

Minutes

Meeting name	CUSC Modifications Panel
Meeting number	189
Date of meeting	27 May 2016
Location	National Grid House, Warwick

Attendees

Name	Initials	Position
Mike Toms	MT	Panel Chair
Heena Chauhan	HC	Panel Secretary
John Martin	JM	Code Administrator
Nikki Jamieson	NJ	National Grid Panel Member
Cem Suleyman	CS	Users' Panel Member
Garth Graham	GG	Users' Panel Member
James Anderson	JA	Users' Panel Member
Kyle Martin (dial-in)	KM	Users' Panel Member
Paul Jones	PJ	Users' Panel Member
Simon Lord	SL	Users' Panel Member
Bob Brown	BB	Consumers' Panel Member
Abid Sheikh (dial-in)	AS	Authority Representative
Nicholas Rubin	NR	ELEXON
John Brookes	JB	National Grid (CMP249)
Rupert Steele	RS	Scottish Power (CMP264)

Apologies

All Panel members were present at this meeting.

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

5249. Introductions were made around the group. Nicholas Rubin has replaced Claire Kerr as the ELEXON representative on the CUSC Panel. John Brookes from National Grid joined the meeting to discuss CMP249 and Rupert Steele from Scottish Power joined the meeting to present his new modification CMP264.

2 Approval of Minutes from the last meeting

5250. The minutes of the CUSC Panel meeting held on 29 April 2016 were approved subject to changes and are now available on the National Grid website. GG clarified the comments he had provided and these were approved by the group.

3 Review of actions

5251. **Minute 5195: AS to clarify the expectations of the Panel on their responsibility on the cross border trade effect and report back to the Panel.** This action will remain open as

AS is currently awaiting confirmation from colleagues and will report back at the next Panel meeting. GG noted that he would circulate a letter from DECC to the Panel in relation to this matter.

Action – GG to circulate letter from DECC regarding the cross border effect.

- 5252. **Minute 5213: HC to re-publish CMP255 presentation slides with the additional slide showing agreed WACMs for CMP255.** HC noted that this action is complete.
- 5253. **Minute 5214: Code Governance to republish the CMP255 Workgroup report with missing Annexes.** HC noted that this action is complete.
- 5254. **Minute 5220: HC to update CMP260 Workgroup Report to include Annex 1.** HC noted that this action is complete.
- 5255. **Minute 5240: All members to provide their voting statements to HC by 12 May 2016 for CMP243.** HC noted that this action is complete.
- 5256. **Minute 5243: AS to send links on TSO Obligation to HC so that these could be forwarded to the Panel after the meeting.** AS noted that this action is complete.

4 New CUSC Modification Proposals

- 5257. Two new modifications were presented to the Panel this month.
- 5258. **CMP264 Embedded Generation Triad Avoidance Standstill** – This proposal has been raised by Scottish Power and seeks to change the Transport and Tariff Model and billing arrangements to remove the netting of output from New Embedded Generators until Ofgem has completed its consideration of the current electricity transmission Charging Arrangements (and any review which ensues) and any resulting changes have been fully implemented.
- 5259. RS introduced the modification to the Panel and provided a high level overview of the modification. RS explained that embedded generators registered to a Supplier BM Unit may receive a significant benefit from the supplier in respect of reduced TNUoS charges. NGET analysis suggests that the value of Triad avoidance is more than 20 times greater than the associated savings from avoided transmission network investment. RS noted that this is not a sustainable situation and will ultimately impact the end user.
- 5260. RS noted that as this current situation will take Ofgem a number of years to resolve, the present conditions will distort the next Capacity Mechanism (CM) auction. The purpose of the modification is to address this risk in time for the December 2016 auction to prevent distorted investment decisions by parties.
- 5261. The Panel discussed the Workgroup membership and AS noted that Embedded Generators should be encouraged to come forward and take part in the Workgroup. As these may not be CUSC parties they will be required to be nominated by CUSC parties.
- 5262. GG agreed and also considered the need to provide a practical solution in terms of the proposed meeting dates for both CMP264 and CMP265 as both modifications impacted embedded generators and suggested that these should be held in London if possible and on consecutive days with as much notice as possible to the industry of meeting dates.
- 5263. JM noted that due to the complexity of the modifications, Code Administration proposed that Naomi Regan at National Grid will chair both Workgroups. The Panel were comfortable with this proposal and keen to track the progress of both Workgroups. MT expressed an interest

in attending the Workgroups as an observer. JM noted that he will be highlighting the role of the 'critical friend' to new parties wishing to join the CMP264 and CMP265 Workgroups.

