



CUSC Panel

Friday 31 May 2024

Faraday House

WELCOME



Approval of Panel Minutes

Approval of Panel Minutes from the Meeting held

26 April 2024



Action Log





Chair's Update

Authority Decisions and Update (as at 02 May 2024)



Decisions Received since last Panel meeting

Modification	Decision
CMP286 Improving TNUoS Predictability Through Increased Notice of the Target Revenue used in the TNUoS Tariff Setting Process.	On 03 May 2024 the Authority rejected the modification proposal

Decisions Pending

Modification	Final Modification Report Received	Expected Decision Date
CMP315 'TNUoS Review of the expansion constant and the elements of the transmission system charged for' and CMP375 'Enduring Expansion Constant & Expansion Factor Review'	07/02/2024	30/09/2024
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	08/07/2024 (Previously 08/05/2024)
CMP396 'Re-introduction Of BSUoS on Interconnector Lead Parties'	05/01/2024	31/05/2024
CMP408 'Allowing consideration of a different notice period for BSUoS tariff settings'	13/10/2023	09/09/2024 (Previously TBC)
CMP414 'CMP330/CMP374 Consequential Modification'	10/08/2023	08/07/2024 (Previously 08/05/2024)
CMP415 'Amending the Fixed Price Period from 6 to 12 months'	13/10/2023	09/09/2024 (Previously TBC)

Received Final Modification Reports since last Panel Meeting

Modification	Final Modification Report Received	Expected Decision Date
CMP413 'Rolling 10-year wider TNUoS generation tariffs'	08/05/2024	TBC
CMP418 'Refine the allocation of Dynamic Reactive Compensation Equipment (DRCE) costs at OFTO transfer'	08/05/2024	TBC

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>

New modifications submitted

CMP436 Update CUSC arrangements to replace the Electricity Arbitration Association with the London Court of International Arbitration (LCIA) (Non Charging)

CMP437: Update CUSC arrangements to replace the Electricity Arbitration Association with the London Court of International Arbitration (LCIA) (Charging)

Joe Henry, ESO



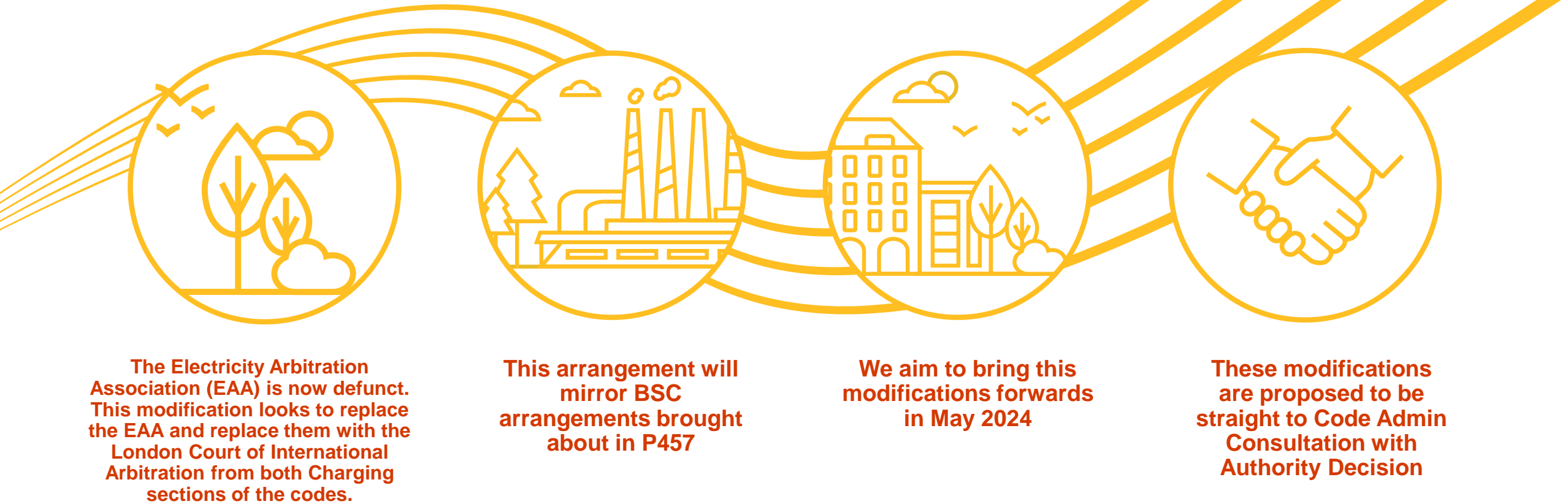
Critical Friend Feedback – CMP436 – LCIA Non Charging

Code Administrator comments	Amendments made by the Proposer
Suggested minor typographical and formatting changes.	Mostly accepted
Asked for clarification on the Decision date	Clarified and amended
Added wording to the Implementation Approach section	Accepted
Highlighted EBR implication	Accepted
Expanded acronyms within the document.	Agreed
Added acronym to the table	Agreed
Added Annex 1 – Legal text	Agreed

Critical Friend Feedback – CMP437 – LCIA Charging

Code Administrator comments	Amendments made by the Proposer
Suggested minor typographical and formatting changes.	Mostly accepted
Asked for clarification on the Implementation date	Clarified and amended
Updated Decision required by as it is a Charging Modification	Confirmed it needs to be before April and in line with CMP398
Move wording from Implementation Approach to Implementation date and added wording to the Implementation Approach section	Accepted
Suggested a different governance	Decided to proceed with the Proposer's governance route
Expanded acronyms within the document.	Agreed
Added Annex 1 – Legal text	Agreed

CMP436/437



Why Change?

