



CUSC Panel

Friday 26 July 2024

Faraday House

WELCOME



Approval of Panel Minutes

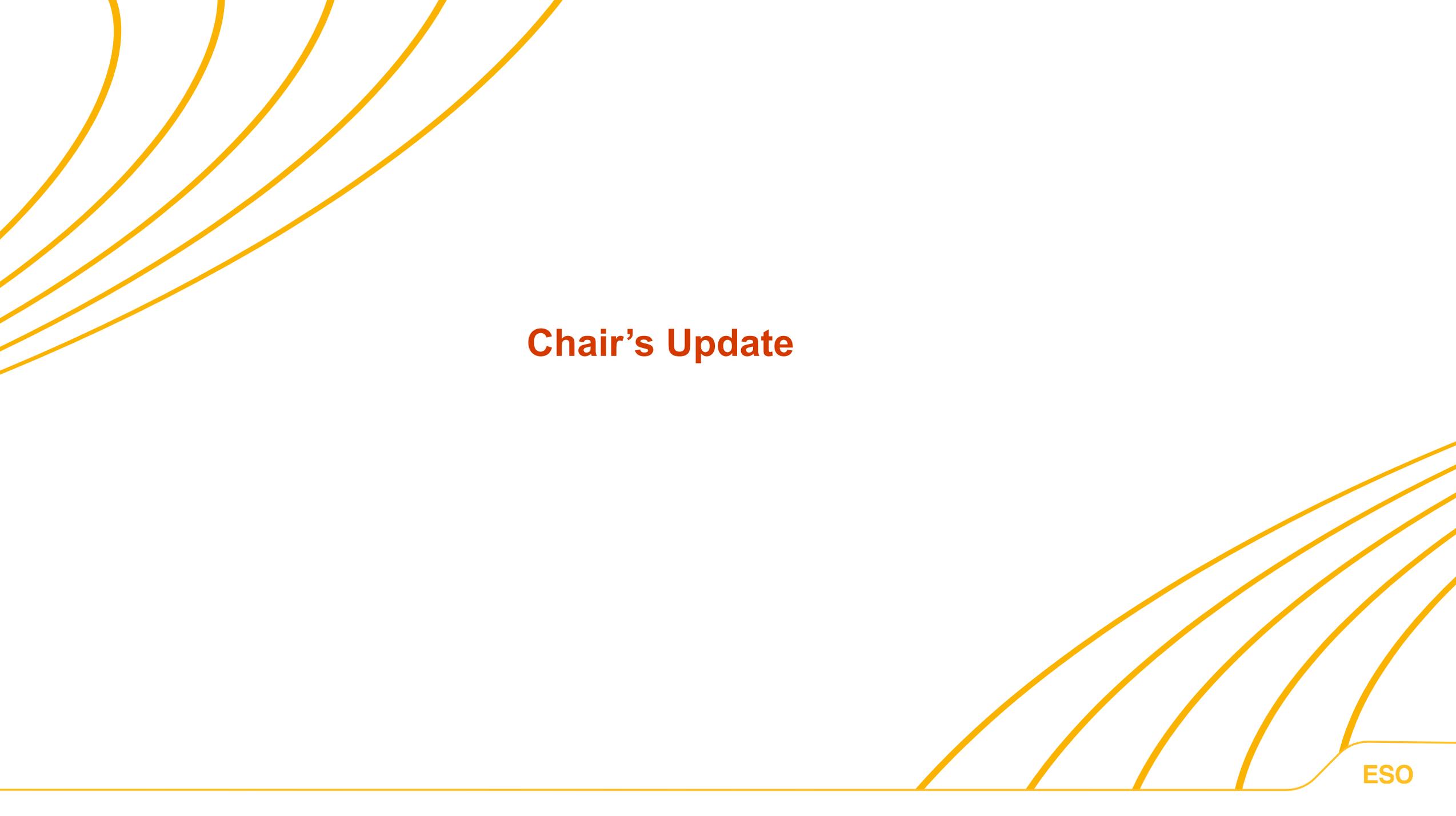
Approval of Panel Minutes from the Meeting held

