

Minutes

Meeting name	CUSC Modifications Panel
Meeting number	181
Date of meeting	18 December 2015
Location	Teleconference

Attendees

Name	Initials	Position
Mike Toms	MT	Panel Chair
Jade Clarke	JC	Panel Secretary
John Martin	JM	Code Administrator
Nikki Jamieson	NJ	National Grid Panel Member
Ian Pashley	IP	National Grid Panel Member
Cem Suleyman	CS	Users' Panel Member
Paul Mott	PM	Users' Panel Member
James Anderson	JA	Users' Panel Member
Simon Lord	SL	Users' Panel Member
Kyle Martin	KM	Users' Panel Member
Paul Jones	PJ	Users' Panel Member
Bob Brown	BB	Consumers' Panel Member
Abid Sheikh	AS	Authority Representative
Claire Kerr	CK	ELEXON
Damian Clough	DC	National Grid Electricity Transmission plc (CMP258 Proposer)

Apologies

Name	Initials	Position
Garth Graham	GG	Users' Panel Member

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

4886. Introductions were made around the group. Apologies from Garth Graham, who for the purposes of the CMP242 Recommendation vote passed his voting rights onto James Anderson.

2 Approval of Minutes from the last meeting

4887. BB questioned if there should be an action on National Grid under minute 4880 to give an update of their strategic position on reviewing TNUoS. IP noted that National Grid are keeping an eye on this and will provide an update if required. It was suggested that the National Grid report back to the CUSC Panel on this at the February CUSC Panel.

ACTION: NJ to provide update of National Grid's position on reviewing TNUoS.

4888. AS advised that Ofgem had published a letter on 17th December 2015 on Half-hourly settlement: the way forward which can be found on the Ofgem website:

<https://www.ofgem.gov.uk/publications-and-updates/half-hourly-settlement-way-forward>.

He noted that the proposed plan discussed in the letter relates to elective HH settlement and the ambition to achieve this by early 2017 for domestic and small business customers. There is also discussion in the letter about how to move to achieve mandatory HH settlement in the longer term. AS agreed to circulate the link to the letter to the Panel post-meeting.

4889. The minutes from the last meeting held on 27 November 2015 were approved subject to changes and are now available on the National Grid website.

3 Review of Actions

4890. **Minute 4855: GG will review at GSG with AS to see if some improvement can be made to (charging/CUSC objective) process.** GG was not in attendance at the meeting to give an update on Minute 4855, however AS noted that the next GSG meeting will be held in February 2015 and therefore this action would remain open until then.

4891. **Minute 4868: MT to brief alternate CUSC Panel Chair before 8th February meeting:** MT advised that the Alternate CUSC Panel is available to Chair the special CUSC Panel meeting on 8th February 2016 and will be briefed before the meeting.

4892. **Minute 4870: AS to discuss attendance to TCMF and CISG with Ofgem and report back at the next meeting.** AS noted that it has been agreed that an Ofgem representative would be attending both TCMF and CISG meetings in future. It was advised that the Ofgem representative guides the groups when making decisions.

4893. **Minute 4881: IP to review and report back at December CUSC Panel (questions on intertrips).** IP responded to the questions posed by GG following the November CUSC Panel meeting:

(i) Can intertrips be included in Bilateral Connection Agreements which are not those classified in terms of the 'Operational Intertrips (Categories 1 to 4)' as set out in the CUSC and Grid Code;

4894. IP noted that it needs to be clear here what is meant by intertrips. On the assumption that they would be system-to-generator operational intertrips, any such intertrip should fall into one of the categories 1 to 4 so that its terms and conditions were clear for all to see. Beyond that, intertrips would be expected to be pursued on a commercial basis. I wouldn't rule out the possibility that a generator intertrip might be included in a BCA that wasn't category 1-4, however he would expect the circumstances to be pretty unique for this to happen. Nothing springs to mind that might trigger this. Note that the CMP245/246 intertrips were purely related to remuneration for a One-off Charge that covered the installation of a system-to-system intertrip that, upon firing, would not actually disconnect the generator itself. Hence it could be argued that there is a wider access/charging issue to consider here regarding how such intertrips are paid for.

