

CUSC Panel Minutes

25 August 2023

CUSC Panel Minutes

Date: 25/08/2023 **Location:** Microsoft Teams
Start: 10:00 **End:** 13:00

Participants

Attendee	Initials	Representing
Kyle Martin	KM	Acting Independent CUSC Panel Chair
Milly Lewis	ML	Panel Secretary, Code Administrator Representative
Shazia Akhtar	SA	Panel Technical Secretary, Code Administrator
Andrew Enzor	AE	Users' Panel Member
Andy Pace	AP	Consumers' Panel Member
Binoy Dharsi	BD	Users' Panel Member
Cem Suleyman	CS	Users' Panel Member
Claire Huxley	CH	Alternate Panel Member, National Grid ESO
Garth Graham	GG	Users' Panel Member
Joe Dunn	JD	Users' Panel Member
Paul Jones	PJ	Users' Panel Member
Mark Duffield	MD	Users' Panel Member Alternate
Nadir Hafeez	NH	Authority Representative

Apologies

Attendee	Initials	Representing
Grace March	GM	Users' Panel Member
Karen Thompson-Lilley	KTL	Panel Member, National Grid ESO
Rashmi Radhakrishnan	RR	BSC Representative (Observer)
Trisha McAuley	TM	Independent Panel Chair

Presenters / Observers

Attendee	Initials	
Camile Gilsean	CG	ESO, Commercial Codes Team - Observer
Giulia Licocci	GL	CMP418 Proposer - Ocean Winds
Nitin Prajapati	NP	CMP419 Proposer - ESO
Sarah Carter	SC	Code Governance Manager

1. Introductions and Apologies

12033. Apologies were received from Grace March, Karen Thompson-Lilley, Rashmi Radhakrishnan, and Trisha McAuley. No declarations of interest were noted.
12034. ML advised the Panel that KTL had a new job within the ESO as the Customer and Stakeholder Strategy Manager within the Flexibility Market Strategy Team. CG who was observing the meeting had been seconded into KTL's role and would be becoming the future ESO Panel representative once CG has been formally appointed under CUSC Section 8.4.2.C. CH will be acting as KTL's alternate until then.

2. Minutes from previous meetings

11995. The minutes from the CUSC Panel held on 28 July 2023 were approved.

3. Review of actions log

12035. ML provided the following updates and proposed to close actions **186, 188, 189** and **190**:
12036. Update Action **182** – ML advised that the Code Administrator have a house keeping review in early September, after which an update will be provided to Panel.
12037. Update Action **186** – ML advised that Sarah Carter the manager of the Code Administrator Team will be coming to the September Panel to provide an update on this.
12038. Update Action **187** – ML advised that the ESO has reached out to the Proposer of **CMP304** and they are in the process of arranging a meeting.
12039. Update Action **188** – ML advised that SSE Generation formally withdrew as Proposer of **CMP291** on 16 August 2023.
12040. Update Action **189** – ML and CH advised the Panel that the Revenue Team are hesitant to publish potential outcomes for different modifications as part of their draft tariffs at this moment in time, as it would cause more confusion than clarity.
12041. Update Action **190** – ML advised that as they do not know whether TM will be back for the September Panel the next face to face meeting will be in October. However, a table has been booked at the Saxon Mill, Warwick the evening before the October CUSC Panel, if Panel members would like to meet up for a meal. If Panel members decide to go ahead with this, they will need to pay for the meals themselves.
12042. The Panel unanimously agreed to close actions **186, 188, 189** and **190**.

4. Chair's update

12043. The Chair explained that TM was hoping to be back for the 29 September 2023 Panel, but Jon Wisdom had been lined up as a back up to cover both Grid Code and CUSC Panels in September if required.

12044. SC explained that TM contract as Independent Chair was up for renewal at the end of September 2023 and that the Code Administrator was looking to extend this via Ofgem for another 3 years. This would see them through the Energy Code Reform and provide some consistency on the Panel. SC asked Panel members if they had any feedback in relation to this, then to send it across to SC by end of day Friday 25 August 2023.

