

## CUSC Panel Minutes

### 26 April 2024

#### CUSC Panel Minutes

**Date:** 26/04/2024      **Location:** Microsoft Teams

**Start:** 10:00      **End:** 16:00

#### Participants

Attendee	Initials	Company
Trisha McAuley	TM	Independent Panel Chair
Milly Lewis	ML	Panel Secretary Code Administrator Representative
Claire Goult	CG	Panel Technical Secretary (Code Administrator)
Andrew Enzor	AE	Users' Panel Member
Andy Pace	AP	Consumers' Panel Member
Binoy Dharsi	BD	Users' Panel Member
Christian Parsons	CP	ESO Panel Member
Dena Barasi	DB	CMP433 Proposer
Garth Graham	GG	Users' Panel Member
Joe Colebrook	JC	Users' Panel Member
Joe Dunn	JD	Users' Panel Member/CMP433 Proposer
Kyran Hanks	KH	Users' Panel Member
Nadir Hafeez	NH	Authority Representative
Liam Cullen	LC	Authority Representative
Paul Jones	PJ	Users' Panel Member
Paul Mullen	PM	CMP434/435 Proposer
Rashmi Radhakrishnan	RR	ELEXON – Observer

## Apologies

Attendee	Initials	Company
Camille Gilsenan	CGi	ESO Panel Member

### 1. Introductions and Apologies

12313. Apologies for absence were received from Camille Gilsenan. Declarations of interest were received from Binoy Dharsi regarding CMP413 and Joe Dunn regarding CMP433.
12314. The Chair updated the Panel on the changes in the Code Administrator roles and advised that Claire Goult will be the Panel Secretary Code Administrator Representative and that Catia Gomes will be the Panel Technical Secretary going forward.
12315. ML updated the Panel on the changes in the Market Frameworks Team, advising that Penny Garner will be assuming the role of Head of Market Frameworks and Jamie Webb will be returning to his role as Commercial Codes Manager.

### 2. Minutes from previous meetings

12316. The meeting minutes from the CUSC Panel meetings held on 22 March 2024 and 12 April 2024 were approved.

### 3. Review of actions log

12317. Actions 182 – ML confirmed that this action is ongoing and to remain open.

### 4. Chair's update

12318. No updates from the Chair.

### 5. Authority Decisions

12319. NH provided an update on Modifications that have been decided upon, together with those currently awaiting their decision.

### Decisions since last CUSC Panel

12320. No decisions since last Panel.

### Awaiting Decisions

Modification	What this seeks to achieve	Expected Decision Date
<b>CMP286</b>	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.	03/05/2024 (Previously 26/04/2024)
<b>CMP315</b> <b>CMP375</b>	This modification proposal would review how the expansion constant is determined such that it best reflects the costs involved. This modification seeks to amend the calculation of the Expansion Constant & Expansion Factors to better reflect the	30/09/2024

	growth of and investment in the National Electricity Transmission System (NETS).	
<b>CMP330</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.	31/07/2024 (Previously 08/05/2024)
<b>CMP374</b>		
<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.	30/04/24 (Previously 29/02/2024)
<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.	31/05/2024 (Previously 16/02/2024)
<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	01/04/2025 (Previously 28/03/2024)
<b>CMP414</b>	Seeks to enact the Workgroup solution from CMP330/CMP374, by updating Exhibit B, Section 2, and Section 11 of the CUSC	31/07/2024 (Previously 08/5/2024)
<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

## Energy Code Reform Update

12321. NH gave an update on Energy Code Reform, advising that the first consultation closed this week and that the second one (joint consultation with DESNZ) is still open and will close on 05 May 2024.
12322. NH explained that an introductory meeting to discuss Energy code Reform: Membership of the Modification Process Workgroup was held on the 17 April 2024 and that 5 further Workgroups are planned. NH advised that the list of members is published [here](#).

## 6. Draft Final Modification Reports

12323. Three Draft Final Modifications were submitted to the Panel.

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

12324. The Panel, unanimously, recommended that the Original solution should be implemented. The Final Modification Report will be issued to Ofgem on 26 April 2024.

*(Post Meeting note: The Final Modification Report was submitted to the Authority on 26 April 2024)*

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

12325. The Panel, by majority, recommended that the Original solution and WACM1 should not be implemented. The Final Modification Report will be issued to Ofgem on 08 May 2024.

