

# CUSC Panel Minutes

## 26 January 2024

### CUSC Panel Minutes

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<b>Date:</b> 26/01/2024	<b>Location:</b> Microsoft Teams Meeting
<b>Start:</b> 10:00	<b>End:</b> 14:45

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### Participants

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<b>Attendee</b>	<b>Initials</b>	<b>Representing</b>
Trisha McAuley	TM	Independent CUSC Panel Chair
Milly Lewis	ML	Panel Secretary, Code Administrator Representative
Ren Walker	RW	Panel Technical Secretary, Code Administrator
Andrew Enzor	AE	Users' Panel Member
Andy Pace	AP	Consumers' Panel Member
Binoy Dharsi	BD	Users' Panel Member
Claire Huxley	CH	Panel Member, National Grid ESO
Camile Gilsean	CG	Panel Member, National Grid ESO
Garth Graham	GG	Users' Panel Member
Joe Colebrook	JC	Users' Panel Member
Joe Dunn	JD	Users' Panel Member
Kyran Hanks	KH	Users' Panel Member
Paul Jones	PJ	Users' Panel Member
Nadir Hafeez	NH	Authority Representative
Rashmi Radhakrishnan	RR	BSC Representative (Observer)

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### Apologies

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<b>Attendee</b>	<b>Initials</b>	<b>Representing</b>
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### Presenters / Observers

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<b>Attendee</b>	<b>Initials</b>
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Nitin Prajapati	NP	CMP428 Proposer - Presenter
Claire Goult	CG	Code Administrator - Observer
Keren Kelly	KK	Market Half Hourly Settlement Presenter - ESO
Carly Malcolm	CM	FSO Project Update - Ofgem

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**1. Introductions and Apologies**

12297. No apologies or declarations of interest were received.

**2. Minutes from previous meetings**

12298. The minutes from the Special CUSC Panel held on 06 December and the CUSC Panel held on 15 December 2023 were approved.

**3. Review of actions log**

ML advised there were no further updates on the below actions.

12299. Action **182** – ML confirmed that this action is ongoing and to remain open.

**4. Chair’s update**

12300. TM thanked the ESO Senior Leadership for stepping in to Chair the CUSC Panel in her absence. TM then advised the Panel that from February 2024, Grace March (User’s Panel Member Alternate) would be leaving Sembcorp and starting a new role in the ESO, resulting in her no longer being a CUSC Panel Member. TM noted a thank you to Grace for her outstanding contributions at all Panel meetings over the years and wished her the best for her new role.

12301. TM advised the Panel that she had joined the Connections Delivery Body (CDB) in the capacity of the Grid Code and CUSC Panel Chair. TM advised she was unable to attend the last CDB, however ML was able to attend and will therefore provide the Panel with an update.

12302. ML confirmed that the CBD discussed the following:

- Terms of Reference
- Scoring deliverables
- Seeking clear guidelines on sharing information
- Overview of Connection plan actions
- Update on when additional CUSC Modifications could be raised.

12303. ML confirmed the delivery body will have their own website; however, this is not yet live. Some Panel members had concerns that the CDB have a lot of deliverables to address and if this is realistic with the length of the scheduled meetings. TM confirmed this is something that she will monitor as work progresses with the CDB.

**5. Authority Decisions and Updates**

**Decisions since the last Panel**

12304. NH confirmed the following:

Modification	What this seeks to achieve	Decision
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<b>CMP298</b>	Process for aggregated assessment of Distributed Generators that impact (or may impact) on the National Electricity Transmission System.	The Authority approved WACM3 on 04 January 2024, which was implemented on 18 January 2024.
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**Awaiting Decisions**

<b>Modification</b>	<b>What this seeks to achieve</b>	<b>Expected Decision Date</b>
<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.	08/05/2024 (previously 08/03/2024)
<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.	05/02/2024 (previously 26/01/2024)
<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.	29/02/2024 (previously 31/01/2024)
<b>CMP396</b>	Seeks to re-introduce BSUoS on Interconnector Lead Parties to reflect BSUoS is an energy management cost and not a transmission access charge.	16/02/2024
<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	29/02/2024 (previously 30/01/2024)
<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>CMP411</b>	Seeks to introduce Anticipatory Investment (AI) and a mechanism for the recovery of AI costs within the Section 14 charging methodologies	29/03/2024
<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).	29/02/2024 (previously 30/01/2024)
<b>CMP414</b>	Seeks to enact the Workgroup solution from CMP330/CMP374, by updating Exhibit B, Section 2, and Section 11 of the CUSC	08/05/2024 (previously 08/03/2024)
<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

12305. 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 18 January 2024 and is published [here](#).