Throughout the CUSC, instances where arbitration or dispute resolution are outlined. Since 1993, the CUSC has used the Electricity Arbitration Association (EAA) as its official arbitration provider for any arbitration/disputes.

In BSC modification P457, it was highlighted that *“the EAA has not been used by a Market Participant since its inception in 1993 and does not provide good value for money for BSC Parties as monthly payments are required, irrespective of whether there are any disputes to consider. Moreover, the EAA is rarely used in commercial agreements, does not maintain its website and requires monthly payment, irrespective of whether their services are used. This therefore does not offer good value for money for BSC Parties”*.

We aim to align the CUSC, Grid Code and STC with BSC arrangements by using the London Court of International Arbitration as our arbitration provider.

The need for arbitration increases under [CMP398](#).

Governance Routes

2 Separate Modifications raised – one for charging and non charging. There are also modifications to the Grid Code and STC.

Following precedent set by [P457](#), an authority decision on this would be sought.

Implementation needed by September 2024 to align with [CMP398](#) implementation and potential for increase need for Arbitration.

CMP436 – the asks of Panel

- **AGREE** that this Modification has a clearly defined defect, scope and solution
- **AGREE** that this Modification should follow Standard Governance (Ofgem decision) rather than the Self-Governance Criteria (Panel decision)
- **AGREE** that this Modification should proceed to Code Administrator Consultation
- **NOTE** that there appear to be an impact on the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the CUSC
- **NOTE** the proposed timeline

Timeline for CMP436 (Non Charging) – Proposed Timeline – *Code Administrator Consultation*

Milestone	Date
Modification presented to Panel	31 May 2024
Code Administrator Consultation (1 month due to EBR implications)	10 June 2024 to 10 July 2024
Draft Final Modification Report (DFMR) issued to Panel	18 July 2024
Panel undertake DFMR recommendation vote	26 July 2024
Final Modification Report issued to Panel to check votes recorded correctly	30 July 2024 to 06 August 2024
Final Modification Report issued to Ofgem	07 August 2024
Ofgem decision	Required by 15 August 2024
Implementation Date	30 August 2024

CMP437 – the asks of Panel

- **AGREE** that this Modification has a clearly defined defect, scope and solution
- **AGREE** that this Modification should follow Standard Governance (Ofgem decision) rather than the Self-Governance Criteria (Panel decision)
- **AGREE** that this Modification should proceed to Code Administrator Consultation
- **NOTE** that there appear not to be any impacts on the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the CUSC
- **NOTE** the proposed timeline

Timeline for CMP437 (Charging) – Proposed Timeline – Code Administrator Consultation

Milestone	Date
Modification presented to Panel	31 May 2024
Code Administrator Consultation (15 Business Days)	10 June 2024 to 28 June 2024
Draft Final Modification Report (DFMR) issued to Panel	18 July 2024
Panel undertake DFMR recommendation vote	26 July 2024
Final Modification Report issued to Panel to check votes recorded correctly	30 July 2024 to 06 August 2024
Final Modification Report issued to Ofgem	07 August 2024
Ofgem decision	15 August 2024
Implementation Date	30 August 2024



Inflight Modification Updates

Claire Goult, Code Administrator

CMP420 Withdrawal

Treatment of BSUoS Revenue Recovery and creation of a BSUoS Fund

The Proposer withdrew their support for CMP420 on 07 May 2024. A withdrawal window was opened up for 5 business days from this date.

Justification: The intention of the Proposer is to raise a modification, hopefully straight to CAC and Self Governance which will put the forecasting requirements into Section 3. Parts of the original solution have been superseded by other Industry developments so were deemed unnecessary by the Proposer and the Workgroup.

No parties came forward to become the Proposer for this Modification.

CMP420 - the asks of Panel

- **AGREE** that the Modification can be withdrawn as per CUSC Section 8.16.10 (c)

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

	Workgroup Report issued to Panel	DFMR issued to Panel	FMR issued to Ofgem	Implementation Date
Previous timeline	07 June 2024	28 June 2024	28 June 2024	01 April 2025
New timeline	18 July 2024	23 August 2024	30 August 2024	01 April 2025

Rationale: Dates amended to allow further legal text amendments and review to take place

Workgroups Remaining: 5

Update: Ofgem approved revised timeline on 20 May 2024.