*(Post Meeting note: The Final Modification Report was submitted to the Authority on 08 May 2024)*

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

12326. The Panel, by majority, recommended that the Original solution should be implemented. The Final Modification Report will be issued to Ofgem on 08 May 2024.

*(Post Meeting note: The Final Modification Report was submitted to the Authority on 08 May 2024)*

## **7. New modifications**

12327. TM informed Panel Members that there were three new CUSC Modifications being presented to the Panel to agree the governance route and timeline.

## **CMP433: Optimised Transmission Investment Cost model (OpTIC)**

12328. JD from Scottish Power delivered a presentation on CMP433, outlining the rationale of the modification.

12329. On behalf of the Panel, the Chair thanked the Proposers for the very clear and detailed proposal and the extensive prior engagement that they had undertaken with industry stakeholders.

12330. Following considerable discussion, Panel members agreed that this modification should follow Standard Governance and proceed to Workgroup.

12331. ML informed members that a draft Terms of Reference had been circulated to Panel members and members agreed to consider this outside of the meeting.

## **CMP434/CMP435: Context**

12332. ML informed Panel members that four separate, but related, modifications have been raised requesting urgency, two STC modifications and two CUSC modifications. ML explained that these modifications are paired as follows, CMP434/CM095 and CMP435/CM096. ML clarified that all modifications will have their own set of Terms of Reference and Workgroup members as they are separate.

12333. GG advised that it is very important that all parties understand their roles and what is expected from them. GG advised that if the STC parties are allowed to be Workgroup members in the CUSC modification, CUSC parties should be allowed to be the same in the STC modification, so it keeps the interactions balanced.

12334. JD agreed to GG point and advised that either parties from different codes are able to be Workgroup members and vote for all the modifications, or none should be permitted to do so. ML advised that any CUSC party can be a Workgroup member in the STC modifications if they wish.

12335. PM from ESO delivered a presentation explaining that all of these modifications have been devised through consultation and extensive stakeholder engagement and government/industry groups.

## **CMP434: Implementing Connections Reform**

- 12336. JH from the ESO delivered a presentation on CMP434.
- 12337. JC raised a point about the license changes that are needed and asked if they need to be done before the modification is implemented. PM confirmed that this is the case.
- 12338. All Panel members agreed that this modification had a clearly defined defect and scope.
- 12339. Following considerable discussion, Panel members agreed that this modification should follow Standard Governance and proceed to Workgroup.
- 12340. Panel members unanimously agreed to recommend the urgency timeline. The Terms of Reference were discussed and agreed by Panel members.

## **CMP435: Application of Gate 2 Criteria to existing contracted backgroup**

- 12341. AT from the ESO delivered a presentation on CMP435.
- 12342. One Panel member did not agree this modification had a clearly defined defect.
- 12343. Following considerable discussion, Panel members agreed that this modification should follow Standard Governance and proceed to Workgroup.
- 12344. Panel members unanimously agreed to recommend the urgency timeline. The Terms of Reference were discussed and agreed by Panel members.
- 12345. GG noted that it would be important to ensuring legal certainty for the eventual outcome from go-live in January 2025 for new and existing connection contracts and therefore the Workgroups for both CMP434 and CMP435 should consider the existing statutory rights, with respect to the terms and conditions for connection, that flows, for example, from the Third Package and the Clean Energy Package (as retained GB law).

## **8. In flight modification updates**

- 12346. ML talked the Panel through the progression of the in-flight modifications. The in-flight modifications can be found within the CUSC Panel papers pack on the National Grid ESO website via the following link: [Modification Tracker](#)

## **CMP328: Connections Triggering Distribution Impact Assessment**

- 12347. ML explained to members that the original Proposer of this modification had withdrawn their support for CMP328, and that it has subsequently been picked up by SPEN. ML confirmed that the new Proposer of CMP428 is aware that it is a send back and that the scope of this modification will be required to address the deficiencies in the send back letter.
- 12348. GG highlighted that the ESO had presented a connection seminar suggesting a new modification would be raised in the Spring if CMP328 is withdrawn.
- 12349. ML clarified that CMP428 was not withdrawn, but adopted by a new Proposer, and therefore a new modification with the same defect will be unable to be raised.