5. Authority Decisions

12045. NH provided an update on the Modifications that were currently awaiting a decision and apologised for the delay in sending back **CMP288**. NH explained that their Connections Team deals with code modifications, queries, and determinations alongside several major work streams on connections reform, and that they were currently preparing to publish their Joint Connections Action Plan later this year. Due to the urgency of this reform programme, they have not been able to look at code modifications in general, and in particular, **CMP288**. However, they were still looking to publish a decision on this very soon.

12046. NH also explained that the expected decision date for **CMP330/374** and **CMP414** was the 08 March 2024, because the Authority were still considering whether to do an impact assessment.

Awaiting Decisions

Modification	What this seeks to achieve	Expected Decision Date
<u>CMP288</u>	Explicit charging arrangements for customer delays and backfeeds	19 September 2023
<u>CMP292</u>	Introduces a cut-off date for changes to the Charging Methodologies	25 August 2023
<u>CMP298</u>	Updating the Statement of Works process to facilitate aggregated assessment of relevant and collectively relevant embedded generation	29 September 2023
<u>CMP330/374</u>	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
<u>CMP331</u>	Option to replace generic Annual Load Factors (ALFs) with site specific ALFs	29 September 2023
<u>CMP344</u>	Clarification of Transmission Licensee revenue recovery and the treatment of revenue adjustments in the Charging Methodology	06 October 2023
<u>CMP376</u>	Inclusion of Queue Management process within the CUSC	15 September 2023
<u>CMP398</u>	GC0156 Cost Recovery mechanism for CUSC Parties	06 October 2023
<u>CMP412</u>	CMP398 Consequential Charging Modification	06 October 2023
<u>CMP414</u>	Seeks to enact the Workgroup solution from CMP330/CMP374, by updating Exhibit B, Section 2, and Section 11 of the CUSC	08 March 2024

12047. Ofgem publish a table that provides expected decision dates, or dates that 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](#).

12048. NH went on to provide an update on the Future System Operator (FSO) Code Change Programme. NH explained that the call for volunteers for industry representatives to join the cross code working group to develop the FSO code changes closed on 23 August 2023, and

the Authority had received nominations from all industry groups required along with the role of chair. Once the sift of nominations was completed an initial confirmation email would be sent out to industry, within the next few days. This would be followed up with a more detailed email on the workgroup phase including a timeline of activities, as well as a full set of launch artifacts which will include draft code text, company planning and project management documents. The Authority will also formally publish the names of the cross-code workgroup membership and respond to the questions and concerns put forward by industry in response to their publication. If the Panel have any questions in relation to this, then please contact Christian Marr and Carley Malcom, whose details can be found in the call for volunteer's documents. NH explained that the Authority will continue to provide regular updates on the FSO change programme to the Panel and thanked everyone for their input so far.

Post Panel Note: The Authority decision for **CMP292** was published later that day on 25 August 2023.

5. New Modifications

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

12049. GL presented **CMP418** to the Panel and explained that it 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. GL felt that as they had already carried out a study on the defect and developed a fully formed solution, no further input was needed from a Workgroup and **CMP418** should proceed straight to Code Administrator consultation. For more information, please refer to the **CMP418** slides within the Panel slide pack.
12050. GL confirmed that **CMP418** will only apply to new wind farms from when the modification is approved and implemented and that the same principles will apply to both Alternating Current (AC) and Direct Current DC connections.
12051. The Panel stated that this would need to be clearly defined within the legal text and questioned whether this modification had any cross-code impacts and if any Grid Code or STC modifications would need to be raised. They also questioned whether it had any interactions with an existing STC modification **CM085**.
12052. GL advised that they did not believe a Grid Code or STC modification would need to be raised, because currently most of the STC interactions were not codified but based on interpretation. GL also did not believe that there were any interactions with **CM085**, because **CM085** was looking to clarify OFTO reactive power requirements at less than 20% output, by examining the way the SVC operates, rather than looking at how the costs were allocated.
12053. A Panel member disagreed and felt that an STC modification may be required. Another Panel member explained that there were four different set-ups for different OFTOs and questioned whether GL had looked at the impact of this modification on those different setups or discussed them with the ESO.
12054. GL confirmed that they had not looked into these four different set-ups, but would reach out to the ESO to discuss this further and ensure that there are no interactions with **CM085**.
12055. One Panel member highlighted that a definition would be needed for SVC and that the current legal text removed the reactive equipment (the SVC), from the offshore generator circuit tariff, but did not show where it then went into the offshore tariff section of Section 14. This needed to be updated to complete the whole revenue cycle.
12056. Another Panel member stated that the solution needed to be future proofed to make sure it worked in all possible future scenarios.

