

Minutes

Meeting name	CUSC Modifications Panel
Meeting number	160
Date of meeting	28 March 2014
Location	National Grid House, Warwick

Attendees

Name	Initials	Position
Mike Toms	MT	Panel Chair
Jade Clarke	JC	Panel Secretary
Alex Thomason	AT	Code Administrator
Abid Sheikh	AS	Authority Representative
Patrick Hynes	PH	National Grid Panel Member
Bob Brown	BB	Consumers' Panel Member
James Anderson	JA	Users' Panel Member
Simon Lord	SL	Users' Panel Member
Garth Graham	GG	Users' Panel Member
Paul Jones	PJ	Users' Panel Member
Paul Mott	PM	Users' Panel Member
Kyle Martin	KM	Users' Panel Member
Michael Dodd	MD	Users' Panel Member
Julian Leslie	JL	National Grid Presenter

Apologies

Name	Initials	Position
Ian Pashley	IP	National Grid Panel Member
David Kemp	DK	ELEXON

Alternates

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

<http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/CUSC/Panel-information/>

1 Introductions/Apologies for Absence

3899. Introductions were made around the group.

2 Approval of Minutes from the last meeting

3900. The minutes from the last meeting held on 28 February 2014 were approved subject to changes and are available on the National Grid website.

3 Review of Actions

3901. **Minute 3860: AS to consider whether the Panel should consider UK or European customers in its competition consideration under the Applicable CUSC Objectives for CMP227 – Complete**

3902. AS stated that this had been discussed with colleagues. When a CUSC Modification progresses to Panel vote, the Panel need to consider how existing and future GB consumers may be Affected when considering the impact on competition of the Modification. Ofgem would also welcome views from the Panel on the impact on EU competition and any evidence or analysis provided on interaction with European Developments.
3903. **Minute 3882: JC to reflect with the BSSG and CBSG about the frequency of meetings and discuss whether this should be changed** – Complete
3904. JC stated that this had been discussed with the BSSG and CBSG Chair who considers the meetings to be held too frequently, therefore not allowing adequate time for the more complex issues currently under consideration. The issue of whether a review of meeting dates is needed will be raised at the next BSSG and CBSG meetings.
3905. **Minute 3886: JC to gather information on; 1) Value of rejected claims, 2) Administrative cost of processing claims and 3) Review of the claims process within National Grid, to be presented to the March Panel meeting** – Complete / Covered under Agenda item 4.
3906. **Minute 3890: AT to review objections criteria in the Transmission Licence and circulate note of objections to the Panel** – Complete
3907. **Minute 3893: AS to check whether two representatives would be needed at the CUSC Panel for Citizens Advice and Citizens Advice Scotland** – Complete
3908. AS clarified that Consumer Futures is being absorbed by Citizens Advice and that there is currently a Consumer Futures help unit based in Scotland which will be absorbed by Citizens Advice Scotland. AS noted that there is currently only one consumer representative on the CUSC Panel, and that the ability to appoint that representative now falls to Citizens Advice and Citizens Advice Scotland and if it is decided by the two bodies that there should be two consumer representatives on the CUSC Panel, it would be up to them to raise a CUSC Modification to make this change.
3909. AT stated that the National Consumer Council would be abolished on 1 April 2014 and the licence change comes into effect on 22 April 2014, therefore Citizens Advice and Citizens Advice Scotland would need to make a decision on Panel representation soon. AT also mentioned that the Code Administrator would expect to raise a CUSC Modification to change ‘National Consumer Council’ to ‘Citizens Advice and Citizens Advice Scotland’ in due course.
3910. AS noted that a Modification to change the names of the bodies in the CUSC would not address the wider issue of Panel representation, although Panel representation would be up to Citizens Advice and Citizens Advice Scotland to decide from April. BB asked whether any CUSC modification could be progressed quickly, for example by using the Consent to Modify process, whereby Ofgem approve the change without the need to raise a Modification Proposal. MT asked AS whether he thought this would be possible.
- Action: AT to discuss with Consumer Futures and Ofgem the best way to take forward a CUSC Modification to change the names of the bodies, including the possibility of using the Consent to Modify process.**
3911. The Panel agreed to MT’s suggestion that Ofgem be encouraged to keep in contact with Citizen’s Advice and Citizens Advice Scotland on this so that there is

representation on the CUSC Panel, especially considering current Modifications such as CMP227 'Reduce the G:D split of TNUoS charges, for example to 15:85'. The Panel noted that the same issue of Panel representation for consumers would also affect the DCUSA Panel.