### Energy Code Reform (ECR) Update

12306. NH advised the Panel that Ofgem are preparing to publish two consultations on implementing the Energy Code Reform (ECR). The first consultation on implementing the reform and Code consolidation is expected to be published by the end of January/early February. The second consultation is a joint consultation on policy which Ofgem expect to be published in March 2024.

## 6. New Modifications

12307. There were two new CUSC Modifications presented to the Panel.

### **CMP428: User Commitment liabilities for Onshore Transmission circuits in the Holistic Network Design**

12308. NP from National Grid ESO delivered a presentation on CMP428. NP explained that this modification proposes to define the User Commitment liabilities for generators connected to circuits being classified as onshore transmission within the Holistic Network Design (HND). This is to ensure that the purpose and function of circuits classified as onshore transmission are considered when determining which users are responsible for the associated liabilities.

12309. NP advised CMP428 proposes to amend the Attributable Works definition in CUSC Section 11, to create an exception for works deemed by the Authority to be wider works and to also create a new definition in CUSC Section 11 for 'Excepted Works'.

12310. The Panel had further questions regarding the proposed legal text for CMP428, stating that without further clarity on who is responsible for 'any subsequent decisions' this could cause ambiguity. Also, in relation to this point, a Panel member questioned if the legal text left opportunity for assets to be re-clarified by the Authority.

12311. NP took the feedback from Panel to ESO legal and made amendments to the legal text to address the issues raised. Following this discussion, the Panel concluded by majority that that CMP428 should follow the Standard governance route and proceed to the Workgroup formed for [CMP426](#). The Panel agreed the Terms of Reference for the Workgroup.

### **CMP429: Typographical and formatting updates following the implementation of CMP376 (Inclusion of Queue Management process within the CUSC)**

12312. ML delivered a presentation on CMP429. ML explained that this modification aims to make minor amendments to the CUSC which were highlighted through the implementation of CMP376.

12313. The Panel unanimously agreed that CMP429 should follow the Fast Track Self Governance route and be implemented.

*(Post Meeting note: The appeals window for CMP429 opened on 06 February 2024 for 15 working days. If no appeals are received, then CMP429 will be implemented on 06 March 2024.)*

## 7. In flight modification updates

12314. 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/calendar/cusc-panel-meeting-26012024>

**CMP413: Rolling 10-year wider TNUoS generation tariffs**

12315. ML advised the Panel that RWE raised a Workgroup Alternative CUSC Modification to CMP413 (WACM 2) addressing some perceived shortcomings of the CMP413 Original proposal. ML provided the Panel with a high-level overview of WACM2 proposal, outlining the following:

- Principle objective: minimise unnecessary TNUoS risk in order to minimise costs to the consumer.
- Proposal for generators to have an option to fix a profile for a generator’s wider TNUoS charges for a period, fixed against a forecast profile produced by the ESO, this would be refreshed annually. This means each fix is based on the best information at the time.
- This would be open to all generators, and fixes could be for any number of whole years, from 1 to 15 (or up to a maximum length of the ESO’s forecast, whichever is shorter). This optionality allows generators to take fixes in line with their own investment cycles.
- TNUoS charges would be on a fixed profile – i.e., could go up and down over this period, however these fluctuations would be known in advance.
- Generators that don’t opt in would remain on a “variable” TNUoS tariff, akin to today’s arrangements.

12316. ML stated that following feedback from a number of industry participants, including Ofgem, that the CMP413 Original and WACM2 proposed solutions have substantially different effects that they could be progressed as a separate modification.

12317. The CUSC Panel discussed and agreed the current CMP413 WACM2 proposal would have a substantially different effect to CMP413, therefore would be comfortable with it being raised as a separate modification.

