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CUSC Modification Proposal Form

<h1>CMP450:</h1> <h2>Introducing the definition of Dynamic Reactive Compensation Equipment (DRCE) in the CUSC</h2> <p>Overview: This modification seeks to introduce the definition of Dynamic Reactive Compensation Equipment (DRCE) in CUSC Section 11, aligning the definition to that included in the Grid Code.</p>		<h3>Modification process & timetable</h3>	
		<p>1 Proposal Form 13 February 2025</p>	<p>2 Code Administrator Consultation 03 March – 24 March 2025</p>
		<p>3 Draft Final Modification Report 24 April 2025</p>	<p>4 Final Modification Report 14 May 2025</p>
		<p>5 Implementation TBC</p>	
<p>Status summary: The Proposer has raised a modification and is seeking a decision from the Panel on the governance route to be taken.</p>			
<p>This modification is expected to have a: Low impact Insert impacted parties. i.e. Generators, Transmission System Operators, Transmission Owners</p>			
<p>Proposer's recommendation of governance route</p>	<p>Standard Governance modification to proceed to Code Administrator Consultation</p>		
<p>Who can I talk to about the change?</p>	<p>Proposer: Giulia Licocci Giulia.licocci@oceanwinds.com +34604986702</p>	<p>Code Administrator Contact: Cusc.team@nationalenergyso.com</p>	

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What is the issue?

The CUSC (Connection and Use of System Code) currently does not define the term Dynamic Reactive Compensation Equipment (DRCE) in its Interpretation and Definitions section (Section 11). However, another proposed modification, CMP418 Refine the allocation of Dynamic Reactive Compensation Equipment (DRCE) costs at OFTO transfer, includes changes to Section 14 (Charging Methodologies) that would require the addition of a DRCE definition.

If CMP418 is approved, this modification is being raised as a consequential proposal to ensure that the necessary DRCE definition is formally included in Section 11 of the CUSC, keeping the document consistent.

What is the proposer’s solution?

To address the issue, the Proposer recommends the introduction of the same definition of Dynamic Reactive Compensation Equipment (DRCE) in the CUSC (Connection and Use of System Code) that currently exists in the Grid Code.

This approach ensures consistency between the two regulatory documents, preventing discrepancies or misinterpretations. By aligning the CUSC definition with the established Grid Code definition, this maintains clarity and avoids the need for multiple interpretations of the same term across different regulatory frameworks.

Draft legal text

The Proposal introduces the following definition in Section 11 – Interpretation and Definitions. The legal text can be found in Annex 1.

<p>“Dynamic Reactive Compensation Equipment”</p>	<p>as defined in the Grid Code;</p>
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What is the impact of this change?

Proposer's assessment against CUSC Non-Charging Objectives	
Relevant Objective	Identified impact
(a) The efficient discharge by the Licensee of the obligations imposed on it by the Act and by this licence*;	Neutral
(b) Facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity;	Neutral
(c) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency **; and	Neutral
(d) Promoting efficiency in the implementation and administration of the CUSC arrangements.	Positive This proposal promotes efficiency in the implementation and administration of the CUSC arrangements.

* See *Electricity System Operator Licence*

**The Electricity Regulation referred to in objective (c) is Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast) as it has effect immediately before IP completion day as read with the modifications set out in the SI 2020/1006.

Proposer's assessment of the impact of the modification on the stakeholder / consumer benefit categories	
Stakeholder / consumer benefit categories	Identified impact
Improved safety and reliability of the system	Neutral
Lower bills than would otherwise be the case	Neutral
Benefits for society as a whole	Neutral
Reduced environmental damage	Neutral
Improved quality of service	Neutral

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When will this change take place?

Implementation date

In line with the CMP418 Implementation date.

Date decision required by

In line with the CMP418 Decision date.

Implementation approach

No systems or processes will need to change as a result of this Proposal.

Proposer's justification for governance route

Governance route: Standard Governance modification to proceed to Code Administrator Consultation

The modification is aiming to introduce a definition in Section 11 of the CUSC, this is required for the Implementation of CMP418.

Interactions

- Grid Code BSC STC SQSS
 European Network Codes EBR Article 18 T&Cs¹ Other modifications Other

If CMP418 is approved, CMP450 is being raised as a consequential proposal to ensure that the necessary DRCE definition is formally included in Section 11 of the CUSC, keeping the document consistent.

Acronyms, key terms and reference material

Acronym / key term	Meaning
BSC	Balancing and Settlement Code
CMP	CUSC Modification Proposal
CUSC	Connection and Use of System Code
DRCE	Dynamic Reactive Compensation Equipment
EBR	Electricity Balancing Regulation

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STC	System Operator Transmission Owner Code
SQSS	Security and Quality of Supply Standards
T&Cs	Terms and Conditions

Annexes

Annex	Information
Annex 1	Legal Text

Reference material

- [CMP418](#) Refine the allocation of Dynamic Reactive Compensation Equipment (DRCE) costs at OFTO transfer