## **CMP344: Clarification of Transmission Licensee revenue recovery and the treatment of revenue adjustments in the Charging Methodology**

12350. ML explained that CMP344 was sent back by the Authority on the 12 February 2024 and presented to the February CUSC Panel where the Panel agreed to send CMP344 back to the Workgroup for further work.

12351. Panel members agreed the revised timeline.

## **CMP402: Introduction of Anticipatory Investment (AI) principles within the User Commitment Arrangements**

12352. ML explained that the Proposer is currently re-evaluating the solution, taking into consideration feedback received from Workgroup members and The Authority. The ESO, as the Proposer, believe that there isn't a robust justification for the current proposed solution and will develop a new solution, at which point, the Workgroups will re-commence.

## **CMP405: TNUoS Locational Demand Signals for Storage**

12353. ML discussed how the Proposer believed that CMP405 needed to be paused in order to complete any further analysis required and to consider all the relevant developments happening to Storage across the industry.

12354. Panel members agreed the revised timeline.

## **CMP419: Generation Zoning Methodology Review**

12355. ML explained additional Workgroups required prior to Workgroup Consultation following completion of analysis.

12356. Panel members agreed the revised timeline.

## **9. Panel Tracker**

12357. The next Modification Tracker will be published on 07 May 2024.

## **10. Workgroup Reports**

12358. One Workgroup Report was presented to the Panel.

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

12359. CG presented the Workgroup Report to Panel members.

12360. JC raised a query regarding the legal text and whether the inclusion of an equation outlined in the Workgroup Report should also be included in the legal text. Another Panel member agreed with this suggestion.

12361. CG agreed to consult with the Proposer and provide the advice from Panel members to include the equation for clarification.

12362. The Panel agreed that the Workgroup had met their Terms of Reference and agreed that the modification could proceed to Code Administrator Consultation.

## **11. Discussion on Prioritisation**



12363. The Panel reviewed the prioritisation stack. The updated Prioritisation Stack can be found [here](#).

12364. The CUSC Panel discussed and agreed the prioritisation of the following Modifications:

- CMP434 and CMP435 – High Priority
- CMP433 - Medium Priority

12365. The Panel agreed that the focus of work should be the urgent modifications and that, each month, the Panel will assess the resources available across Industry and the capacity within the Code Administration team and adjust as necessary.

## 12. Standing Groups

### Transmission Charging Methodology Forum (TCMF)

12366. CP advised the Panel that the TCMF was held on 4 April 2024. The meeting materials and slides can be found via the following link: [Transmission Charging Methodologies Forum](#)

12367. CP informed members to expect a TDR potential modification and there is a plan in place to do an in-person TCMF event on 6 June in London.

12368. The next TCMF meeting will be held on 9 May 2024.

## 13. Relevant Interruptions Claim Report

### Joint European Stakeholder Group (JESG)

12369. GG advised that the JESG meeting planned for 9 April 2024 had been cancelled.

### European Code Development

12370. There were no updates at this Panel meeting.

## 14. Update on other Industry Codes

12371. 21 March 2024 Grid Code Review Panel [Papers and Headline Report](#)

12372. ML advised that GC117 will be proceeding to Ofgem in two weeks' time. ML advised that, if GC0117 is approved, there will be CUSC implications, causing consequential modifications to be raised, but explained that won't be in the near future.

12373. 27 March 2024 STC Panel [Papers and Headline Report](#)

12374. ML advised that the two urgent modifications were voted urgency in the STC Panel last week (CM95 and CMP96).

12375. 09 April 2024 SQSS Special Panel [Papers and Headline Report](#)

12376. ML gave an update on the Cross Code FSO Day 1 implementations and advised that the re-baseline has been completed and that it will go out to consultation soon.

# ESO

## 15. Governance

12377. There were no updates at this Panel meeting.

## 16. Horizon Scan

12378. There were no updates at this Panel meeting.

## 17. Code Administrator Update

12379. There were no updated at this Panel meeting.

## 18. Relevant Interruptions Claim Report

12380. The Panel noted that there were no outstanding claims on the latest Relevant Interruptions Claim Report (to cover the period 1 January 2024 – 31 March 2024).

## 19. Any Other Business

12381. ML confirmed none submitted.

## 20. Close

12382. 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 31 May 2024 at Faraday House.**

**New Modification Proposals are to be submitted by 16 May 2024.**

**CUSC Panel Papers Day is 23 May 2024.**