28 June 2024



Action Log





Chair's Update

Authority Decisions and Update (as of 17 July 2024)



Modification	Decision
CMP414 'CMP330/CMP374 Consequential Modification'	The Authority made the decision to send back CMP414 on 8 July 2024

Decisions Pending

Modification	FMR 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	TBC (Previously 08/07/2024)
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 (Previously TBC)
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	FMR received	Expected Decision Date
CMP424 Amendments to Scaling Factors used for Year Round TNUoS Charges	09/07/2024	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>



Inflight Modification Update

Catia Gomes, Code Administrator

CMP414: "CMP330/CMP374 Consequential Modification" Authority Send-Back

On 08 July 2024, Ofgem [sent back](#) the CMP414 Final Modification Report for further work and directed Panel to revise and resubmit the CMP414 Final Modification Report.

Ofgem identified the following deficiencies in the FMR:

- Lack of clarity on potential and proposed benefits, in particular as to:
 - Financial benefits; and
 - Time saving benefits.
- Lack of clarity of potential risks, in particular as to:
 - Sub-standard assets;
 - Lack of Charging considerations;
 - Lack of analysis around anticipatory investment;
 - Misalignment of the STC and CUSC;
 - Lack of FMR cohesiveness; and
 - Lack of analysis around incentives.

Background and steps taken since CMP414 Authority Send-Back

As part of the [CMP330/CMP374](#) 'Allowing new Transmission Connected parties to build Connection Assets greater than 2km in length and Extending contestability for Transmission Connections' Workgroup Consultation phase, the Workgroup established that rather than be assessed against the CUSC Charging Applicable Objectives in Section 14 of CUSC, Contestability would be more appropriately contained in a new Part IV within Section 2 of CUSC (Connections).

Therefore CMP414 enacted the CMP330/CMP374 Workgroup solution and as such went straight to Code Administrator Consultation.

The consequential STC modification CM079 'Consideration of STC/STCP changes in relation to CMP330/CMP374', which is proposed by NGET, was sent back at the same time as CMP414.

Steps taken since 08 July 2024

On 18 July 2024 there was a meeting with the Proposer of CMP330/CMP374, the Proposer of CMP414 and Ofgem. Below are the key outputs:

- Ofgem reiterated that due to the magnitude of the change there is a need for credible evidence to be provided to support the case for change; be this in the form of analysis based on actual or modelled data to reflect the risks and benefits.
- Were Workgroups to reconvene the CUSC and STC modifications should be run concurrently to expedite the process.
- There was a request for Ofgem representation in all future Workgroup discussions.

CMP414 Authority Send-Back – Governance Rules

8.23.12 If the **Authority** determines that the **CUSC Modification Report** is such that the **Authority** cannot properly form an opinion on the **CUSC Modification Proposal** and any **Workgroup Alternative CUSC Modification(s)**, or where the **CUSC Modification Proposal** and/or any **Workgroup Alternative CUSC Modification(s)** constitutes an **EBGL Amendment** where the **Authority** requires an amendment to **CUSC Modification Proposal** and/or any **Workgroup Alternative CUSC Modification(s)** in order to approve it, it may issue a direction to the **CUSC Modifications Panel**:

- (a) specifying the additional steps (including drafting or amending existing drafting associated with the **CUSC Modification Proposal** and any **Workgroup Alternative CUSC Modification(s)**), revision (including revision to the timetable), analysis or information that it requires in order to form such an opinion; and
- (b) requiring the **CUSC Modification Report** to be revised and to be re-submitted.