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

	Workgroup Report issued to Panel	DFMR issued to Panel	FMR issued to Ofgem	Implementation Date
Previous timeline	07 June 2024	28 June 2024	28 June 2024	01 April 2025
New timeline	18 July 2024	23 August 2024	30 August 2024	01 April 2025

Rationale: Dates amended to allow further legal text amendments and review to take place

Workgroups Remaining: 5

Update: Ofgem approved revised timeline on 20 May 2024.

CMP434 Implementing Connections Reform Request to change Terms of Reference

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

Workgroup Term of Reference
a) Consider the implementation and transitional arrangements
b) Review and support the legal text drafting;
c) Consider the cross Code impacts this modification has, in particular the STC and distribution arrangements (e.g. DCUSA)
d) Consider any potential licence changes which may be required, liaising with the Authority as required to discuss them.
e) Consider the scope of application for the proposed solution by technology/project type including changes to existing connected Users and any acceptable criteria for any exclusions or alternative approaches which may be needed.
f) Consider the interactions between the proposed solution(s) and distribution connection processes.
g) Consider the accessibility and transparency of new processes for Users as much as possible, particularly new entrants.
h) Briefly consider any future policy development which may be beneficial to enhance the proposed 'minimum viable product' solutions.
i) Consider Electricity Balancing Regulation implications.
j) Consider mechanisms to ensure projects progress from Gate 1 to Gate 2 including financial instruments
k) Consider the impact of NESO designation of Gate 2 status, and ways to make this non discriminatory.
l) Consider how the solution(s) conforms with the statutory rights with respect to terms and conditions for connection.
m) Consider the relevant content of Annex B of the Open letter on connections reform publication.

CMP434 - the asks of Panel

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



Second Draft Final Modification Report

CMP316: TNUoS Arrangements for Co-located Generation Sites

Claire Goult

Summary of Solutions

Proposer's solution:

This modification propose adding a new formula to the TNUoS methodology to calculate wider locational charges proportionally by technology type to the Power Station's Transmission Entry Capacity (TEC).

WACM1 solution:

There are three differences to the original:

- i) The Peak liability is pro-rated using Peak Installed TEC
- ii) The Not Shared Year Round is pro-rated using the ALF to give a scaled Not Shared Year Round liability
- iii) 'Scaled' generic ALFs should be used to scale pro-rated TEC for the Shared Year Round charge

Implementation date:

01 April 2025

Second Code Administrator Consultation Responses

Summary of the Second Code Administrator Consultation Responses:

The Second Code Administrator Consultation was run from 25/03/2024 to 24/04/2024 and received 4 non-confidential responses and 0 confidential responses.

Key points were:

- Three out of the four respondents agreed that the legal text updates to CMP316 WACM1 and updates to Annex 8 reflect the intent of CMP316 WACM1 giving the following reasons:
 - Revised approach ensures individual sites' characteristics are recognised and charged consistently.
 - The inclusion of additional worked examples supports the intent.
- One respondent stated the legal text updates did not reflect the intent of CMP316 WACM1 adding the additional complexity introduced would outweigh the proposed benefits to CUSC parties. The same respondent noted the current methodology calculates the co-located site's TNUoS charge based on the pre-dominant technology. The respondent felt this would lead to co-located sites at risk of being charged higher than single type assets and therefore not cost reflective.

CMP316 - the asks of Panel

- **NOTE** that this Modification does not impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the CUSC?
- **VOTE** whether or not to recommend implementation
- **NOTE** next steps

CMP316 – Next Steps

Milestone	Date
Draft Final Modification Report presented to Panel	31 May 2024
Final Modification Report issued to Panel to check votes recorded correctly (5 Business Days)	04 June 2024 to 11 June 2024
Submission of Final Modification Report to Ofgem	12 June 2024
Ofgem decision date	By 30 September 2024 as this is a Charging Modification
Implementation Date	01 April 2025



Second Draft Final Modification Report

**CMP397: Consequential changes required to CUSC
Exhibits B and D to reflect CMP316 (Co-Located
Generation Sites)**

Claire Gault

Solution

Proposer's solution:

In the Proposer's view CMP316 seeks to add a new formula, within Section 14 of the CUSC to the TNUoS methodology to calculate wider locational charges proportionally by technology type to the Power Station's Transmission Entry Capacity (TEC) using Maximum Capacity (as defined in the Grid Code) for each technology type Balancing Mechanism Unit (BMU) – the aim being to further improve cost reflectivity in charges.

Should CMP316 be approved, the Proposer has raised CMP397 to address the necessary changes, (outside of Section 14 of the CUSC), by requiring a change to the information to be collected (Maximum Capacity by technology/BMU) through the Connection process. Therefore, CMP397 proposes that the request for provision of Maximum Capacity by technology type to be included within CUSC Exhibit B and CUSC Exhibit D.

Implementation date:

01 April 2025

Code Administrator Consultation Responses

Summary of Code Administrator Consultation Responses :

The Code Administrator Consultation was issued on the 04 October 2022 and closed on 01 November 2022 and did not receive any responses.