(ii) If so, under what terms and conditions is it allowable for such a non 'Operational Intertrip' Intertrip to be included in a BCA; and

4895. IP advised that such an intertrip may attract a 'One-off Charge' – he would not expect any other commercial terms and conditions to apply to its use. The BCA may contain operational provisions for the intertrip's use.

(iii) How are these terms and conditions for this non 'Operational Intertrip' Intertrip governed?

4896. IP noted that for true 'one-offs', necessary detail would be managed on a bilateral basis. Repeated use of similar provisions would likely warrant a review of that bilateral treatment.
4897. **Minute 4883: AS to provide feedback to the CUSC Panel as to why Ofgem had managed this process in this way.** AS noted that his colleagues are happy to talk to any party that have questions about the small generator discount. AS noted that the timing of the consultation on extending the discount was not ideal, however there were a few reasons for publishing this at the time including waiting for National Grid to publish their work on Exporting GSPs.

4 New CUSC Modification Proposals

4898. **CMP258 'Rewording of the legal text to align the CUSC with the intentions of CMP235/6'**
CMP258 was raised by National Grid Electricity Transmission plc and aims to amend the current CUSC legal text so that the full intention of previously implemented CMP235/6 can be achieved. It was suggested by the Proposer that CMP258 is considered as Self-Governance.
4899. DC presented CMP258 to the Panel explaining that following implementation of CMP235/6, it was noted that there were some typographical errors in the legal text associated with the Workgroup Alternative implemented (WACM3). A customer raised concerns that these errors may prevent future Interruption Payments when under the intention of CMP235/6 these should result in payment. Therefore to allay concerns, it was felt appropriate to deal with this as soon as possible through the modifications process.
4900. CMP258 aims to deal with the grey areas regarding Station Transformers within the legal text which were not dealt with via the previous fast-track modification CMP252. DC noted that the legal text currently refers to 'Station BM Units' in the BCA. A customer pointed out that in their BCA, their Import BM Units were not named 'Station BM Units' and that if their Import BM Unit was not called a 'Station BM Unit' this may result in an Interruption payment not being paid when it was intended to be under CMP235/6. DC also noted that an Import BM Unit may contain more than one Station Transformer and therefore an Import BM Unit may still be taking load when a Station Transformer may have been tripped resulting in an Interruption to Generation. Partial De-energisation of an Import BM Unit will not be considered under CMP258, as this can be dealt with by registering a separate BM Unit for each Station Transformer.
4901. CMP253 was raised to address the same defect; however following feedback from the Code Administrator Consultation responses and discussions with various parties, it was decided to withdraw CMP253 from the modifications process. DC noted that the issue regarding the naming of Import BM Units still remains but is not contentious and there is a difference in interpretation of what is meant and required by the words 'registered and associated'.
4902. The Panel recognised that there were clearly differing views in response to the CMP253 Consultation. DC noted that the contentious part of the modification has been removed so CMP258 should progress without too much discussion.
4903. The Panel agreed unanimously that CMP258 should be considered as Self-Governance. The Authority representative was also content with this decision. It

was agreed that CMP258 did not require a Workgroup and the Code Administrator should send it straight out to Code Administrator Consultation. PM questioned whether the modification could return back to the January CUSC Panel for vote under a shortened timescale, the Panel agreed that with the Christmas period, that it would not be possible to do this and have an effective consultation.

5 Workgroups / Standing Groups

4904. **CMP243 'a fixed Response Energy Payment option for all generating technologies'**

CMP243 aims to allow all generators, regardless of technology type, the option of choosing whether their Response Energy Payment (REP) is based on the current methodology or a fixed value suggested at £0/MWh. JC advised that CMP243 met on 7th December 2015 to discuss the responses received to the Workgroup Consultation. The Workgroup discussed the options which they previously considered as the Original and potential alternatives and agreed that the Original would be 'Baseload wholesale month ahead price' and all previous options discussed apart from 'Cap and collar' would become WACMs. So that's a WACM for 'Peak and offpeak wholesale month ahead price' and a WACM for 'Peak wholesale month ahead price'.