12057. The Proposer agreed to investigate all these issues.
12058. The Panel unanimously agreed that **CMP418** should follow standard governance and proceed to a Workgroup, as further work was needed to address the issues raised by the Panel.
12059. The Panel noted the timeline and ML explained that the draft Terms of Reference (ToR) including the issues raised by Panel would be circulated offline to the Panel to agree.

Post Panel Note: *The draft ToR for **CMP418** were circulated to Panel on the 29 August 2023 for review, Panel members were given until 6 September 2023 to feedback any amendments. The final ToR incorporating the proposed changes were then circulated to Panel on the 21 September 2023.*

CMP419: Generation Zoning Methodology Review

12060. NP presented **CMP419** to the Panel and explained that it seeks 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. It also seeks to revisit the issue of zoning further to the expectations set out as part of the Authority decision on **CMP324** and **CMP325**. For more information, please refer to the **CMP419** slides within the Panel slide pack.
12061. A Panel member stated that these appeared to be two separate distinct issues and questioned whether NP had considered splitting them into two modifications.
12062. NP explained that they had considered the scope of the modification which is why they had exempted the items listed on slide 20. However, as HND included DC circuits they would need to consider how it was incorporated into the Transportation and Tariff model, which is closely interlinked to the generation zone methodology. Therefore, instead of having two separate closely interlinked modifications they decided it was best for them to be considered as part of one review.
12063. Panel members highlighted that this may result in a number of different combinations for the solution, which could in turn result in a number of Workgroup Alternatives CUSC Modifications (WACMs) being raised.
12064. A Panel member highlighted that the governance around the Electricity Ten Year statement (ETYS) meant that operational boundaries can and do change, but for TNUoS charging, boundaries are fixed for a long period of time. The Panel member questioned how the **CMP419** solution using ETYS would ensure stability, predictability and cost reflectivity of boundaries.
12065. NP explained that this was something that needed to be discussed and finalised by the Workgroup and it was already listed as item (b) within the draft ToR for them to consider.
12066. A Panel member questioned why the 27 generation zones needed to be changed?
12067. NP explained that the ESO have been asked to review the zoning methodology as part of the Authority decision on **CMP324/325**.
12068. The Panel unanimously agreed that **CMP419** should follow the standard governance process and proceed to a Workgroup. The Panel noted the timeline, before reviewing and agreeing the ToR, where they requested that the words 'cost reflectivity' were added to ToR (b).

6. In flight modification updates

12069. ML talked the Panel through the progression of the in-flight modifications. The modification tracker can be found on the National Grid ESO website via the following link:
<https://www.nationalgrideso.com/document/286191/download>

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

12070. ML explained that the Proposer withdrew their support for **CMP291** on 16 August 2023. A withdrawal window was opened for 5 business days from this date and closed at 5pm on 23 August 2023. No responses were received from industry to adopt the modification, so under CUSC Section 8.16.10 the Panel can now either formally withdraw the modification or ask the Code Administrator to go out to industry for another 5 business days before it is withdrawn.

