

Minutes

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| Meeting name | CUSC Modifications Panel |
| Meeting number | 156 |
| Date of meeting | 29 November 2013 |
| Location | National Grid House, Warwick |

Attendees

| Name | Initials | Position |
|----------------|----------|---|
| Mike Toms | MT | Panel Chair |
| Emma Radley | ER | Panel Secretary |
| Alex Thomason | AT | Code Administrator |
| Lesley Nugent | LN | Authority Representative |
| Ian Pashley | IP | National Grid Panel Member |
| Patrick Hynes | PH | National Grid Panel Member |
| Paul Jones | PJ | Users' Panel Member |
| Kyle Martin | KM | Users' Panel Member |
| Michael Dodd | MD | Users' Panel Member |
| James Anderson | JA | Users' Panel Member (by teleconference) |
| Garth Graham | GG | Users' Panel Member (by teleconference) |
| Simon Lord | SL | Users' Panel Member (by teleconference) |
| Paul Mott | PM | Users' Panel Member |
| Bob Brown | RH | Consumers' Panel Member |
| David Kemp | DK | ELEXON (by teleconference) |
| Adelle Spouge | ASp | National Grid (part meeting) |
| Sally Lewis | SL | National Grid (part meeting) |

Apologies

| Name | Initials | Position |
|-------------|----------|--------------------------|
| Abid Sheikh | AS | Authority Representative |

All presentations given at this CUSC Modifications Panel meeting can be found in the CUSC Panel area on the National Grid website:

<http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/Panel/>

1 Introductions/Apologies for Absence

3732. Introductions were made around the group. Apologies were received from AS.

2 Approval of Minutes from the last meeting

3733. The minutes from the last meeting held on 25 October 2013 were approved, subject to minor changes and are available on the National Grid website.

3 Review of Actions

3734. **Minute 3715:** PJ to forward information on GSR016 to LM for circulation to Panel Members. **Complete.**

3735. **Minute 3717:** LM to update and circulate CMP222 Terms of Reference. **Please see Item 5.**

3736. **Minute 3717:** Ofgem to respond to Workgroup via Ofgem Workgroup representative on the interconnector / generator classification issue. **Complete.**
3737. **Minute 3718:** LM to update and circulate CMP223 Terms of Reference. **Complete.**
3738. **Minute 3719:** Ofgem to clarify the CMP224 issue in respect to procuring a legal opinion. CMP224 Workgroup Chair to report back to the CUSC Panel on above issue. **Please see item 5.**
3739. **Minute 3728:** LM to feed back comments to ElectraLink regarding review of the CACoP. **Complete.**
3740. **Minute 3729:** LM to review KPI information. **Complete.**

4 New CUSC Modification Proposals

3741. **CMP225 – Consequential Changes following implementation of the Third Package and other miscellaneous changes.** ER presented on the background and details of this modification. This has been raised by National Grid Electricity Transmission and seeks to amend the CUSC to enable the Authority to raise modifications to the CUSC that it considers necessary to comply with or implement the Electricity Regulation and/or any relevant legally binding decisions of the European Commission and/or the Agency (ACER).
3742. GG queried the wording in the Proposal with regard to ‘Electricity Regulation/s’ and ‘European Regulation’. ER confirmed that it should refer only to ‘Electricity Regulation’ throughout and that this related to Directive 714/2009 of the European Parliament. ER confirmed that this would be made clear in the subsequent reports.
3743. The Panel agreed that CMP225 should be developed by a Workgroup through the Standard CUSC Modification process. The Panel were happy that a joint Workgroup is formed with the BSC in order to assess both the new CUSC Proposal and the like for like BSC Modification proposal P298. The Ofgem Representative, on behalf of the Authority, exempted CMP225 from the Significant Code Review on Electricity Balancing. ER advised that P298 had been raised and would be presented to the BSC Panel on 12 December 2013.