4905. The Ofgem representative at the Workgroup thought that the Workgroup Consultation was potentially lacking in analysis of the impact of the modification and encouraged the Workgroup to back up the three options put forward by providing further analysis. The Workgroup agreed to pull some analysis from the CMP237 report which is relevant and also complete further analysis.

4906. This will be provided prior to the next meeting in which they will aim to vote via teleconference. The Workgroup aim to report back to the January CUSC Panel, however this will be tight if the meeting is on the 8th January 2016, so there may be a possibility they may not make it. This is just due to having to wait until the 8th for availability and attempting to avoid clashing with other Workgroup meetings being held in the same week.

4907. **CMP244 'Set final TNUoS tariffs at least 15 months ahead of each charging year'**

CMP244 seeks to increase the length of the notice period for TNUoS tariffs (currently 2 months) to a suggested minimum period of 15 months. JC advised that the Workgroup met on 1st December 2015 to consider the comments made within the 20 responses received to the Workgroup Consultation. The Workgroup discussed the issue of not being able to obtain the information required for assessing the benefit of the modification due to confidentiality reasons to try and avoid the modification being sent back by the Authority. The Workgroup agreed to do more in depth analysis on the 6-8 month options rather than the previous 15 months. The Ofgem representative also agreed to check whether the Authority could potentially start an impact assessment prior to the Modification being submitted to help the Workgroup analyse the benefit of the modification. NJ encouraged parties to share information to allow the Workgroup get to a place where they can understand the benefit of this modification.

It was questioned whether Ofgem are happy with the Workgroup progression of this modification and their choice to conduct further analysis to understand the benefit. AS noted that there are some concerns around CMP244 however, they are comfortable with the Workgroup carrying out further work. It was noted that ultimately the Workgroup would rely on the Ofgem representative to let the Workgroup know if they have not discharged their objectives at the end of the

Workgroup process in order to avoid the modification from being sent back by the Authority.

4908. PM also noted that CMP244 will need a parallel STC modification and expressed concerns that the STC process may take longer than the CUSC process. PM asked NJ if this is still being planned to progress. NJ advised that it has been built into the timeline and that it is still being planned.
4909. **CMP249 'Clarification of Other Charges (CUSC 14.4) – Charging arrangements for customer requested delay and backfeed'**
CMP249 aims to include the principles underpinning the CEC before TEC policy within Section 14 of the CUSC, state the methodology for calculation and clarify in which situations this would be applied. JC noted that the CMP249 Workgroup Consultation is currently being drafted by the Workgroup and will hopefully be issued for Consultation over the next couple of weeks. National Grid will of course take into consideration the Christmas holidays and potentially hold back on issuing this until the New Year.
4910. **CMP250 'Stabilising BSUoS with at least a twelve month notice period'**
CMP250 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. JC advised at the last CUSC Panel meeting, the Workgroup were granted an extension to March 2016. The CMP250 Workgroup met on 3rd December 2015 and continues to develop the proposal. The Workgroup will meet again on the 7th January 2016 after the CMP244 Workgroup meeting which will take place in the morning to progress discussions on financing options, risk premium, risk margin, agree consultation questions and discuss potential alternatives. NJ advised that CMP250 is similar to CMP244 as the Workgroup are finding it difficult to demonstrate the benefits of the modification due to confidentiality of information.
4911. **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'**
CMP251 seeks to ensure that there is no risk of non-compliance with European Regulation 838/2010 by removing the error margin introduced by CMP244 and by introducing a new charging element to the calculation of TNUoS. JM noted that the draft Workgroup Consultation has been issued for Workgroup Review over the Christmas period and the Workgroup aim to send out their consultation in January 2016.
4912. **CMP254 'Addressing discrepancies in disconnection / de-energisation remedies'**
CMP254 aims to bring the CUSC in line with the DCUSA in regards to Supplier's rights under their Supply Contract and the Electricity Act 1989 to disconnect and indebted customer. JC noted that the Workgroup consultation closed 17th December 2015 and received five responses. The responses will be reviewed by the Workgroup on 5th January 2016 and will vote at the meeting scheduled for 8th January 2016.
4913. **CMP255 'Revised definition of the upper limit of Generation Charges in the charging methodology with removal of the reference to the 27% charging cap'**
CMP255 aims to remove the requirement for the generation allocation of costs to revert to 27% if the limits to generation charges imposed by European Commission Regulations no longer apply. JM noted that the Workgroup aim to send out their consultation in January 2016.

