

## Codes Summary – September 2018 (as at 19 September 2018)

This document provides a summary as to latest developments concerning the various other Industry Codes. Further detailed information can be found at:

<https://www.nationalgrid.com/uk/electricity/codes>

### **CUSC**

The most recent meeting of the **CUSC Modification Panel** was held on **31 August 2018**. The next Panel meeting will take place on **28 September 2018**.

CMP250 Stabilising BSUoS with at least a twelve month notice period aims to eliminate BSUoS volatility and unpredictability by proposing to fix the value of BSUoS over the course of a season, with a notice period for fixing this value being at least 12 months ahead of the charging season. CMP250 was presented at the CUSC Panel meeting on 28 August 2015. The Panel unanimously agreed that CMP250 should be developed by a Workgroup and set an initial Workgroup timetable of four months, to report back to the December 2015 Panel meeting. At the November 2015 Panel meeting, a three month extension was granted. At the January 2016 CUSC Panel meeting, a further two month extension to CMP250 was agreed and the Workgroup will now report back to the May 2016 Panel meeting. The Workgroup Consultation was published on 15 March 2016 and closed on 14 April 2016, receiving sixteen responses. A two month extension was agreed at the May 2016 Panel meeting and the Workgroup will now report back to the Panel on 29 July 2016. This modification is still at the workgroup stage. The most recent Workgroup meeting was held on 10 July 2017. The most recent Workgroup was held on 3 October 2017, the Workgroup met to understand the outcome following discussions within National Grid regarding the future funding of the SO, to review the legal text and agree next steps. The Code Administrator Consultation would be issued to the Industry after the Panel meeting for fifteen working days. The Draft Final Modification Report will be presented back to the Panel for their Recommendation vote in January 2018. The CUSC Panel voted at the January meeting. Panel Members agreed by majority that the Original and WACM 1, WACM 2, WACM 3 and WACM4 was better than the baseline. The final modification report was submitted to the Authority on 2 February 2018. A decision from the Authority is pending.

**CMP251 Removing the error margin in the cap on total TNUoS recovered by generation and introducing a new charging element to TNUoS to ensure compliance with European Commission Regulation 838/2010** aims to ensure that there is no risk of non-compliance with European Regulation 838/2010 by removing the error margin introduced by CMP224 and by introducing a new charging element to the calculation of TNUoS. CMP251 was presented to the CUSC Panel on 28 August 2015. The Proposer requested that the Modification be treated as urgent. The Panel decided unanimously that CMP251 should not be treated as urgent and should be developed by a Workgroup. The Panel Chair has written to the Authority informing them that the Panel will not be requesting urgency for CMP251. At the November Panel meeting, a two month extension was granted and at the January CUSC Panel meeting, a further one month extension to CMP251 was agreed. Another one month extension to the Workgroup timetable was granted at the February 2016 CUSC Panel meeting and the Workgroup will now report back to the April CUSC Panel meeting. The Workgroup Consultation was published on 29 February 2016 and closed on 29 March 2016, receiving ten responses. On 29 April 2016, the CMP251 Workgroup report was presented the CUSC Panel. The Panel asked that the CMP251 Workgroup look at the CMP261 legal opinion as part of their Terms of Reference and were asked to report back with an amended report to the May 2016 CUSC Panel. A one month extension was agreed at the May 2016 Panel meeting and the Workgroup will now report back on 24 June 2016. The Panel noted that although the paper had been presented as a late paper to the Panel, they were happy for it to progress to Code Administrator Consultation. CMP251 is due to be voted on at the CUSC Panel on the 30<sup>th</sup> September 2016. CMP251 has been sent to the Authority for a decision. The Authority rejected this modification.

CMP271 'Improving the cost reflectivity of demand transmission charges'.

CMP271 aims to improve the cost reflectivity of demand transmission charges. It is proposed that the transmission charging methodology should include a Peak Security demand tariff levied at Triad, a Year Round demand tariff and revenue recovery levied on year round supplier

demand. The initial workgroup meeting will be held on the 1st November 2016. The most recent Workgroup meeting was held on 24 July 2017. Following launch of TCR, the CA is speaking to the Proposers of CMP271/274/276 to seek their position on their modification since the launch. At the Workgroup meeting held on 11 September for CMP271, CMP274 and CMP276 that Ofgem had clearly stated the scope of these modifications may overlap the scope of the SCR. The Panel agreed that it would be pragmatic to extend each Workgroup to the same fixed event, namely the Ofgem publication of its SCR conclusions and at that point reassess if a further extension is required. The Workgroup will reconvene in November 2017 and then report back to the Panel. The Workgroup are due to meet in November 2017 following the update from Ofgem to agree next steps. The Panel agreed to provide an extension subject to further information from Ofgem regarding their "minded to" position statement. The Code Administrator will continue to update the Panel on any progress in this area.

