

# Headline Report – 27 October 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

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The meeting minutes from the Panel on 29 September 2023 were approved subject to minor comments from the Panel being incorporated and these have been be uploaded to [our website](#).

## New Modifications

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The following new Modification Proposals were presented to the Panel:

### **CMP423 ‘Generation Weighted Reference Node’**

This modification proposes to switch from a demand weighted Reference Node to a generation weighted Reference Node instead.

The Panel unanimously agreed that CMP423 should follow the Standard governance route and proceed to a Workgroup. The Panel did not approve the Terms of Reference for the Workgroup.

CMP423 documentation can be found [here](#)

### **CMP424 ‘Amendments to Scaling Factors used for Year Round TNUoS Charges’**

This modification seeks to introduce a mechanism which sets a lower limit on the variable generation scaling factors used for the purpose of Year-Round Background tariff calculation. This is to address a defect in current methodology which, without any change, we expect to calculate negative scaling factors within the next few years.

The Panel unanimously agreed that CMP424 should follow the Standard governance route and proceed to a Workgroup. The Panel agreed the Terms of Reference for the Workgroup.

CMP424 documentation can be found [here](#)

### **CMP425 ‘Billing Demand Transmission Residual By Site’**

The current charging of the Transmission Residuals is done by the Lead Party of a BMU. This means multiple customers at one transmission connection point who choose different Suppliers get multiple charges, discouraging competition in supply and leading to undue discrimination between different system users.

The Panel by majority recommended that CMP425 met Ofgem’s Urgency criteria and therefore recommended urgent treatment. Panel’s recommendation was sent on 27 October 2023 seeking an Ofgem decision by 5pm on 02 November 2023.

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The Panel recommended that CMP425 proceed to a Workgroup. The Panel did not approve the Terms of Reference for the Workgroup.

CMP425 documentation can be found [here](#)

## New / Pending Authority Decisions

### Decisions since the last Panel

Modification	What this seeks to achieve	Decision
<b>CMP379:</b> Determining TNUoS demand zones for transmission connected demand at sites with multiple Distribution Network Operators (DNOs)	This modification was raised to update Section 14 of the CUSC 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 Authority approved the Original solution on 27 October 2023.

### Awaiting Decisions

Modification	What this seeks to achieve	Expected Decision Date
<b>CMP298</b>	Process for aggregated assessment of Distributed Generators that impact (or may impact) on the National Electricity Transmission System.	16 November 2023 (previously 20 October 2023)
<b>CMP330&amp;CMP374</b>	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
<b>CMP331</b>	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.	30 October 2023
<b>CMP344</b>	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.	08 December 2023
<b>CMP376</b>	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.	10 November 2023
<b>CMP392</b>	Under CMP391 a definition of "Charges for Physical Assets Required for Connection" which reflects the Limiting Regulation has been added to the CUSC. CMP392 seeks to provide stakeholders with legal certainty and transparency of the methodology including the calculation and the output of the calculation.	31 January 2024
<b>CMP398</b>	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	15 November 2023 (previously 31 October 2023)
<b>CMP408</b>	Following the approval of CMP361 WACM3, of an ex-ante fixed BSUoS tariff with a 9-month notice and 6-month fix, this modification seeks to amend the notice period to a 3-month notice period.	To be confirmed

<b>CMP412</b>	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).	15 November 2023 (previously 31 October 2023)
<b>CMP414</b>	Seeks to enact the Workgroup solution from CMP330/CMP374, by updating Exhibit B, Section 2 and Section 11 of the CUSC	08 March 2024
<b>CMP415</b>	This modification is a consequential modification for CMP408, which looks at a change to a definition in Section 11. Amending the Fixed Price Period from 6 months to 12 months.	To be confirmed

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 13 October 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 January 2024 Panel.

The Panel discussed the prioritisation of the following Modifications:

<b>Modification</b>	<b>What this seeks to achieve</b>	<b>Panel Comments</b>	<b>Position in Prioritisation Stack</b>
<b>CMP423</b>	This modification proposes to switch from a demand weighted Reference Node to a generation weighted Reference Node instead.	Due to the complexity and technical aspects of the defect, alongside the amount of time the TNUoS Task Force had already contributed to the development of the solution, the Panel considered modification should be prioritised as ‘Medium to High’	Medium to High
<b>CMP424</b>	This modification seeks to introduce a mechanism which sets a lower limit on the variable generation scaling factors used for the purpose of Year-Round Background tariff calculation. This is to address a defect in current methodology which, without any change, we expect to calculate negative scaling factors within the next few years.	Given the potential risk to the model and the mitigation which would come from the solution the Panel considered modification should be prioritised as ‘High’.	High
<b>CMP425</b>	The current charging of the Transmission Residuals is done by the Lead Party of a BMU. This means multiple customers at one transmission connection point who choose different Suppliers get multiple charges, discouraging competition in supply and leading to undue discrimination between different system users.	Due to Panel recommending that CMP425 met Ofgem’s urgency criteria they considered that pending the decision on urgency the modification should be prioritised as ‘High’	High

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

## In flight Modifications

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Modification Timeline Update [CMP286: Improving TNUoS Predictability Through Increased Notice of the Target Revenue used in the TNUoS Tariff Setting Process](#) [Send Back](#)

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

Modification Next Steps Update: [CMP396: Re-introduction Of BSUoS on Interconnector Lead Parties](#)

The Panel approved, subject to minor comments from the Panel being incorporated, the modification proceeding to Code Administrator Consultation.

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

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

Modification Timeline Update: [CMP418: Refine the allocation of Static Var Compensators \(SVC\) costs at OFTO transfer](#)

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

Modification Terms of Reference Update: [CMP419: Generation Zoning Methodology Review](#)

The Panel approved, subject to minor comments from the Panel being incorporated, the amended Terms of Reference as submitted within the Panel Papers.

Modification Terms of Reference Update: [CMP420: Treatment of BSUoS Revenue Recovery, and creation of a BSUoS Fund](#)

The Panel approved the Terms of Reference drafted at the September 2023 Panel.

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

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## Workgroup Reports

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The following Workgroup Reports were presented to the Panel:

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

CMP375 seeks to amend the calculation of the Expansion Constant & Expansion Factors to better reflect the growth of and investment in the National Electricity Transmission System (NETS), CMP315 is a related but separate change and seeks to review how the Expansion Constant is determined such that it best reflects the actual NETS costs as a result of locational decisions taken by generation and/or demand.

The Panel agreed that the Terms of References have been met and agreed for CMP315 and CMP375 to proceed to Code Administrator Consultation. The Code Administrator Consultation will be published in November 2023.

CMP315 and CMP375 documentation can be found [here](#)

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

Seeks to introduce Anticipatory Investment (AI) and a mechanism for the recovery of AI costs within the Section 14 charging methodologies.

The Panel agreed that the Terms of Reference have been met and agreed for CMP411 to proceed to Code Administrator Consultation. The Code Administrator Consultation will be published on 06 November 2023 and this will close on 27 November 2023.

CMP411 documentation can be found [here](#)

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## **Draft Final Modification Reports**

There were no Draft Final Modification Reports presented to the Panel.

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## **Questions or feedback?**

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