5 Workgroup / Standing Groups

3744. **CMP222 – User Commitment for Non-Generation Users.** PH advised that CMP222 was progressing well and that the Workgroup Consultation was near completion. PH advised that the Terms of Reference had been updated following the CUSC Panel’s agreement at the last meeting. ER advised that she would ensure that the updated Terms of Reference are made available on the National Grid website.
3745. PH advised the Panel that the current timescales for CMP222 meant that the consultation would be circulated on the lead up to Christmas, and that discussions on a possible Workgroup Alternative CUSC Modification (WACM) had also stretched the timescales. GG noted that a consultation on Electricity Market Reform (EMR) was due to close on the same day as CMP222 was currently scheduled to close and that this would place a strain on the industry, particularly with the EMR consultation being a key stakeholder issue. The CUSC Panel agreed that a one month extension to CMP222 would be appropriate. Therefore, the CMP222 Workgroup Report will be presented to the CUSC Panel at their meeting on 28 February 2014.

3746. **CMP223 – Arrangements for Relevant Distributed Generators under the Enduring Generation User Commitment.** PH advised the Panel that the Workgroup meetings for CMP223 were currently running behind as extra meetings had been required in addition to the original schedule. PH advised that the Workgroup was currently working on a way to solve the issues in the Proposal, and that a WACM may be required which will take additional time. PH requested a one month extension but noted that another extension may be required in the near future. The CUSC Panel agreed to a one month extension for CMP223. The CMP223 Workgroup Report will be presented to the CUSC Panel at their meeting on 28 February 2014.
3747. **CMP224 – Cap on the Total TNUoS Target Revenue to be recovered from Generation Users.** Further to the action recorded at the last Panel meeting, PH informed the Panel that National Grid legal advice had been presented to the Workgroup for information. Ofgem had clarified that they would seek their own legal advice prior to making a decision on the Proposal. The Panel had a discussion around excluding local charges for spur circuits and also retaining the status quo. PH advised that the option of removing spurs will not be the only option presented to Ofgem – all options will be considered and detailed in the Consultation and in the Final Report presented to Ofgem.
3748. PH requested a one month extension to the CMP224 timetable to allow for a longer consultation over the Christmas period. The Panel agreed to the extension. The CMP224 Workgroup Report will now be presented to the February 2014 CUSC Panel meeting.
3749. **Governance Standing Group (GSG).** GG advised that there had not been a GSG meeting recently and the next one is scheduled for January 2014. GG noted that members of the GSG may join the CMP225 Workgroup as it related to governance.
3750. **Joint European Standing Group (JESG).** GG advised that the JESG had last met on 16 October 2013 and had discussed some of the key stages in the European Network Codes. GG advised that the Requirement for Generators Code had started its comitology process and also that the HVDC Code was currently out for consultation and closes on 7 January 2014. GG added that a workshop was being held on 4 December 2013 in Brussels and that a 2 day technical workshop was taking place on 11 and 12 December 2013 at ELEXON'S offices in London. GG advised the Panel that a Workshop on the Capacity Allocation and Congestion Management Code (CACM) was being held on 17 December 2013 straight after the JESG meeting.
3751. GG referred to the updated JESG Terms of Reference that had been circulated to the Panel. GG noted that the main change was to allow for the remit of JESG to be extended and to take account of the new European Code Coordination Application Forum (ECCAF). PM raised the point that the invite to take part via teleconference had been removed from the new Terms of Reference. ER responded that this was not to say that dialling into the meetings was not allowed, but that it was not encouraged as, due to the nature of the meeting, it was difficult to take part via teleconference. The Panel approved the updated Terms of Reference.
3752. GG gave an update on the ECCAF meeting and noted that it was looking at the pros and cons for a criteria of implementing the changes to the codes. PM asked if there was a chance that JESG and ECCAF would overlap, to which IP responded that ECCAF is a high level strategic meeting made of up various Panel Representatives, whereas the JESG allows for industry discussion on the detail of the codes. PJ asked if ECCAF is more about the process for implementing the codes, and IP noted that there is a process element, but that it is essentially making sure that everything is covered off. IP added that the output of the group will be reported to Ofgem and

DECC's Stakeholder meetings. MD noted that it is important for the ECCAF Chair to ensure that there is no duplication of work.