ACTION: CMP264 and CMP265 Chair to report back at the Panel next month

ACTION: HC to advise MT of CMP264 and CMP265 meeting dates once they have been confirmed.

5264. GG queried the life span of the modification and asked RS when it was envisaged that the modification would become redundant (the disapplication date). RS responded that he would expect Ofgem to make a formal statement on the conclusion of their review and that the Workgroup would need to clearly define the disapplication date.
5265. When discussing wider industry developments, NR identified that the modification may have a potential impact on the BSC and asked if this had been discussed with Elexon's Change Team. JA confirmed that Elexon had not yet been contacted but would do so in due course.
5266. BB highlighted that he was not convinced that picking embedded benefits to focus industry time to review was potentially not in the best interest on consumers and a more holistic approach to review industry charging would better serve customer interests. BB acknowledged that the modification tabled was important. BB noted that a Charging review was already in place and felt nervous about new work taking the focus off to another tangent. NJ noted that National Grid is taking a broader view and considering wider, market development such as the onset of smart metering, HH and other initiatives and although it is focussing on transmission it is also considering distribution charging. BB noted that there was a risk that Ofgem could defer a decision on these proposals pending its wider review and suggested that Ofgem could be asked for provisional thinking. SL did not agree with BB's view as he considered embedded benefits as having a major impact on customers and needs to be addressed.
5267. The Panel discussed and noted the following issues that need to be included within the TOR for the Workgroup to address:
- The purpose of the Workgroup is not to resolve the defect but to identify a better solution that will temporarily suspend the current situation.
 - The Workgroup shall agree the trigger point by which the modification becomes redundant following the announcement of an enduring solution from Ofgem.

ACTION: All Panel members to consider additional issues that need to be addressed by the Workgroup to be included with the TOR.

5268. The Panel reviewed the timetable and debated if this should be treated as urgent as it will need to be approved and implemented by December 2016, ideally before the CM auction. NJ noted that the proposed dates in the timetable for the consultation should be brought forward. GG agreed with NJ but also noted that there was an expectation that a lot of new parties would be joining these Workgroups and would need additional guidance.
5269. AS asked RS when he envisaged implementation as they were not seeking urgency and would an implementation in time for the December 2016 CM auctions be critical to the success of this proposal. RS confirmed that he would expect a lot of capacity to be contracted at the December auction and would prefer the modification to be managed on an accelerated timetable. AS noted that he would brief the Ofgem representative and identify the critical decision points.

ACTION: HC to revise timetable to accelerated to enable implementation before December 2016 and align with CMP265

5270. JA noted that CMP264 is a simpler mod than CMP265 and Scottish Power would not want progress on CMP264 to be reliant on the developments of CMP265.
5271. **CMP265 'Gross charging of TNUoS for HH demand where embedded generation is in Capacity Market'** This proposal has been raised by EDF Energy and specifically seeks to address the issue that half hourly metered (HH) demand for TNUoS purposes is currently charged net of embedded generation.
5272. PM provided an overview of this modification explaining that it was important that costs are allocated fairly as the generation mix evolves. The current TNUoS arrangements distorted the development of an economic generation mix and transmission system, and distorted the Capacity Market. PM noted that there is a pressing issue related to the next CM tender in December 2016 which would require the modification to be narrow and focussed, to allow the modification to be considered and determined ahead of this auction.
5273. NR noted that as with CMP264, Elexon would need to be contacted and a BSC modification would need to be raised.
5274. The modification was raised as requesting urgency. NJ did not support the request for urgency as she considered the proposal too complicated to be addressed within an urgent timetable. SL and PJ echoed these views and preferred CMP265 to follow a similar timetable to CMP264. The majority of the Panel did not support the request for urgency and instead supported an accelerated timetable aligned to CMP264. This recommendation will be sent to Ofgem. AS confirmed that it would seem sensible to have a similar timetable for both CMP264 and CMP265 should urgency for CMP265 not be granted.