CMP397 - the asks of Panel

- **NOTE** that this Modification does not impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the CUSC?
- **VOTE** whether or not to recommend implementation
- **NOTE** next steps

CMP397 – Next Steps

Milestone	Date
Second Draft Final Modification Report presented to Panel	31 May 2024
Final Modification Report issued to Panel to check votes recorded correctly (5 Business Days)	04 June 2024 to 11 June 2024
Submission of Final Modification Report to Ofgem	12 June 2024
Ofgem decision date	By 30 September 2024 to align with decision date for CMP316
Implementation Date	01 April 2025 only if CMP316 is approved



Draft Final Modification Report

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

Claire Gault

Solution

Proposer's solution:

This modification proposes to alter the definition of ALFs with respect to storage. All storage that has booked TEC would face a bespoke Storage ALF calculation, considering imports as well as exports. As other storage technologies connect to the NETS, they too will be included.

It is proposed that the tariff will read: $\text{peak} + (\text{Storage ALF} \times \text{Year Round Shared}) + (\text{Storage ALF} \times \text{Year Round Not Shared}) + \text{residual}$. The Storage ALF will be floored at zero.

Implementation date:

01 April 2025

Code Administrator Consultation Responses

Summary of Code Administrator Consultation Responses :

The Code Administrator Consultation was issued on the 03 April 2024 closed on 01 May 2024 and received 6 non-confidential responses.

- Three Respondents support the Original Proposal, with two Respondents believing it better facilitates applicable CUSC objectives a), b) and c) and one Respondent believing it better facilitates only applicable objectives a) and b).
- One Respondent not supportive of the proposal advised that the Original Proposal will have a negative impact on objectives a), b) and c).
- There was a split in responses, with 3 Respondents supporting the implementation approach and 3 Respondents not supporting.
 - Reasons given for supporting the Proposal include an improvement to the current TNUoS methodology which unduly penalise storage and as the deployment of storage increases, it is essential that the charging methodology adapts accordingly.
 - Reasons for not supporting the Proposal include no justification for cost increases being imposed on this class of users as their location is likely to reduce network size and hence investment. The Proposal seeks to reward storage for demand activity where charges are highest bringing in the prospect of discrimination between classes of demand.

CMP393 - the asks of Panel

- **NOTE** that this Modification does not impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the CUSC?
- **VOTE** whether or not to recommend implementation
- **NOTE** next steps

CMP393 – Next Steps

Milestone	Date
Draft Final Modification Report presented to Panel	31 May 2024
Final Modification Report issued to Panel to check votes recorded correctly (5 Business Days)	05 June 2024 to 12 June 2024
Submission of Final Modification Report to Ofgem	17 June 2024
Ofgem decision date	By 30 September 2024 as this is a Charging Modification
Implementation Date	01 April 2025



Draft Final Modification Report

**CMP403: Introducing Competitively Appointed
Transmission Owners & Transmission Service Providers
(Section 14)**

Claire Gault

Solution

Proposer's solution:

Amendments to CUSC Section 14 required to ensure that payments made through the Onshore Tender Process are recovered from TNUoS and BSUoS.

Implementation date:

10 Business Days after the Authority decision.

Code Administrator Consultation Response

Summary of Code Administrator Consultation Response:

The Code Administrator Consultation was issued on the 28 March 2024, closed on 29 April 2024, and received 1 response.

- The respondent stated the Original Proposal better facilitates objectives (c) and (e).
- The respondent preferred the original proposed solution and supported the implementation approach.
- The respondent commented that this modification forms part of a suite of modifications across the Codes to enable implementation of Early Competition through the CATO regime.

CMP403 - the asks of Panel

- **NOTE** that this Modification does not impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the CUSC?
- **VOTE** whether or not to recommend implementation
- **NOTE** next steps

CMP403 – Next Steps

Milestone	Date
Draft Final Modification Report presented to Panel	31 May 2024
Final Modification Report issued to Panel to check votes recorded correctly (5 Business Days)	03 June 2024 to 10 June 2024
Submission of Final Modification Report to Ofgem	11 June 2024
Ofgem decision date	TBC
Implementation Date	10 Business Days after the Authority Decision



Draft Final Modification Report

**CMP404: Introducing Competitively Appointed
Transmission Owners & Transmission Service Providers
(Section 11)**

Claire Gault

Solution

Proposer's solution: Amendments to CUSC Section 14 required to ensure that payments made through the Onshore Tender Process are recovered from TNUoS and BSUoS.

Implementation date: 10 Business Days after the Authority decision.

Code Administrator Consultation Response

Summary of Code Administrator Consultation Response:

The Code Administrator Consultation was issued on the 28 March 2024, closed on 29 April 2024, and received 1 response.

- The respondent stated that the Original Proposal better facilitates the applicable CUSC objectives (a) and (d).
- The respondent preferred the original proposed solution and supports the implementation approach.
- The respondent commented that this modification forms part of a suite of modifications across the Codes to enable implementation of Early Competition through the CATO regime.