3753. **Transmission Charging Methodologies Forum (TCMF).** PH advised that the TCMF had been held on 13 November 2013. The main items that had been discussed were the Statement of Works application process with regard to changing the process for connecting embedded generation. PH advised that National Grid were seeking a letter of comfort from Ofgem to remove Statement of Works for small embedded generation. The group also discussed the production of indicative TNUoS charges for 2014/15 and indicative Annual Load Factors under CMP213 (Project Transmit TNUoS Developments) WACM 2, which the Authority are currently minded to approve. PH gave an update to the Panel on the current embedded charging review and advised that a report would be published in December with an 8 week consultation period, after which the next steps on how to progress this issue would be determined. The next meeting is scheduled for 15 January 2014.
3754. SL asked LN when a determination on CMP213 would be made. LN advised that CMP213 is still under consideration and no further information on the timeline is available at this stage. SL advised that a decision needs to be made before tariffs are published.
3755. **Commercial Balancing Services Group (CBSG).** ER advised that the CBSG scheduled for 5 December 2013 had been cancelled and that the next meeting is scheduled for 15 January 2014. SL added that he had attended the last CBSG meeting and that the main piece of work is on Fast Frequency Response and that a consultation on the issue is currently out and due to close on 13 December 2013.
3756. **Balancing Services Standing Group (BSSG).** ER advised that the BSSG scheduled for 5 December 2013 had been cancelled and that the next meeting is scheduled for 15 January 2014 adjacent to the CBSG.

6 European Code Development

3757. The Panel noted the information circulated previously by Ofgem regarding EU Developments.

7 CUSC Modifications Panel Vote

Determination Vote

3758. **CMP219 – CMP192 Post Implementation Clarifications.** ER presented on the background and key points of CMP219 and the process that had been followed. The Panel voted unanimously that CMP219 better facilitates the Applicable CUSC Objectives and so should be implemented. The details of the vote are below:

| Panel Member | Better facilitates ACO (a) | Better facilitates ACO (b)? | Better facilitates ACO (c)? | Overall (Y/N) |
|--------------|---|---|-----------------------------|---------------|
| Michael Dodd | Yes, it improves the application of the User Commitment Rules. | Yes, it removes ambiguity and the scope for distortion and possible discrimination. | Neutral. | Y. |
| Simon Lord | Yes, as above. | Yes, as above. | Neutral. | Y. |
| Garth Graham | Yes, as above plus it clarifies industry understanding. | Yes, as above. | Neutral. | Y. |
| Paul Mott | Yes, it corrects errors from CMP192 and removes redundant text, making it more efficient. | Yes, it ensures fairer treatment. | Neutral. | Y. |

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|----------------|--|---|----------|----|
| James Anderson | Yes, it corrects errors and improves clarity so therefore better facilitates the arrangements. | Yes, by clarifying the arrangements. | Neutral. | Y. |
| Patrick Hynes | Yes, it improves clarity and understanding. | Yes, it removes ambiguity and discrimination. | Neutral. | Y. |
| Paul Jones | Yes, as above. | Yes, as above. | Neutral. | Y. |
| Bob Brown | Yes, as above. | Yes, as above. | Neutral. | Y. |
| Kyle Martin | Yes, it is more efficient. | Yes, it clarifies the arrangements in Section 15. | Neutral. | Y. |

3759. As CMP219 is following the Self – Governance process, the Appeal Window opened on 29 November 2013 and closes on 20 December after which, pending any appeals, CMP219 will be implemented on 9 January 2014.

3760. GG noted that a summary of the Code Administrator Consultation responses had not been included in the Final Report. ER responded that this was due to there only being 3 short responses received, but that a summary could be included for ease of reference.

Action: ER to provide summary of Code Administrator Consultation responses in CMP219 Final Report.

