

CUSC Panel 31 May 2024

CUSC Panel Minutes

Date: 31/05/2024 **Location:** Faraday House

Start: 10:00 **End:** 13:00

Participants

Attendee	Initials	Company
Trisha McAuley OBE	TM	Independent Panel Chair
Claire Goult	CG	Panel Secretary Code Administrator Representative
Catia Carvalho Gomes	CCG	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
Garth Graham	GG	Users' Panel Member
Joe Colebrook	JC	Users' Panel Member
Joe Dunn	JD	Users' Panel Member
Kyran Hanks	KH	Users' Panel Member
Harriet Harmon	HH	Authority Representative
Paul Jones	PJ	Users' Panel Member
Rashmi Radhakrishnan	RR	Elexon BSC Representative

Observers/Presenters

Attendee	Initials	Company
Joe Henry	JH	ESO CMP436 and CMP437 Proposer
Milly Lewis	ML	ESO Code Administrator

Penny Garner	PG	ESO Observer
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Apologies

Attendee	Initials	Company
Nadir Hafeez	NH	Ofgem

1. Introductions and Apologies

12380. The Chair welcomed and introduced Penny Garner, the ESO’s new Head of Market Frameworks. Apologies for absence were received from Nadir Hafeez. A declaration of interest was noted from Andrew Enzor as he wrote some of the analysis for CMP393.

2. Minutes from previous meetings

12381. The meeting minutes from the CUSC Panel held on 26 April 2024 were approved.

3. Review of actions log

12382. Action 182 - CG confirmed that this action is ongoing and to remain open.

4. Chair’s update

12383. There were no updates from the Chair.

5. Authority Decisions

12384. HH provided an update on Modifications that have been decided upon, together with those currently awaiting the Authority’s decision.

Decisions since the last CUSC Panel meeting

12385. HH confirmed the following updates to Authority 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.	On 03 May 2024 the Authority rejected the modification proposal
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.	On the 01 May 2024 the Authority approved WACM2 to be implemented on the 01 April 2025

Awaiting Decisions

Modification	What this seeks to achieve	Expected Decision Date
CMP315 CMP375	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 growth of and investment in the National Electricity Transmission System (NETS).	30/09/2024 conditional on the publication of the Ofgem impact assessment
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.	31/07/2024 (Previously 08/05/2024)
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)
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.	09/09/2024 (Previously TBC)
CMP414	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)
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.	09/09/2024 (Previously TBC)
CMP413	Rolling 10-year wider TNUoS generation tariffs	To be confirmed
CMP418	Refine the allocation of Dynamic Reactive Compensation Equipment (DRCE) costs at OFTO transfer	To be confirmed

Other Updates

- 12386. HH advised that, as we are in a pre-election stage, there is a publishing moratorium, meaning that the Authority will not publish any modification decisions until the 05 July 2024.
- 12387. HH advised that she has asked permission internally to publish the decision for CMP428 as it has a significant impact on a small number of parties.

6. New modifications

12388. TM informed Panel Members that there are two new CUSC Modifications being presented to the Panel to agree the governance route.

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

- 12389. JH from ESO delivered a presentation on CMP436.
- 12390. All Panel members agreed that this modification had a clearly defined defect and scope.
- 12391. Panel members unanimously agreed that this modification should follow the Standard Governance route and proceed to Code Administrator Consultation.

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

- 12392. JH from ESO delivered a presentation on CMP437.
- 12393. All Panel members agreed that this modification had a clearly defined defect and scope.
- 12394. Panel members unanimously agreed that this modification should follow the Standard Governance route and proceed to Code Administrator Consultation.

7. In flight modification updates

- 12395. CG 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](#)
- 12396. ML gave a detailed update to the Panel on the current Workgroup meeting hiatus. ML highlighted the number of Urgent CUSC Modifications Workgroup meetings planned between May and August 2024 and reiterated that, although meetings are paused, work is continuing on the non-Urgent modifications that are affected by the hiatus. The Panel discussed, at length, the progress of each modification, noting that the timelines for sending the draft final modifications to the Authority were not impacted.

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

- 12397. CG explained that the Proposer withdrew their support for CMP420 on 07 May 2024. A withdrawal window was opened up for 5 Business Days from this date and no parties came forward to become the Proposer for this modification.
- 12398. The Panel agreed 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 and CMP431: Adjustments to TNUoS Charging from 2025 to support the Market Half Hourly Settlement (MHHS) Programme (Non-Charging)

- 12399. CG explained to Panel that the Authority approved the revised timeline for CMP430 and CMP431 on 20 May 2024, advising that the dates were adjusted to allow further legal text amendments and review to take place.

