

CUSC Panel Minutes: 30 September 2022

CUSC Panel Minutes: Meeting Number 303

Date: 30/09/2022 **Location:** Microsoft Teams

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

Participants

Attendee	Initials	Company
Trisha McAuley	TM	Independent Panel Chair
Milly Lewis	ML	Code Administrator, National Grid Electricity System Operator (Alternate)
Ren Walker	RW	Technical Secretary, Code Administrator, National Grid Electricity System Operator
Karen Thompson – Lilley	KTL	National Grid Electricity System Operator
Andy Pace	AP	Users' Panel Member
Binoy Dharsi	BD	Users' Panel Member
Cem Suleyman	CS	Users' Panel Member
Garth Graham	GG	Users' Panel Member
Grace March	GM	Users' Panel Member
Joseph Dunn	JD	Users' Panel Member
Paul Jones	PJ	Users' Panel Member
Nadir Hafeez	NH	Authority Representative
Apologies	Initials	Company
Paul Mullen	PM	Code Administrator, National Grid Electricity System Operator

Jennie Groome	JG	Code Administrator, National Grid Electricity System Operator
Claire Huxley	CH	National Grid Electricity System Operator (Alternate)
Mark Duffield	MD	Users' Panel Member (Alternate)
Andrew Enzor	AE	Users' Panel Member
Observers/Presenters	Initials	Company
Rashmi Radhakrishnan	RR	BSC Observer
Terri Puddefoot	TP	Code Administrator, National Grid Electricity System Operator
Catia Gomes	CG	Code Administrator, National Grid Electricity System Operator
Nicola White	NW	National Grid Electricity System Operator (Proposer of CMP397)

1. Introductions, Apologies for Absence, and declaration of interests

11686. Apologies were received from Paul Mullen, Jennie Groome, Claire Huxley, Mark Duffield and Andrew Enzor. GG noted a declaration of interest for CMP398 as he is the Proposer of this modification.

2. Approval of minutes from previous meetings

11687. The meeting minutes from the CUSC Panel held on 16 and 26 August 2022 were approved.

3. Action log

11688. The CUSC Panel reviewed the open actions from the meeting held on 26 August 2022, which can be found on the Actions Log.

4. Chair update

11689. The Chair had no further updates for the Panel.

5. Authority decisions

11690. NH confirmed that no decisions have been made since the Panel meeting that was held on 26 August 2022:

Awaiting Decisions

11691. 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
CMP288	Explicit charging arrangements for customer delays and back feeds for transmission connections	Final Modification Report was issued to Ofgem on 10 August 2022. Decision expected 30 November 2022.
CMP292	Introducing a Section 8 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.
CMP298	Process for aggregated assessment of Distributed Generators that impact (or may impact) on the National Electricity Transmission System.	Decision expected 30 November 2022 in accordance with Ofgem's latest published expected decision dates table. Associated STC Modification (CM080) to be presented to August 2022 STC Panel for recommendation vote.
CMP328	Establish the process when any connection triggers a Distribution impact assessment.	Decision expected 30 November 2022 in accordance with Ofgem's latest published expected decision dates table. The Final Modification Report for the associated STC change (CM078) was issued to Ofgem on 7 June 2022.
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)	Ofgem published their minded-to decision consultation on 21 September 2022 and stated they are minded to approve CMP361 WACM5 (CMP361 WACM5 provides a fixed tariff period of 1 year, with 3 months' notice provided to Users ahead of the fixed tariff period and a 5-year BSUoS Fund Recovery) and the CMP362 Original. Minded-to decision consultation closes 19 October 2022 after which Ofgem will assess any responses received, before publishing a final decision.
CMP388	Transmission Demand Residual (TDR) minor clarifications	Final Modification Report was sent to Ofgem on 6 July 2022. Ofgem confirmed a decision will be published by end of October 2022.
CMP389	Changes related to Transmission Demand Residual (TDR) band boundaries	Final Modification Report was sent to Ofgem on 6 July 2022. Ofgem confirmed a decision will be published by end of October 2022.
CMP390	Updating Connection application forms to enable disclosure of information to government for purposes of the National Security and Investment (NSI) Act 2021	Final Modification Report was sent to Ofgem on 6 July 2022. Ofgem's latest expected decision dates table (as of 22 July 2022) indicates a decision date of 3 February 2023.
CMP395	Cap BSUoS costs and Defer payment to 2023/24 to protect GB customers	Final Modification Report was sent to Ofgem on 21 September 2022. Decision was expected on 29 September 2022; however, Ofgem confirmed at the Panel on 30 September 2022 that a decision on CMP395 is expected w/c 3 October 2022.