4914. **CMP256 ‘Potential consequential changes to the CUSC as a result of CMP244’**
 CMP256 proposes that any section of the CUSC outside of Section 14 is modified to reflect any changes to Section 14 deemed appropriate by the CMP244 Workgroup. JC noted that the CMP256 Workgroup Consultation has now closed and received two responses. The Panel was reminded that CMP256 is progressing alongside CMP244 and as the CMP244 Workgroup requested a one month extension to CMP244, an extension was also requested on CMP256. The Panel accepted a one month extension on CMP256.
4915. **Governance Standing Group (GSG).** It was noted that there has not been a GSG meeting since the last CUSC Panel meeting.
4916. **Transmission Charging Methodologies Forum (TCMF).** NJ noted that there has been no TCMF meeting in December and that the next meeting is scheduled for 6th January 2016.
4917. **CUSC Issues Standing Group (CISG).** NJ advised that there has been no CISG meeting since the last CUSC Panel meeting and that the next CISG meeting will be held on 6th January 2016.
4918. **Commercial Balancing Services Group (CBSG).** JC noted that there has not been a CBSG meeting since the last CUSC Panel and there is not one being planned.
4919. **Balancing Services Standing Group (BSSG).** JC noted that there has not been a BSSG meeting since the last CUSC Panel and there is not one being planned.

6 European Code Development

4920. AS noted that on the 2nd December 2015, ACER issued its conclusions on Scoping towards potential harmonisation of electricity transmission tariff structures. ACER reiterated the advice they gave the Commission on Commission Regulation EC 838-2010. PM questioned how long it would take for the European Commission to change EC 838-2010. AS took an action to report back to the Panel on this question.

ACTION: AS to report back to Panel on length of time required to change EC 838-2010 if the European Commission accept ACER’s advice.

4921. **Joint European Stakeholder Group (JESG).** JC stated that there was a GSG meeting scheduled for 2nd December 2015, however this was cancelled.

7 CUSC Modifications Panel Vote

4922. **CMP242 ‘Charging arrangements for interlinked offshore transmission connecting to a single onshore substation’**
 CMP242 was raised by National Grid Electricity Transmission plc and aims to ensure that both circuits linking offshore platforms connecting to a common onshore substation and additional capacity that can be utilised on export cables to shore by offshore generation as a result are appropriately charged.
4923. The Panel voted on CMP242 Original and two WACMs and unanimously agreed that all options better facilitated the CUSC Objectives when compared to the baseline. When comparing each of the options, it was agreed by majority that WACM1 was the best option and therefore recommended that WACM1 should be implemented. The vote recorded is as below; more detail on the Panel members’ rationale for voting is contained within the CMP242 Final CUSC Modification Report.

Vote 1 – Does each option better facilitate the CUSC Objectives when compared with the Baseline?