CMP404 - the asks of Panel

- **NOTE** that this Modification does not impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the CUSC?
- **VOTE** whether or not to recommend implementation
- **NOTE** next steps

CMP404 – Next Steps

Milestone	Date
Draft Final Modification Report presented to Panel	31 May 2024
Final Modification Report issued to Panel to check votes recorded correctly (5 Business Days)	03 June 2024 to 10 June 2024
Submission of Final Modification Report to Ofgem	11 June 2024
Ofgem decision date	TBC
Implementation Date	10 Business Days after the Authority Decision



Discussions on Prioritisation

- **AGREE** any movements in the current prioritisation stack



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



Updates on other industry codes

24 April 2024 STC [Panel Papers and Headline Report](#)

25 April 2024 Grid Code [Panel Papers and Headline Report](#)



Governance Update

EBR Update

Ruby Pelling and Steve Wright

Objectives

- What is EBR?
- What is Article 18 T&Cs?
- Why does Article 18 matter?
- Interaction with code modification process?
- How to identify interactions?
- Examples

What is EBR?

Electricity Balancing Regulation (EBR)

The Electricity Balancing Guideline (EBGL) is a European Network Code introduced by the Third Energy Package European legislation in late 2017.

This regulation aims to standardise electricity balancing procurement and settlement across EU member states

The Electricity Balancing Regulation (EBR – EU Regulation 2017/2195) is the regulation which has been **retained and amended in GB law** following GB exit from Europe, as Statutory Instrument (SI) 2020 No. 1006

What is Article 18?

Article 18....

- Sets out the rules for creating markets and how balancing products should be set up across the GB market.
- States that Transmission System Operators (TSOs) (ESO) should have terms and conditions developed for balancing services, which are submitted to and approved by Ofgem.
- States that the terms and conditions related to balancing should be developed by the ESO
- ESO is responsible for managing change and maintaining the T&Cs relating to balancing for balancing service providers (BSPs) and balance responsible parties (BRPs)

Why does Article 18 matter?

Ensuring compliance with retained EU law

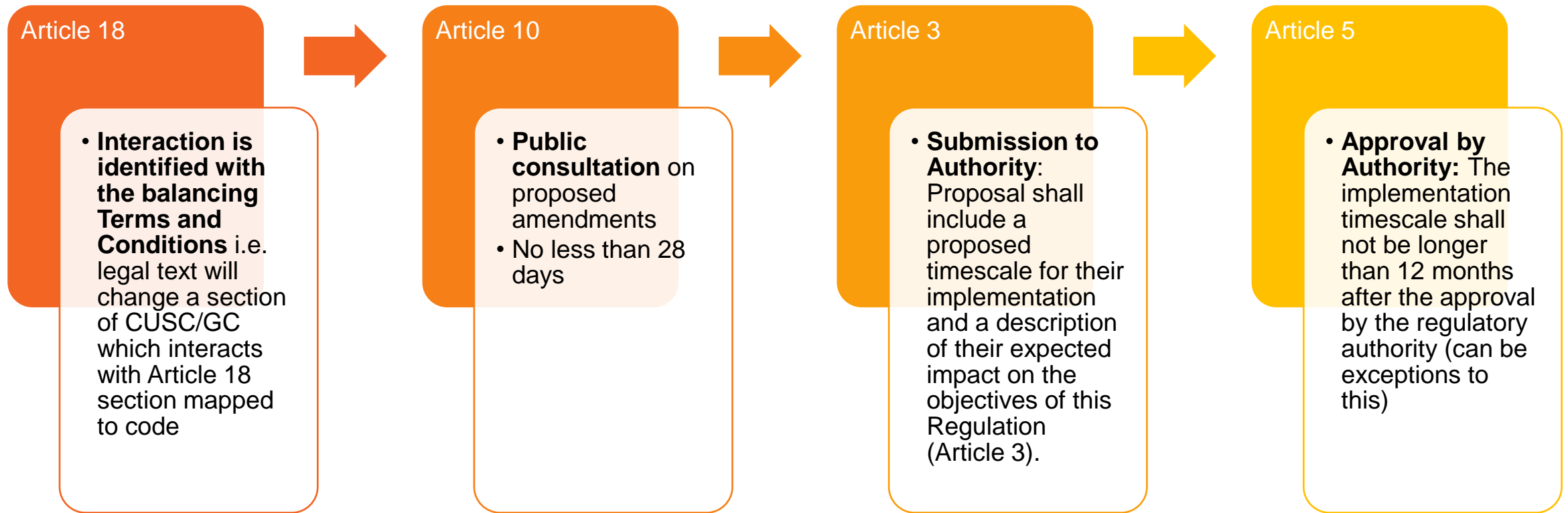
Amendments to T&Cs for new/existing balancing services

- ESO is responsible for proposing amendments to its terms and conditions relating to balancing specifically to update the terms and conditions for any new or existing balancing services.

Amendments to T&Cs resulting from Code Modifications

- The various mods for Article 18 were designed to ensure that the GB mod processes in those codes also included steps to make it legally compliant with the EBR change processes
- ESO is responsible to manage change to balancing T&Cs within the CUSC / Grid Code

What is the EBR Article 18 change process?