**CMP420: Treatment of BSUoS Revenue Recovery, and creation of a BSUoS Fund**

12318. The Panel approved the amendment to the Terms of Reference.

**8. Prioritisation Stack / Dashboard**

12319. The Panel discussed the prioritisation of CMP428 and agreed the following:

Modification	What this seeks to achieve	Panel Comments	Position in Prioritisation Stack
<b>CMP428</b>	To define the User Commitment liabilities for generators connected to circuits being classified as onshore transmission within the Holistic Network Design (HND). This is to ensure that the purpose and function of circuits classified as onshore transmission are considered when determining which users are responsible for the associated liabilities.	Panel agreed that due to the risk to customer liability and CMP426’s prioritisation it should be placed as 'High'	High

12320. The next in-depth review scheduled for the April 2024 Panel and the latest prioritisation stack can be found [here](#).

## 9. Workgroup Reports

12321. No Workgroup Reports were presented to the Panel.

## 10. Draft Final Modification Reports

### **CMP286: Improving TNUoS Predictability Through Increased Notice of the Target Revenue used in the TNUoS Tariff Setting Process.**

12322. ML delivered a presentation on CMP286. ML explained that CMP286 seeks to improve the predictability of TNUoS demand charges by bringing forward the date at which the target revenue used in TNUoS tariff setting is fixed to allow customer prices to more accurately reflect final TNUoS rates. Target Revenue to be fixed 15 months ahead of TNUoS tariffs going live.

12323. ML confirmed that one WACM was developed as part of CMP286 which is as per the Original solution, but relevant costs borne by The Company as defined in the Transmission Licence” are not locked down 15 months ahead of tariffs.

12324. ML advised that the Code Administrator Consultation was run from 29 November 2023 to 05 January 2024 and received 7 non-confidential responses and 0 confidential responses. Key points were:

- Five out of seven respondents agree that the Original Solution and WACM1 better facilitate the Applicable CUSC Charging Objectives.
- Majority of respondents support the Original Solution, noting it is simpler to implement.
- One respondent noted that the original Solution places additional risk on the ESO cash flow, therefore supportive of WACM1.
- Majority of respondents support the proposed implementation approach.
- One respondent noted that they would be supportive of an earlier implementation date.
- One respondent doesn't support the proposed implementation approach and recommends CMP286 should be implemented for the second year of the T3 Price Control.
- A respondent noted that CMP286 introduces additional material risks for the Onshore TOs' Price Control arrangements.
- Two respondents believe further work is required, which could be addressed under CMP413 'Rolling 10-year wider TNUoS generation tariffs, TNUoS Task Force and the Strategic Transmission Charging reform programme.
- No legal text issues identified.

12325. The Panel had a point of clarity regarding the Workgroup Vote for CMP286. Panel members questioned why the Workgroup Vote outcome had changed from the previous Workgroup Vote (prior to the send back) and if anything had changed within the Workgroup to result in this. It was confirmed that the Workgroup Vote had been documented incorrectly in the Draft Final Modification Report and ML advised this would be updated before the Final Modification Report was submitted to the Authority.

12326. The Panel held their recommendation vote on CMP286. The Panel recommended by majority that the Proposer's solution and WACM1 better facilitate the CUSC Applicable Objectives.

***(Post Meeting Note: The Final Modification Report was sent to Ofgem on 08 February 2024.)***

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

12327. ML delivered a presentation on CMP315 and CMP375. ML explained that 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.
12328. ML advised that the Code Administrator Consultation was run from 09/11/2023 to 15/12/2023 and received 17 non-confidential responses and 0 confidential responses. Key points were:
- 6 of the 17 respondents felt that CMP315 better facilitated one or more of the CUSC Applicable Objectives
  - 9 of the 17 respondents felt that CMP375 Original better facilitated one or more of the CUSC Applicable Objectives
  - 6 of the 17 respondents felt that CMP375 WACM2 better facilitated one or more of the CUSC Applicable Objectives
  - 8 of the respondents felt that one of the CMP315 nor the CMP375 proposed solutions better facilitated the CUSC Applicable Objectives than the Baseline.
  - No legal text issues identified.
12329. The Panel held their recommendation vote on CMP315. The Panel recommended by majority that the CMP315 Original solution better facilitate the CUSC Applicable Objectives.
12330. The Panel held their recommendation vote on CMP375. The Panel recommended unanimously that the CMP375 Original solution, and by majority, that WACM2 better facilitate the CUSC Applicable Objectives.