8.23.13 If a **CUSC Modification Report** is to be revised and re-submitted in accordance with a direction issued pursuant to Paragraph 8.23.12, it shall be re-submitted as soon after the **Authority's** direction as is appropriate, (and in the case of an **EBGL Amendment** within 2 months), taking into account the complexity, importance and urgency of the **CUSC Modification Proposal** and any **Workgroup Alternative CUSC Modification(s)**. The **CUSC Modifications Panel** shall decide on the level of analysis and consultation required in order to comply with the **Authority's** direction and shall agree an appropriate timetable for meeting its obligations. Once the **CUSC Modification Report** is revised, the **CUSC Modifications Panel** shall carry out its **CUSC Modifications Panel Recommendation Vote** again in respect of the revised **CUSC Modification Report** and re-submit it to the **Authority** in compliance with Paragraphs 8.23.4 to 8.23.6.

Panel to agree next steps following send-back on 26 July 2024:

NOTE that Ofgem are asking the Final Modification Report to be updated

AGREE whether or not this needs to be assessed by a Workgroup

AGREE Workgroup's Terms of Reference (if Panel determine a Workgroup is needed)

AGREE whether or not (following the assessment by the Workgroup) a Code Administrator Consultation is needed to be run before it is re-presented to Panel for Recommendation Vote

CMP431 Withdrawal

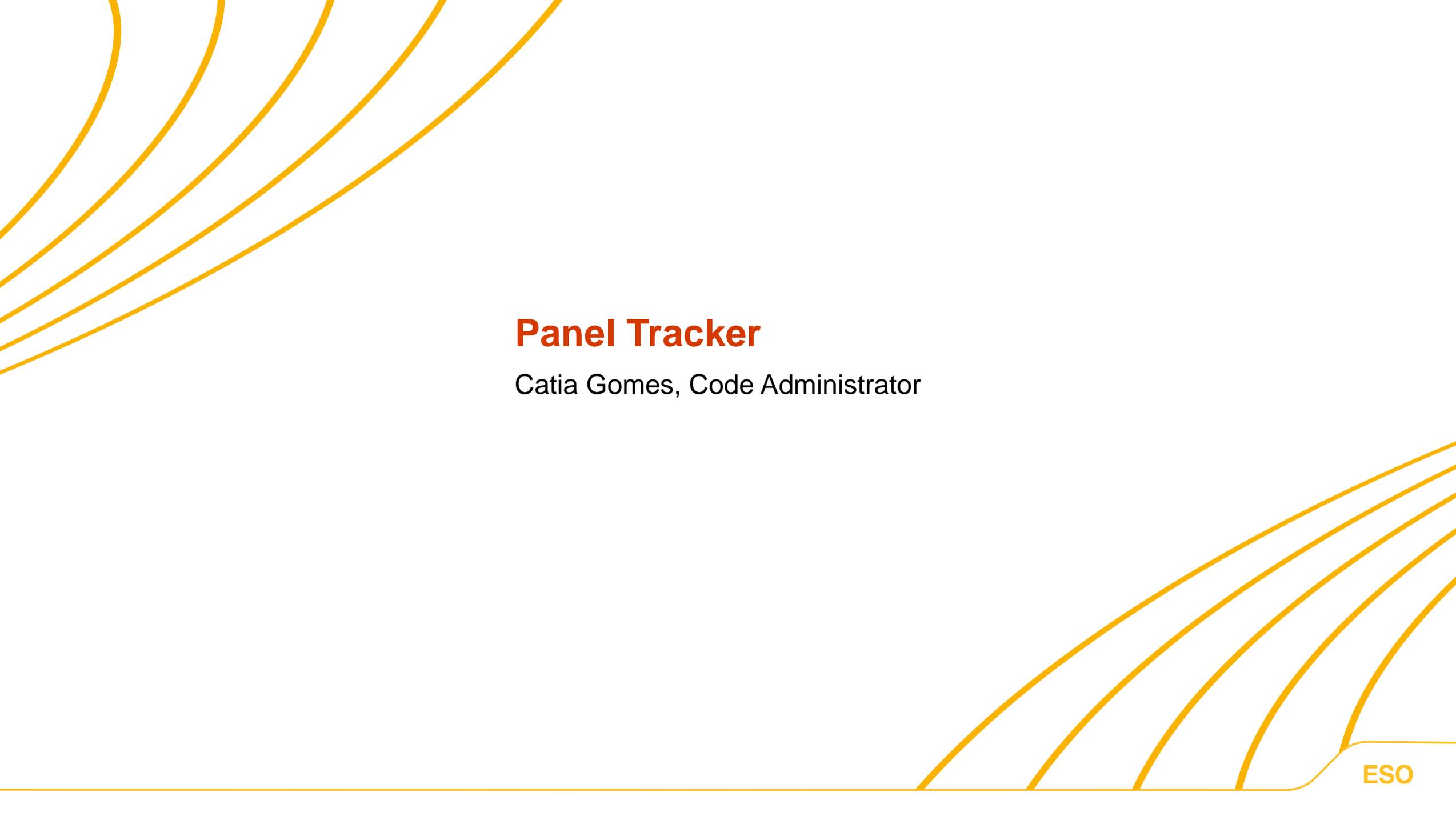
Adjustment to TNUoS Charging from 2025 to support the Market Half Hourly Settlement (MHHS)