Action: AS to monitor situation as Ofgem, and keep in touch with Citizens Advice to encourage progression on this issue.

Post-meeting update: AS can confirm that Ofgem has contacted Citizens Advice and Citizens Advice Scotland regarding contact details for notification to them of future licence modification made by Ofgem and not specifically with regard to consumer representation on code panels. Ofgem has brought consumer representation on code panels to the attention of BIS (Department for Business, Innovation and Skills).

4 **CMP212 'Setting limits for claims: submission, validation, and minimum financial threshold values in relation to Relevant Interruptions'**

3912. JL noted that there was a requirement on the CUSC Panel under CMP212 to annually review the minimum threshold (currently set at £1) of Relevant Interruption claims received in the previous reporting year. JL referred to the action given in the previous Panel meeting 'JC to gather information on; 1) Value of rejected claims, 2) Administrative cost of processing claims and 3) Review of the claims process within National Grid'. With reference to 1) and 2), JL stated that there had only been four claims submitted in 2013 (not including ones submitted relating to interruptions before 2013) and that the majority of work is done assessing the validity of the claim and calculating the value of the claim. Therefore, JL did not believe it was necessary for the Panel to review the minimum threshold at this time, although if the amount of claims increases significantly in future years the minimum threshold could be reviewed.
3913. The CUSC Panel agreed that there was no need for the minimum threshold to be increased at this time.
3914. JL stated that currently few claims go beyond the 60 day limit set out within the CUSC due to the Scottish TOs not having the same obligations with regard to timescales. GG noted that when CMP211 and CMP212 were progressed through the CUSC change process the possibility of a consequential STC change was not identified. JL suggested that a change to the STC to introduce the same obligations established under CMP212 would be beneficial for National Grid's claims process as it would require the Scottish TOs to abide by the same timescales currently stated within the CUSC. The Panel were supportive of this proposed solution and encouraged National Grid to raise a STC Modification.

5 **New CUSC Modification Proposals**

3915. There were no new CUSC Modification Proposals this month.

6 **Workgroup / Standing Groups**

3916. **CMP222 'User Commitment for Non-Generation Users'**. PH presented the Workgroup report for CMP222, explaining that it seeks to introduce enduring User Commitment arrangements for sites where there is an offtake of electricity from the transmission system (excluding generation site supplies), specifically interconnectors, Distribution Network Grid Supply Points and directly connected

loads. PH presented the background to the CMP222 Modification and stated that there were four responses to the Workgroup Consultation with the majority of respondents supporting CMP222, with some concerns over interconnectors and whether they should be considered as transmission or generation. Five out of eight Workgroup members voted that WACM1 (where interconnectors are exposed to User Commitment) best facilitates the Applicable CUSC Objectives. The Workgroup suggested an implementation date of 1 April 2015.

3917. GG stated that the Workgroup were mindful of at least two separate generation projects that may be built in the Republic of Ireland and connected directly to the GB system via dedicated interconnector links. MD noted that the status of these future links has not yet been determined by policy makers, and therefore the interaction with CMP222 may be difficult to determine at this time.
3918. The Panel accepted the Workgroup Report and agreed that the Workgroup had met its Terms of Reference. It was agreed that CMP222 should proceed to Code Administrator Consultation for 20 Working Days, to take into account Easter.
3919. AS stated that Ofgem will be doing an impact assessment on CMP222. The Panel noted that this could take up to six months to complete and could therefore come quite close to the April 2015 proposed implementation date.

Action: AS to make Ofgem colleagues aware of tight timescales around CMP222 impact assessment and implementation.

