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Headline Report – 27 September 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 July 2024, 26 July 2024, 23 August 2024 and 09 September 2024 were approved and these have been uploaded to our website.

New Modifications

CMP440 ‘Re-Introduction of Demand TNUoS Locational Signals by removal of the zero-price floor’

This CUSC modification Proposal would remove the current zero price floor from the Transmission Network Use of System (TNUoS) locational demand tariff for Final Demand, thereby re-introducing a locational investment price signal across all of Great Britain (GB). The potential for negative prices and the perverse incentive for users to consume is removed by widening the period over which consumption is measured for charging against negative tariffs.

The Panel unanimously agreed that CMP440 should follow the Standard route and proceed to a Workgroup. The Panel agreed the Terms of Reference for the Workgroup.

CMP440 documentation can be found [here](#).

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CMP441 ‘Reducing the credit risk of supplying non-embedded hydrogen electrolyzers’

This modification seeks to address a discrepancy in the timing in de-energising a non-embedded hydrogen electrolyser verses an embedded hydrogen electrolyser.

The Panel unanimously agreed that CMP441 should follow the Standard route and proceed to a Workgroup. The Panel agreed the Terms of Reference for the Workgroup.

CMP441 documentation can be found [here](#).

New / Pending Authority Decisions

Decisions since the last Panel

Modification	Decision	Implementation Date
CMP424 ‘Amendments to Scaling Factors used for Year Round TNUoS Charges’	On 06 September 2024 the Authority approved the Original solution.	01 April 2025
CMP430 ‘Adjustments to TNUoS Charging from 2025 to support the Market Wide Half Hourly Settlement (MHHS) Programme’	On 26 September 2024 the Authority approved the Original solution.	01 April 2025

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	05/02/2025 (previously 29/11/2024)
CMP316 ‘TNUoS Arrangements for Co-located Generation Sites’	12/06/2024	30/09/2024

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<u>CMP330&CMP374</u> 'Allowing new Transmission Connected parties to build Connection Assets greater than 2km in length and Extending contestability for Transmission Connections'	10/08/2023	TBC (Subject to CMP414 send back)
<u>CMP393</u> 'Using Imports and Exports to Calculate Annual Load Factor for Electricity Storage'	17/06/2024	30/09/2024
<u>CMP397</u> 'Consequential changes required to CUSC Exhibits B and D to reflect CMP316 (Co-Located Generation Sites)'	12/06/2024	30/09/2024
<u>CMP403</u> 'Introducing Competitively Appointed Transmission Owners & Transmission Service Providers (Section 14)'	11/06/2024	31/01/2025 (previously 30/09/2024)
<u>CMP404</u> 'Introducing Competitively Appointed Transmission Owners & Transmission Service Providers (Section 11)'	11/06/2024	31/01/2025 (previously 30/09/2024)
<u>CMP408</u> 'Allowing consideration of a different notice period for BSUoS tariff settings'	13/10/2023	30/10/2024 (previously 30/09/2024)
<u>CMP413</u> 'Rolling 10-year wider TNUoS generation tariffs'	08/05/2024	30/09/2024
<u>CMP415</u> 'Amending the Fixed Price Period from 6 to 12 months'	13/10/2023	30/10/2024 (previously 30/09/2024)
<u>CMP418</u> 'Refine the allocation of Dynamic Reactive Compensation Equipment (DRCE) costs at OFTO transfer'	08/05/2024	30/09/2024
<u>CMP436</u> '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
<u>CMP437</u> 'Update CUSC arrangements to replace the Electricity Arbitration Association with the London Court of International Arbitration (LCIA) (Charging)'	07/08/2024	06/12/2024

Ofgem publish a table that provides the expected decision date, or date they intend to publish an impact assessment or consultation, for code modifications/proposals that are with them for decision. This was last updated on 02 September 2024 and is published [here](#)

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Prioritisation Stack

The Panel discussed the prioritisation of the following Modifications:

Modification	Panel Comments
<u>CMP440 'Re-Introduction of Demand TNUoS Locational Signals by removal of the zero-price floor'</u>	The Panel agreed to discuss the prioritisation of the modification at the October 2024 Panel.
<u>CMP441 'Reducing the credit risk of supplying non-embedded hydrogen electrolyzers'</u>	The Panel agreed to discuss the prioritisation of the modification at the October 2024 Panel.

Every quarter the CUSC Panel hold a more in-depth review, the next in-depth review scheduled for the October 2024 Panel.

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

In flight Modifications

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 have discussed whether resource is available, the prioritisation of the modification, and availability of Workgroup meeting materials.

Based on feedback from Trade Associations and CUSC Parties around the availability of resources, alongside the anticipated end of the existing Urgent CUSC Modifications Workgroup meetings; Panel Members agreed that, on a priority basis, other modification Workgroup meetings could reconvene post the prioritisation deep dive at the October 2024 CUSC Panel.

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

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Workgroup Reports

No Workgroup Reports were presented to the Panel.

Draft Final Modification Reports

No Draft Final Modification Reports presented to the Panel.

Key Activities ahead of next panel

- Transmission Charging Methodologies Forum: 03 October 2024
- Modification Proposal Deadline for October Panel: 10 October 2024
- Papers Day: 17 October 2024

Questions or feedback?

- Panel Secretary Milly Lewis, Code Administrator
- Panel Technical Secretary: Catia Gomes, Code Administrator
- Email: usc.team@nationalgrideso.com