CMP274 'Winter TNUoS Time of Use Tariff (TToUT) for Demand TNUoS'

CMP274 aims to improve the cost reflectivity of demand transmission charges. It is proposed that the transmission charging methodology should include a Winter Weekday Time of use demand tariff which reflects the existing Demand Residual element of the existing methodology so that revenue recovery is levied over a longer period of assessment. The initial workgroup meeting was held on the 1 November 2016. The most recent Workgroup meeting was held on the 24 July 2017. [See update for CMP271.](#)

CMP275 'Transmission Generator Benefits in the provision of ancillary and balancing services- levelling the playing field'. CMP275 seeks that a principle of financial mutual exclusivity is introduced to prevent BM units from accessing multiple sources of duplicate and overlapping revenue from ancillary services on the same asset. The initial Workgroup meeting was held on 15 February 2017. This proposal is on track. At their last meeting, the Workgroup discussed the impact of CMP275 in relation to Ofgem's recent publication on its Call for Evidence on flexibility and how CMP275 could be seen as running contrary to this. The Workgroup also discussed the legal text changes required. The Workgroup Report is with Workgroup for them to review and update and the next Workgroup meeting scheduled for 13 September to finalise legal text, vote and agree Workgroup Report. The most recent Workgroup meeting was held on 6 October 2017. At this meeting, the Workgroup are expected to agree the legal text which may lead to an alternative Proposal being raised and considered by the Workgroup. National Grid is working with the Proposer and the Workgroup to identify all viable options. The Workgroup requested a three month extension to carry out these works. The Panel approved this extension. The Code Administrator confirmed work is still progressing on the legal text and from this whether any alternative options should be considered by the Workgroup. The date of the next meeting has not been arranged as is dependent on further clarity from National Grid's legal team. The current timetable has that the Panel at its January 2018 meeting will be asked to approve that the report is issued for Code Admin Consultation. No extension requested this month but this date is at risk and that the Code Administrator may come back to the January Panel meeting with a request for an extension. The legal text is currently with the Proposer to review, once confirmed the Workgroup will reconvene. The Panel approved a 1 month extension for CMP275. At the workgroup, voting on the alternatives occurred, with only NGET's alternate being made into a WACM. Original and WACM were voted less effective than baseline by WG. The Panel at its March 2018 meeting granted two months extension and granted. Code Administrator consultation is due for May. The Code Administrator Consultation will be issued May 2018. The Panel held a recommendation vote on CMP275 against the Applicable CUSC Objectives. The Panel unanimously agreed that the current baseline better facilitates the CUSC Objectives than both CMP275 original proposal and WACM1. Consequentially, the modification will now be sent to the Authority for decision. CMP275 was submitted to the Authority on 12 July 2018. The Authority rejected this modification.

**CMP276 'Socialising TO costs associated with "green policies"'**. CMP276 proposes a reduction in the demand residual element of the TNUoS £/kW ("Triad") charge by creating two new charge lines for all demand offtakes: (i) with the level of charge based on a fixed charge per MPAN (or alternatively the import meter size of each consumer) and (ii) a simple per kWh charge on all consumers. Currently demand residual is the cost bucket which is left to capture all TO costs that cannot be otherwise allocated. Unless there is change the current methodology this is forecast to lead to high demand TNUoS payments at the time of Triads, which are widely recognised to be unacceptable and unsustainable. Mods CMP264 and CMP265 deal with a subset of the symptoms only, because they define the defect too narrowly. Their definition prohibits the full range of potential solutions being considered, and by excluding certain types of meter and treating some meters differently to others, this inevitably leads to a discriminatory outcome. This modification is defined to address the underlying cause of the escalation in demand residual and proposes a simple, non-discriminatory approach to its resolution which addresses equitable competition in ALL markets, domestic and international, reduces total cost to consumers and has the structure to form an enduring solution. Nominations for this Workgroup are open until 24 February 2017. A decision letter from the Authority granting urgency is pending. The initial Workgroup meeting was held on 17 March 2017. The most recent Workgroup meeting was held on 24 July 2017. [See update for CMP271.](#)

