

Headline Report – 25 August 2023

Connection and Use of System Code (CUSC) Panel

The Headline Report is produced after every Panel and aims to provide an overview of the key decisions made. Minutes for this meeting will be published separately.

Approval of Panel Minutes

The meeting minutes from the Panel on 28 July 2023 were approved and these have been uploaded to our [website](#).

New Modifications

The following new Modification Proposals were presented to the Panel:

CMP418: Proposal to Refine the allocation of Static Var Compensators (SVC) costs at OFTO transfer

The proposal seeks to socialise SVC costs through wider TNUoS charges. Instead of the current system where offshore wind farm generators both (i) provide upfront capital costs for the SVC before transferring to OFTO and (ii) cover the cost of SVCs via the offshore local circuit tariff for the lifetime of the project.

The Panel unanimously agreed that CMP418 should follow the standard governance route and proceed to a Workgroup. The Panel drafted, but did not approve, the Terms of Reference for the Workgroup.

CMP418 documentation can be found [here](#)

CMP419: Generation Zoning Methodology Review

To review the existing generation zoning methodology to incorporate offshore assets connected as part of the Holistic Network Design (HND) to enable the wider tariff to be applied to offshore generators. This modification seeks to also revisit the issue of zoning further to the expectations set out as part of the Authority decision on CMP324 and CMP325.

The Panel unanimously agreed that CMP419 should follow the standard governance route and proceed to a Workgroup. The Panel agreed the Terms of Reference for the Workgroup.

CMP419 documentation can be found [here](#)

New / Pending Authority Decisions

Decisions since the last Panel

There had been no Ofgem decisions on CUSC Modifications since the July 2023 CUSC Panel however after the Panel meeting closed the following decision was received.

Modification	What this seeks to achieve	Decision
CMP292	Ensure that CUSC Charging Methodologies are fixed in advance of the relevant Charging Year to allow ESO to appropriately set and forecast charges with the aim of reducing the risk of charges out-turning differently to the forecasts produced by ESO and created by Users.	Approved with an implementation date of 01 April 2024.

Awaiting Decisions

Modification	What this seeks to achieve	Expected Decision Date
CMP288	To introduce explicit charging arrangements to recover additional costs incurred by Transmission Owners and TNUoS liable parties because of transmission works undertaken early due to a User initiated delay to the Completion Date of the works, or to facilitate a backfeed.	19 September 2023 (previously 25 August 2023) Authority Representative at Panel noted that decision would be an Authority send-back.
CMP298	Process for aggregated assessment of Distributed Generators that impact (or may impact) on the National Electricity Transmission System.	29 September 2023
CMP330&CMP374	To amend the definition of Connection Assets in section 14 of the CUSC to allow cable and overhead line lengths over 2km to be contestable where agreed between the Transmission Owner and the User.	08 March 2024
CMP331	To provide new generators with the option to replace the generic Annual Load Factors (ALFs) used to determine their TNUoS charges with a user-provided ALF.	29 September 2023
CMP344	Clarifies that the allowed revenue for Transmission Owners recovered from Transmission Users under the Charging Methodologies is fixed for each onshore price control period for onshore transmission licensees and at the point of asset transfer for OFTOs.	06 October 2023 (previously 29 September 2023)
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.	15 September 2023
CMP398	GC0156 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	06 October 2023
CMP412	Seeks to facilitate the implementation of CMP398 and proposes a small change to Section 14 (BSUoS) to ensure that any validated costs arising via the CMP398 solution are recovered (as happens today with black start costs via BSUoS).	06 October 2023
CMP414	Seeks to enact the Workgroup solution from CMP330/CMP374, by updating Exhibit B, Section 2 and Section 11 of the CUSC	08 March 2024

Ofgem publish 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. This was last updated on 17 August 2023 and is published [here](#).

Prioritisation Stack

For each Modification in the prioritisation stack, Panel have determined if the Priority is “High”, “Medium to High”, “Medium”, “Low to “Medium” or Low”. Panel continue to review the prioritisation stack on a monthly basis and every quarter hold a more in-depth review (ahead of this review, Proposers will be asked to provide updated justification against the prioritisation criteria).

This next in-depth review is planned to be carried out at our October 2023 Panel.

The Panel discussed the prioritisation of the following Modifications:

Modification	What this seeks to achieve	Panel Comments	Prioritisation
CMP418	The proposal seeks to socialise SVC costs through wider TNUoS charges. Instead of the current system where offshore wind farm generators both (i) provide upfront capital costs for the SVC before transferring to OFTO and (ii) cover the cost of SVCs via the offshore local circuit tariff for the lifetime of the project.	Whilst some Panel Members thought that based on the complexity, importance and urgency of the modification it should be considered as ‘Medium to High’ or ‘High’. The majority agreed that it should be placed as ‘Medium’ in the prioritisation stack.	Medium
CMP419	To review the existing generation zoning methodology to incorporate offshore assets connected as part of the Holistic Network Design (HND) to enable the wider tariff to be applied to offshore generators. This modification seeks to also revisit the issue of zoning further to the expectations set out as part of the Authority decision on CMP324 and CMP325.	Given the complexity of the defect, the potential for several alternative solutions and the advantage of an early decision on re-zoning for investors, this was placed as “Medium to High” in the prioritisation stack	Medium to High

The latest prioritisation stack can be found [here](#).

In flight Modifications

[CMP291: The open, transparent, non discriminatory and timely publication of the harmonised rules for grid connection \(in accordance with the RfG, DCC and HVDC\) and the harmonised rules on system operation set out within the Bilateral Agreements](#)

The Panel approved the withdrawal of the Modification following no responses from industry.

[CMP393: Using Imports and Exports to Calculate Annual Load Factor for Electricity Storage](#)
Modification Timeline and Terms of Reference Update:

The Panel approved the new timeline and following some further amends approved the additional/ amended Terms of Reference submitted within the Panel Papers.

[CMP402: Introduction of Anticipatory Investment \(AI\) principles within the User Commitment Arrangements](#)

The Panel approved the new timeline as submitted within the Panel Papers.

[CMP405: TNUoS Locational Demand Signals for Storage](#)

The Panel approved the new timeline as submitted within the Panel Papers.

[CMP411: Introduction of Anticipatory Investment \(AI\) within the Section 14 charging methodologies](#)

The Panel approved the new timeline as submitted within the Panel Papers.

The next [Modification Tracker](#) will be published on 07 September 2023.

Workgroup Reports

There were no Workgroup Reports presented to the Panel.

Draft Final Modification Reports

The following second Draft Final Modification Report (due to a Send back decision) was presented to the Panel:

CMP379: Determining TNUoS demand zones for transmission - connected demand at sites with multiple Distribution Network Operators (DNOs)

Seeks to clarify how TNUoS demand zones and therefore TNUoS demand tariffs and charges should be determined for transmission-connected demand users who connect at the boundaries of multiple DNO areas.

The Panel has recommended unanimously that the Proposer's solution better facilitate the CUSC Applicable Objectives. The Final Modification Report will be sent to Ofgem on 07 September 2023.

CMP379 documentation can be found [here](#)

Other

Voting for the CUSC Panel Elections closes 5pm on Friday 1 September 2023.

Questions or feedback?

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