The Proposer withdrew their support for CMP431 on 11 July 2024. A withdrawal window was opened up for 5 business days from this date .

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

CMP431 - the asks of Panel

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



Panel Tracker

Catia Gomes, Code Administrator

Workgroup Report

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

Presenter name: Deborah Spencer

Key points to note to the Panel

The Workgroup for CMP430 was also responsible for the evaluation of CMP431.

After a robust review of Section 14 and approval of legal text by Workgroup members, it was confirmed that no changes were needed in Section 3 and 11. Workgroup members therefore agreed with the Proposers suggestion that CMP431 should be withdrawn.

Solution and Workgroup Vote

Summary of solution:

ESO propose to amend CUSC Section 14 to maintain the current charging methodologies and segment customers by the new MHHS data items. The proposed solution would mean that sites would be segmented between the two methodologies for Charging purposes, using the new MHHS Design Data items – i.e., Domestic and Connection Type Indicators, once they have been migrated. Connection Type Indicator is defined under [Industry Standing Data \(ISD\): MHHS Entities Data Items](#) as ISD Entity ID M2.

The proposal is to align the CUSC to the relevant BSC Sections and definitions to state that:

- Pre MHHS migration, a site will be charged under the existing arrangements; and
- Post MHHS migration, a site will be charged based on logic derived from the Connection Type Indicator and Domestic Premises Indicator

Summary of Workgroup Vote:

The Workgroup met on 12 July 2024 to carry out their Workgroup vote.

- All members agreed that the Original better facilitated objective (a)
- 4 members agreed that the Original better facilitated objective (b)
- 5 members agreed that the Original better facilitated objective (e)

All voting members agreed unanimously that the Original was better than the Baseline.

CMP430 Terms of Reference

The Workgroup conclude that they have met their Terms of Reference and the references can be located below:

Workgroup Term of Reference	Location in Workgroup Report
a) Consider EBR implications	Page 20: Workgroup Consultation Responses Review Page 25: Additional Terms of Reference Review
b) Consider interaction with the BSC legal text drafting as part of the MHHS Programme	Page 20: Workgroup Consultation Responses Review Page 25: Additional Terms of Reference Review
c) Identify the volume of customers who will experience a change in charging arrangements from pre MHHS migration to post MHHS migration and consider the impact on those customers.	Page 20: Workgroup Consultation Responses Review Page 25: Additional Terms of Reference Review Page 12: 14 Number of Sites Impacted
d) Consider minimising or eliminating double charging	Page 20: Workgroup Consultation Responses Review Page 21: Double Charge implications Page 25: Additional Terms of Reference Review
e) Consider the impacts on the Market-wide Half Hourly Settlement (MHHS) Programme	Page 20: Workgroup Consultation Responses Review Page 25: Additional Terms of Reference Review
f) Consider the number of consumers impacted by each element of the defect and respective solution	Page 21: Workgroup Consultation Responses Review Page 25: Additional Terms of Reference Review Pages 12-14: Number of Sites Impacted
g) Consider implementation costs and timescales for all of industry	Page 21: Workgroup Consultation Responses Review Page 25: Additional Terms of Reference Review
h) Consider whether the solution should be enduring or time limited. If time limited, what should this relate to and what would charging arrangements revert to?	Page 21: Workgroup Consultation Responses Review Page 26: Additional Terms of Reference Review