Identifying Article 18 interactions within the Code Change process

EBR Article 18 Ts&Cs

Sections of the ESO administrated codes which map to the terms of conditions

Annex GR.B of the
Governance Rules

Exhibit Y – CUSC

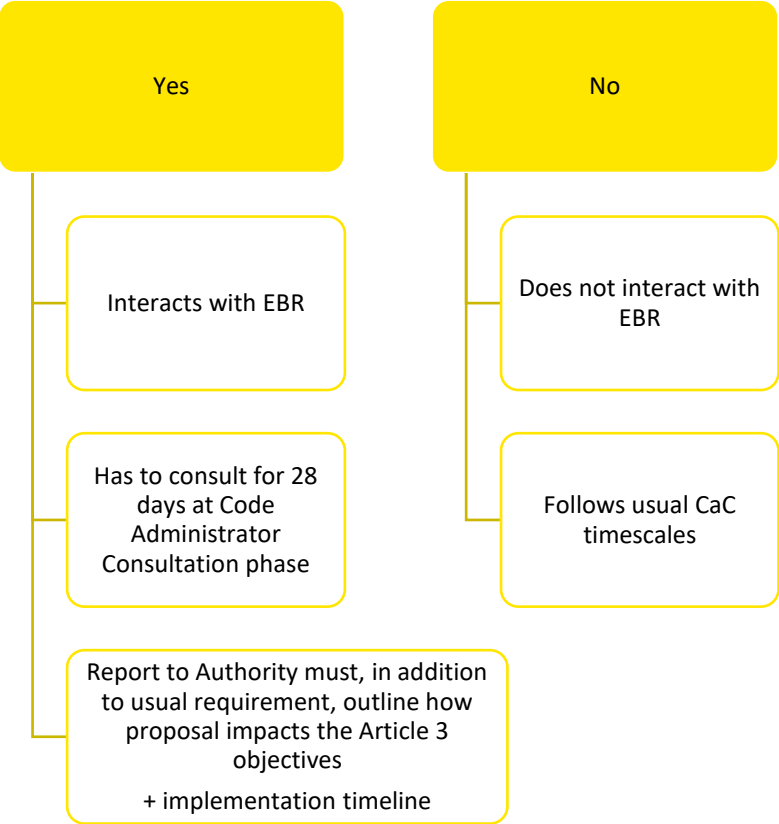
European Regulation (EU) 2017/2195 Reference	Description	Grid Code	CUSC
18.2	The terms and conditions pursuant to paragraph 1 shall also include the rules for suspension and restoration of market activities pursuant to Article 36 of Regulation (EU) 2017/2196 and rules for settlement in case of market suspension pursuant to Article 39 of Regulation (EU) 2017/2196 once approved in accordance with Article 4 of Regulation (EU) 2017/2196.	OC9.4	Section 4.1.3
18.4.a	define reasonable and justified requirements for the provisions of balancing services;	BC1, BC2, BC3 & BC4	
18.4.b	allow the aggregation of demand facilities, energy storage facilities and power generating facilities in a scheduling area to offer balancing services subject to conditions referred to in paragraph 5 (c);	DRSC 4.2, BC1.4	
18.5.a	the rules for the qualification process to become a balancing service provider pursuant to Article 16;	BC5, BC4.4.2	Section 4.1
18.5.c	the rules and conditions for the aggregation of demand facilities, energy storage facilities and power generating facilities in a scheduling area to become a balancing service provider;	BC1.4 and BC1.A.10	
18.5.d	the requirements on data and information to be delivered to the connecting TSO and, where relevant, to the reserve connecting DSO during the prequalification process and operation of the balancing market;	DRC, BC5 BC1.4	Section 4.1.3.14 and 4.1.3.19
18.5. f	the requirements on data and information to be delivered to the connecting TSO and, where relevant, to the reserve connecting DSO to evaluate the provisions of balancing services pursuant to Article 154(1), Article 154(8), Article 158(1)(e), Article 158(4)(b), Article 161(1)(f) and Article 161(4)(b) of Regulation (EU) 2017/1485;	BC1.4, BC1.A.10,	Section 4.1.3.19
18.5.i	the rules for the settlement of balancing service providers defined pursuant to Chapters 2 and 5 of Title V;		Section 4.1.3.9 and 4.1.3.9A
18.5.j	a maximum period for the finalisation of the settlement of balancing energy with a balancing service provider in accordance with Article 45, for any given imbalance settlement period;		Section 4.3.2.6
18.5.k	the consequences in case of non-compliance with the terms and conditions applicable to balancing service providers.		Sections 4.1.3.9, 4.1.3.9A and 4.1.3.14
18.5. g	the definition of a location for each standard product and each specific product taking into account paragraph 5 (c);	BC1.4	
18.6. d	the requirements on data and information to be delivered to the connecting TSO to calculate the imbalances;	BC1.4.2,3,4, BC1 Appendix 1 BC2.5.1,	
18.6. e	the rules for balance responsible parties to change their schedules prior to and after the intraday energy gate closure time pursuant to paragraphs 3 and 4 of Article 17;	BC1.4.3,4,	

Identifying Article 18 interactions within the Code Change process

EBR Article 18 Ts&Cs

Sections of the ESO administrated codes which map to the terms of conditions

Does the code mod introduce changes to any of these sections?