3920. **CMP223 ‘Arrangements for Relevant Distributed Generators under the Enduring Generation User Commitment’.** CMP223 seeks to address an unintended consequence of the application of CMP192 and related terms under Section 15 of the CUSC. As a consequence of the rules, the Proposer believes that distribution connected generators deemed to have an impact on the transmission network are faced with undue discrimination in the way that liability and security terms and conditions are set and how the sums are calculated and passed on. PH advised that that a member of the Workgroup had put forward another Workgroup Alternative CUSC Modification (WACM) and therefore the Workgroup were unable to vote in the meeting as planned. This meant that the Workgroup were unable to produce the Workgroup Report in time for the March CUSC Panel. PH referred to a note which had been sent to Panel members prior to the CUSC Panel detailing this issue. The CUSC Panel and Ofgem approved this one month extension for CMP223, which is now due to be presented at the CUSC Panel meeting on 25 April 2014.
3921. **CMP225 ‘Consequential changes following implementation of the Third Package and other miscellaneous changes’.** ER presented the Workgroup report for CMP225, which seeks to allow the Authority to raise Modification Proposals 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 ACER (the Agency for Cooperation of Energy Regulators). ER presented the background to CMP225 and stated that there were two responses to the Workgroup Consultation with both respondents agreeing with CMP225 and supportive of the implementation approach. The Workgroup proposed an implementation date of ten Working Days after Authority decision.
3922. AS referred to part of the Legal text for CMP225 and requested changes that minor clarification changes be made in addition to minor changes which were suggested by a Workgroup member. ER agreed to include these changes within the Legal text and agree this with the Workgroup prior to issuing the Code Administrator Consultation.

3923. The Panel accepted the Workgroup Report and agreed that the Workgroup had met its Terms of Reference. It was agreed that CMP225 should proceed to Code Administrator Consultation for 20 Working Days, to take into account Easter.
3924. **CMP227 'Reduce the G:D split of TNUoS charges, for example to 15:85'.** CMP227 seeks to change the split of total TNUoS charges between generation and demand from the current 27:73 to a lower share of charges for generators, suggested to be 15:85 which corresponds with the approach modelled under Project TransmiT. AT stated that the Workgroup has now been established and consists of 11 Workgroup members. The first Workgroup meeting is scheduled for Thursday 3 April 2014.
3925. **Governance Standing Group (GSG).** GG advised that there had been no GSG meeting this month and the Standing Group is next due to meet on 24 April 2014.
3926. **Joint European Standing Group (JESG).** GG advised that there had been no JESG meeting this month and the Standing Group is next due to meet on 15 April 2014.
3927. **European Code Coordination Application Forum (ECCAF).** GG stated that there had been an ECCAF meeting held on 27 March 2014 and that the Code Mapping Working Group (CMWG), an ECCAF subgroup, had been formed to consider the mapping of the location of the requirements from the European Network Codes into the GB Codes.

Action: JC to circulate the Code Mapping Working Group Terms of Reference to the CUSC Panel.

3928. GG stated that the CMWG had started working on mapping the Requirement for Generators (RFG) Code and had determined that the majority of RFG technical requirements map to the Grid Code and Distribution Code.
3929. GG stated that he had given a presentation at ECCAF on the future of GB Codes in light of the Network Codes and agreed to circulate this presentation to the CUSC Panel.

Action: GG to circulate presentation on the future of GB Codes to CUSC Panel.

3930. **Transmission Charging Methodologies Forum (TCMF).** PH advised that there was a TCMF on 19 March 2014 and gave an update on the discussions that had taken place. PH noted that National Grid's Embedded Generation Review Informal Consultation had closed and there was support for the discontinuation of the small generation discount (Transmission Licence Condition C13) in April 2016 and for improved treatment of exporting GSPs in the TNUoS Charging Methodology. National Grid aim to develop proposals on the treatment of exporting GSPs over the next few months. There was little support from the industry for a more fundamental review of Embedded Generation.
3931. PH noted that there was a presentation from British Gas on forecasts of TNUoS revenues under the RIIO T1 framework. National Grid expressed support for greater transparency and robustness in the forecast of TNUoS revenues and agreed to work with other TO's and present at a future TCMF to share how this can be improved.
3932. PH stated that when parties connect to the Transmission System, a date of connection is agreed and, sometimes, the applicant delays close to the connection date, leaving National Grid assets that have not been funded. This is sometimes referred to as "CEC before TEC". PH noted that there had been a discussion on

delay charges to target costs of delays to the correct parties, which would aim to cover the whole of GB. Views were sought from the TCMF and National Grid will be producing a letter on their website soon highlighting when they will take this forward.