CMP430– the asks of Panel

- **AGREE** that the Workgroup have met their Terms of Reference
- **AGREE** that this Modification can proceed to Code Administrator Consultation
- **NOTE** that this Modification does not impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the CUSC Code?
- **NOTE** the ongoing timeline

CMP430 Next Steps

Milestone	Date
Code Administrator Consultation (6 Business Days)	31 July 2024 to 5pm on 08 August 2024
Draft Final Modification Report issued to Panel	19 August 2024 (late papers)
Draft Final Modification Report presented to Panel	23 August 2024
Final Modification Report issued to Panel to check votes recorded correctly	23 August 2024 by 4pm
Submission of Final Modification Report to Ofgem	23 August 2024 by 5pm
Ofgem decision date	30 September 2024
Implementation Date	01 April 2025

Draft Final Modification Report

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

Catia Gomes

Solution

Summary of solution:

This modification looks to replace the EAA and replace them with the London Court of International Arbitration from non-charging sections of the codes.

Code Administrator Consultation Responses

Summary of Code Administrator Consultation Responses :

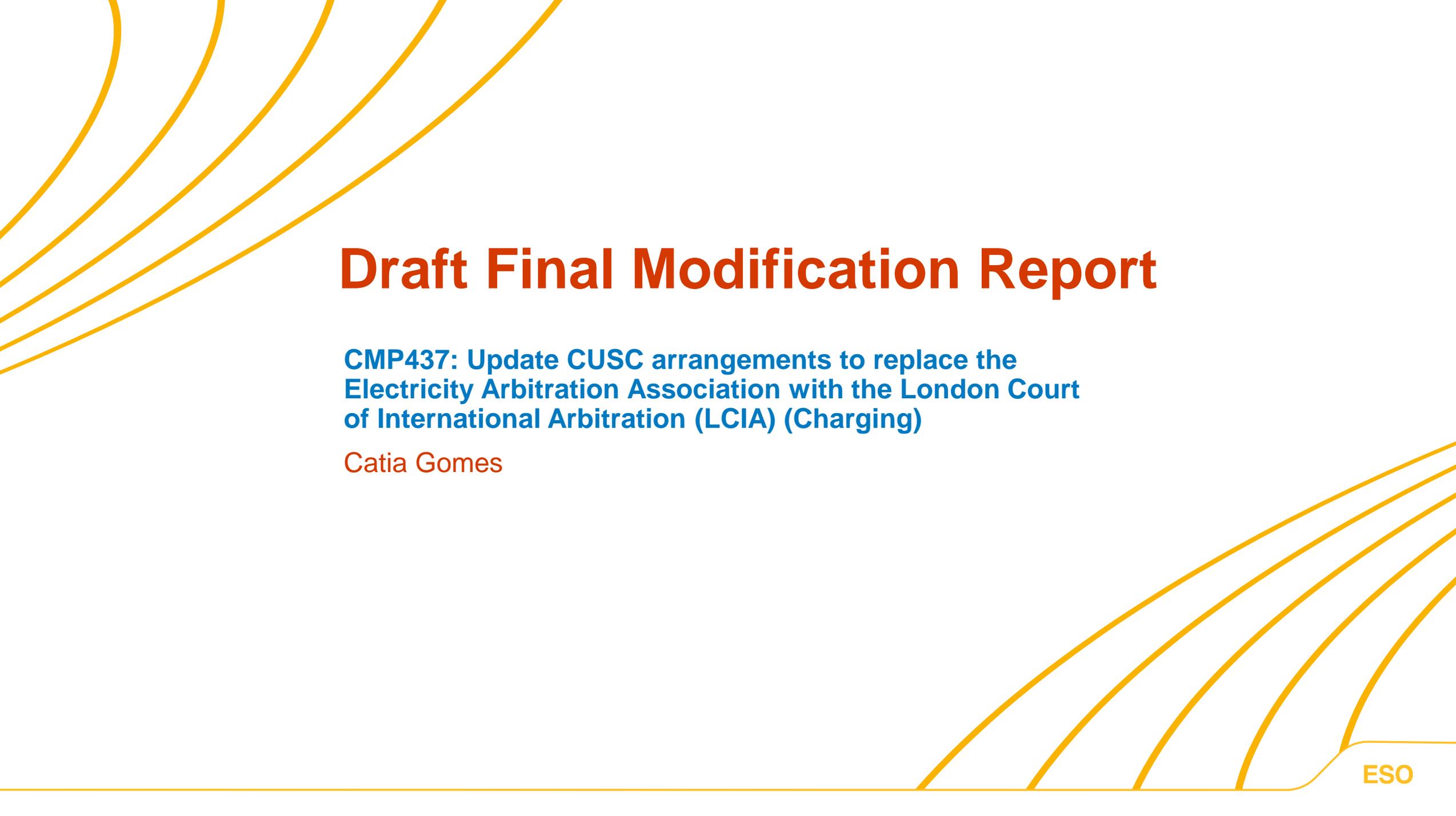
- Code Administrator Consultation was run from 10/06/2024 to 10/07/2024 and received 1 non-confidential response and 0 confidential responses. Key points were:
 - The responder believes the proposal better facilitates objectives (a) and (b)
 - The respondent supports the proposal because it allows for a more efficient arbitration service and an effective disputes process within the CUSC and supports the implementation approach.
 - The respondent agrees that CMP436 does impact the Electricity Balancing Regulation (EBR) as the proposal changes EBR related sections of the CUSC.
 - No legal text issues identified.