Recommendation Vote

3761. **CMP221 – Interruption compensation in the absence of market suspension during a partial shutdown.** ER presented on the background and key points of CMP221 and the process that had been followed.

3762. ER advised the Panel that it had been highlighted yesterday that a response which had been sent in relation to CMP221 had not been received and therefore not included in the draft report. ER advised that this response had been generally supportive of CMP221, and that the Proposer had spoken directly to the respondent to clarify other issues. ER advised that discussions had also taken place with Ofgem regarding providing further clarification in the report on the compensation arrangements, particularly to make it clear that the arrangements also apply to interconnectors. ER suggested that the additional response and the clarifications could be included in the Final Report which would be circulated to the Panel prior to sending to Ofgem for a decision. The Panel agreed with this approach.

3763. The Panel voted unanimously that CMP221 better facilitates the Applicable CUSC Objectives and so should be implemented. The details of the vote are below:

| Panel Member | Better facilitates ACO (a) | Better facilitates ACO (b)? | Better facilitates ACO (c)? | Overall (Y/N) |
|---------------------|-----------------------------------|------------------------------------|------------------------------------|----------------------|
| Paul Jones | Neutral. | Yes, it removes ambiguity. | Neutral. | Yes. |
| Michael Dodd. | Neutral. | As above. | Neutral. | Yes. |
| Simon Lord | Neutral. | As above. | Neutral. | Yes. |
| Garth Graham | Neutral. | As above. | Neutral. | Yes. |
| Paul Mott | Neutral. | As above. | Neutral. | Yes. |
| James Anderson | Neutral. | As above. | Neutral. | Yes. |
| Ian Pashley | Neutral. | As above. | Neutral. | Yes. |
| Paul Jones | Neutral. | As above. | Neutral. | Yes. |
| Bob Brown | Neutral. | As above. | Neutral. | Yes. |
| Kyle Martin | Neutral. | As above. | Neutral. | Yes. |

3764. The Final Report is due to be sent to the Authority on 12 December 2013 and if approved, will be implemented on 31 March 2014 in line with BSC Modification P276.

8 CMP213 Review

3765. ASp presented on the review of the CMP213 Workgroup process that had been carried out by National Grid. ASp explained that this was an internal review, and that feedback had been requested from Workgroup Members in order to identify what worked well, and what could be done better in the future for a modification of this scale. ASp went through the positive and negative feedback and the actions that had been compiled as a result. On the issue of who can chair a Workgroup meeting, GG noted that there is an issue finding someone with the appropriate knowledge for complex charging topics such as CMP213, and that they would have to ensure that they are impartial if they work for a party that stands to gain financially from the proposal. BB highlighted that there have been non-National Grid Chairs in the past, and the process is robust enough to ensure that there is no bias. PJ added that one of the strengths of the CUSC Panel is that it is flexible and always acts appropriately. MT concluded that it is sensible to remain open minded about who can chair a CUSC Workgroup and have a discussion at the relevant Panel meeting to decide on the best course of action. MD felt that there is a sufficient pool of people available to chair a Workgroup.
3766. The Panel then had a discussion about Workgroup Members and whether it is helpful to have academics on such a group. It was noted that Workgroup Members have to be nominated by a CUSC Party. However, the Workgroup Chair has the ability to invite people to attend, and could therefore invite an academic if appropriate. Some Panel Members noted that there is a question around funding. MD pointed out that there is a big difference between being nominated to attend by a CUSC Party, and being invited to attend by the Workgroup Chair.
3767. ASp moved on to looking at comments that had been received regarding splitting up future Workgroups into smaller groups to assess different issues, such as methodology, implementation etc. MD noted that this would be difficult, as all the various aspects overlap. PJ agreed with this point and GG added that previous experience with this suggested that it did not work well.
3768. The Panel then moved on to discussing the size of Workgroup. PM felt that more discipline was required on the number of Workgroup members. MT asked if there was scope for the Panel to set a maximum number of members. MD suggested that the Trade Association could be approached to request a certain number of Workgroup Members that represent the various industry groups, and that this approach had been used in the past by Government and had worked well. GG commented that the Panel has the right to determine Workgroup Membership. MD suggested that the Panel could filter the selection that had been recommended by the Trade Association. BB noted that many parties are not members of the Trade Association. MT concluded that for future modifications such as CMP213, we should ensure that the Panel makes a structured decision on Workgroup Membership.
3769. PM raised an issue with the modelling on CMP213, in that the results of the modelling came out 1 day prior to the vote, and that it contained errors. PH advised that if modelling is to be part of any Workgroup process, then a significant amount of extra time needs to be added to the timetable at the beginning of the process to allow for this work. LN added that as a general rule, and not specific to CMP213, there may be a need for the Workgroup to carry out analysis, and also for Ofgem to carry out an Impact Assessment.