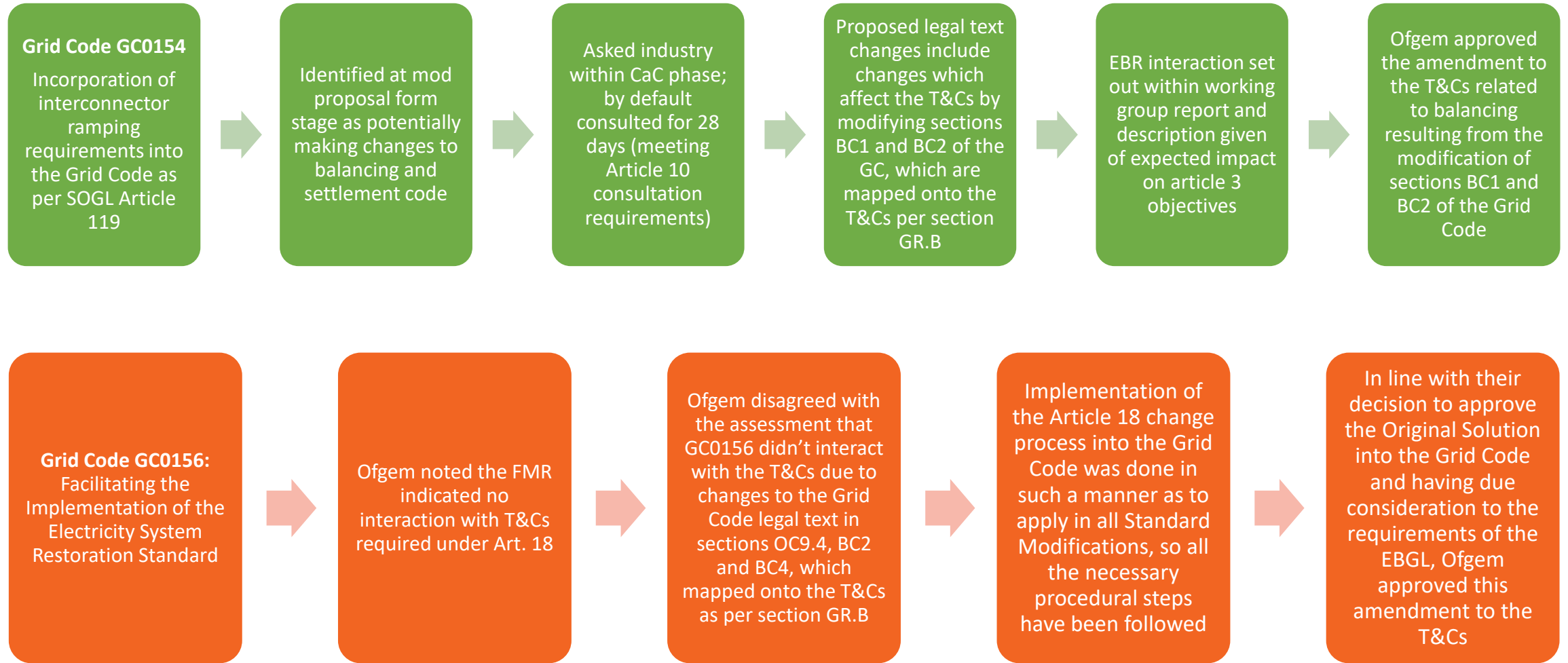


Annex GR.B of the Governance Rules

Exhibit Y – CUSC

Grid Code	CUSC
OC9.4	Section 4.1.3
BC1, BC2, BC3 & BC4	
DRSC 4.2, BC1.4	
BC5, BC4.4.2	Section 4.1
BC1.4 and BC1.A.10	
DRC, BC5 BC1.4	Section 4.1.3.14 and 4.1.3.19
BC1.4, BC1.A.10,	Section 4.1.3.19
	Section 4.1.3.9 and 4.1.3.9A
	Section 4.3.2.6
	Sections 4.1.3.9, 4.1.3.9A and 4.1.3.14
BC1.4	
BC1.4.2,3,4, BC1 Appendix 1 BC2.5.1,	
BC1.4.3,4,	

