CUSC Panel

Friday 24 November 2023

Online Meeting via Teams

WELCOME

Approval of Panel Minutes

Approval of Panel Minutes from the Meeting held
27 October 2023

Action Log

Chair’s Update

Authority Decisions and Update (as at 14 November 2023)

Decisions Received since last Panel meeting

- CMP331 'Option to replace generic Annual Load Factors (ALFs) with site specific ALFs'
- CMP376 'Inclusion of Queue Management process within the CUSC'

Decisions Pending

Modification	Final Modification Report Received	Expected Decision Date
CMP298 'Updating the Statement of Works process to facilitate aggregated assessment of relevant and collectively relevant embedded generation'	06/04/2022	30/11/2023*
CMP330&CMP374 'Allowing new Transmission Connected parties to build Connection Assets greater than 2km in length and Extending contestability for Transmission Connections'	10/08/2023	08/03/2024
CMP344 'Clarification of Transmission Licensee revenue recovery and the treatment of revenue adjustments in the Charging Methodology'	08/02/2023	08/12/2023
CMP392 'Transparency and legal certainty as to the calculation of TNUoS in conformance with the Limiting Regulation'	13/10/2023	31/01/2024
CMP398 'GC0156 Cost Recovery mechanism for CUSC Parties'	11/07/2023	30/01/2024*
CMP408 'Allowing consideration of a different notice period for BSUoS tariff settings'	13/10/2023	TBC
CMP412 'CMP398 Consequential Charging Modification'	11/07/2023	30/01/2024*
CMP414 'CMP330/CMP374 Consequential Modification'	10/08/2023	08/03/2024
CMP415 'Amending the Fixed Price Period from 6 to 12 months'	13/10/2023	TBC

Received Final Modification Reports since last Panel Meeting

- None

The Authority's publication on decisions can be found on their website below:
https://www.ofgem.gov.uk/publications/code-modificationmodification-proposals-ofgem-decision-expected-publication-dates-timetable

Inflight Modification Updates

Milly Lewis, Code Administrator

Authority Send Back

CMP286: Improving TNUoS Predictability through Increased Notice of the Target Revenue

CMP286 Authority Send-Back – Governance Rules

8.23.12 If the **Authority** determines that the **CUSC Modification Report** is such that the **Authority** cannot properly form an opinion on the **CUSC Modification Proposal** and any **Workgroup Alternative CUSC Modification(s)**, or where the **CUSC Modification Proposal** and/or any **Workgroup Alternative CUSC Modification**(s) constitutes an **EBGL Amendment** where the **Authority** requires an amendment to **CUSC Modification Proposal** and/or any **Workgroup Alternative CUSC Modification**(s) in order to approve it, it may issue a direction to the **CUSC Modifications Panel**:

(a) specifying the additional steps (including drafting or amending existing drafting associated with the **CUSC Modification Proposal** and any **Workgroup Alternative CUSC Modification(s)**), revision (including revision to the timetable), analysis or information that it requires in order to form such an opinion; and

(b) requiring the **CUSC Modification Report** to be revised and to be re-submitted.

8.23.13 If a **CUSC Modification Report** is to be revised and re-submitted in accordance with a direction issued pursuant to Paragraph 8.23.12, it shall be re-submitted as soon after the **Authority**'s direction as is appropriate, (and in the case of an **EBGL Amendment** within 2 months), taking into account the complexity, importance and urgency of the **CUSC Modification Proposal** and any **Workgroup Alternative CUSC Modification(s)**. The **CUSC Modifications Panel** shall decide on the level of analysis and consultation required in order to comply with the **Authority**'s direction and shall agree an appropriate timetable for meeting its obligations. Once the **CUSC Modification Report** is revised, the **CUSC Modifications Panel** shall carry out its **CUSC Modifications Panel Recommendation Vote** again in respect of the revised **CUSC Modification Report** and re-submit it to the **Authority** in compliance with Paragraphs 8.23.4 to 8.23.6.

