

Headline Report – 23 February 2024

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

The meeting minutes from the Panel on 09 February 2024 will be presented for approval at the Panel meeting on 22 March 2024

The meeting minutes from the Panel on 26 January 2024 were approved and these have been uploaded to our [website](#).

New Modifications

The following new Modification Proposals were/was presented to the Panel:

CMP430 ‘Adjustments to TNUoS Charging from 2025 to support the Market Wide Half Hourly Settlement (MHHS) Programme’

This Modification looks to amend CUSC Section 14 to rectify defects relating to demand locational Transmission Network Use of System (TNUoS) charging that will become apparent during the Migration Phase of the Market Wide Half Hourly Settlement (MHHS) Programme, taking place between April 2025 and October 2026.

The Panel unanimously recommended that CMP430 met Ofgem’s Urgency criteria (a) and therefore recommended urgent treatment. [Panel’s recommendation](#) was sent on 26 February 2024 seeking an Ofgem decision by 5pm on 29 February 2024.

The Panel recommended that CMP430 proceed to a Workgroup. The Panel agreed the Terms of Reference for the Workgroup.

CMP430 documentation can be found [here](#)

CMP431 ‘Adjustments to TNUoS Charging from 2025 to support the Market Wide Half Hourly Settlement (MHHS) Programme (Non-Charging)’

This Modification looks to amend the CUSC Section 3 ‘Use of System’ and Section 11 ‘Interpretations and Definitions’ to rectify defects relating to demand locational Transmission Network Use of System (TNUoS) charging that will become apparent during the Migration Phase of the Market Wide Half Hourly Settlement (MHHS) Programme, taking place between April 2025 and October 2026.

The Panel unanimously recommended that CMP431 met Ofgem’s Urgency criteria (a) and therefore recommended urgent treatment. [Panel’s recommendation](#) was sent on 26 February 2024 seeking an Ofgem decision by 5pm on 29 February 2024.

The Panel recommended that CMP431 proceed to a Workgroup with CMP430 to be responsible for the evaluation of the separate CUSC Modification Proposals. The Panel agreed the Terms of Reference for the Workgroup.

CMP431 documentation can be found [here](#)

New / Pending Authority Decisions

Decisions since the last Panel

Modification	What this seeks to achieve	Decision
CMP344	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.	The Authority sent back on 12 February 2024.

Awaiting Decisions

Modification	What this seeks to achieve	Expected Decision Date
CMP286	The purpose of this modification proposal is 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.	30/04/2024
CMP315/ CMP375	The expansion constant is a key input in setting the value of the locational element of transmission network use of system charges. This modification proposal would review how the expansion constant is determined such that it best reflects the costs involved and 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).	30/09/2024
CMP330&CMP374	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
CMP392	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.	30/04/2024 (previously 29/02/2024)
CMP396	Seeks to re-introduce BSUoS on Interconnector Lead Parties to reflect BSUoS is an energy management cost and not a transmission access charge.	31/05/2024 (previously 16/02/2024)
CMP398	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	29/02/2024

	parties being commercially disadvantaged by the implementation of the new obligations.	
CMP408	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.	TBC
CMP411	Seeks to introduce Anticipatory Investment (AI) and a mechanism for the recovery of AI costs within the Section 14 charging methodologies.	29/03/2024
CMP412	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
CMP414	Seeks to enact the Workgroup solution from CMP330/CMP374, by updating Exhibit B, Section 2 and Section 11 of the CUSC.	08/05/2024
CMP415	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.	TBC

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 23 February 2024 and is published [here](#).

