

CUSC Panel 26 July 2024

CUSC Panel Minutes

Date: 26/07/2024 **Location:** Faraday House

Start: 10:00 **End:** 13:15

Participants

Attendee	Initials	Company
Trisha McAuley OBE	TM	Independent Panel Chair
Catia Gomes	CCG	Panel Secretary Code Administrator Representative
Karen Hughes	KH	Panel Technical Secretary (Code Administrator)
Andrew Enzor	AE	Users' Panel Member
Binoy Dharsi	BD	Users' Panel Member
Garth Graham	GG	Users' Panel Member
Joe Colebrook	JC	Users' Panel Member
Kyran Hanks	KH	Users' Panel Member
Paul Jones	PJ	Users' Panel Member
Cem Suleyman	CS	Users' Panel Member (Alternate for Joe Dunn TBC)
Dan Arrowsmith	DA	National Grid ESO Panel Member
Nadir Hafeez	NH	Authority Representative
Harriet Harmon	HH	Authority Representative

Observers/Presenters

Attendee	Initials	Company
Deborah Spencer	DS	CMP430 Modification Chair - ESO

Keren Kelly	KK	CMP430 Proposer - Observer
Neil Dewar	ND	CMP430 Proposer – Observer
Milly Lewis	ML	ESO (Industry Code Governance Manager)

Apologies

Attendee	Initials	Company
Claire Goult	CG	Panel Secretary Code Administrator Representative
Joe Dunn	JD	Users’ Panel Member
Andy Pace	AP	Consumers’ Panel Member

1. Introductions and Apologies

12499. Apologies for absence were received from Claire Goult, Joe Dunn, and Andy Pace.

12500. No declarations of interest were recorded.

2. Minutes from previous meetings

12501. The meeting minutes from the CUSC Panel held on 28 June were approved.

3. Review of actions log

12502. Action 182 - CCG confirmed that this action is ongoing and to remain open. The Panel agreed with this.

12503. Action 183 – CCG advised that the EBR Process Flow would be presented at the August Panel.

4. Chair’s update

12504. There were no updates from the Chair.

5. Authority Decisions

12505. NH provided an update on Modifications that have been decided upon, together with those currently awaiting their decision.

12506. NN advised that two Strategic Direction Statement Workshops have been scheduled to take place 31 July to 06 Aug 2024.

Decisions since last CUSC Panel

Modification	Decision
CMP414 CMP330/CMP374 Consequential Modification	The Authority made the <u>decision to send back</u> CMP414 on 8 July 2024
CMP396 ‘Reintroduction 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

6. New modifications

12507. No New Modifications were presented to the Panel.

7. In flight modification updates

12508. CCG talked the Panel through the progression of the in-flight modifications.

CMP414: 'CMP330/CMP374 Consequential Modification'

12509. CCG presented the CMP414 Authority send back to the Panel.

12510. The Panel agreed that CMP414 should go to Workgroup and approved the Terms of Reference.

12511. Pending the Workgroup assessment, Panel members agreed that they would support a Code Administrator Consultation before the modification is re-presented to Panel for the Recommendation Vote.

12512. Panel members suggested that nominations should be open to all parties, but that CMP330/374 Workgroup members should be targeted as they were involved in the initial work done on the modification.

12513. CCG confirmed that the timeline for CMP414 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)'

- 12514. CCG presented the CMP431 withdrawal to Panel, explaining that the Proposer withdrew their support for the modification on 11 July 2024 and that a withdrawal window was opened for 5 Business Days from this date.
- 12515. CCG advised that there are no requirements to amend any terms within Section 3 or Section 11 of the CUSC.
- 12516. The Panel agreed to withdrawn CMP431 as per CUSC Section 8.16.10 (c).

CMP434 'Implementing Connections Reform' and CMP435 'Application of Gate 2 Criteria to existing contracted background'

- 12517. DW gave the Panel an update on the timelines for CMP434 and CMP435 and advised that collaboration continues with DESNZ and Ofgem regarding this matter.
- 12518. DW advised that, following the new Government changes, the ESO is working with DESNZ and Ofgem on the steps needed to achieve a decarbonised electricity system by 2030.
- 12519. DW recognised the unprecedented demand in participation on a Code modification and advised to progress with the current timeline as put forward until further insight is gained from government and Ofgem.
- 12520. ML talked the Panel through, in detail, the progression of the other in-flight modifications. The Panel noted that work was continuing on in-flight modifications. The Panel agreed to continue with the Workgroup meeting hiatus and to continue to review this monthly.
- 12521. 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](#).
- 12522. The next Modification Tracker will be published on 07 August 2024.

8. Workgroup Reports

- 12523. One Workgroup Report was presented to the Panel.

