

# Headline Report – 23 August 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 12 and 26 July 2024 will be presented for approval at the Panel meeting on 27 September 2024.

## New Modifications

The following new Modification Proposal was presented to the Panel:

### **CMP439: Removal of Bilateral Embedded Generator Agreement (BEGA) obligation for a sub 100 MW Generator**

This modification would remove the requirement for  $\leq 100$  MW licenced embedded generators to have a Bilateral Embedded Generator Agreement (BEGA) before participating in the Balancing Mechanism.

The Panel requested that CMP439 conduct further analysis in relations to the questions raised by Panel members and bring the Proposal back to the September CUSC Panel meeting.

CMP439 documentation can be found [here](#)

## New / Pending Authority Decisions

### **Decisions since the last Panel**

There have been no Authority decisions on CUSC Modifications.

### **Awaiting Decisions**

Modification	FMR submitted	Expected Decision Date
<b><u>CMP315</u></b> 'TNUoS Review of the expansion constant and the elements of the transmission system charged for' and <b><u>CMP375</u></b> 'Enduring Expansion Constant & Expansion Factor Review'	07/02/2024	30/09/2024
<b><u>CMP316</u></b> TNUoS Arrangements for Co-located Generation Sites	12/06/2024	30/09/2024
<b><u>CMP330&amp;CMP374</u></b> 'Allowing new Transmission Connected parties to build Connection Assets greater than 2km in length and Extending contestability for Transmission Connections'	10/08/2023	Subject to CMP414 send back
<b><u>CMP393</u></b> Using Imports and Exports to Calculate Annual Load Factor for Electricity Storage	17/06/2024	30/09/2024
<b><u>CMP397</u></b> Consequential changes required to CUSC Exhibits B and D to reflect CMP316 (Co-Located Generation Sites)	12/06/2024	30/09/2024
<b><u>CMP403</u></b> Introducing Competitively Appointed Transmission Owners & Transmission Service Providers (Section 14)	11/06/2024	30/09/2024
<b><u>CMP404</u></b> Introducing Competitively Appointed Transmission Owners & Transmission Service Providers (Section 11)	11/06/2024	30/09/2024
<b><u>CMP408</u></b> 'Allowing consideration of a different notice period for BSUoS tariff settings'	13/10/2023	30/09/2024

<b>CMP413</b> Rolling 10-year wider TNUoS generation tariffs	08/05/2024	30/09/2024
<b>CMP415</b> 'Amending the Fixed Price Period from 6 to 12 months'	13/10/2023	30/09/2024
<b>CMP424</b> Amendments to Scaling Factors used for Year Round TNUoS Charges	09/07/2024	30/09/2024
<b>CMP436</b> Update CUSC arrangements to replace the Electricity Arbitration Association with the London Court of International Arbitration (LCIA) (Non Charging)	07/08/2024	06/12/2024
<b>CMP437</b> Update CUSC arrangements to replace the Electricity Arbitration Association with the London Court of International Arbitration (LCIA) (Charging)	07/08/2024	06/12/2024

## 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 August 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 are progressing the analysis requested by the Workgroup and are looking to host a zoning and offshore session with industry in September 2024.
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 ESO is looking to host a zoning and offshore session with industry in September 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 work alongside the subgroup to investigate intermediary solutions.
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)	Following discussion with the Authority, the Connections Team have been re-engaged 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
<b>CMP414</b> CMP330/CMP374 Consequential Modification	<ul style="list-style-type: none"> <li>•Complexity – Panel agreed the modification topic was complex and the work required ahead of resubmitting the FMR was likely to be extensive.</li> <li>•Importance – Panel acknowledged that more certainty is required in the connections reform space before fully evaluating CMP414 importance. Panel recognises that this modification is aiming to speed up the connections process.*</li> <li>•Urgency – Panel acknowledged that a quick FMR resubmission was unlikely, and the current connections reform space made it difficult to predict the required timescales.</li> </ul> <p>*Updated from July 2024</p>	Medium to High  (previously Medium to Low)

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

## In flight Modifications

Modification Timeline Update: [CMP414: CMP330/CMP374 Consequential Modification](#)

The Panel approved the new timeline as submitted within the Panel Papers.

The next [Modification Tracker](#) will be published on 09 September 2024.

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## Workgroup Reports

No Workgroup Reports were presented to the Panel.

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## Draft Final Modification Reports

The following Draft Final Modification Report were 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 has recommended unanimously that the Proposer's solution better facilitate the CUSC Applicable Objectives. The Final Modification Report was sent to Ofgem on 23 August 2024.

### **CMP438: Clarification of Illustrative Example of a TNUoS Demand Reconciliation**

This modification is to make some minor clarifications and corrections to the Connection and Use of System Code (CUSC) paragraph 14.25, which provides an illustrative example of a Transmission Network Use of System charge (TNUoS) demand reconciliation. It does not affect users' charges.

The Panel has unanimously determined that the Proposer's solution better facilitate the CUSC Applicable Objectives. The Appeals Window will be open from 04 to 25 September 2024.

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## Other

The Authority representative shared an update on the Energy Code Reform. Details can be found on their website by using the [link](#).

A Special CUSC Panel will take place in September in relation to the ongoing connection modifications, details are to be confirmed.

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## Key Activities ahead of next panel

Transmission Charging Methodologies Forum: 05 September 2024

Modification Proposal Deadline for September Panel: 12 September 2024

Papers Day: 19 September 2024

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## Questions or feedback?

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