6. New modifications

[CMP397: Consequential changes required to CUSC Exhibits B and D to reflect CMP316 \(Co-located Generation Sites\)](#)

11692. NW from National Grid ESO delivered a presentation on CMP397. NW explained that CMP397 seeks to facilitate [CMP316: TNUoS arrangements for Co – located Generation Sites](#), by introducing consequential changes to the information required in CUSC Exhibit B: *Connection Application* & Exhibit D: *BEGA Application*.
11693. The CUSC Panel agreed that CMP397 should follow the standard governance route and proceed to Code Administrator Consultation. The Code Administrator Consultation will be issued at the same time as the CMP316 Code Administrator Consultation. ***(Post meeting note: The Code Administrator Consultation was opened on 4 October 2022 and will close 5pm on 1 November 2022).***

CMP398: GC0156 Cost Recovery mechanism for CUSC Parties

11694. GG (in the capacity of the Proposer of CMP398) delivered a presentation on CMP398. GG explained that GC0156 (*Facilitating the Implementation of the Electricity System Restoration Standard*) will place new obligations, within the Grid Code, upon CUSC Parties who are not contracted with the ESO as Restoration Service Providers. CMP398 proposes to introduce a codified cost recovery mechanism to prevent the affected parties being commercially disadvantaged by the implementation of the new obligations.

11695. Following discussions, the CUSC Panel agreed that CMP398 should follow the standard governance route and proceed to a Workgroup, which will be run in parallel with GC0156.

11696. The Panel held discussions on the Terms of Reference for CMP398. There were mixed views from Panel members on whether the following Term of Reference should be in scope for the CMP398 Workgroup to consider. These were:

- Consider the Claim principles, items to be included, good governance process and payment/recovery for any cost recovery mechanism
- Use reasonable endeavours to consider the cost impacts and benefits on consumers

11697. The Panel, by majority came to the conclusion that these should be included for the Workgroup to consider.

7. In Flight Modification Updates

11698. ML 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-20>

11699. ML 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.

CMP315: TNUoS review of the expansion constant and the elements of the transmission system charged for & CMP375: Enduring Expansion Constant & Expansion Factor Review

11700. ML advised the Panel that the Workgroup Report was anticipated to be presented to the September 2022 CUSC Panel; however, additional Workgroups are needed to finalise solutions (including confirming mathematical approaches for each solution) and Legal Text and therefore it will be presented to December 2022 Panel. The Panel agreed to the revised timeline.

CMP376: Inclusion of Queue Management process within the CUSC

11701. ML presented revised Terms of Reference for CMP376. The CUSC Panel agreed to the amendments made to the Terms of Reference.

CMP311: Reassessment of CUSC credit requirements for Suppliers, specifically for "User Allowed Credit" as defined in Section 3, Part III section 3.27 of the CUSC

11702. ML advised that on 22 September 2022, the Proposer of CMP311 notified the Code Administrator that they no longer wish to be Proposer of this modification, which seeks to

change the amount of credit that is allowed to Suppliers under the User Allowed Credit requirements.

11703. ML stated that CUSC 8.16.10 defines the process for withdrawal and industry were notified on 22 September 2022 and had until 5pm on 29 September 2022 to express their wish to become the new Proposer.

11704. ML confirmed that no – one expressed a wish to become the new Proposer of CMP311 by 5pm on 29 September 2022 and therefore Panel are asked under CUSC 8.16.10(b) to agree to the withdrawal of CMP311. The Panel agreed to the withdrawal of CMP311.

8. Discussions on Prioritisation

11705. The Panel reviewed the Prioritisation Stack and made the following changes:

Modification	What this seeks to achieve	Panel Comments	Position in Prioritisation Stack
CMP398	Proposes to introduce a codified cost recovery mechanism to prevent the affected parties being commercially disadvantaged by the implementation of the new obligations proposed under GC0156.	Panel agreed that CMP398 should be placed medium to high on the prioritisation stack due to the alignment with GC0156: Facilitating the Implementation of the Electricity System Restoration Standard .	Medium to high

The current prioritisation stack can be found via the following link:

<https://www.nationalgrideso.com/calendar/cusc-panel-meeting-20>

9. Workgroup Reports

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

11706. ML delivered a presented on CMP286 & CMP287 to the Panel. ML advised that CMP286 seeks to increase the notice of the Target Revenue and inputs. CMP287 will be used in the TNUoS Tariff Setting Process. By fixing Target Revenue and inputs 15 months ahead of TNUoS tariffs going live moves the risk from Suppliers to Transmission Owners and the key challenge has been to show the impact of doing this. There is analysis to support this; however, there are recognised limitations to this not least the commercial sensitivity of Suppliers’ actual risk premia.