**CMP280' Creation of a New Generator TNUoS Demand Tariff which Removes Liability for TNUoS Demand Residual Charges from Generation and Storage Users'** The Modification aims to remove liability from Generator and Storage Parties for the Demand Residual element of the TNUoS tariff. The CUSC Panel agreed to process this proposal following a standard timetable. The initial Workgroup meeting was held 4 August 2017. This Workgroup is on track. The Workgroup held their first Workgroup meeting on 4 August 2017 and the next meeting is scheduled for 7 September 2017. The Workgroup have positively fed back on the prework that has taken place to develop the Proposal with the Proposer prior to the first Workgroup meeting taking place. The Workgroup are scheduled to meet on 16 October 2017 where they will scope out the outstanding works required to determine length of extension required. The Workgroup are scheduled to meet in December. The Workgroup have reviewed their workload and are requesting a 3 month extension. The Panel approved this extension request. The Code Administrator confirmed these Workgroups are continuing to develop the Proposal and had originally planned to meet again on 6 December 2017; however this has been rescheduled for 19 December 2017. The Workgroup may request an extension at the December Panel meeting. The Code Administrator advised the most recent Workgroup was held on 29 January. The Workgroup consultation was due to be issued in January however requested a three month extension as the report was not ready to be consulted on. The CUSC Panel approved the three month extension. The Workgroup report is being drafted and shared with the Workgroup for review. The next Workgroup meeting was held on 10 May 2018. The next Workgroup meeting will be held in July 2018. The Workgroup consultation closed on 10 July 2018, the Workgroup reviewed responses at the Workgroup meeting held 26 July 2018. [The most recent Workgroup was held on 30 August 2018.](#)

**CMP281' Removal of BSUoS Charges From Energy Taken From the National Grid System by Storage Facilities'** The Modification aims to remove liability from storage facilities for Balancing Services Use of System (BSUoS) charges on imports. The Panel agreed to process this proposal following a standard timetable. The initial Workgroup meeting was held 4 August 2017. This Workgroup is on track. The Workgroup held their first Workgroup meeting on 4 August 2017 and the next meeting is scheduled for 7 September 2017. The Workgroup have positively fed back on the prework that has taken place to develop the Proposal with the Proposer prior to the first Workgroup meeting taking place. The work is progressing on these Workgroups but that an extension at the next Panel meeting is likely to be requested. The Workgroup are scheduled to meet on 16 October 2017 where they will scope out the outstanding works required to determine length of extension required. The Workgroup have reviewed their workload and are requesting a 3 month extension. The Panel approved this extension request. The Code Administrator confirmed these Workgroups are continuing to develop the Proposal and had originally planned to meet again on 6 December 2017; however this has been rescheduled for 19 December 2017. The Workgroup may request an extension at the December Panel meeting. The Code Administrator advised the most recent Workgroup was held on 29 January. The Workgroup consultation was due to be issued in January however requested a three month extension as the report was not ready to be consulted on. The CUSC Panel approved the three month extension. The Workgroup report is being drafted and shared with the Workgroup for review. The next Workgroup meeting was held on 10 May 2018. The next Workgroup meeting will be held in July 2018. The Workgroup consultation is due to be published to industry. [The most recent Workgroup was held on 30 August 2018.](#)

**CMP285' CUSC Governance Reform- Levelling the Playing Field'**. This modification seeks to reform CUSC governance to enhance the independence and diversity of Panel members and ensure wider engagement from CUSC signatories. The Panel agreed that this Proposal should be developed by a Workgroup following a standard timetable. The Code Administrator has been working with the Proposer to further scope out the requirements of this Proposal. A first Workgroup meeting date is yet to be confirmed. The initial Workgroup was held on 28 September 2017. The Workgroup had suggested some minor amendments to their Terms of Reference which the Panel approved. The Panel approved the updated timetable for CMP285. The next Workgroup meeting is scheduled for 7 November 2017. The Code Administrator advised this Workgroup is continuing to develop. The most recent Workgroup was held on 27 November 2017. The Code Administrator confirmed that the Workgroup Consultation is due to be issued at the start of January 2018, however this date may be at risk and following the next Workgroup meeting an extension may be requested at the December Panel meeting. The Code Administrator advised the most recent Workgroup was held on 22 January. The Workgroup report was due to be issued in January however requested a three month extension as the report was not ready to be consulted on. The CUSC Panel approved the three month extension. This Workgroup is on track. The Code Administrator advised another Workgroup meeting will be arranged for the Workgroup Consultation Report and review legal text. The Code Administrator is liaising with the Proposer to confirm availability for the next Workgroup meeting. The Workgroup consultation was published to industry on 10 August 2018. **A Workgroup meeting is to be scheduled to review the responses.**

**CMP286 'Improving TNUoS Predictability Through Increased Notice of the Target Revenue used in the TNUoS Tariff Setting Process.'** The purpose of this modification proposal is to improve the predictability of TNUoS demand charges by bringing forward the date at which the target revenue used in TNUoS tariff setting is fixed to allow customer prices to more accurately reflect final TNUoS rates. The Panel reviewed the Proposal and agreed that the Proposal should be developed by a Workgroup following a standard timetable. The Code Administrator will write out to the industry requesting nominations to join the Workgroups. The Code Administrator advised the deadline for Workgroup nominations was 8 November 2017 and ten nominations had been received. A date for the first Workgroup meeting will be 18 January 2018. The Code Administrator advised the Panel CMP286 may result in a potential STC/STCP change. As a result of this there has been a request for two additional Workgroup members. The Panel approved this request. The most recent Workgroup was held on 12 March 2018. The next Workgroup meeting was held on 18 May 2018. A date for the next Workgroup meeting is to be confirmed. **The most recent Workgroup was held on 17 September 2018.**

