

CUSC Panel

Headline Report – 26 October 2018

Meeting name CUSC Panel

The CUSC Panel Headline Report is produced after every CUSC Panel and aims to provide an overview of the key decisions made. Minutes for this meeting will be published separately.

Approval of September Minutes

Panel Members are in the process of approving Panel minutes, and will be found on the National Grid website within 5 working days.

Prioritisation Stack

The latest version of the Prioritisation Stack is attached in Annex 1.

Modification Proposals

CMP308 - Remove BSUoS Charges from Generation

This proposal seeks to modify the CUSC to better align GB market arrangements with those prevalent within other EU member states. This will deliver more effective competition and trade across the EU and so deliver benefits to all end consumers.

It is proposed that liability to pay Balancing Services Use of System (BSUoS) charges, which are currently charged to all liable CUSC parties on a non-locational MWh basis, is removed from GB Generators. This will effectively better align the GB 'generation cost stack' with those in other EU markets where generators do not pay the equivalent of BSUoS charges, thus better facilitating competition between GB generators and generation in those markets which are not subject to such charges.

CMP308 was presented to The Panel by EDF having been raised on 19 October 2018. The Panel unanimously agreed with the view of the proposer that the modification should be assessed by a workgroup. The Code Administrator will write to industry to source members to form a working group.

Authority Decision

CMP250 - Stabilising BSUoS with at least a 12 month notice period

CMP250 was rejected by The Authority on 25 October 2018.

Panel Vote

There we no Panel Votes

Questions or feedback?

Code Administrator Representative: Joseph Henry, *Code Administrator*




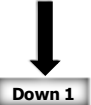




Panel Secretary: Shazia Akhtar, *Code Administrator*

Email: cusc.team@nationalgrid.com

Section 8: 8.19.1.(e) makes the following provision for the Panel and states "Having regard to the **complexity, importance and urgency** of particular CUSC Modification Proposals, the CUSC Modifications Panel may determine the priority of CUSC Modification Proposals and may (subject to any objection from the Authority taking into account all those issues) adjust the priority of the relevant CUSC Modification Proposal accordingly"

Complexity	The modification is viewed as being resource intensive and will most likely require a higher than average number of workgroups to conclude the process. Additionally the modification defect is viewed to have implications for many different areas of the energy market which need to be taken into consideration throughout the process.
Importance	The perceived value & risk associated with the proposed modification. The value / risk could be considered from a number of different perspectives i.e. financial / regulatory / licence obligations both directly for customer and end consumers more generally.
Urgency	A modification which requires speedy consideration within the code governance process, both complexity and importance should be factors considered in evaluating urgency as well as the timescales for implementation within the respective code.

Movement	Date Modification Raised	Modifications at Workgroup Stage	Panel Comments on Prioritisation	Cross Code Impacts	Date of First Workgroup	Workgroup Development [WG already held]	Workgroup Report submission	Expected FMR Date to Authority
↑	22/06/2017	CMP280 'Creation of a New Generator TNUoS Demand Tariff which Removes Liability for TNUoS Demand Residual Charges from Generation and Storage Users & CMP281 'Removal of BSUoS Charges From Energy Taken From the National Grid System by Storage Facilities'	High Priority because of clear impact for users and a known policy issue. Complexity of alternative (raised during WG Consultation) has resulted in an extended timeline to October.		4 August 2017	[8] upto October 2018	Timeline agreed: October submission	December 2018
↑	20/07/2017	CMP285 'CUSC Governance Reform – Levelling the Playing Field'	Priority based on timing of decision date which is required ahead of the next election process and need for extra panel meeting.		28 September 2017	[5] upto October 2018	Timeline to be approved: October submission	November 2018
↓	27/04/2018	CMP295 'Contractual Arrangements for Virtual Lead Parties (Project TERRE)'	Prioritisation based on alignment to European Law changes/timetables		12 July 2018	[1] upto December 2018	Timeline agreed: January 2019	February 2019
↑	15/02/2018	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 (in accordance with the SOGL) set out within the Bilateral Agreement(s) exhibited in the CUSC.'	Prioritisation based on alignment to European Law changes/timetables		12 July 2018	[1] upto December 2018	Timeline agreed: December 2018	February 2019
New Modification	18/10/2018	CMP308 - Remove BSUOS Charges from Generation	Prioritised based on materiality and potential impacts for Industry					

	10/10/2017	CMP286 'Improving TNUoS Predictability through Increased Notice of the Target Revenue used in the TNUoS Tariff Setting Process' and CMP287 'Improving TNUoS Predictability through Increased Notice of Inputs Used in the TNUoS Tariff Setting Process'	Priority based on a need for a quick decision date to have an effect on tariff setting timetables		18 January 2018	[5] upto October 2018	Timeline agreed: October submission	December 2018
	12/02/2018	CMP288' Explicit Charging Arrangements for Customer Delays' and CMP289' Consequential change to support the introduction of explicit charging arrangements for customer delays and backfeeds via CMP288'	Priority based on Consumer benefits. Quite a degree of complexity involved, extended timeline to December2018.		16 May 2018	[4] upto December 2018	Timeline agreed: December 2018	February 2019
	23/08/2018	CMP304 'Improving the Enhanced Reactive Power Service by making it fit for purpose'	High Materiality		TBC	[0]	TBC	TBC
	19/07/2018	CMP303 'Improving local circuit charge cost-reflectivity'	Priority based on a need for a decision date by summer 2019. An early Workgroup will be required.		25 September 2018	September 2018 - January 2019	Proposed: January 2019	Proposed: March 2019
	23/04/2018	CMP298 - Updating the Statement of Works process to facilitate aggregated assessment of relevant and collectively relevant embedded generation	Priority based on assessment against other modifications. A SOW process is also already in place, so there is no immediate need for any urgency.		02 October 2018	September 2018 - January 2019	Proposed: January 2019	Proposed: March 2019
	20/09/2018	CMP306 - Align annual connection charge rate of return at CUSC 14.3.21 to price control cost of capital	Materiality, Clear solution, Link to having a decision by Autumn 2019 to give time for consideration in regards to publication of charging statement.		TBC	[0]	TBC	TBC
	15/02/2018	CMP292 'Introducing a Section 8 cut-off date for changes to the Charging Methodologies	Priority based on when a decision will be needed for the tariff setting process		02 October 2018	September 2018 - January 2019	Proposed: January 2019	Proposed: March 2019
	27/06/2018	CMP300 'Cost reflective Response Energy Payment for Generators with low or negative marginal costs'	Low materiality		25 September 2018	September 2018 - January 2019	Proposed: January 2019	Proposed: March 2019