

Headline Report – 26 July 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 28 June 2024 were approved and these have been uploaded to our [website](#).

New Modifications

No new Modification Proposals were presented to the Panel.

New / Pending Authority Decisions Decisions since the last Panel

Modification	Decision
CMP414 'CMP330/CMP374 Consequential Modification'	The Authority made the decision to send back CMP414 on 08 July 2024.
CMP396 'Re-introduction Of BSUoS on Interconnector Lead Parties'	The Authority made the decision to reject CMP396 on 19 July 2024.

Awaiting Decisions

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
CMP316 'TNUoS Arrangements for Co-located Generation Sites'	12/06/2024	TBC
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
CMP393 'Using Imports and Exports to Calculate Annual Load Factor for Electricity Storage'	17/06/2024	TBC
CMP397 'Consequential changes required to CUSC Exhibits B and D to reflect CMP316 (Co-Located Generation Sites)'	12/06/2024	TBC
CMP403 'Introducing Competitively Appointed Transmission Owners & Transmission Service Providers (Section 14)'	11/06/2024	TBC
CMP404 'Introducing Competitively Appointed Transmission Owners & Transmission Service Providers (Section 11)'	11/06/2024	TBC

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
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

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.

At the July 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 the coming weeks.
CMP402	Introduction of Anticipatory Investment (AI) principles within the User Commitment Arrangements	25% (2 of 8 Workgroup Members)	The new proposed solution has been shared with the Workgroup on 13 June 2024 for them to feedback. Currently there have been no responses.
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 took the modification to 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 took place last week.
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 Panel discussed the prioritisation of the following Modification:

Modification	Panel Comments	Position in Prioritisation Stack
CMP414 CMP330/CMP374 Consequential Modification	<ul style="list-style-type: none"> • Complexity – Panel agreed the modification topic was complex and the work required ahead of resubmitting the FMR was likely to be extensive. • Importance – Panel acknowledged that more certainty is required in the connections reform space before fully evaluating CMP414 importance. • Urgency – Panel acknowledged that a quick FMR resubmission was unlikely, and the current connections reform space made it difficult to predict the required timescales. 	Medium - low

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

In flight Modifications

CMP414 ‘CMP330/CMP374 Consequential Modification’

The Panel agreed that CMP414 should go to Workgroup and approved the Terms of Reference, however the timeline will be submitted to the August Panel.

CMP431 ‘Adjustments to TNUoS Charging from 2025 to support the Market Half Hourly Settlement (MHHS) Programme (Non-Charging)’

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

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

Workgroup Reports

The following Workgroup Report was presented to the Panel:

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

This Modification looks to amend CUSC Section 14 to rectify defects relating to demand locational Transmission Network Use of System (TNUoS) charging that will become apparent during the Migration Phase of the Market Wide Half Hourly Settlement (MHHS) Programme, taking place between April 2025 and October 2026.

The Panel agreed that the Terms of Reference have been met and agreed for CMP430 to proceed to Code Administrator Consultation. The Code Administrator Consultation will be published on 31 July 2024 and this will close on 08 August 2024.

CMP430 documentation can be found [here](#).

Draft Final Modification Reports

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

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

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

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 07 August 2024.

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

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

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

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 07 August 2024.

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

Key Activities ahead of next panel

Modification Proposal Deadline for August Panel: 08 August 2024

Papers Day: 15 August 2024

Questions or feedback?

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