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CUSC Headline Report October 2024

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 27 September 2024 were approved subject to minor comments from the Panel being incorporated and these have been uploaded to [our website](#).

New Modifications

The following new Modification Proposals were presented to the Panel:

CMP442 ‘Introducing the option to fix Generator TNUoS charges’

This modification gives Generators the opportunity to fix their wider Transmission Network Use of System (TNUoS) charges against the forecasted tariffs provided by NESO.

The Panel unanimously agreed that CMP442 should follow the Standard Governance route and proceed to a Workgroup. The Panel did not approve the Terms of Reference for the Workgroup.

CMP442 documentation can be found [here](#).

CMP443 ‘Removing references to “Fax” or “Facsimile” within the CUSC’

This modification seeks to remove references to “fax” and “facsimile” from the CUSC in order to reflect both current and future methods of communication between relevant Users and the National Energy System Operator (NESO) due to the national decommissioning of the Public Switched Telephone Network (PSTN).

The Panel unanimously agreed that CMP443 should follow the Standard Governance route and proceed Code Administrator Consultation.

CMP443 documentation can be found [here](#).

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CMP444 'Introducing a cap and floor to wider generation TNUoS charges'

This modification seeks to introduce a temporary cap and floor mechanism to wider generation TNUoS (Transmission Network Use of System) charges, to reduce investment uncertainty for generators and developers.

The Panel majority agreed that CMP444 met the Authority's Urgency criteria (a), and therefore recommended urgent treatment. Panel's recommendation was sent on 25 October seeking an Authority decision by 5pm on 31 October.

The Panel recommended that CMP444 proceed to a Workgroup. The Panel agreed the Terms of Reference for the Workgroup.

CMP444 documentation can be found [here](#)

New / Pending Authority Decisions

Decisions since the last Panel

Modification	Decision
<u>CMP393</u> : Using Imports and Exports to Calculate Annual Load Factor for Electricity Storage	On 30 September 2024 the <u>Authority rejected</u> the modification.
<u>CMP413</u> : Rolling 10-year wider TNUoS generation tariffs	On 30 September 2024 the <u>Authority rejected</u> the modification.
<u>CMP418</u> : Refine the allocation of Dynamic Reactive Compensation Equipment (DRCE) costs at OFTO transfer	On 30 September 2024 the <u>Authority sent back</u> the modification.

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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
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 Subject to CMP414 send back
CMP397 'Consequential changes required to CUSC Exhibits B and D to reflect CMP316 (Co-Located Generation Sites)'	12/06/2024	31/10/2024 (previously 30/09/2024)
CMP403 'Introducing Competitively Appointed Transmission Owners & Transmission Service Providers (Section 14)'	11/06/2024	31/01/2025 (previously 30/09/2024)
CMP404 'Introducing Competitively Appointed Transmission Owners & Transmission Service Providers (Section 11)'	11/06/2024	31/01/2025 (previously 30/09/2024)
CMP408 'Allowing consideration of a different notice period for BSUoS tariff settings'	13/10/2023	30/10/2024 (previously 30/09/2024)
CMP415 'Amending the Fixed Price Period from 6 to 12 months'	13/10/2023	30/10/2024 (previously 30/09/2024)
CMP436 '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
CMP437 '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 30 October and is published [here](#).

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Prioritisation Stack

The Panel discussed the prioritisation of the following Modifications:

Modification	Position in Prioritisation Stack	Panel Comments
CMP288: Explicit charging arrangements for customer delays and back feeds	Low	Panel agreed that this modification should be placed within the low priority criteria, acknowledging that the charging arrangements aspect of this proposal will be covered under the TO charging arrangements, it is the back feeds aspect that still needs to be addressed.
CMP304 Improving the Enhanced Reactive Power Services by making it fit for purpose connections Triggering Distribution Impact Assessment	Low	The Panel agreed that when rationalised against the other modifications in the stack this was a low priority.
CMP328 Connections Triggering Distribution Impact Assessment	Low	Panel determined that the priority of this was low but will revisit this priority status following the outcome of the Connections Reform.
CMP341 CUSC Sandbox: enabling derogation from certain obligations to support small-scale trials of innovative propositions.	Low	The Panel agreed that when rationalised against the other modifications in the stack this was a low priority.
CMP344 Clarification of Transmission Licensee revenue recovery and the treatment of revenue adjustments in the Charging Methodology	Medium	Placed within the medium priority category due to the materiality and commercial impacts.
CMP402 Introduction of Anticipatory Investment (AI) principles within the User Commitment Arrangements	Medium	Placed within the medium priority criteria due to the further development required for the solution.
CMP405 TNUoS Locational Demand Signals for Storage	Low	The Panel agreed that when rationalised against the other modifications in the stack this was a low priority.
CMP414 CMP330/CMP374 Consequential Mod	Medium	The Panel agreed that when rationalised against the other modifications in the stack this was a medium priority.

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CMP417 Extending principles of CUSC Section 15 to all Users.	Medium	The Panel placed within the medium priority category, given the complexity and analysis required.
CMP419 Generation Zoning Methodology	High	The Panel agreed that when rationalised against the other modifications in the stack this was a high priority.
CMP423 Generation Weighted Reference Node	Medium	The Panel acknowledged the complexity of this modification and the contributions from the Task Force to the development of the solution and agreed this should be placed within the medium priority criteria.
CMP426 TNUoS charges for transmission circuits identified for the HND to add capacity across boundaries.	High	The Panel agreed this should be placed within the high priority category given its interactions with CMP419.
CMP432 Improve “Local Onshore Security Factor” for TNUoS wider Tariffs.	Medium	The Panel acknowledged that this proposal was developed as part of the TNUoS Task Force and some Workgroup meetings had taken place prior to the hiatus, however the Panel agreed this should be placed within the medium priority category.
CMP433 Optimised Transmission Investment Cost Model (OpTIC)	Medium	The Panel agreed medium priority for this modification, acknowledging the REMA outcome and the implementation timescales.
CMP434 Implementing Connections Reform	High	As CMP434 has an Urgent status Panel placed as a high priority.
CMP435 Application of Gate 2 Criteria to existing contracted background	High	As CMP435 has an Urgent status Panel placed as a high priority.
CMP440 Re-introduction of Demand TNUoS Locational signals by removal of the zero-price floor	High	The Panel agreed that when rationalised against the other modifications in the stack this was a high priority.
CMP442 Introducing the option to fix Generator TNUoS	High	The Panel agreed high priority for this due to its complexity and potential interactions with CMP444.
CMP444 Introducing a cap and floor to wider generation TNUoS charges	High	Panel recommended urgency for CMP444, therefore placed as a high priority.

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

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In flight Modifications

CMP418 Dynamic Reactive Compensation Equipment (DRCE) costs Authority

Send back Next Steps

The Panel unanimously agreed that the CMP418 FMR should be rewritten and clarified, followed by the Workgroup verifying that the updates reflect previous discussions before a second Code Administrator Consultation is issued to Industry.

CMP441 'Reducing the credit risk of supplying non-embedded hydrogen electrolysers'

Proposer Update

The Panel unanimously agreed that CMP441 should follow the Standard Governance route and proceed Code Administrator Consultation, which will run 29 October until 19 November.

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

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

Special Panel Papers – CMP434 (Implementing Connections Reform) and CMP435 (Application of Gate 2 Criteria to existing contracted background) Workgroup Reports: 05 November

Transmission Charging Methodologies Forum: 07 November

Special Panel – CMP434 (Implementing Connections Reform) and CMP435 (Application of Gate 2 Criteria to existing contracted background) Workgroup Reports: 08 November

Modification Proposal Deadline for Month Panel: 14 November

Papers Day: 21 November

Questions or feedback?

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