3770. In regard to the timescales for CMP213, PH highlighted that 4 months is not sufficient if there is any analysis that needs to be done. PH expressed a concern that the timescales outlined in the CUSC are not realistic for proposals such as CMP213, and puts the group under unreasonable pressure. AT reminded the Panel that the four month Workgroup timescale in the CUSC was written prior to charging proposals being part of the CUSC Modification process. BB felt that timetables should be ambitious but realistic. PH suggested that the GSG consider CUSC timescales as part of their Terms of Reference. AT advised that the Panel have the right to set timescales, and rather than raising a modification to change the CUSC timescales, the Panel can have a more detailed discussion when considering the timelines for new modifications. AT suggested looking through the KPIs to see if charging modifications have taken longer than standard modifications.

Action: Check KPIs for differences in timescales for Standard versus Charging Modification Proposals.

3771. MT asked PH how Ofgem's engagement had been on CMP213. PH responded that it had been very positive, and that the Ofgem Representative had attended all meetings and had provided useful input.

3772. ASp noted that issues had been raised as to the best way of sharing files online, as some of the files were very large and not suitable to send by email, but that system security presented a problem when using social network sites to share files. GG asked if the files shared with CMP213 Workgroup via the social network site would remain available and Asp indicated they would be unless deleted by National Grid as administrator of that social network account.

9 Authority Decisions as at 21 November 2013

3773. The Panel noted that the Authority had approved **CMP220 Code Governance Review (Phase 2) – Fast Track Self-Governance and Objection Process** on 19 November 2013. This will be implemented on 3 December 2013.

3774. MT asked LN if there was an update on CMP201 (Removal of BSUoS Charges from Generation). LN advised that the Impact Assessment had been published on 8 November for an 8 week period and was due to close on 16 January 2014. LN noted that the currently Authority minded to position is to reject CMP201, but that they are aiming to make final decision in the first quarter of 2014. GG noted that a decision late in quarter 1 of 2014 would make the implementation options very tight, and an earlier decision would be helpful.

9 Update on Industry Codes / General Industry updates relevant to the CUSC

3775. PH advised that an open letter on the interim interconnector connection process had been published on 28 November 2013¹ and the deadline for responses is 9 January 2014. GG noted a concern in the letter regarding retrospective application and felt that there should be a role for Ofgem in that regard.

3776. SL highlighted that National Grid is consulting on a new product – Supplemental Balancing Reserve as new balancing services. SL noted that the issue is around plant which may or may not have Transmission Entry Capacity (TEC) being allowed access on the system, which SL felt was not appropriate and that Ofgem are currently running an Impact Assessment on this subject. MD agreed with these concerns, as did GG. PH highlighted that an email had just been circulated by National Grid to advise that

¹ <http://www2.nationalgrid.com/uk/services/electricity-connections/policies-and-guidance/>

the C16 Report is available on the National Grid website² for respondents to refer to when responding to Ofgem's Impact Assessment which closes on 6 December 2013.

10 AOB

3777. There was no AOB.

11 Next Meeting

3778. The next meeting will be held on 20 December 2013 at National Grid House, Warwick.

² <http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/Balancing-framework/C16-Consultations/>