

Headline Report – 31 May 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 [26 April 2024](#) were approved and these have been uploaded to our website.

New Modifications

The following new Modification Proposals were presented to the Panel:

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

The Electricity Arbitration Association (EAA) is now defunct. This modification looks to replace the EAA with the London Court of International Arbitration (LCIA) from non-charging sections of the code.

The Panel unanimously agreed that CMP436 should follow the Standard Governance route and proceed to Code Administrator Consultation.

CMP436 documentation can be found [here](#).

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

The Electricity Arbitration Association (EAA) is now defunct. This modification looks to replace the EAA and replace them with the London Court of International Arbitration (LCIA) from charging sections of the code.

The Panel unanimously agreed that CMP437 should follow the Standard Governance route and proceed to Code Administrator Consultation.

CMP437 documentation can be found [here](#).

New / Pending Authority Decisions Decisions since the last Panel

Modification	Decision	Implementation Date
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.	-
CMP392 'Transparency and legal certainty as to the calculation of TNUoS in conformance with the Limiting Regulation'	On 01 May 2024 the Authority approved WACM2.	01 April 2025

Awaiting Decisions

The Authority representative advised during the pre-election period there is a publishing moratorium, where the Authority do not intend to publish any decisions until after 05 July 2024 unless absolutely necessary.

Modification	FMR submitted	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	31/07/2024
CMP396 'Re-introduction Of BSUoS on Interconnector Lead Parties'	05/01/2024	TBC (Previously 31/05/2024)
CMP408 'Allowing consideration of a different notice period for BSUoS tariff settings'	13/10/2023	09/09/2024
CMP413 'Rolling 10-year wider TNUoS generation tariffs'	08/05/2024	TBC
CMP414 'CMP330/CMP374 Consequential Modification'	10/08/2023	31/07/2024
CMP415 'Amending the Fixed Price Period from 6 to 12 months'	13/10/2023	09/09/2024
CMP418 'Refine the allocation of Dynamic Reactive Compensation Equipment (DRCE) costs at OFTO transfer'	08/05/2024	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 02 May 2024 and is published [here](#).

Workgroup Meeting Hiatus and Prioritisation Stack

Following the April 2024 CUSC Panel, Panel members agreed that based on the volume of ESO and industry resource being utilised by the Urgent CUSC Modifications Workgroup meetings that all other modification Workgroup meetings should take a hiatus. As agreed, on a rolling monthly basis, the CUSC Panel will discuss the following ahead of a modification exiting the Workgroup meeting hiatus; whether resource is available, the prioritisation of the modification, and availability of Workgroup meeting materials.

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

To help support the CUSC Panel the following table shows the [current volume](#) of Urgent CUSC Modifications industry workload until the end of August 2024.

Month	May					June					July					August			
	27-31	03-07	10-14	17-21	24-28	01-05	08-12	15-19	22-26	29-02	05-09	12-16	19-23	26-30					
CMP430/CMP431 Meetings (MHHS Urgent modifications)	1	0	1	0	1	1	1	0	0	CAC	CAC								
CMP434 Meetings (IRC Urgent modification)	1	1	2	2	Workgroup	0	2	1	1	1	0	CAC	CAC						
CMP435 Meetings (Gate 2 Urgent modification)	1	1	1	1		0	2	1	1	1	0	CAC	CAC						
Total Workgroup meetings	3	2	4	3	1	1	1	4	2	2	2	0	0	0	25				
Business days without Workgroup meetings/ Panels/ Task Force/TCMF	0	2	2	2	3	4	4	2	2	2	4	0	0	0	27				

At the May 2024 CUSC Panel it was agreed that the Workgroup meeting hiatus should continue and as such no Workgroup meetings will be arranged until further notice; the ESO have committed to do the following:

Mod Number	Title	% of Workgroup Members* on the Urgent CUSC Modifications (* with currently 50%+ attendance)	Committed Activity
CMP426	TNUoS charges for transmission circuits identified for the HND as onshore transmission	25% (2 of 8 Workgroup Members)	The ESO is completing further analysis which is anticipated to be available in mid July.
CMP402	Introduction of Anticipatory Investment (AI) principles within the User Commitment Arrangements	25% (2 of 8 Workgroup Members)	The new proposed solution has been socialised internally within the ESO, the proposed legal text is now under review to ensure that the intent of the solution and previous concerns have been addressed ahead of sharing with the Workgroup.
CMP419	Generation Zoning Methodology Review	30% (4 of 13 Workgroup Members)	The Proposer has confirmed to the Workgroup and the Authority their intention to split the modification into two modifications. CMP419 to focus on offshore and a future modification to focus on the onshore elements. The Proposer will look to socialise the new modification with TCMF in July 2024.
CMP417	Extending principles of CUSC Section 15 to all Users	44% (4 of 9 Workgroup Members)	The Proposer and Connections SME are continuing to complete additional detailed worked examples and verification through a subgroup which is likely to take place by mid July 2024.
CMP423	Generation Weighted Reference Node	15% (2 of 13 Workgroup Members)	The ESO will continue with the required further analysis, develop the legal text and share the transport model with the Workgroup members that have signed the software license agreement. Monthly Proposer check ins are in place to ensure progress.
CMP288	Explicit charging arrangements for customer delays and backfeeds	33% (3 of 9 Workgroup Members)	The Workgroup Consultation Document will be finalised and circulated for Workgroup approval ahead of being published to industry
CMP344	Clarification of Transmission Licensee revenue recovery and the treatment of revenue adjustments in the Charging Methodology	50% (2 of 4 Workgroup Members)	Ahead of the next Workgroup meeting there is potentially the need for Panel to approve limited workgroup membership. The Workgroup is awaiting external analysis ahead of the next Workgroup meeting. The ESO will continue to work on addressing the Send Back deficiencies in preparation for the next Workgroup meeting.
CMP328	Connections Triggering Distribution Impact Assessment	27% (3 of 11 Workgroup Members)	There are on going discussions between the new Proposer, the ESO and the Authority on the appropriate next steps to address the Send Back deficiencies in preparation ahead of future Workgroup meetings being scheduled.
CMP432	Improve "Locational Onshore Security Factor" for TNUoS Wider Tariffs	29% (2 of 7 Workgroup Members)	Following feedback from the May TNUoS Task Force meeting the Proposer will reach out to the ESO Network Team for clarification on how future network reinforcements are designed.

The following is the current [predicted timelines](#) for the Non-Urgent Modifications

Title	Potential timelines
CMP426 TNUoS charges for transmission circuits identified for the HND as onshore transmission	Ahead of the Workgroup meeting hiatus no future Workgroup meetings had been scheduled, as the timescales required to complete the analysis had not been finalised the CUSC Panel had not been presented with a new timeline to approve. Based on the analysis being available in mid July and an assumption of Workgroup meetings reconvening shortly after: <ul style="list-style-type: none"> The Workgroup Consultation is predicted to be published 2-3 months after the analysis is available. The Workgroup Report then predicted to be published circa 3 months after that. The FMR would be submitted to the Authority circa May/ June 2025 (previously September 2024)
CMP402 Introduction of Anticipatory Investment (AI) principles within the User Commitment Arrangements	Ahead of the Workgroup meeting hiatus no future Workgroup meetings had been scheduled, as the timescales required to complete the proposed solution review had not been finalised the CUSC Panel had not been presented with a new timeline to approve. Based on the proposed solution being socialised at the July 2024 TCMF and an assumption of Workgroup meetings reconvening by the end of August: <ul style="list-style-type: none"> The Second Workgroup Consultation is predicted to be published 3-4 months after the proposed solution and legal text is available. The Workgroup Report then predicted to be published 2-3 months after that. The FMR would be submitted to the Authority circa June/ July 2025 (previously May 2024)
CMP419 Generation Zoning Methodology Review	The CUSC Panel will be presented a new timeline to approve for this modification after the modification is split into the offshore and onshore elements. It is anticipated that the onshore elements within the new modification would seek to be implemented ahead of the offshore elements in CMP419 (previously March 2025).
CMP417 Extending principles of CUSC Section 15 to all Users	Ahead of the Workgroup meeting hiatus the Workgroup agreed that more Workgroup meetings were required ahead of publishing the Workgroup Consultation. The CUSC Panel had not been presented with a new timeline to approve as the timescales required to complete the additional detailed worked examples and verification had not been finalised and the impact of the Urgent Connection modifications was not known. Based on predicted sub-group in mid July and an assumption of Workgroup meetings reconvening by mid September: <ul style="list-style-type: none"> The Workgroup Consultation is predicted to be published 2-3 months after meeting reconvene. The Workgroup Report then predicted to be published 3-4 months after that. The FMR would be submitted to the Authority circa July/August 2025 (previously December 2024)
CMP423 Generation Weighted Reference Node	The CUSC Panel has not been presented with a new timeline to approve, however based on an assumption of Workgroup meeting reconvening by mid September: <ul style="list-style-type: none"> The Workgroup Consultation is predicted to be published circa 3 months after meeting reconvene. The Workgroup Report then predicted to be published circa 3 months after that. The FMR would be submitted to the Authority circa May/ June 2025 (previously February 2025)
CMP288 Explicit charging arrangements for customer delays and backfeeds	The CUSC Panel has not been presented with a new timeline to approve, however based on an assumption of Workgroup Consultation would be circulated to Workgroup members by late June: <ul style="list-style-type: none"> The Workgroup Consultation is predicted to be published in July The Workgroup Report then predicted to be published circa 3 months after that. The FMR would be submitted to the Authority circa December 2024/January 2025 (previously October 2024)
CMP344 Clarification of Transmission Licensee revenue recovery and the treatment of revenue adjustments in the Charging Methodology	The CUSC Panel has not been presented with a new timeline to approve, however based on an assumption that a quorate Workgroup meeting is achieved ahead of the 3 rd Code Administration Consultation taking place by September: <ul style="list-style-type: none"> The FMR would be submitted to the Authority circa November/ December 2024 (previously October 2024)
CMP328 Connections Triggering Distribution Impact Assessment	Workgroup meetings were not scheduled ahead of the Workgroup meeting hiatus as SPR requested to be the new Proposer for CMP328 following SSEN's withdrawal as proposer of the modification on 16 April 2024.
CMP405 TNUoS Locational Demand Signals for Storage	Ahead of the Workgroup meeting hiatus no future Workgroup meetings had been scheduled, as the Proposer felt 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. The Storage Subgroup dates are currently not confirmed.
CMP432 Improve "Locational Onshore Security Factor" for TNUoS Wider Tariffs	As agreed at the May TNUoS Task Force meeting, the Proposer needs to verify the working assumptions expressed in the modification proposal around network design.
CMP433 Optimised Transmission Investment Cost model	Workgroup meetings are currently scheduled to begin in September.