Original

Panel Member	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)
James Anderson	Yes	Yes	Yes	Neutral	Yes
Bob Brown	Yes	Yes	Yes	Neutral	Yes
Kyle Martin	Yes	Yes	Yes	Neutral	Yes
Garth Graham	Yes	Yes	Neutral	Neutral	Yes
Nikki Jamieson	Yes	Yes	Yes	Neutral	Yes
Paul Jones	Yes	Yes	Yes	Neutral	Yes
Simon Lord	Yes	Yes	Yes	Neutral	Yes
Cem Suleyman	Yes	Yes	Yes	Neutral	Yes
Paul Mott	Yes	Yes	Yes	Neutral	Yes

WACM1

Panel Member	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)
James Anderson	Yes	Yes	Yes	Neutral	Yes
Bob Brown	Yes	Yes	Yes	Neutral	Yes
Kyle Martin	Yes	No	Yes	Neutral	Yes
Garth Graham	Yes	Yes	Neutral	Neutral	Yes
Nikki Jamieson	Yes	Yes	Yes	Neutral	Yes
Paul Jones	Yes	Yes	Yes	Neutral	Yes
Simon Lord	Yes	Yes	Yes	Neutral	Yes
Cem Suleyman	Yes	Yes	Yes	Neutral	Yes
Paul Mott	Yes	Yes	Yes	Neutral	Yes

WACM2

Panel Member	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)
James Anderson	Yes	Yes	Yes	Neutral	Yes
Bob Brown	Yes	Yes	Yes	Neutral	Yes
Kyle Martin	Yes	No	Yes	Neutral	Yes
Garth Graham	Yes	Yes	Neutral	Neutral	Yes
Nikki Jamieson	Yes	Yes	Yes	Neutral	Yes
Paul Jones	Yes	Yes	Yes	Neutral	Yes
Simon Lord	Yes	Yes	Yes	Neutral	Yes
Cem Suleyman	Yes	Yes	Yes	Neutral	Yes
Paul Mott	Yes	Yes	Yes	Neutral	Yes

Vote 2 – Which option is the best option?

Panel Member	BEST Option?
James Anderson	WACM1
Bob Brown	Original
Kyle Martin	Original
Garth Graham	WACM1
Nikki Jamieson	Original
Paul Jones	WACM1
Simon Lord	WACM1
Cem Suleyman	WACM1
Paul Mott	WACM1

4924. The Final CUSC Modification Report will be sent to the Authority W/C 4th January 2016 for their consideration.

8 Authority Decisions as at 10 December 2015

4925. There were no Authority Decisions this month. AS noted that CMP237 is still with the Authority as they are waiting for the CMP243 Final CUSC Modification Report so they can make a decision on both modifications at the same time.

9 CMP213 Implementation paper

4926. JC noted that a paper had been included within the December 2015 Panel papers which shows the approved CMP213 legal text within the current version of Section 14 of the CUSC. JC advised that since there have been further updates to Section 14 since the CMP213 legal text was drafted, there are some minor discrepancies within the legal text. National Grid plan to resolve these through a Fast-Track modification in January 2016. JC invited the Panel to provide any comments on the paper and if they notice anything else that needs to be included within the Fast-Track modification, then to let her know before 21st January 2016.

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

4927. No updates on industry codes / general industry updates.

11 AOB

4928. JC noted that CMP253 was withdrawn by its Proposer on 27th November 2015. The Code Administrator then allowed five Working days for any CUSC Party to support the modification and become its official Proposer. There was no support received for CMP253 from the Industry.

4929. JC asked the Panel if they agreed that CMP253 could be officially withdrawn from the CUSC Modification process. The Panel agreed to this.

4930. JM advised that he had attended the Code Governance Review 3 Workshop which was held on 2nd December 2015. A multitude of Code Administrators has attended

this Workshop and broke into groups to feedback on subjects such as Cross code coordination / engagement, guidance and surveys. JM agreed to send the link to the presentations from the meeting to the Panel following the meeting, The presentations can be found via this [link](#).

4931. It was noted that the Annual CUSC Panel dinner will be held on Thursday 28th January 2016 in the Leamington Spa area.

12 Next meeting

4932. The next standard meeting of the CUSC Modifications Panel will be held on 29th January 2016 at National Grid House, Warwick. There will be a Special CUSC Panel meeting to discuss the CMP254 Workgroup Report held by teleconference on 18th January 2016.