CMP436 - the asks of Panel

- **NOTE** that this Modification **does** impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the CUSC?
- Do you have any comments as to whether or not the proposed changes concur with the EBR Article 3 Objectives?
- **VOTE** whether or not to recommend implementation
- **NOTE** next steps

CMP436 – Next Steps

Milestone	Date
Draft Final Modification Report presented to Panel	18 July 2024
Final Modification Report issued to Panel to check votes recorded correctly (5 Business Days)	30 July 2024 to 06 August 2024
Submission of Final Modification Report to Ofgem	07 August 2024
Ofgem decision date	Requested by 15 August 2024 to allow for The code changes would ideally be implemented prior to the 01 September 2024 to align with CMP398 implementation and the potential for increased need for Arbitration.
Implementation Date	30 August 2024



Draft Final Modification Report

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

Catia Gomes

Solution

Summary of solution:

This modification looks to replace the EAA with the London Court of International Arbitration from Section 14 of the CUSC.

Code Administrator Consultation Responses

Summary of Code Administrator Consultation Responses :

- Code Administrator Consultation was run from 10 June 2024 to 28 June 2024 and received 1 late non-confidential response and 0 confidential responses.
- Key points were:
 - The responder believes the proposal better facilitates objective (a) and makes the CUSC Arbitration provision functional and allows for increased efficiency in administering the code.
 - The respondent supports the proposed implementation approach.
 - No legal text issues identified.