Examples



EBR Article	Comment	Article Requirement / Content
Article 3: Objectives of EBR	Outlines the objectives and regulatory aspects of EBGL Regulation	<p>1. This Regulation aims at:</p> <ul style="list-style-type: none"> a) Fostering effective competition, non-discrimination and transparency in balancing markets; b) enhancing efficiency of balancing as well as efficiency of national balancing markets; c) integrating balancing markets and promoting the possibilities for exchanges of balancing services while contributing to operational security; d) contributing to the efficient long-term operation and development of the electricity transmission system and electricity sector while facilitating the efficient and consistent functioning of day-ahead, intraday and balancing markets; e) ensuring that the procurement of balancing services is fair, objective, transparent and market-based, avoids undue barriers to entry for new entrants, fosters the liquidity of balancing markets while preventing undue market distortions; f) facilitating the participation of demand response including aggregation facilities and energy storage while ensuring they compete with other balancing services at a level playing field and, where necessary, act independently when serving a single demand facility; g) facilitating the participation of renewable energy sources and supporting the achievement of any target specified in an enactment for the share of energy from renewable sources.
Article 4: Terms and conditions or methodologies of TSOs	Terms and conditions related to balancing should be developed by TSOs and submitted for approval by Ofgem	<p>1. TSOs shall develop the terms and conditions or methodologies required by this Regulation and submit them for approval to the regulatory authority within the respective deadlines set out in this Regulation.</p> <p>2. Where a proposal for terms and conditions or methodologies pursuant to this Regulation needs to be developed and agreed by more than one TSO, the participating TSOs shall closely cooperate. TSOs, shall regularly inform the regulatory authority about the progress of developing these terms and conditions or methodologies.</p>
Article 18: Terms and conditions related to balancing	Article 18 sets out the rules for creating markets and how products should be set up across GB market, the terms and conditions for balancing services and the requirements that the Ts & Cs must meet. The Terms and conditions related to balancing should be developed by the ESO. There is a change process outlined in other EBGL Articles 4, 5, 6 & 10 on how a proposal should be submitted, approved by Ofgem, how it should amended, and that there should be a one month public consultation.	<p>1. No later than six months after entry into force of this Regulation and for all scheduling areas of a Member State, the TSOs of this Member State shall develop a proposal regarding:</p> <ul style="list-style-type: none"> (a) the terms and conditions for balancing service providers; (b) the terms and conditions for balance responsible parties.

EBR Article	Comment	Article Requirement / Content
Article 6: Amendments to terms and conditions or methodologies of TSOs	Article 6 outlines how EBGL amendments should take place	<p>1. Where the regulatory authority requires an amendment in order to approve the terms and conditions or methodologies submitted in accordance with 4 of Article 5, the relevant TSOs shall submit a proposal for amended terms and conditions or methodologies for approval within two months following the requirement from the regulatory authority. The relevant regulatory authorities shall decide on the amended terms and conditions or methodologies within two months following their submission.</p> <p>3. TSOs responsible for developing a proposal for terms and conditions or methodologies may request amendments of those terms and conditions or methodologies. The proposals for amendments to the terms and conditions or methodologies shall be submitted to consultation in accordance with the procedure set out in Article 10 and approved in accordance with the procedure set out in Article 4 and Article 5.</p>
Article 10: Public Consultation	Article 10 lays out how a public consultation should take place. This will be covered in the process by holding a 1 month consultation at the CAC stage, and ensuring the final mod report includes sound justification for including (or not) consultation views.	<p>1. TSOs responsible for submitting proposals for terms and conditions or methodologies or their amendments in accordance with this Regulation shall consult stakeholders, including the regulatory authority , on the draft proposals for terms and conditions or methodologies and other implementing measures for a period of not less than one month.</p> <p>5. At least the proposals pursuant to points (a), (b), (c), (d), (e), (f), (g), and (i), (j) and (k) of Article 5(4) shall be subject to public consultation – <i>(N.B. Article 5(4).c refers to Article 18 balancing Ts and Cs)</i></p> <p>6. TSOs responsible for the proposal for terms and conditions or methodologies shall duly consider the views of stakeholders resulting from the consultations undertaken in accordance with paragraph 5, prior to its submission for regulatory approval. In all cases, a sound justification for including or not including the views resulting from the consultation shall be provided together with the submission and published in a timely manner before or simultaneously with the publication of the proposal for terms and conditions or methodologies.</p>
Article 5: Approval of terms and conditions or methodologies of TSOs	Article 5.5 notes that the amendment proposal (mod report) should outline the expected impact on the EBGL objectives (Outlined in Article 3).	<p>1. The regulatory authority shall approve the terms and conditions or methodologies developed by TSOs under paragraphs 4.</p> <p>4. The proposals for the following terms and conditions or methodologies shall be subject to approval by a case-by-case basis; c) the terms and conditions related to balancing pursuant to Article 18;</p> <p>5. The proposal for terms and conditions or methodologies shall include a proposed timescale for their implementation and a description of their expected impact on the objectives of this Regulation. The implementation timescale shall not be longer than 12 months after the approval by the regulatory authority, except where all relevant regulatory authorities agree to extend the implementation timescale or where different timescales are stipulated in this Regulation.</p>

Horizon Scan

(February, May, August, November)

Codes Affected	Legislative, Regulatory or Industry Change Overview	Published Content	Key Contact
Grid Code, CUSC, SQSS and STC	<p>The Offshore Coordination Project has been set up by the ESO with support from Ofgem and the Department for Business, Energy & Industrial Strategy.</p> <p>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.</p>	ESO Offshore Coordination Project Page	box.OffshoreCoord@nationalgridESO.com



Any Other Business

Activities ahead of the next Panel Meeting

Transmission Charging Methodologies Forum	06 June 2024
Modification Proposal Deadline for June Panel	13 June 2024
Papers Day	20 June 2024
Panel Meeting	28 June 2024 Teams

Close



Trisha McAuley OBE
Independent Chair, CUSC Panel