**CMP287 'Improving TNUoS Predictability through Increased Notice of Inputs Used in the TNUoS Tariff Setting Process v1.'** The purpose of this modification proposal is to improve the predictability of TNUoS demand charges by bringing forward the date at which certain parameters used in TNUoS tariff setting (such as demand forecasts) are fixed to allow customer prices to more accurately reflect final TNUoS rates. The Panel reviewed the Proposal and agreed that the Proposal should be developed by a Workgroup following a standard timetable. The Code Administrator will write out to the industry requesting nominations to join the Workgroups. The Code Administrator advised the deadline for Workgroup nominations was 8 November 2017 and ten nominations had been received. A date for the first Workgroup meeting will be 18 January 2018. The Code Administrator advised the Panel CMP286 may result in a potential STC/STCP change. As a result of this there has been a request for two additional Workgroup members. The Panel approved this request. The most recent Workgroup was held on 12 March 2018. The next Workgroup meeting was held on 18 May 2018. A date for the next Workgroup meeting is to be confirmed. **The most recent Workgroup was held on 17 September 2018.**

**CMP288' Explicit charging arrangements for customer delays and backfeeds'** This modification seeks to introduce explicit charging arrangements to recover additional costs incurred by Transmission Owners and TNUoS liable parties as a result of transmission works undertaken early due to a User initiated delay to the Completion Date of the works, or to facilitate a backfeed. The Panel reviewed the Proposal and agreed that the Proposal should be developed by a Workgroup following a standard timetable. The Code Administrator has written out to the industry requesting nominations to join the Workgroups. The initial workgroup meeting was held on 16 May 2018. **The most recent Workgroup meeting was held on 18 September 2018.**

**CMP289' Consequential change to support the introduction of explicit charging arrangements for customer delays and backfeeds via CMP288'** This modification seeks to introduce changes to non-charging sections of the CUSC to support the introduction of explicit charging arrangements to recover additional costs incurred by Transmission Owners and TNUoS liable parties as a result of transmission works undertaken early due to a User initiated delay to the Completion Date of the works, or to facilitate a backfeed. The changes to the charging element of the CUSC are covered under CMP288. The Panel reviewed the Proposal and agreed that the Proposal should be developed by a Workgroup following a standard timetable. The Code Administrator has written out to the industry requesting nominations to join the Workgroups. The next Workgroup meeting was held on 18 May 2018. **The most recent Workgroup was held on 18 September 2018.**

**CMP291' The open,transparent,non discriminatory and timely publication of the harmonised rules for grid connection (in accordance with the RfG, DCC and HVDC) and the harmonised rules on system operation set out within the Bilateral Agreements.** This modification will set out within the CUSC the obligations in the EU Connection Network Codes and System Operation Guideline as they relate to the harmonised rules for connection and system operation in GB. The Panel reviewed the Proposal and agreed that the Proposal should be developed by a Workgroup following a standard timetable. The Code Administrator has written out to the industry requesting nominations to join the Workgroups. The Workgroup nomination period for CMP291 has been extended for a further three weeks, the closing date is 20 April 2018. The initial Workgroup meeting will be held on 12 July 2018. The next Workgroup meeting is due to be held in August. **The Grid Code Review Panel have requested that this modification progresses in line with GC0117, the date of the next Workgroup meeting is to be confirmed.**

**CMP292' Introducing a Section 8 cut-off date for changes to the Charging Methodologies'.** The purpose of this modification is to ensure that the charging methodologies (all Charging Methodologies as defined in the CUSC) are fixed in advance of the relevant Charging Year to allow The Company – as Electricity System Operator - to appropriately set and forecast charges. Introducing a cut-off date for changes to the methodologies will help to reduce the risk of charges out-turning differently to the forecasts produced by the Company and created by Users. The Panel reviewed the Proposal and agreed that the Proposal should be developed by a Workgroup following a standard timetable. The Code Administrator has written out to the industry requesting nominations to join the Workgroups. The Code Administrator is to liaise with the Proposer to arrange the initial Workgroup meeting. The initial Workgroup meeting will be held in September. **The Grid Code Review Panel have requested that this modification progresses in line with GC0117, the date of the next Workgroup meeting is to be confirmed.**