ACTION: HC to revise timetable to ensure that it is aligned with CMP265

5275. The Panel discussed Workgroup memberships and AS again noted that Embedded Generators should be encouraged to come forward and take part in the Workgroup. As these may not be CUSC parties they will be required to be nominated by CUSC parties. GG suggested that the Code Administration team should also include the following parties in their email requesting membership to both Workgroups; Scottish Renewables; Renewable UK; Energy UK; ADE; CHPA; Intensive Energy Users; and Major Energy Users Council.
5276. The Panel discussed and noted the following issues that need to be included within the TOR for the Workgroup to address;
- This Workgroup should not be focussing on transmissions generator in negative zones
 - The Workgroup should not be looking amend the existing CM
 - The proposal should apply to all CM Generators

ACTION: All Panel members to consider additional issues that need to be addressed by the Workgroup to be included with the TOR.

5 Workgroups / Standing Groups

5277. The latest CUSC Modifications Plan on a Page was shared with the Panel. There had been a number of extensions requested in the last month and MT noted that although Workgroups should endeavour to work to the timetable it was important that the Workgroup fully discharge their responsibilities and meet their terms of reference to avoid Ofgem sending the report back for further work.
5278. **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, which states the methodology for calculation and clarification in which situations this would be applied.

5279. At the April CUSC Panel it was noted that the WG may ask for an extension for this modification. A two month extension was subsequently requested to the Panel on 13th May 2016. The Panel expressed concern and did not approve this request and instead asked for further clarification of works that would be achieved within this timeframe to be discussed at this Panel meeting.
5280. JB attended the meeting to provide an update to the Panel to explain why an extension of two months was required. JB explained that the National Grid TO costs had been queried and further analysis was required to support the defect which had led to a delay in the Workgroup. JM noted that he anticipated an additional four meetings would be required, two meetings to review the analysis and two meetings to agree WACMs and vote.
5281. CS noted that new information regarding the defect and cost reflectivity had been provided by Ofgem. JB confirmed that the outcome of this has not been fully concluded by the Workgroup and National Grid had not yet taken a view on the additional information from Ofgem.
5282. JB noted that National Grid treated delays and backfeed in a consistent manner and that the price control and showing cost reflectivity would be taken into account.
5283. The Panel agreed to grant the Workgroup a two month extension to CMP249.
5284. AS noted that it had not been clear to Ofgem what the extension would achieve and that they will be carefully monitoring the progress of this modification.
5285. **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.
5286. A request for a two month extension was agreed by the Panel following an email that was circulated 13 May 2016 by HC requesting more time to enable the Workgroup to further develop the legal text and agree implementation and transitional options. The Workgroup Report is now due to be presented at July 2016 CUSC Panel.
5287. **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 CMP224 and by introducing a new charging element to the calculation of TNUoS.
5288. The Workgroup noted that an extension would be required for this modification in an email that was issued to the Panel on the 13 May 2016.
5289. MT noted that the agenda had been amended as it would be sensible to discuss both CMP251 and CMP261 together at this point in the meeting.
5290. JM noted that many WACMs had been raised for CMP251 modification potentially requiring an extension to the scope of the Workgroup or alternatively resulting in raising a new modification.

5291. GG noted that it had been identified that the legal opinion of CMP261 had had an impact on CMP251, however felt that this had now been resolved and that the CMP251 Workgroup had met its TORs.

5292. GG also note that this decision would however depend on the Authority. MT asked AS if he had a view at this point that could be shared with the Panel. AS noted that he did not have anything to feedback and was happy with the discussion to date.

A one month extension for CMP251 was approved by the Panel.

5293. **CMP261 'Ensuring the TNUoS paid by Generators in GB in Charging Year 2015/16 is in compliance with the €2.5/MWh annual average limit set in EU Regulation 838/2010 Part B (3)'**.

CMP261 aims to ensure that there is an ex post reconciliation of the TNUoS paid by GB generators during charging year 2015/16 which will take place in Spring 2016 with any amount in excess of the €2.5/MWh upper limit being paid back, via a negative generator residual levied on all GB generators who have paid TNUoS during the period 1 April 2015 to 31 March 2016 inclusive.

5294. At the April 2016 CUSC Panel it was noted that the Workgroup would be reviewing the timetable and may ask for an extension for this modification. A two month extension was subsequently requested to the Panel on 13 May 2016. The Panel expressed concern and did not approve this request and instead agreed to discuss it further at this Panel meeting.

5295. GG noted that as the Proposer of this modification he would like the issue addressed as soon as possible and noted that the solutions for both CMP251 and CMP261 were very similar and expected a solution by the end of the 2015/16 charging year with reconciliation taking place in Spring 2016.

5296. NJ suggested raising an additional modification to address 2016/17. GG did not think that this would be required.

5297. The Panel agreed to a two month extension but were mindful that if required, a Special CUSC Panel meeting before July would be arranged to expedite this modification.