3933. PH stated that there was discussion on Short Term Access and how this can be improved, most TCMF attendees agreed that timescales for notification were a problem. National Grid will review the views expressed and bring further developments to the next TCMF, possibly including a straw man of solutions.
3934. PH also mentioned that the TCMF regularly reviews the list of discussion topics for the TCMF and requests input from the industry on what they want to be considered. Currently 'BSUoS stability' is on the top of this list, National Grid have agreed to look into how they can progress something on this.
3935. **Commercial Balancing Services Group (CBSG).** JC advised that there had been no CBSG meeting since the last CUSC Panel meeting and that the next CBSG meeting on 23 April 2014 was due to be changed due to Easter.
3936. **Balancing Services Standing Group (BSSG).** JC advised that there has been no BSSG meeting since the last CUSC Panel meeting and that the next BSSG on 23 April 2014 was due to be changed due to Easter.

7 European Code Development

3937. There were no further comments to add to the document circulated with the Panel Papers.

8 CUSC Modifications Panel Vote

3938. There were no votes at this meeting.

9 Authority Decisions as at 12 December 2013

3939. No Authority decisions were received this month.
3940. **Delayed CMP213 decision:** AS stated that there was a further update letter for CMP213 'Project TransmiT TNUoS Developments' issued on 14 March 2014 detailing the delay to Ofgem's decision. Since December last year, Ofgem have been analysing evidence that was received in response to their CMP213 impact assessment. They have decided that the new analysis provided was substantial enough to consult again before they make their final decision. Therefore there will be a further four week consultation on CMP213. AS stated that Ofgem will also be running a workshop within the consultation period to explain the further analysis and invite views on the process and the consultation.
3941. In light of the additional analysis provided to Ofgem and in advance of the further consultation, MD questioned whether Ofgem's 'minded to' position was still to adopt WACM2. AS stated that at this time, the minded to position stays the same, although Ofgem maintain an open mind in light of any responses to the next consultation.
3942. **Update on CMP201 decision:** AS stated that a decision on CMP201 'Removal of BSUoS Charges from Generators' was currently delayed due to resourcing of work on CMP213, and Ofgem would now resume work on assessing the CMP201 impact assessment responses with a view to making a decision by early summer 2014. AT

asked AS if Ofgem could update the decision timetable on their website to aid clarity within the Industry.

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

3943. PH stated that there had been an email circulated to industry stakeholders, including CUSC Parties, about European Transparency Regulation for Balancing Services and a meeting was being held on 2 April 2014.

11 AOB

3944. **TEC Register:** GG asked if National Grid could give an update on when the TEC register would be published to show the recent annual TEC reductions. AT stated that the TEC register is updated and published on a weekly basis, usually on a Monday, and noted that the update that GG was referring to may be two weeks in arrears so urged GG to check the Monday after the Panel meeting for this. In response to a query by JA, PH confirmed that agreement to change a User's TEC should be recorded in the TEC Register within 5 Business Days of the completion of such a Bilateral Agreement.
3945. MD stated that the cells and formatting within the TEC register is often different week by week which makes it difficult for customers to run analysis off these spreadsheets. AT said that she will look into whether there could be some consistency provided with updates to the TEC register.
3946. **CMP228 'Definition of 'Qualified Bank'':** CMP228 seeks to make changes to the definition of 'Qualified Bank' to include 'trade credit insurance company', thereby increasing the number of prospective providers of security available to Users. At the February CUSC Panel, the Panel agreed for CMP228 to be considered as Self-Governance and should proceed directly to Code Administrator Consultation once National Grid had sought legal advice on the creditworthiness of a 'trade credit insurance company'. PH gave an update on the progress of CMP228 and stated that National Grid had sought this legal advice and have suggested that the words within the draft legal text should be widened to capture a range of parties and not just 'trade credit insurance company'. Once this has been agreed with the Proposer the Modification will be send out to Code Administrator Consultation.
3947. **Self Governance process:** MT raised the issue of Panel discussions on use of the Self-Governance route following the previous month's debate over progression of CMP228. MT advised the Panel that he would like Panel members to come to meetings prepared with their view of whether a new Modification Proposal meets the Self-Governance criteria before asking Ofgem for their view, as the CUSC Panel has an obligation to do this and it is important that the Panel's views are heard.

12 Next Meeting

3948. The next meeting will be held on 25 April 2014 at National Grid House, Warwick.