The July 2023 CUSC Panel agreed next steps following send-back on 30 June 2023:

NOTED that Ofgem are asking the Final Modification Report and Legal Text to be updated

AGREED whether or not this needs to be assessed by a Workgroup

AGREED Workgroup's Terms of Reference

AGREED (following the assessment by the Workgroup) a Code Administrator Consultation is needed to be run before it is re-presented to Panel for Recommendation Vote

CMP286/CMP287 Send Back Actions

On 30 June 2023, Ofgem sent back the CMP286&CMP287 Final Modification Report (FMR) for further work and directed Panel to revise and resubmit the FMR(s), due to the two modifications being treated as a single CUSC modification proposal and assessed accordingly.

To address the deficiencies the Workgroup were set the following Terms of Reference by the Panel.

- Consider whether the modifications should be amalgamated ahead of the FMR being resubmitted to the Authority
- Secure further supporting evidence to demonstrate how often forecasts for previous charging years would have been incorrect and what the subsequent increased cost to consumers would have been.

The Workgroup would like to proceed to Code Administrator Consultation as they believe they have the addressed the deficiencies and Terms of Reference by:

- agreeing that the CMP286 and CMP287 modifications should progress separately, and therefore have not be requested formal amalgamation
- producing Legal Text for solely the CMP286 Original and WACM1 solutions
- assessing the CMP286 Original and WACM1 solutions against the current baseline
- demonstrating which analysis related to CMP286

Ask of Panel: Agree CMP286 can progress to Code Administrator Consultation?

CMP286 Next Steps

Milestone	Date
Panel sign off that Workgroup Report has can progress to Code Administrator Consultation	24 November 2023
Second Code Administrator Consultation (22 working days)	29 November 2023 to 2 January 2024
Second Draft Final Modification Report (DFMR) issued to Panel (5 working days)	19 January 2023
Panel undertake second DFMR recommendation vote	26 January 2024
Second Final Modification Report issued to Panel to check votes recorded correctly	30 January 2024 to 5 February 2024
Second Final Modification Report issued to Ofgem	9 February 2024
Ofgem decision	By 30 September 2024
Implementation Date	01 April 2025

CMP287: Inputs used in the TNUoS Tariff Setting Process Timeline Update

	Workgroup Report issued to Panel	DFMR issued to Panel	FMR issued to Ofgem
Previous timeline	24 November 2023	26 January 2024	09 February 2024
New timeline	29 January 2024	19 April 2024	10 May 2024

Rationale: Waiting on further analysis from the ESO, which due to resource planning will start mid December / early January.

Workgroups Remaining: 1

Ask of Panel: Agree revised timeline?

CMP403 and CMP404: Introducing Competitively Appointed Transmission Owners & Transmission Service Providers (Section 14 and 11)Timeline Update

	Code Administrator Consultation to Industry	DFMR issued to Panel	FMR issued to Ofgem
Previous timeline	TBC	TBC	TBC
New timeline	18 December 2023 – 18 January 2024	15 February 2024	26 March 2024

Rationale: As previously agreed these modifications will follow the same timeline as the GC0159: Introducing Competitively Appointed Transmission Owners modification

Ask of Panel: Agree revised timeline

CMP405: TNUoS Locational Demand Signals for Storage Request to change Terms of Reference

The Workgroup would like reflect the following within their Terms of Reference:

Amended Workgroup Terms of Reference
b) Consider the analysis that is being undertaken as part of CMP393~~/CMP394~~
c) Consider potential impact from additional topics, discussion outcomes and Terms of Reference from CMP393~~/CMP394~~

CMP405 - the asks of Panel

- **AGREE** the amended points within Terms of Reference

CMP413: Rolling 10-year wider TNUoS generation tariffs Timeline Update

	Workgroup Report issued to Panel	DFMR issued to Panel	FMR issued to Ofgem
Previous timeline	16 November 2023	18 January 2024	06 February 2024
New timeline	07 December 2023	15 February 2024	07 March 2024

Rationale: Two Alternative requests raised late into the process which require developing.