12071. The Panel unanimously agreed that **CMP291** was now officially withdrawn.

CMP271: Improving the cost reflectivity of demand transmission charges &

CMP276: Socialising TO costs associated with green policies

12072. ML explained that the modification tracker stated that **CMP271** and **CMP276** were both in the process of being withdrawn back in 2020, but this was not finalised. The Proposer of **CMP271** is checking with an industry party whether they were still interested in adopting the modification. The **CMP276** official withdrawal communication will be sent out to industry on the 29 August 2023, asking if an industry party is interested in adopting the modification. A further update on both modifications will be provided to the 29 September 2023 Panel.

CMP393: Using Imports and Exports to Calculate Annual Load Factor for Electricity Storage

12073. ML advised the Panel that the Workgroup have requested a seven month extension to allow enough time for the Workgroup to complete the analysis and legal text for the updated solution. The Workgroup report will now be presented to the February 2024 Panel.

12074. The Panel unanimously agreed to the timeline extension.

12075. ML advised the Panel that the Workgroup have also proposed amendments to the ToR so that any links to **CMP394** which was withdrawn on 15 December 2022 have been completely removed and the ToR are completely focused on storage.

12076. The Panel approved the ToR subject to the following amends/requests:

- (c) - The following wording was added back in “This should include consideration of duration of storage for management of constraints”;
- (e) - Further wording was added to the new Two Stage Offer process to clarify it applied “in England and Wales”;
- (h) - The word “technical” was removed in order to make sure all costs in implementing **CMP393** are disclosed not just the technical ones.
- (j) - Workgroup to check if this ToR was within the viaries of the defect/CUSC and if they can do this.

12077. ML advised the Panel these changes and concerns would be feedback to the **CMP393** Chair and Workgroup to consider. If any further changes are needed to the ToR, they will be brought back to a future Panel.

CMP402: Introduction of Anticipatory Investment (AI) principles within the User Commitment Arrangements

12078. ML advised the Panel that the **CMP402** Workgroup have requested a one month extension to allow enough time for the Workgroup to finalise solution/legal text and work towards a revised implementation date. The Workgroup report will now be presented to the 29 September 2023 Panel.

12079. The Panel unanimously agreed to the timeline extension.

CMP405: TNUoS Locational Demand Signals for Storage

12080. ML advised the Panel that after a period of carrying out analysis the Workgroup meetings restarted on 10 August 2023, but more time was needed for discussions to take place before the Workgroup report could be finalised. The Workgroup report is now expected to be presented to the February 2024 Panel.

12081. The Panel unanimously agreed the new timeline.

CMP411: Introduction of Anticipatory Investment (AI) within the Section 14 charging methodologies

12082. ML advised the Panel that the **CMP411** Workgroup have requested a one month extension to allow enough time for the Workgroup to finalise the solution and the Workgroup report. The Workgroup report will now be presented to the 29 September 2023 Panel, which is in line with the progression of the related modification **CMP402**.

12083. The Panel unanimously agreed to the timeline extension.

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

12084. ML advised the Panel that the Workgroup reports will be presented to the October 2023 Panel, but as there is quite a lot of material within the reports for the Panel to go through, they will be circulated to them ahead of Panel papers day.

CMP396: Re-introduction Of BSUoS on Interconnector Lead Parties

12085. ML advised the Panel that the Code Administrator Consultation document had been prepared but they were still awaiting some input from Elexon on the BSC impacts and the updated legal text. Once it is finalised it will be presented back to the Panel for review ahead of being issued to industry.

7. Prioritisation Stack / Dashboard

12086. ML advised the Panel that as **CMP291** had now been withdrawn it would be removed from the stack along with **CMP379** which will shortly be sent off to the Authority for a decision.

12087. The Panel carried out a review of the prioritisation stack and agreed that no changes were required to the ordering of the existing stack. The Panel went on to decide where the new modifications **CMP418** and **CMP419** should sit amongst the stack.

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

12088. Some Panel members thought based on the complexity, importance and urgency of the modification and the fact that it would only require a few Workgroups it should be considered as 'Medium to High' or 'High'. However, the majority of the Panel disagreed and felt that it should be placed as 'Medium' on the prioritisation stack as it did not have as wide an impact on the whole market as **CMP419**.

