

Connections strategic change & impact to CUSC

Initial working draft Terms of Reference

Background

The Connections and Use of System Code (CUSC) is the contractual framework for connecting to and using the National Electricity Transmission System (NETS).

In February 2023, the Connections team within ESO kicked off their five point-plan¹ to update the existing connections process in the short-term for the electricity transmission grid to complement their programme of longer-term reform².

The ESO received feedback in June 2023 from CUSC Panel members with regards to communications³ the ESO had provided on updates to the five-point plan along with a new ESO proposed policy paper⁴, which seemed to imply that some changes to the connection process would be made by the ESO without the need for CUSC code changes prior to the application of that new policy to some new users (i.e. battery storage) seeking to connect to the NETS.

The CUSC Modifications Panel⁵ oversees the governance arrangements for the CUSC. Its function is in part to:

- Evaluate and administer amendments to the Code
- Review any consequences of those amendments

To ensure that that the industry understands the ESO's proposed new connection process for battery storage and that it has been considered through a formal CUSC governance lens the ESO agreed to set up a sub-group of CUSC Issues Steering Group (CISG) in July 2023.

Rationale for a Sub-Group

The business case for change around connections is high, moving at pace and, in the view of the ESO, where there is the opportunity to implement quick wins within the remit of policy, these decisions are being expedited. Stakeholder engagement, by the ESO, around the connections space is considerable and many co-creation focused working group have taken place to date. The ESO's Connections team has established 'Agora' to provide a forum for ESO to highlight progress and to answer questions from stakeholders. Representatives from the CUSC Panel have suggested⁶, however, that there would be value in having additional and specific CUSC commercial sessions to understand the ESO's proposed changes to the connections process and the new policy. There is the view that discussion under the remit of a CUSC Issues Steering Group (CISG) Sub-Group should provide due governance and correct stakeholder focus as the 'Agora' meeting have tended to focus on developers and been short in nature⁷, which may not be conducive to consider in detail the wider implications from the ESO proposed new policy.

Scope

¹ [Connections five point plan](#)

² [Connections reform programme](#)

³ ['Get on, get back or get out of the energy queue' - ESO announces urgent action to speed up electricity grid connections by up to 10 years | ESO \(nationalgrideso.com\)](#)

⁴ [ESO Word Template - Full Width \(nationalgrideso.com\)](#)

⁵ [CUSC panel page on NGEESO website](#)

⁶ Having received feedback from a number of stakeholders before and during the June TCMF meeting.

⁷ Circa once a month for around one hour duration.

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The scope of the Sub-Group is as follows:

- Provide clarity on the horizon of strategic connection change.
- Signposting to more medium-term change such as Connections Reform.
- Focusing immediate discussion on connections five-point plan initiatives including the ESO's new policy for battery storage connections.
- Breaking down the ESO's line of thinking ~~regards to against~~ implementation of these initiatives and addressing concerns raised by stakeholders both in terms of governance and post implementation impacts.
- Provide opportunity to deep dive on those change initiatives of interest. This will ensure the industry can understand how this change will manifest and work in practice or understand the current remit of ESO exploratory work ~~(where work in practice is not yet baselined).~~

Aim is therefore to help identify any CUSC code governance gaps or downstream impacts and ensure these gaps or impacts are addressed appropriately and stakeholder are engaged on this journey.

Deliverables

- Monthly verbal update to CISG and the CUSC Panel detailing the Sub-Groups latest thinking and discussions
- Summary of meeting and actions from each Sub-Group will be distributed to the CISG distribution list

The Sub-Group meeting is not intended to be an enduring sub-group and will conclude when sub-group members agree that the meeting is no longer required. Assessment of this will be conducted after [6] months or sooner should sub-group members agree.

Chair

The Sub-Group will be chaired by Karen Thompson-Lilley who shall act impartially, and as an independent chairperson, to facilitate discussion between stakeholder and the ESO's Connections team.

The Chair may nominate a deputy to chair the meeting in their absence.

The Chair will provide leadership to the Sub-Group and will be responsible for ensuring that each meeting is conducted in accordance with the Terms of Reference, and in an orderly and efficient manner. The Chair will ensure that all Sub-Group members are able to contribute their views. The Chair will coordinate with the Secretariat to ensure that the appropriate policies and procedures are in place for the effective management of the Sub-Group.

The Chair will ensure that regular verbal updates are provided to CISC and the CUSC Panel on the Sub-Group, including its current thinking, progress, emerging conclusions, and recommendations.

Membership

The Sub-Group will comprise of at least five people (who may include CUSC Panel members).

Sub-Group members will:

- 1) Ideally have relevant expertise and experience in the current CUSC connection arrangements and principles underpinning the methodology and represent the views of the whole industry;
- 2) Be representative of those impacted by the ESO's proposed changes to Connection arrangements going forwards;
- 3) Be committed to making improvements and delivering benefits to Users;
- 4) Be available to attend all meetings and engage more widely with Industry; and
- 5) Actively contribute to completing tasks allocated to members of the Standing Group outside of meetings and report back on these in a timely manner.

The Sub-Group overall will have due regard to previous relevant binding decisions of -inter alia – the Authority

Secretariat

Commented [GG1]: Is that the right word to use here?

Commented [JH(2R1)]: Amended

Commented [GG3]: What exactly does this mean - baselined as in, already contained in the CUSC baseline, or something else?

Commented [JH(4R3)]: Removed

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The secretariat role will be undertaken by the ESO's Commercial Codes team, acting in an independent capacity to facilitate Sub-Group progress.

The Secretariat will provide secretariat services to the Sub-Group and the Chair, including in particular:

- 1) Send out meeting invitations;
- 2) Aim to circulate meeting agendas and any supporting relevant documents 3 working days prior to each meeting;
- 3) Circulate meeting summary to Sub-Group members after each meeting;
- 4) Maintain a list of actions and send reminders to members to complete actions;
- 5) Add agreed meeting documents to the relevant section of the ESO website; and
- 6) Maintain the membership list of Sub-Group meetings, including a distribution list of members.

Reporting

The Sub-Group will develop and adopt its own internal working procedures for the conduct of the Sub-Group, such as the Terms of Reference document, and share these with the Sub-Group.

The Sub-Group will be required to keep wider industry updated on its work through the regular publication of all agreed Sub-Group documentation. Documents that a party asks not to be circulated or that are only available in draft form do not need to be published.

Meetings

Sub-Group meetings will usually be held via Teams, on a regular basis, monthly in the first instance. Meeting frequency and if there is a need for the Sub-Group to meet for a face-to-face session will be reviewed on a regular basis, as decided by the Chair, in consultation with the Sub-Group members, as appropriate.