CMP293 National Grid Legal Separation changes to CUSC Sections, Exhibits & Schedules (non-charging)' CMP293 looks to modify the CUSC to reflect the creation of a new National Grid Electricity System Operator (NGESO) that is legally separated from National Grid Electricity Transmission Limited (NGET). The specific CUSC references are to be updated in order to ensure the System Operator and Transmission Owner obligations are clear. CMP294 looks to do the same from a charging perspective, editing Section 14 of the CUSC. The Panel reviewed both proposals and unanimously agreed that both modifications should progress straight to Code Administrator Consultation, post an Industry Webinar to get feedback on the legal text and resubmission to the May CUSC Panel for final sign off. A WebEx is to be held to get Industry feedback on the legal text before resubmission to the CUSC Panel. CMP293 was issued to Code Admin consultation on 2 August 2018. **The Panel held a recommendation vote on CMP293 against the Applicable CUSC Objectives. The Panel unanimously agreed that the Original Proposal better facilitated the CUSC Objectives. CMP293 will now be sent to the Authority for decision.**

CMP294'National Grid Legal Separation changes to CUSC Section 14'. The purpose of these modification proposals is to facilitate the legal separation between National Grid System Operator and Transmission Owner. CMP294 looks to modify the CUSC to reflect the creation of a new



National Grid Electricity System Operator (NGESO) that is legally separated from National Grid Electricity Transmission Limited (NGET). CMP294 seeks to amend Section 14 of the CUSC. The Panel reviewed both proposals and unanimously agreed that both modifications should progress straight to Code Administrator Consultation, post an Industry Webinar to get feedback on the legal text and resubmission to the May CUSC Panel for final sign off. A WebEx is to be held to get Industry feedback on the legal text before resubmission to the CUSC Panel. CMP294 was issued to Code Admin consultation on 2 August 2018. **The Panel held a recommendation vote on CMP294 against the Applicable CUSC Objectives. The Panel unanimously agreed that the Original Proposal better facilitated the CUSC Objectives. CMP294 will now be sent to the Authority for decision.**

CMP295 'Contractual Arrangements for Virtual Lead Parties (Project TERRE) Under BSC P344 and GC0097, and future market arrangements, an aggregator will combine the export capabilities of SVA-registered embedded generation to participate in the BM. In order to facilitate Grid Code compliance, and to ensure appropriate rights/obligations for Virtual Lead Parties (as to be defined in BSC P344), accession to the CUSC is necessary and entry into specific CUSC contracts is required. Panel reviewed this modification and agreed that this modification should proceed to Workgroup stage, following a standard timetable. It was decided that this modification should be facilitated on the same day as CMP291 due to synergies which could be achieved by looking at both modifications together. The Code Administrator will write out to the industry requesting nomination to join the Workgroups. The initial Workgroup meeting will be held on 12 July 2018. The next Workgroup meeting is due to be held in August.

CMP296 'Aligning the CUSC to the BSC post-P344 (Project TERRE) to exempt Virtual Lead Parties from BSUoS'. The purpose of this modification is to exempt virtual lead parties from BSUoS payments. P344 introduces a new class of Balancing Mechanism Unit (BMU), and a new class of BMU registrant to the BSC ("Virtual Lead Parties"); it is necessary to amend the CUSC therefore, to expand the BSUoS exemption to these Virtual Lead Parties. Panel reviewed this modification and agreed that this modification could progress straight to Code Administrator Consultation with Authority decision. The Panel held a recommendation vote on CMP296 against the Applicable CUSC Objectives. The Panel unanimously agreed that the Original Proposal better facilitates the CUSC Objectives. CMP296 will now be sent to the Authority for decision. A decision from the Authority is pending.

CMP297 'Aligning CUSC and BSC post-TERRE (Section 11) – consequential modification to introduce definition of Virtual Lead Party'. The purpose of this modification allows Section 11 of the CUSC to be amended to include a definition of Virtual Lead Parties, as a consequential follow on from Project Terre and the associated changes which will be needed to be made to the CUSC. Panel reviewed this modification and agreed that this modification could progress straight to Code Administrator Consultation with Authority decision. The Panel held a recommendation vote on CMP297 against the Applicable CUSC Objectives. The Panel unanimously agreed that the Original Proposal better facilitates the CUSC Objectives. CMP297 will now be sent to the Authority for decision. A decision from the Authority is pending.