Prioritisation Stack

The Panel discussed the prioritisation of the following Modifications:

Modification	What this seeks to achieve	Panel Comments	Position in Prioritisation Stack
CMP344	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.	Panel agreed it should be placed as 'High' to support a quick resolution and based on the work required to address the deficiencies within the latest send back.	High
CMP428	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 as they had recommended 'Urgency' it should be placed as 'High'	High
CMP430	This Modification looks to amend CUSC Section 14 to rectify defects relating to demand locational Transmission Network Use of System (TNUoS) charging that will become apparent during the Migration Phase of the Market Wide Half Hourly Settlement (MHHS) Programme, taking place between April 2025 and October 2026.	Panel agreed that as they had recommended 'Urgency' it should be placed as 'High'	High

CMP431	This modification looks to amend the CUSC Section 3 'Use of System' and Section 11 'Interpretations and Definitions' to rectify defects relating to demand locational Transmission Network Use of System (TNUoS) charging that will become apparent during the Migration Phase of the Market Wide Half Hourly Settlement (MHHS) Programme, taking place between April 2025 and October 2026.	Panel agreed that as they had recommended 'Urgency' it should be placed as 'High'	High
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Every quarter the CUSC Panel hold a more in-depth review, the next in-depth review scheduled for the April 2024 Panel.

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

In flight Modifications

Modification Update: [CMP316: TNUoS Arrangements for Co-located Generation Sites](#)

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

Modification Timeline Update: [CMP393: Using Imports and Exports to Calculate Annual Load Factor for Electricity Storage](#)

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

Modification Terms of Reference Change: [CMP424: Amendments to Scaling Factors used for Year Round TNUoS Charges](#)

The Panel approved the additional and amended Terms of Reference as submitted within the Panel Papers.

Modification Terms of Reference Change: [CMP426: TNUoS charges for transmission circuits identified for the HND as onshore transmission](#)

The Panel made further alterations to the amended Terms of Reference as submitted within the Panel Papers.

Request for Urgency: [CMP428: User Commitment liabilities for Onshore Transmission circuits in the Holistic Network Design](#)

The Proposer requested that the scope of the Proposal be narrowed and the governance route change from Standard to Urgent.

The Panel, by majority, recommended that CMP428 met Ofgem's Urgency criteria (a) and therefore recommended urgent treatment. [Panel's recommendation](#) was sent on 26 February 2024 seeking an Ofgem decision by 5pm on 29 February 2024.

The Panel recommended that CMP428 proceed to a Workgroup. The Panel agreed the Terms of Reference for the Workgroup.

The next [Modification Tracker](#) will be published on 07 March 2024.

Workgroup Reports

The following Workgroup Reports were presented to the Panel:

CMP413: Rolling 10-year wider TNUoS generation tariffs

Seeks to introduce an obligation on the ESO to publish generation tariffs for a rolling 10-year duration and provide the clarity to Users and developers on commercial decisions to support delivery of low carbon infrastructure (across generation and network) at least cost for consumers.

The Panel agreed that the Terms of Reference have been met and agreed for CMP413 to proceed to Code Administrator Consultation. The Code Administrator Consultation was published on 26 February 2024 and this will close on 18 March 2024.

CMP413 documentation can be found [here](#)

CMP418: Refine the allocation of Dynamic Reactive Compensation Equipment (DRCE) costs at OFTO transfer

This proposal seeks to socialise DRCE costs through wider TNUoS charges. Instead of the current system where offshore wind farm generators both (i) provide upfront capital costs for the DRCE before transferring to OFTO and (ii) cover the cost of DRCE via the offshore local circuit tariff for the lifetime of the project.

The Panel agreed that the Terms of Reference have been met and agreed for CMP418 to proceed to Code Administrator Consultation. The Code Administrator Consultation will be published on 29 February 2024 and this will close on 21 March 2024.

CMP418 documentation can be found [here](#)

Draft Final Modification Reports

The following Draft Final Modification Report was presented to the Panel:

CMP427: Update to the Transmission Connection Application Process for Onshore Applicants

This modification proposes that a Letter of Authority (LoA) should be required for new Onshore Transmission Connection Applications.

The Panel concluded that in order to complete the Panel Recommendation Vote, the Proposer should update the legal text to align with the solution outlined in the Code Administrator Consultation document and gain agreement from the Workgroup ahead of a Second Code Administrator Consultation being issued to industry.

[Panel's recommendation](#) and request for an extended timeline was sent on 23 February 2024 which the [Authority approved](#) on 26 February 2024.

CMP427 documentation can be found [here](#)

Questions or feedback?

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