CMP437 - the asks of Panel

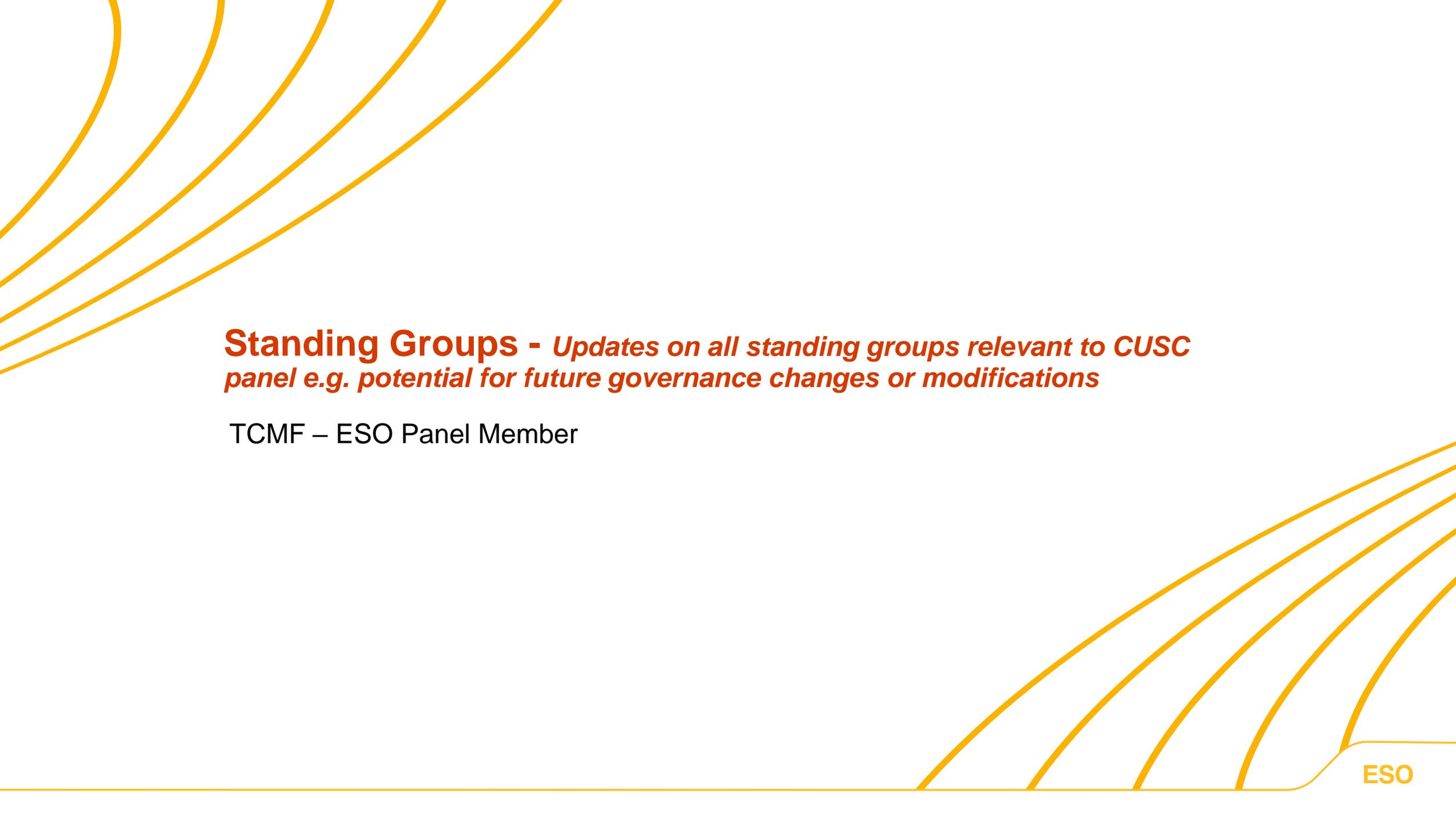
- **NOTE** that this Modification **does not** impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the CUSC?
- **VOTE** whether or not to recommend implementation
- **NOTE** next steps

CMP437 – Next Steps

Milestone	Date
Draft Final Modification Report presented to Panel	18 July 2024
Final Modification Report issued to Panel to check votes recorded correctly (5 Business Days)	30 July 2024 to 06 August 2024
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Discussions on Prioritisation