CMP298 'Updating the Statement of Works process to facilitate aggregated assessment of relevant and collectively relevant embedded generation. The purpose of this modification is to ensure that increasing levels of embedded generation connections the process for assessing their overall impact on the transmission system needs are revised allowing the System Operator to recognise the changes caused by multiple small scale connections and plan accordingly. The Panel reviewed the Proposal and agreed that the Proposal should be developed by a Workgroup following a

standard timetable. The Code Administrator will write out to the industry requesting nomination to join the Workgroups. **The initial Workgroup meeting is due to be held in October.**

CMP299 'Consequential changes to the CUSC to facilitate the 2018- 2021 ESO Incentive Scheme'. The aim of this modification is to update the CUSC (Section 14.30 onwards), in line with the new Electricity System Operator (ESO) Incentive Scheme which is detailed within National Grid's Licence. Changes have been approved and when implemented, they will be effective from on the 1st April 2018. Panel reviewed this modification and agreed that this modification could progress straight to Code Administrator Consultation with Authority decision. The Panel held a recommendation vote on CMP299 against the Applicable CUSC Objectives. The Panel unanimously agreed that the Original Proposal better facilitates the CUSC Objectives. CMP299 will now be sent to the Authority for decision. **The Authority approved this modification and CMP299 was implemented into the CUSC on 23 August 2018.**

CMP300 'Cost reflective Response Energy Payment for Generators with low or negative marginal costs'. The aim of this modification is to ensure that the Response Energy Payment paid to or by generators with respect to a BM Unit with low or negative marginal costs is reflective of the cost or avoided cost of energy production. The CUSC Panel reviewed the Proposal and agreed that the Proposal should be developed by a Workgroup following a standard timetable. The Code Administrator will write out to the industry requesting nomination to join the Workgroup. **The initial Workgroup meeting is due to be held on 25 September 2018.**

CMP301 'Clarification on the treatment of project costs associated with HVDC and subsea circuits'. The purpose of this modification proposal is to introduce specific expansion factors for HVDC and subsea circuits however the existing legal text is open to interpretation – this proposal would cement the interpretation made by The Company to ensure consistency with onshore circuits. Panel reviewed this modification and agreed that this modification could progress straight to Code Administrator Consultation with Authority decision. The CUSC Panel recommendation vote was held on 27 July 2018, the Panel unanimously agreed that the Original Proposal better facilitates the CUSC Objectives. CMP301 will now be sent to the Authority for decision. **A decision from the Authority is pending.**

**CMP303 'Improving local circuit charge cost-reflectivity'. The purpose of this modification proposal is to make part of the TNUoS charge more cost reflective through removal of additional costs from local circuit expansion factors that are incurred beyond the connected, or to-be-connected, generation developers' need. The Panel reviewed the Proposal and agreed that the Proposal should be developed by a Workgroup. The Code Administrator will write out to the industry requesting nomination to join the Workgroup.**

**CMP302 'Extend the small generator discount until an enduring solution acknowledging the discrepancy between England & Wales and Scotland is implemented'. The purpose of this modification proposal is to extend the small generator discount that is currently due to expire on 31 March 2019 until an enduring solution that acknowledges the discrepancy between sub-100MW plant connected in England and Wales at 132kV versus the same connected in Scotland is implemented. It proposes to achieve this by introducing the arrangements for the discount into the CUSC. An enduring solution may come forward through Ofgem's Targeted Charging Review, as it affects forward-looking and residual charges. This modification seeks to maintain the status quo until an enduring solution is established. On 31 August 2018, the Proposer of CMP302 submitted a request for this modification to be treated as Urgent. The Panel reviewed the Proposal and recommended by majority that the modification be**

treated as urgent and be developed by an accelerated Workgroup. The Code Administrator will write out to the industry requesting nominations to join the Workgroup. Ofgem will make the final decision on this recommendation.

CMP304 'Improving the Enhanced Reactive Power Service by making it fit for purpose'. This modification seeks to enable reforms to commercial reactive power services that will create more useful and economic solutions, and new opportunities for providers. This proposal aims to ensure that the reactive power services (i) delivers transparency and clear information to the market; (ii) facilitates greater competition in the provision of services; and (iii) meets the changing needs of balancing services providers and operational requirements of the system operator. The Panel reviewed the Proposal and agreed that the Proposal should be developed by a Workgroup. The Code Administrator will write out to the industry requesting nomination to join the Workgroup.

CMP305 'Removal of the Enhanced Reactive Power Service (ERPS)'. This modification seeks to remove references to the Enhanced Reactive Power Service (ERPS) from the CUSC. This is an opt-in tendered commercial service for which no tenders have been submitted in seven and a half years, and no contracts have been agreed in nine years. There is an ongoing obligation for NG ESO to issue a request for tenders every six months. Given the administrative burden of running a tender exercise with no participants, the period for which no tenders have been received, and customer feedback, it is proposed that this obligation should be removed from the CUSC. The Panel reviewed this modification and agreed that this modification could progress straight to Code Administrator Consultation with Authority decision.

