

## Headline Report – 31 July 2020 V2

### Connection and Use of System Code (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 Panel Minutes

The meeting minutes from the CUSC Panels on 9, 15 and 26 June 2020 were approved at the CUSC Panel meeting on 31 July 2020. These will be uploaded to our website.

### Prioritisation Stack

Between 29 May 2020 Panel and June Panel, all the Proposers with in-flight Modifications has provided updated justification against each of the Prioritisation Criteria – namely Complexity, Importance and Urgency. The June Panel carefully considered the views of the Proposers. For each Modification, Panel determined if the Priority was High, Medium to High, Medium, Low to Medium or Low.

The Prioritisation Stack continues to be reviewed on a monthly basis. However, there were no movements in the Prioritisation Stack.

Proposers continue to have the opportunity to feed their views into these discussions. Additionally, on a quarterly basis, Proposers will be asked to provide updated justification against the prioritisation criteria - this will be requested from Proposers at the start of October 2020 in readiness for assessment at October 2020's Panel.

### New Modifications

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Two new Modification Proposals were presented for consideration.

#### **CMP348 'Housekeeping Modification to insert Exhibit Y into the CUSC following implementation of CMP323 and amend numbering in Section 6**

This Modification seeks to:

- Insert Exhibit Y (EBGL Mapping Table) into the CUSC following the implementation of CMP323; and
  - Rectify the numbering within Section 6, Paragraph 6.11 (Nuclear Installations).
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The Panel unanimously agreed that CMP348 met the Self Governance and Fast Track criteria and agreed the modification should be implemented.

**CMP348** documentation can be located via the following link:

<https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/housekeeping-1>

### **CMP349 ' Housekeeping Modification to amend Section 11 of the CUSC as a result of CMP320'**

On 9 July 2020, the Authority approved CUSC Modification CMP320 'Island MITS Radial Link Security Factor'. Within the decision letter, the Authority noted that the definition of 'Identified Onshore Circuit' is not defined within Section 11 (Interpretations and Definitions) and as such, a housekeeping modification should be raised to insert this new definition. This Fast Track Self-Governance Modification seeks to add the definition of 'Identified Onshore Circuit' within Section 11 (Interpretations and Definitions) of the CUSC.

The Panel unanimously agreed that CMP349 met the Self Governance and Fast Track criteria and agreed the modification should be implemented.

**CMP349** documentation can be located via the following link:

<https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/housekeeping-0>

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## **New / Pending Authority Decision**

Ofgem advised that they have made decisions on the following since June Panel:

- **CMP337/338** Original was approved 3 July 2020 and will be implemented 1 April 2024;
- **CMP303** was rejected 3 July 2020. The Authority determined that, given the approval of CMP337/CMP338, CMP303 and its alternatives would be unnecessary and inefficient;
- **CMP320** Original was approved 9 July 2020 and will be implemented 1 April 2021;
- **CMP350** was granted an urgent timeline on 21 July 2020; and
- Ofgem confirmed via letter that **CMP306** should have 1 April 2021 Implementation Date rather than 30 October 2020.

Ofgem had no further update on other Modifications that are currently awaiting their decision:

- **CMP292** decision was expected 20 September 2019 but this has been de-prioritised. Timescales on an Ofgem decision to be advised in summer 2020; and
- **CMP280** decision will be made at same time as CMP334 as CMP280 will be superseded by CMP334 (which defines Final Demand).

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## **In flight Modifications**

Please refer to latest Modification Tracker for an update on each in flight Modification. This is published monthly at <https://www.nationalgrideso.com/industry-information/codes> and will be published on 7<sup>th</sup> of the following month or the next working day thereafter.

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## Draft Final Modification Reports

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### **CMP317/CMP327 – Identification and exclusion of Assets Required for Connection when setting Generator TNUoS charges (CMP317) and Removing the Generator Residual from TNUoS Charges (TCR) (CMP327)**

CMP317 seeks to ensure that average generator transmission charges set under the CUSC methodology did not fall below the €0-2.50/MWh range stipulated in EU regulation 838/2010 (The Limiting Regulation). CMP327 seeks to change the TNUoS Charging Methodology such that the Residual element of Generator TNUoS is £0.

The CUSC Panel recommended by majority that, of the Original and WACMs 1 – 83, the following better facilitated the CUSC Objectives than the Baseline:

WACMs 7, 8, 14, 15, 49, 50, 52, 53, 56, 57, 59, 60, 70, 71, 73, 74, 77, 78, 80 and 81

Final Modification Report to be sent to Ofgem on 13 August 2020.