11707. ML advised the Panel that one WACM1 was raised for CMP286/CMP287. This WACM is as per the original solution, but relevant costs borne by The Company as defined in the Transmission Licence” are not locked down 15 months ahead of tariffs. The Workgroup held their vote and concluded by majority that the Original and WACM1 better facilitated the applicable CUSC Objectives than the Baseline.

11708. The Panel agreed that the Terms of Reference have been met and agreed for CMP286/CMP287 to proceed to Code Administrator Consultation. ***(Post meeting note: The Code Administrator Consultation was published on 4 October 2022, and this will close at 5pm on 25 October 2022).***

10. Draft Final Modification Reports

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

11709. ML delivered a presentation on CMP363 & CMP364. ML explained 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. CMP364 is to support CMP363 by changing Section 11 to add/amend/remove definitions as needed.

11710. ML advised the Panel that the Code Administrator Consultation was held from 15 August 2022 to 13 September 2022 and received 3 non-confidential responses. The key points from the consultation were:

- All 3 responses were supportive of all options (CMP363 Original, CMP363 WACM1 and CMP364 Original) and the implementation approach.
- 1 respondent expressed a preference for the CMP363 Original as they believe Settlement Metering is more accurate and robust. However, 1 respondent preferred CMP363 WACM1 as, in their view, this would allow more sites to benefit from this change.
- No legal text issues identified.

11711. The Panel held their recommendation vote on CMP363 & CMP364. For CMP363, the Panel unanimously recommended that both options better facilitated the CUSC Objectives than the current CUSC and there was a majority preference (5 out of 8 votes) for WACM1. For CMP364, the Panel unanimously recommended that the original solution is implemented. ***(Post meeting note: The CMP384 Final Modification Report was issued to Ofgem on 12 October 2022).***

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

11712. ML delivered a presentation on CMP384. ML explained that this modification seeks to ensure that fixed manifest error thresholds stated within the CUSC account for inflation and are better aligned with current TNUoS tariffs to which they relate.

11713. The Code Administrator Consultation was held between 30 August 2022 to 21 September 2022 and received two non – confidential responses. Both responses were supportive of the CMP384 original, and the implementation approach and no legal text issues were identified.

11714. The Panel held their recommendation vote on CMP384. The Panel unanimously recommended that the original solution is implemented. ***(Post meeting note: The CMP384 Final Modification Report was issued to Ofgem on 12 October 2022).***

11. Standing Groups

Transmission Charging Methodology Forum (TCMF)

11715. KTL advised the Panel that the TCMF meeting will be held on 6 October 2022. The papers and presentations for this meeting can be found via the following link:

<https://www.nationalgrideso.com/calendar/transmission-22>

The next TCMF meeting will be held on 3 November 2022.

Joint European Stakeholder Group (JESG)

11716. GG advised that the JESG meeting was held on 13 September 2022. The papers and presentations for this meeting can be found via the following link:

<https://www.nationalgrideso.com/calendar/jesg-meeting-13-september-2022>

The next JESG meeting will be held on 18 October 2022.

Governance Standing Group

11717. No further updates for the Panel.

EU Codes

11718. No further updates for the Panel.

12. Update on other Industry Codes

11719. ML advised the Panel that an urgent Grid Code Modification ([GC0160](#): *Grid Code Changes for BSC Mod P448: "Protecting Generators subject to Firm Load Shedding during a Gas Supply Emergency from excessive Imbalance Charges"*) has been raised.

13. Relevant Interruptions Claim Report

11720. No further updates for the Panel.

14. Governance

11721. No further updates for the Panel.

15. Horizon Scan

11722. No further updates for the Panel.

16. Forward Plan Update

11723. No further updates for the Panel.

17. AOB

Energy Code Governance Reform Update

11724. NH advised the Panel that further information on the Code Governance Reform will be published in October 2022.

The next monthly CUSC Panel meeting will be held on Friday 28 October 2022 at National Grid ESO's offices at Faraday House, Warwick.