## STC

The most recent meeting of the **STC Modification Panel** was held on 29 August 2018. **The next STC Panel meeting will take place on 26 September 2018.**

CM063- 'Modify the definition of Force Majeure (Section J: Interpretation and Definitions)' This proposal seeks to clarify the intention of the existing definition of Force Majeure by adding some new words in order to ensure a common understanding of this definition. CM063 was submitted to the March 2018 STC Panel meeting where the Panel unanimously agreed this Modification Proposal does not meet the Self-Governance criteria and should be sent to the Authority to make the determination. The Code Administrator advised this Modification Proposal will also need to be raised at the next CUSC Panel in April, which the Code Administrator will raise. The Code Administrator write out to Industry requesting nominations to join the Workgroup, this closed on 12 June 2018. **At the Panel meeting held on 29 August 2018, the STC Panel approved a 6 month extension for this Modification. The initial Workgroup will be held on 31 October 2018.**

CM064 'Update to the STC Schedule 4, Boundaries of Influence' This proposal seeks to update the STC Schedule 4 Boundaries of Influence to reflect changes in transmission network. CM064 was submitted to the March 2018 STC Panel meeting where the Panel unanimously agreed that this Modification meets the Self-Governance criteria and should proceed to consultation. The consultation will be published in April; this will be open for 15 working days. If no responses are received, then the Panel will make the determination. The STC Panel unanimously agreed that the change satisfies the Self-Governance Criteria and would better facilitate the STC Applicable Objectives (a, b, d and f). The STC Panel unanimously



determined that the Final Modification Report (FMR) would be issued to Industry for an Appeals Window of 15 Working Days and that, pending no Appeals being received, CM064 was implemented into the STC on 11 July 2018.

CM065 'National Grid Legal Separation - consequential changes to reference NGESO in STC Section C and changes to Outage Planning Data Timescales' This proposal seeks to modify the System Operator Transmission Owner Code (STC) to reflect the creation of a new National Grid Electricity System Operator (NGESO) that is legally separated from National Grid Electricity Transmission Limited. References to NGET have been replaced by NGESO, where relevant, throughout the STC Section C in order to ensure the System Operator and Transmission Owner obligations are clear. It also Changes also include, in Section C, Part Two, inclusion of the option for a Transmission Owner to submit outage planning information to NGESO in timescales beyond 6 Financial Years. CM065 was submitted to the April 2018 STC Panel meeting where the Panel unanimously agreed that this Modification should be issued straight to Industry Consultation for 20 Working Days. The Authority will make the decision for this Modification. CM065 Industry Consultation opened on 31 May 2018 and closes on 28 June 2018. The Draft Final Modification Report was submitted to the Industry and Authority on 9 July 2018 for 5 working days. The STC Panel will hold the recommendation vote at the Panel meeting on 25 July 2018. The Panel recommendation vote has been postponed until the August Panel meeting. The Code Administrator will submit a revised timetable to the STC Panel for approval. **At the August Panel meeting, the STC Panel held their recommendation vote for CM065. The Panel unanimously agreed that CM065 better facilitates applicable STC Objective (a) efficient discharge of the obligations imposed upon transmission licensees by transmission licences and the Act and recommended that CM065 should be implemented.**

CM066-'National Grid Legal Separation - consequential changes to reference NGESO in STC Section G and to place Nuclear Site Licence

Provisions Agreement obligations on NGET for England and Wales'. This proposal seeks to modify the System Operator Transmission Owner Code (STC) to reflect the creation of a new National Grid Electricity System Operator (NGESO) that is legally separated from National Grid Electricity Transmission Limited. References to NGET have been replaced by NGESO, where relevant, throughout the STC Section G in order to ensure the System Operator and Transmission Owner obligations are clear. It also seeks to modify Section G of the System Operator Transmission Owner Code (STC) to place Nuclear Site Licence Provisions Agreement obligations on NGET for England and Wales. CM066 was submitted to the April 2018 STC Panel meeting where the Panel unanimously agreed that this Modification should be issued straight to Industry Consultation for 20 Working Days. The Authority will make the decision for this Modification. CM066 Industry Consultation opened on 31 May 2018 and closes on 28 June 2018. The Draft Final Modification Report was submitted to the Industry and Authority on 9 July 2018 for 5 working days. The STC Panel will hold the recommendation vote at the Panel meeting on 25 July 2018. The Panel recommendation vote has been postponed until the August Panel meeting. The Code Administrator will submit a revised timetable to the STC Panel for approval. **At the August Panel meeting, the STC Panel held their recommendation vote for CM066. The Panel unanimously agreed that CM066 better facilitates applicable STC Objective (a) efficient discharge of the obligations imposed upon transmission licensees by transmission licences and the Act and recommended that CM066 should be implemented.**

**CM067- 'National Grid Legal Separation - consequential changes to reference NGESO into STC Section B and changes to STC Modification Panel membership to add NGESO as Member'** This proposal seeks to modify the System Operator Transmission Owner Code (STC) to reflect the creation of a new National Grid Electricity System Operator (NGESO) that is legally separated from National Grid Electricity