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

- 12524. DS Presented the Workgroup Report to the Panel.
- 12525. DS advised the Panel that the Workgroup believed that the Terms of Reference for CMP430 and been met. DS asked the Panel if it would be beneficial to ask a question in the Code Administration Consultation to understand the cost impacts of the modification more fully due to not attaining enough information out of the Workgroup Consultation.
- 12526. Panel members advised that, if the Workgroup have completed all they can to analyse the cost impacts, this should be made clear in the Code Administrator Consultation for CMP430.

12527. The Panel agreed that the Workgroup has met their Terms of Reference, and that the modification could proceed to Code Administrator Consultation. The Code Administration Consultation will be published on 31 July 2024, and this will close on the 08 August 2024.

12528. The Draft Final Modification will be submitted to the August 2024 CUSC Panel.

9. Draft Final Modification Reports (DFMR)

12529. Two Draft Final Modifications were submitted to the Panel.

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

12530. The Panel has recommended unanimously that the Proposer’s solution better facilitates the CUSC Applicable Objectives. The Final Modification Report will be sent to Ofgem on 07 August 2024.

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

12531. The Panel recommended unanimously that the Proposer’s solution better facilitated the CUSC Applicable Objectives. The Final Modification Report will be sent to Ofgem on 07 August 2024.

12532. NH advised that the requested Decision Date (15 August 2024) for CMP436 and CMP437 will be unachievable. The Panel agreed to recommend TBC for the Decision Date with the implementation date being 10 Business Days following decision for both modifications.

10. Discussion on Prioritisation

12533. ML explained that post feedback at the July 2024 CUSC Panel, the proposed changes were intended to give more further clarity to the criteria descriptions to achieve a balance between direction and the ability to provide flexibility for future modification scope.

12534. ML noted and thanked the input from the Authority and advised that there is no change to Section 8.19.1(e).

12535. **Complexity:** The Panel discussed the cross section of industry resource and intensity required to complete the governance process in a timely manner, including Panel confirming that organisations need to be clear on their internal prioritisation for the right resource representation allocated to ongoing modifications.

12536. The Panel agreed the following wording as the criteria description for ‘Complexity.’
“The likely implications for industry and consumers, e.g., size of process change,

potential requirement for additional Authority consultation etc. Level of industry resource and intensity required to complete the governance process in a timely manner; e, g. volume of Workgroup meetings, range of industry party representation, level of uncertainty/ certainty introduced by the modification etc.”

12537. **Importance:** The Panel discussed whether value and costs had different implications. Value was seen to be a merit-based judgement and could relate to a wider piece for strategic alignment and its potential value for net benefit or high risk of non-implementation, and subjective in various areas for changes to be made.
12538. Cost was the increase and or decrease as a monetary value due to the impact of the modification. The Panel agreed that costs were only able to be assessed based on the analysis available ahead of implementation.
12539. The Panel agreed the following wording as the criteria description for ‘Importance. “The perceived value, criticality and risk to industry and consumers, e.g., strategic alignment and interaction/ enabling of other financial/ regulatory / licence/ compliance obligations or modification packages, changes to costs.”
12540. **Urgency:** The Panel agreed that the existing criteria description captured the need to consider the commercial /compliance impact, the importance and relevant timescales of each modification and did not require any changes.
12541. Using the new criteria description wording the Panel agreed that CMP414: ‘CMP330/CMP374 Consequential Modification’ should be given a Medium to Low in the Prioritisation Stack.
- 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.
12542. No other changes were made to the Stack.
12543. The updated Prioritisation Stack can be found [here](#).

11. Standing Groups

Transmission Charging Methodology Forum (TCMF)

12544. DA provided a summary of the topics discussed at the TCMF meeting held on the 09 July 2024. The meeting materials and slides can be found via the following link: [Transmission Charging Methodologies Forum](#)
12545. DA advised that the next TCMF meeting planned for the 01 August 2024 might be cancelled due to lack of agenda items.

12. European Updates

Joint European Stakeholder Group (JESG)

12546. GG advised that the JESG meeting planned for the 09 July 2024 was cancelled.

12547. The next JESG meeting will be held on 13 August 2024.

13. Update on other Industry Codes

12548. 25 July 2024 Grid Code Review Panel Papers and Headline Report.

12549. The next STC Panel meeting will be held on the 31 July 2024.

12550. The next SQSS Panel meeting will be held on the 01 August 2024.

14. Relevant Interruptions Claim Report

12551. The Panel noted that there were three outstanding claims on the latest Relevant Interruptions Claim Report (01 April 2024 – 30 June 2024).

15. Governance

12552. No further updates for the Panel.

16. Horizon Scan

12553. No further updates for the Panel.

17. Forward Plan Update

12554. No further updates for the Panel.

18. Any Other Business

12555. The Chair confirmed that there was no other business.

19. Close

12556. The Chair thanked the Panel for their time and contribution and brought the meeting to a close.

New Modification Proposals are to be submitted by 08 August 2024.

CUSC Panel Papers Day is 15 August 2024.

The next CUSC Panel meeting will be held on 23 August 2024 in Microsoft Teams.