Workgroups Remaining: 2/3

Ask of Panel: Agree revised timeline

CMP417: Extending principles of CUSC Section 15 to all Users Timeline Update

	Workgroup Report issued to Panel	DFMR issued to Panel	FMR issued to Ofgem
Previous timeline	18 January 2024	14 March 2024	03 April 2024
New timeline	20 June 2024	15 August 2024	05 September 2024

Rationale: Proposer changed their solution which requires further development. A STC modification is required to progress this modification, this has been submitted to the November 2023 Panel.

Workgroups Remaining: 7

Ask of Panel: Agree revised timeline

CMP418: Refine the allocation of Dynamic Reactive Compensation Equipment (DRCE) ~~Static Var Compensators (SVC)~~ costs at OFTO transfer

Amended Workgroup Terms of Reference
a) Consider EBR implications;
b) Consider any cross code impacts and interactions, specifically with the STC, Grid Code and CM085;
c) Confirm whether the change is proposed to be retrospective or to apply only to future plant;
d) Consider whether changes are required to Section 11 via a separate modification;
e) Consider the extent to which the revenue recovery requirements need to be codified to provide clarity for parties;
f) If ~~SVC~~ DRCE asset costs are socialised, or alternatively if they are not socialised, consider whether parties who bear the costs of those assets as a consequence should also receive Balancing Services revenue for the associated reactive provision.
g) Consider the impact of the change on the different OFTO set-ups and if this change is likely to impact future design set-ups;
h) Consider aligning the definitions used with the Grid Code;
~~i) Consider the impact on other Dynamic Reactive Compensation Equipment.~~

CMP418 - the asks of Panel

- **CONFIRM** if the amended title and points within Terms of Reference constitute a change in defect
- **AGREE** next steps

Panel Tracker

Milly Lewis, Code Administrator

Discussions on Prioritisation

- **AGREE where New Modifications that need Workgroups are placed in the prioritisation stack**

Workgroup Report

CMP425: Billing Demand Transmission Residual By Site

Milly Lewis, Modification Chair

Solution and Workgroup Vote

Solution:

- To amend 14.17.13 of the CUSC to include ‘Where a **Connection Site** is served by more than one **Supplier BM Unit**, the charges will be divided by **The Company**, annually, between the relevant **Supplier BM Units** in proportion to their annual **Consumption** from the previous year, *and’* and other minor consequential amendments.

Summary of Workgroup Vote:

- The Workgroup concluded unanimously that the Original better facilitated the Applicable Objectives than the Baseline.

Terms of Reference

The Workgroup conclude that they have met their Terms of Reference and the references can be located below:

Workgroup Term of Reference	Location in Workgroup Report
a) Consider EBR implications	Interactions Section
b) Consider the scope of work identified and whether this is achievable within the timeframe outlined in the Ofgem Urgency decision letter.	'Transmission Charging Review (TCR) and CMP425 Scoping' within Workgroup Considerations
c) Consider the extent of the impact, particularly for complex sites	Complex Sites' within Workgroup Considerations
d) Consider whether any further Industry experts or stakeholders should be invited to participate within the Workgroup to ensure that all potentially affected stakeholders have the opportunity to be represented in the Workgroup Report.	'Additional Stakeholder Engagement' within Workgroup Considerations

CMP425 - the asks of Panel

- **AGREE** that the Workgroup have met their Terms of Reference
- **AGREE** that this Modification can proceed to Code Administrator Consultation
- **NOTE** that this Modification does not impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the CUSC?
- **NOTE** the ongoing urgent timeline with the DFMR being submitted on 04 December 2023

CMP425 Next Steps

Milestone	Date
Code Administrator Consultation (3 working days)	24 November 2023 to 5pm on 29 November 2023
Draft Final Modification Report issued to Panel	04 December 2023
Draft Final Modification Report presented to Panel	06 December 2023 (10:00-11:00)
Final Modification Report issued to Panel to check votes recorded correctly (2 hours working days)	06 December 2023 (12:00-14:00)
Submission of Final Modification Report to Ofgem	06 December 2023 (by 16:00)
Ofgem decision date	TBC
Implementation Date	01 April 2025

