

M5 - Contestable Design Works Submission	Bilaterally negotiated	18 Months	24 months	36 months	48 months
M6 - Agree Construction Plan		9 Months	12 months	15 months	18 Months
M7 - Project Commitment		6 Months	9 months	12 months	15 Months
M8 - Project Construction		3 months	6 Months	9 months	12 months

AOB & Close