CMP434 Implementing Connections Reform

- 12400. CG presented the Panel with the proposed Terms of Reference for CMP434.
- 12401. The Panel agreed to the amended and additional points within the Terms of Reference.
- 12402. JC suggested that guidance is needed regarding Terms of Reference, highlighting that, in Workgroups with new participants, it can be confusing to understand the ask and the principle of the Terms of Reference. It was agreed it was particularly important for this to be made clear at the start of each connections reform workgroup meetings, given the numbers of participants unfamiliar with the code governance process. As the general issue is wider than just the CUSC Panel, CG agreed to take this to the Code Governance team.

CMP435 Application of Gate 2 Criteria to existing contracted background

- 12403. CG presented the Panel with the proposed Terms of Reference for CMP435.
- 12404. The Panel agreed to the amended and additional points within the Terms of Reference.
- 12405.
- 12406. The next Modification Tracker will be published on 07 June 2024.

8. Workgroup Reports

12407. No Workgroup Reports were presented to the Panel.

9. Draft Final Modification Reports

12408. Five Draft Final Modifications were submitted to the Panel.

CMP316: TNUoS Arrangements for Co-located Generation Sites

12409. 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.

12410. HH advised that the interactions with Allocation Round 7 (AR7) will affect the decision date for CMP316.

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

12411. The Panel unanimously recommended that the Original solution should be implemented. The Final Modification Report will be issued to Ofgem on 12 June 2024.

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

12412. The Panel, by majority, recommended that the Original solution should be implemented. The Final Modification Report will be issued to Ofgem on 17 June 2024.

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

12413. The Panel, by majority, recommended that the Original solution for CMP403 should be implemented. The Final Modification Report will be issued to Ofgem on 11 June 2024.

12414. Ahead of the vote taking place, a Panel member believed that, in the CMP403 proposed legal text, the terms 'Allowed Revenue' and 'Price Control' aren't defined terms, and therefore they should not be capitalised. The Proposer and the Panel member agreed that these changes were typographical, and do not change the meaning of the legal text.

12415. The Panel agreed with the comments above.

12416. GG highlighted that, in the Legal text for CMP404, "Onshore Tender Process" and Transmission Licence" are new terms being introduced and they should be bold. The Panel agreed that this change is typographical, and it doesn't change the intent of the legal text proposed.

12417. The Panel, by majority, recommended that the Original solution for CMP404 should be implemented. The Final Modification Report will be issued to Ofgem on 11 June 2024.

10. Discussion on Prioritisation

12418. The Panel reviewed the prioritisation stack. The updated Prioritisation Stack can be found [here](#).
12419. ML shared with Panel the current predicted timelines for non-urgent modifications. ML advised that this update will be added to the Headline Report and Modification Tracker.
12420. HH pointed out the interaction between CMP426 and the Onshore aspect of CMP419, highlighting the need to take this into consideration when planning for the timelines after the hiatus, as it can impact the decision date for those modifications.
12421. HH advised that as there is some uncertainty around the process that will be followed to come out of the hiatus, it would be beneficial to offer industry some clarity around this topic and the next steps planned.
12422. The Panel agreed that, 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 the availability of Workgroup meeting materials.

11. Standing Groups

Transmission Charging Methodology Forum (TCMF)

12423. CP advised the Panel that the meeting planned for 06 June 2024 will be cancelled and the planned meeting for 04 July 2024 will be moved due to the general election.
12424. Relevant material can be found here [Transmission Charging Methodologies Forum](#)

12. European Updates

Joint European Stakeholder Group (JESG)

12425. GG advised that the next JESG meeting is being planned for July and comms will go out to advise on the date.

European Code Development

12426. There were no updates at this Panel meeting.

13. Update on other Industry Codes

12427. 30 May 2024 Grid Code Review Panel [Papers and Headline Report](#)
12428. 29 May 2024 STC Panel [Papers and Headline Report](#)
12429. The SQSS Panel on the 22 May 2024 was cancelled and moved to the 3 June 2024.
12430. RR gave an update on the BSC, highlighting the MHHS programme system integration test phases and advising that phase 1 is completed and that phase 2 will start in June, to go live in March 2025.

14. Relevant Interruptions Claim Report

12431. There were no updates at this Panel meeting.

15. Governance

EBR Update

12432. There were no updates at this Panel meeting.

ESO

16. Horizon Scan

12433. CG highlighted the ESO Offshore Coordination Project that will affect Grid Code, CUSC, SQSS and the STC.

17. Code Administrator Update

12434. There were no updates at this Panel meeting.

18. Any Other Business

12435. CG confirmed none submitted.

19. Close

12436. 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 28 June 2024 via Microsoft Teams .

New Modification Proposals are to be submitted by 13 June 2024.

CUSC Panel Papers Day is 20 June 2024.