Standing Groups - *Updates on all standing groups relevant to CUSC panel e.g. potential for future governance changes or modifications*

~~Governance Standing Group – Garth Graham~~

TCMF – ESO Panel Member

European Updates - *Updates on all European developments relevant to CUSC panel e.g. potential for future governance changes or modifications*

European Code Development – Nadir Hafeez

Joint European Stakeholder Group – Garth Graham

Previous meeting – 14 November 2023 (Cancelled)
Next meeting – 12 December 2023

Updates on other industry codes

Horizon Scan

(February, May, August, November)

Codes Affected	Legislative, Regulatory or Industry Change Overview	Published Content	Key Contact	Last Updated	Proposed Modifications Expected	Within 1 Year	Within 2 Years	Within 5 Years
CUSC	The pace of the Task Force has accelerated in recent months across a number of parallel workstreams. Two new CUSC modifications have been raised with Panel and Workgroup membership is progressing for CMP423: Generation Weighted Reference Node & CMP424: Amendments to (Generation) Scaling Factors used for Year Round TNUoS Charges Possible scope of work across the Task Force Workstreams continues to be reviewed by the Task Force members and appointed consultants.	TNUoS Task Force Charging Futures Page	Chargingfutures@nationalgrideso.com	Nov-23	Sep-23			
CUSC	One of the key activities within Ofgem's 2021/22 Forward Work Programme is to implement Market-wide Half-Hourly Settlement (MHHS) reform. Market-wide Half-Hourly Settlement (MHHS) is a key enabler of the flexibility to support the transition to Net Zero. The MHHS Programme will contribute to a more cost-effective electricity system, encouraging more flexible use of energy and helping consumers lower their bills.	MHHS webpage		Nov-22	Feb-24			
Grid Code, CUSC, and STC	The Offshore Coordination Project has been set up by the ESO with support from Ofgem and the Department for Business, Energy & Industrial Strategy. Offshore wind has been identified as a critical technology in achieving net zero greenhouse gas emissions by 2050. In order to help realise this target, a step-change in both the speed and scale of deployment of offshore wind is required.	ESO Offshore Coordination Project Page	box.OffshoreCoord@nationalgridESO.com	Nov-23	Mar-24			
Grid Code, CUSC, and STC	The FSO will be established in 2024, with new roles and capability being introduced in a phased approach. Secondary legislation is required for industry to be ready for Day 1.	FSO Project Page	box.FSO@nationalgrideso.com	Nov-23	Apr-24			
Grid Code, CUSC, and STC	GB Grid Forming- to provide the necessary guidance on the Compliance Process of Grid Forming technology following Grid Code Modification GC0137 “Minimum Specification Required for Provision of GB Grid Forming (GBGF) Capability” as shown on the ESO’s Grid Code Issue 6 Revision 17 as published on 4 September 2023.	Great Britain Grid Forming Best Practice Guide		Nov-23	Apr-24			
Grid Code and CUSC	The responses to the Connections Reform consultation are now being reviewed, and the ESO are working with stakeholder governance groups to refine final proposals for implementing and transitioning to a new model. ESO expect to publish our final recommendations and implementation plan by the end of November 2023. They will then start a transition and implementation phase, to conclude in spring/summer 2025	Connections Reform Page	box.connectionsreform@nationalgrideso.com	Nov-23	May-24			

Any Other Business

Activities ahead of the next Panel Meeting

Modification Proposals to be submitted	30 November 2023
Special Panel Papers – CMP425 DFMR	04 December 2023
Special Panel – CMP425 DFMR	06 December 2023
Papers Day	07 December 2023
Panel Meeting	15 December 2023 Teams

Close

Jamie Webb

Acting Independent Chair, CUSC Panel