If you have any queries around specific modifications please contact Rachel McLeod
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In flight Modifications

Modification Withdrawal Update: [CMP420: Treatment of BSUoS Revenue Recovery, and creation of a BSUoS Fund](#)

The Panel agreed to the withdrawal of the modification under CUSC 8.16.10(c).

Terms of Reference Update: [CMP434 Implementing Connections Reform](#)

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

Terms of Reference Update: [CMP435 Application of Gate 2 Criteria to existing contracted background](#)

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

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

Workgroup Reports

No Workgroup Reports were presented to the Panel.

Draft Final Modification Reports

The following Draft Final Modification Reports were presented to the Panel:

CMP316: TNUoS Arrangements for Co-located Generation Sites

Charging arrangements for Generation sites which comprise multiple technology types within one Power Station (“co-located”).

The Panel recommended unanimously that both the Original and WACM1 better facilitated the Applicable CUSC Objectives. By majority the Panel recommended that WACM1 best met the Applicable CUSC Objectives. The Final Modification Report will be sent to Ofgem on 12 June 2024.

CMP316 documentation can be found [here](#).

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

CMP316 makes changes to Section 14 of the CUSC. CMP397 facilitates CMP316 and proposes consequential changes to CUSC Exhibits B & D

The Panel has recommended unanimously that the Proposer’s solution better facilitate the CUSC Applicable Objectives. The Final Modification Report will be sent to Ofgem on 12 June 2024.

CMP397 documentation can be found [here](#).

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

This modification proposes to alter the definition of Annual Load Factor (ALF) with respect to electricity storage, taking into account imports as well as exports. Here, ‘electricity storage’ refers to all storage that has booked Transmission Entry Capacity (i.e., pumped and battery).

The Panel has recommended by majority that the Proposer’s solution better facilitate the CUSC Applicable Objectives. The Final Modification Report will be sent to Ofgem on 17 June 2024.

CMP393 documentation can be found [here](#).

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

Both modifications seek to introduce the concept of Competitively Appointed Transmission Owners and Transmission Service Providers for the purposes of introducing Early Competition for the design, build and ownership of Onshore Transmission assets.

The Panel has recommended by majority that the Proposer's solution for CMP403 better facilitate the CUSC Applicable Objectives. The Final Modification Report will be sent to Ofgem on 11 June 2024.

The Panel has recommended by majority that the Proposer's solution for CMP404 better facilitate the CUSC Applicable Objectives. The Final Modification Report will be sent to Ofgem on 11 June 2024.

CMP403 and CMP404 documentation can be found [here](#).

Key Activities ahead of next panel

Transmission Charging Methodologies Forum: TBC July (date to be confirmed)

Modification Proposal Deadline for June Panel: 13 June 2024

Papers Day: 20 June 2024

Questions or feedback?

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