- **AGREE where New Modifications that need Workgroups are placed in the prioritisation stack**



Standing Groups - *Updates on all standing groups relevant to CUSC panel e.g. potential for future governance changes or modifications*

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

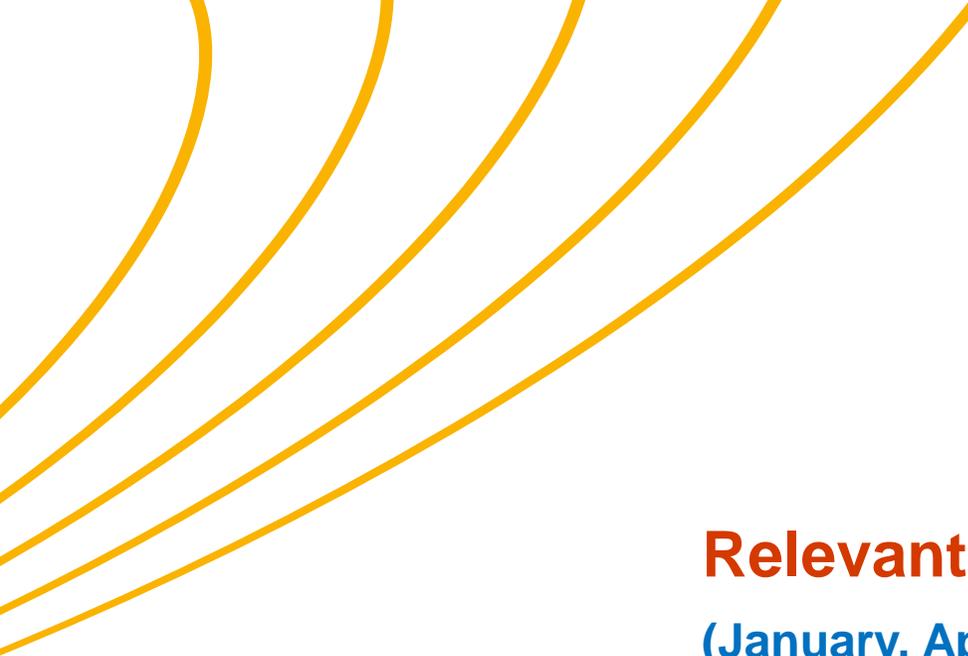
Joint European Stakeholder Group – Garth Graham

Next meeting – 13 August 2024

Updates on other industry codes

27 June 2024 Grid Code Review Panel [Panel Papers and Headline Report](#)

10 July 2024 2024 SQSS Panel [Panel Papers and Headline Report](#)



Relevant Interruptions Claim Report

(January, April, July, October)

[Relevant Interruptions Claim Report - June 2024](#)

Any Other Business

Potential CUSC Panel Dates 2025

Panel Dates	Papers Day	Modification Deadline	Bank Holidays
31 January	23 January	16 January	01 January
28 February	20 February	13 February	
28 March	20 March	13 March	
02 May (April)	24 April	15 April	18 April and 21 April
23 May	15 May	8 May	05 May and 26 May
27 June	19 June	12 June	
25 July	17 July	10 July	
22 August	14 August	7 August	25 August
26 September	18 September	11 September	
31 October	23 October	16 October	
28 November	20 November	13 November	
12 December	4 December	27 November	25 December and 26 December

8.8.1 Meetings of the **CUSC Modifications Panel** shall be held at regular intervals and at least every month at such time and such place as the **CUSC Modifications Panel** shall decide.

Activities ahead of the next Panel Meeting

Transmission Charging Methodologies Forum 01 August 2024

Modification Proposal Deadline for August Panel 08 August 2024

Papers Day 15 August 2024

Panel Meeting 23 August 2024
Teams

Close



Trisha McAuley OBE
Independent Chair, CUSC Panel