*(Post Meeting Note: The Final Modification Report for CMP315 and CMP375 was sent to the Authority on 07 February 2024.)*

## 11. Standing Groups

### Transmission Charging Methodology Forum (TCMF)

12331. CH advised the Panel that TCMF was held on 04 January 2024. The meeting materials and slides can be found via the following link:

**<https://www.nationalgrideso.com/calendar/transmission-charging-methodologies-forum-tcmf-04012024>**

12332. The next TCMF meeting will be held on 01 February 2024 and an in-person meeting will be held on 29 February 2024.

## 12. European Updates

### Joint European Stakeholder Group (JESG)

12333. GG advised that JESG was held on 09 January 2024. The meeting materials and slides can be found via the following link:

**<https://www.nationalgrideso.com/calendar/joint-european-stakeholder-group-jesg-09012024>**

12334. The next JESG meeting will be held on 12 February 2024.

## ESO

### European Code Development

12335. There were no updates at this Panel meeting.

### 13. Updates on other Industry Codes

12336. There were no updates for the Panel.

### 14. Relevant Interruptions Claim Report

12337. The Panel had no further comments.

### 15. Governance

12338. There were no updates at this Panel meeting.

### 16. Horizon Scan

12339. There were no updates at this Panel meeting.

### 17. Code Administrator Update

12340. There were no updates at this Panel meeting.

### 18. Any Other Business (AOB)

#### Market Half Hourly Settlement (MHHS)

12341. KK from National Grid ESO delivered a presentation on Market Half Hourly Settlement. KK advised the Panel that the MHHS Programme Change Freeze has been formalised to address instability during MHHS Programme delivery, implementation and go-live. Further details in this is available from the [Cross Code Advisory Group](#).

12342. KK stated that on going industry changes with no impact to MHHS are not affected and Ofgem will make decisions on whether to approve external changes that may impact on the MHHS Target Operating Model (TOM).

12343. KK confirmed that following extensive discussions between Ofgem and ESO, the ESO have been advised by Ofgem that any MHHS CUSC Modifications relating to TNUoS (mitigation of double charging/cost allocation without Measurement Class) should be raised outside the scope of the MHHS Programme – i.e. follow Standard CUSC Governance and not be progressed under the Settlement Reform Significant Code Review (SCR).

12344. KK stated that the ESO plans to raise Modifications at the February CUSC Panel but have already raised awareness at the Transmission Charging Methodologies Forum (TCMF) Forum in November and January. The main objective is to ensure approval of any Modifications by Ofgem before 30th September 2024 for implementation for start of Charging Year 2025, which coincides with MHHS Migration Start date. This will ensure compliance with cut off dates for changes to CUSC Charging Methodologies, introduced by [CMP292](#).

#### Future System Operator (FSO) Codes Change Programme Update

12345. CM from Ofgem delivered a presentation on the Future System Operator (FSO) Codes Change Programme. CM provided the following updates on the progress of the FSO Codes Change Programme:

- **Progress / code changes:** Shared the progress and details of code changes the Cross Code Working Group (CCWG) has worked through so far.

- **Implementation impact / readiness:** Provided an update on what is being asked of all code administrators, and by when. Also discussed the 'Horizon Scan' and general readiness.
- **Consultation documents:** Provided an outline of the modification template, and check that the correct collaboration is in place to enable good decision making at consultation with straightforward implementation by admins.
- **Engagement:** Give opportunity for reflections from panels. *Note*, the Energy Act 2023 consultation on the code changes is open to all representations, and while the decision rests with the Relevant Authority under the Act, we are keen to mitigate risks and concerns at the earliest opportunity, and ideally prior to the statutory consultation.

### **Connections Process Advisory Group (CPAG) Update**

12346. GG provided the Panel with an update on the Connections Process Advisory Group (CPAG). GG advised the Panel that the CPAG held its second meeting. The CPAG are currently identifying and scoping potential defects and potential solutions in respect of industry codes.
12347. GG stated that the CPAG meet on a fortnightly basis and will continue to provide updates to the CUSC Panel.

### **19. Close**

12348. 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 23 February 2024 at Faraday House, Warwick.**

**New Modification Proposals are to be submitted by 08 February 2024.**

**CUSC Panel Papers Day is 15 February 2024.**