Code Administrator Consultation

CMP450: Introducing the definition of Dynamic Reactive Compensation Equipment (DRCE) in the CUSC

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.

Modification process & timetable

1. **Proposal**
   13 February 2025
2. **Code Administrator Consultation**
   03 March – 24 March 2025
3. **Draft Final Modification Report**
   24 April 2025
4. **Final Modification Report**
   14 May 2025
5. **Implementation**
   TBC

Have 8 minutes? Read the full Code Administrator Consultation Report

Have 20 minutes? Read the full Code Administrator Consultation and Annexes.

Status summary: We are now consulting on this proposed change.

This modification is expected to have a: Low impact on Offshore Wind Farm Generators

Governance route	Standard Governance modification to proceed to Code Administrator Consultation	
Who can I talk to about the change?	**Proposer:** Giulia Licocci Giulia.licocci@oceanwinds.com +34604986702	**Code Administrator Chair**: Cusc.team@nationalenergyso.com
How do I respond?	Send your response proforma to cusc.team@nationalenergyso.com by **5pm** on **24 March 2025**	

Contents

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). Modification CMP418 refines the allocation of Dynamic Reactive Compensation Equipment (DRCE) costs at OFTO transfer and includes changes to Section 14 (Charging Methodologies) that would require the addition of a DRCE definition.

Why change?

If CMP418 is approved, Dynamic Reactive Compensation Equipment (DRCE) will not be defined. This modification will ensure that the necessary DRCE definition is formally included in Section 11 of the CUSC, keeping the document consistent.

What is the solution?

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.

Legal text

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

"Dynamic Reactive Compensation Equipment"	as defined in the **Grid Code**;

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)	Neutral

facilitating such competition in the sale, distribution and purchase of electricity;	
(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

When will this change take place?

Implementation date
In line with the CMP418 Implementation date.

Date decision required by
In line with the CMP418 Implementation date.

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

Interactions

☐Grid Code ☐BSC ☐STC ☐SQSS

☐European Network Codes	☐ EBR Article 18 T&Cs[1]	☒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.

How to respond

Code Administrator Consultation questions

- Please provide your assessment for the proposed solution against the Applicable Objectives.
- Do you support the proposed implementation approach?
- Do you have any other comments?
- Do you agree with the Proposer's assessment that the modification does not impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the Code?

Views are invited on the proposals outlined in this consultation, which should be received by 5pm on **24 March 2025**.

Please send your response to cusc.team@nationalenergyso.com using the response pro-forma which can be found on the CMP450 modification page.
If you wish to submit a confidential response, mark the relevant box on your consultation proforma. Confidential responses will be disclosed to the Authority in full but, unless agreed otherwise, will not be shared with the Panel or the industry and may therefore not influence the debate to the same extent as a non-confidential response.

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

Annexes

Annex	Information
Annex 1	Proposal form
Annex 2	Legal Text

[1] If the modification has an impact on Article 18 T&Cs, it will need to follow the process set out in Article 18 of the Electricity Balancing Regulation (EBR – EU Regulation 2017/2195) – the main aspect of this is that the modification will need to be consulted on for 1 month in the Code Administrator Consultation phase. N.B. This will also satisfy the requirements of the NCER process.

Reference material

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