CMP419: Generation Zoning Methodology Review

12089. The majority of the Panel agreed that 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 should be placed as "Medium to High" on the prioritisation stack, as it did not need to be implemented until 1 April 2027.

12090. The updated prioritisation stack can be found via the following link:

<https://www.nationalgrideso.com/document/285251/download>

8. Workgroup Reports

12091. There were no Workgroup Reports presented to the Panel.

10. Draft Final Modification Reports

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

12092. ML explained that the Grid Code Review Panel had fed back that the use of the words “first” and “second” Final Modification Report (FMR) because of an Authority send back was confusing, and one Panel member had suggested using the word “superseded” instead. ML stated that the Code Admin team were currently reviewing how this could be further clarified and will keep the Panel updated on what they decide.
12093. ML advised the Panel that this modification was an Authority send back and further clarity had been added within the Workgroup report to confirm that the Proposer had amended their original solution to the average methodology. A second Code Administrator Consultation was then opened to allow industry a further opportunity to feedback on the modification.
12094. ML explained that the second Code Administrator Consultation opened on the 05 July 2023 and closed on 26 July 2023 and received 0 non-confidential responses, no late responses were received, and no legal text issues were identified.
12095. The Panel held their recommendation vote and unanimously recommended that the Proposers Original solution better facilitated the CUSC Applicable Objectives and should be implemented.

Post Panel Note: The CMP339 Final Modification Report was circulated to Panel on 29 August 2023 to check their votes. This was then sent to Ofgem on the 7 September 2023 for a decision.

11. Standing Groups

Transmission Charging Methodology Forum (TCMF)

12096. CH advised that the the last meeting was held 03 August 2023, besides the standing items they also covered updates on the following:
- Control room fax machine replacement;
 - Detailed update on the TNUoS 10year projection; and
 - An overview of **CMP419**.
12097. CH explained that the TCMF feedback session has been moved to the next meeting which is planned for 07 September 2023.

12. European Updates

Joint European Stakeholder Group (JESG)

12098. The last meeting was held on 13 June 2023, and the next meeting will be held on 12 September 2023 .The papers and presentations for the last meeting can be found via the following link: [JESG Meeting - 13 June 2023](#)

European Code Development.

12099. There were no updates at this Panel meeting.

13. Updates on other Industry Codes

12100. There were no updates at this Panel meeting.

14. Relevant Interruptions Claim Report

12101. There were no updates at this Panel meeting.

15. Governance

12102. There were no updates at this Panel meeting.

16. Horizon Scan

12103. ML advised the Panel that some of the Offshore Co-ordination modifications for the CUSC had already been raised (such as **CMP419**), once these had been fully developed by the Workgroups, the Grid Code and STC modifications would also start being raised. The modifications out of the TNUoS Taskforce were also expected to start coming through from September 2023 onwards. ML also explained that the Authority were doing a Significant Code Review (SCR) on the Market-wide Half-Hourly Settlement (MHHS) reform, and they would be carrying out a consultation in February 2024 on this, which will include the impacts on all the different codes including the CUSC. ML advised the Panel that other things that were on the horizon were possible modifications being raised as part of the Connections Reform Programme and the Future System Operator (FSO) Code Change Programme.

17. Code Administrator Update

12104. There were no updates at this Panel meeting.

18. Any Other Business (AOB)

CUSC Panel Elections:

12105. ML advised the Panel that a reminder had gone out to industry that morning to highlight that the voting window for the CUSC Panel Elections closes at 5pm next week Friday 01 September 2023. The results of the Elections will be announced by 15 September 2023.

19. Close

11993. The Chair thanked the Panel for their time and contribution and brought the meeting to a close.

The next CUSC Panel meeting will be held on 29 September 2023 via Microsoft Team.

New Modification Proposals are to be submitted by 14 September 2023.

CUSC Panel Papers Day is 21 September 2023.