Transmission Limited. References to NGET have been replaced by NGESO, where relevant, throughout the STC Section B in order to ensure the System Operator and Transmission Owner obligations are clear. Changes also include in Section B, NGESO as a new STC Modification Panel member and as a voting member in the STC Group. CM067 was submitted to the April 2018 STC Panel meeting where the Panel unanimously agreed that this Modification should be issued straight to Industry Consultation for 20 Working Days. The Authority will make the decision for this Modification. CM067 Industry Consultation opened on 31 May 2018 and closes on 28 June 2018. The Draft Final Modification Report was submitted to the Industry and Authority on 9 July 2018 for 5 working days. The STC Panel will hold the recommendation vote at the Panel meeting on 25 July 2018. The Panel recommendation vote has been postponed until the August Panel meeting. The Code Administrator will submit a revised timetable to the STC Panel for approval. **At the August Panel meeting, the STC Panel held their recommendation vote for CM067. The Panel unanimously agreed that CM067 better facilitates applicable STC Objective (a) efficient discharge of the obligations imposed upon transmission licensees by transmission licences and the Act and recommended that CM067 should be implemented.**

**CM068- ‘National Grid Legal Separation - consequential changes to reference NGESO in STC Section D and to provide clarity that only Transmission Owners create Transmission Investment Plans’** This proposal seeks to modify the System Operator Transmission Owner Code (STC) to reflect the creation of a new National Grid Electricity System Operator (NGESO) that is legally separated from National Grid Electricity Transmission Limited. References to NGET have been replaced by NGESO, where relevant, throughout the STC Section D in order to ensure the System Operator and Transmission Owner obligations are clear. It also removes the references in Section D, Part One for NGET Transmission Investment Plans. CM068 was submitted to the April 2018 STC Panel meeting where the Panel unanimously agreed that this Modification should be issued straight to Industry Consultation for 20 Working Days. The Authority will make the decision for this Modification. CM068 Industry Consultation opened on 31 May 2018 and closes on 28 June 2018. The Draft Final Modification Report was submitted to the Industry and Authority on 9 July 2018 for 5 working days. The STC Panel will hold the recommendation vote at the Panel meeting on 25 July 2018. The Panel recommendation vote has been postponed until the August Panel meeting. The Code Administrator will submit a revised timetable to the STC Panel for approval. **At the August Panel meeting, the STC Panel held their recommendation vote for CM068. The Panel unanimously agreed that CM068 better facilitates applicable STC Objective (a) efficient discharge of the obligations imposed upon transmission licensees by transmission licences and the Act and recommended that CM068 should be implemented.**

**CM069- ‘National Grid Legal Separation - consequential changes to incorporate NGESO in STC Sections & Schedules’** This proposal seeks to modify the System Operator Transmission Owner Code (STC) to reflect the creation of a new National Grid Electricity System Operator (NGESO) that is legally separated from National Grid Electricity Transmission Limited. References to NGET have been replaced by NGESO, where relevant, throughout the STC Sections and Schedules in order to ensure the System Operator and Transmission Owner obligations are clear. CM069 was submitted to the April 2018 STC Panel meeting where the Panel unanimously agreed that this Modification should be issued straight to Industry Consultation for 20 Working Days. The Authority will make the decision for this Modification. CM069 Industry Consultation opened on 31 May 2018 and closes on 28 June 2018. The Draft Final Modification Report was submitted to the Industry and Authority on 9 July 2018 for 5 working days. The STC Panel will hold the recommendation vote at the Panel meeting on 25 July 2018. The Panel recommendation vote has been postponed until the August Panel meeting. The Code Administrator will submit a revised timetable to the STC Panel for approval. **At the August Panel meeting, the STC Panel held their recommendation vote for CM069. The Panel unanimously agreed that CM069 better facilitates applicable STC Objective (a) efficient discharge of the obligations imposed upon transmission licensees by transmission licences and the Act and recommended that CM069 should be implemented.**

# AMALGAMATED ELECTRICITY CODES MODIFICATION REPORT

**As at 19 September 2018**

This document contains the Modification Registers for the CUSC and STC and is correct as of the above date.

The most up to date versions may be found at the following websites:

CUSC: <https://www.nationalgrid.com/uk/electricity/codes/connection-and-use-system-code>

STC: <https://www.nationalgrideso.com/codes/system-operator-transmission-owner-code>

BSC Amendments can be found on the following website:

[www.elexon.co.uk/changeimplementation/ModificationProcess/ModificationReports/default.aspx](http://www.elexon.co.uk/changeimplementation/ModificationProcess/ModificationReports/default.aspx)