**CMP317/CMP327** documentation can be located via the following link:

<https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/cmp317-cmp327>

### **CMP339 - Consequential changes for CMP317/327 (TCR)**

CMP339 sought to allow the CMP317/327 Workgroup to develop the appropriate definitions needed for the Original and any alternative Proposals and any other changes outside of Section 14 as appropriate.

The CUSC Panel recommended by majority that the Original and all WACMs 1- 23 better facilitated the CUSC Objectives than the Baseline. Final Modification Report to be sent to Ofgem on 13 August 2020.

**CMP339** documentation can be found via the following link:

<https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/cmp339>

### **CMP324/CMP325 – Generation Zones – changes for RIIO-T2 (CMP324) and Rezoning – CMP324 expansion (CMP325)**

The CUSC requires that generation zones, used for Transmission Network Use of System (TNUoS) tariff setting, are reviewed at the start of each price control period. CMP324 and CMP325 seek to change the zones and the underlying methodology used to establish them. CMP325 was raised to widen the defect of CMP324.

The CUSC Panel recommended by majority that the Original, WACM1 and WACM3 better facilitated the CUSC Objectives than the Baseline. However, the CUSC Panel recommended by majority that

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WACM2 did not better facilitate the CUSC Objectives than the Baseline. Final Modification Report to be sent to Ofgem on 13 August 2020.

**CMP324/CMP325** documentation can be located via the following link:

<https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/cmp324-cmp325>

### **CMP334 - Transmission Demand Residual - consequential definition changes (TCR)**

As per the Authority's Targeted Charging Review (TCR) SCR direction, the Demand Residual is to be applied only to 'Final Demand' on a 'Site' basis. CMP334 seeks to define these terms in a manner which is consistent with DCUSA Change Proposal 359

The CUSC Panel unanimously recommended that the Original and by majority that WACM1 better facilitated the CUSC Objectives than the Baseline. Final Modification Report to be sent to Ofgem on 13 August 2020.

**CMP334** documentation can be found via the following link:

<https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/cmp334>

### **CMP333 ' BSUoS – charging Supplier Users on gross demand (TCR)'**

The Authority has published a Direction requiring ESO to raise CUSC Modification Proposals to give effect to the TCR Decision. This Modification Proposal will give effect to their decision to levy BSUoS to Suppliers on a gross volumetric basis.

The CUSC Panel noted that a respondent to the Code Administrator Consultation had proposed changes to the CMP333 legal text. The CUSC Panel were asked to consider, under CUSC 8.23.4 if these were typographical or not. The CUSC Panel unanimously agreed that some of these changes were not typographical and therefore directed (under CUSC 8.23.4(ii)) the CMP333 Workgroup to assess these changes. The CUSC Panel also unanimously agreed that, once the CMP333 Workgroup have agreed the legal text, a further Code Administrator Consultation would be run for 5 working days with the scope limited to the proposed changes to the CMP333 legal text.

CMP333 documentation can be found via the following link:

<https://www.nationalgrideso.com/codes/connection-and-use-system-codecusc/modifications/cmp333-bsuos-charging-supplier-users-gross>

### **CMP342 'Clarification of VAT for Securities in the CUSC'**

CMP342 seeks to clarify, and confirm the position that NGESO has always applied, that when calculating the amount Users are required to secure under the CUSC, the amount of applicable Value Added Tax is to be included.

The CUSC Panel had unanimously agreed that CMP342 should follow the self-governance route and proceed to Code Administrator Consultation. However, prior to undertaking the vote on whether or not

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to implement CMP342, Code Admin shared that there had been a challenge on material impacts of the proposed change from a respondent to the Code Administrator Consultation. The Panel is considering the appropriate governance route and will decide on the final outcome at its meeting at the end of August.

**CMP342** documentation can be located via the following link:

<https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/cmp342>

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## Workgroup Reports

### **CMP350 - Changes to the BSUoS Covid Support Scheme**

CMP350 seeks to change the Covid BSUoS Support Scheme introduced by CMP345 by:

- Reducing the current £15/MWh cap to £5/MWh;
- Extending its application from 31 August 2020 to 30 September 2020; and
- Introducing a limit of £100m for the amount of deferred Covid related BSUoS costs.

Seven other solutions have been developed by the CMP350 Workgroup, which build on the CMP350 original proposal by varying either the BSUoS price cap or the expiry date of the current Covid BSUoS Support Scheme.

The CUSC Panel unanimously agreed that CMP350 had met its Terms of Reference and could proceed to Code Administrator Consultation. Code Administrator Consultation was issued on 31 July 2020 and closes 5pm on 4 August 2020.

**CMP350** documentation can be located via the following link:

<https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/changes-bsuos>

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## Questions or feedback?

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