5298. **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.

5299. This modification proposal is on track as per the timetable. The Draft Final Modification Report is now due to be published in preparation for the Panel meeting in June where the Panel are expected to provide their recommendation vote.

5300. **CMP259 'Clarification of decrease in TEC as a Modification'**

CMP259 proposes to enable a User to request both a TEC reduction and a subsequent TEC increase in the form of a single modification application to National Grid.

5301. At the April 2016 CUSC Panel it was noted that the Workgroup may ask for an extension for this modification. A one month extension was requested via email on 13 May which was approved by the Panel.

5302. JM noted that the CMP259 Workgroup met on the 19 May 2016 to discuss WACMs and vote. One of the alternatives proposed by a Workgroup member involved a charging product. The group discussed whether the WACM proposed addressed the defect and the

Terms of Reference from the Panel. Four of the six members agreed that this would address the defect, one was not present and one did not agree that it did.

5303. JM asked the Panel for a steer on behalf of the Workgroup as to how they should proceed and confirmed that Ofgem had stated that they would find it difficult to assess CMP259 as a process modification knowing that a charging product had been proposed as a WACM.
5304. Additionally, the Workgroup noted that they would not be able to vote on a charging product WACM without it being explored and worked up properly so that they could assess it against the Applicable CUSC Objectives. MT agreed with the concerns raised by Ofgem.
5305. A variety of different views were shared by Panel members as to whether a charging product would address a process defect and how the Workgroup should progress with the modification. Different options were debated including removing the WACM from CMP259 and raising a new charging modification; placing the Workgroup on hold until a charging modification was raised, and proceeding with the Workgroup as is.
5306. JM noted that until a solution was agreed, this Workgroup would not be in a position to proceed and vote. JM also asked the Panel who in their opinion should raise the new modification, i.e. should this be the Proposer of CMP259 or the owner of the WACM?
5307. Panel discussed placing the CMP259 Workgroup on hold until the charging modification was raised. PJ and SL did not agree with this view and expressed concern that this may lead to the setting of a precedent whereby a non-charging modification could be delayed by someone raising an alternative which needs an associated charging change. PJ believed that the charging modification would be out of scope as the proposal was solely aimed at changing the TEC modification process, not the charging arrangements associated with holding a TEC. PJ suggested that concerns about the interaction with the charging arrangements seemed more like arguments for opposing the modification rather than a reason to raise an alternative proposal.
5308. JM noted that the Code Administrator was trying to provide an efficient service to manage the delivery of the modification timescales.
5309. JA and PJ believed that this potentially undermined the Proposer ownership of this modification.
5310. AS noted that the charging issue would need to be addressed and could the Workgroup consider a second Workgroup consultation to gain views of whether the industry considers this to be charging issue. AS also noted that Ofgem would prefer to see any new charging modification and CMP259 presented together.
5311. BB noted that he did not have enough information presented to him to provide a view and in the future would like some options/solutions to be presented.
5312. The Panel agreed that CMP259 should proceed and the Workgroup should not be placed on hold.
5313. **CMP262 'Removal of SBR/DSBR costs from BSUoS into a 'Demand Security Charge''**. CMP262 was proposed by VPI Immingham and aims to create a new cost recovery mechanism, a 'Demand Security Charge' specifically for recovery of all SBR/DSBR costs, which is only levied on demand side Balancing Mechanism Units (BMUs).
5314. This modification proposal is on track as per the timetable. The Workgroup Consultation was issued on 16 May 2016 for 10 days.

5315. **Governance Standing Group (GSG).** No meeting had been held since the last CUSC Panel meeting and therefore there was nothing to report. The next GSG meeting is scheduled in 14 June 2016.

5316. **Transmission Charging Methodologies Forum (TCMF).** The last next TCMF meeting took place on 11 May 2016. NJ to issue update to the Panel.

ACTION: NJ to issue TCMF update to the Panel

5317. **CUSC Issues Steering Group (CISG).** The last next CISG meeting took place on 11 May 2016. NJ to provide an electronic update to the Panel.

ACTION: NJ to issue CISG update to the Panel

5318. **Commercial Balancing Services Group (CBSG).** No meeting had been held since the last CUSC Panel meeting and therefore there was nothing to report. The next CBSG meeting is currently being arranged and is anticipated to take place late June 2016.

5319. **Balancing Services Standing Group (BSSG).** No meeting had been held since the last CUSC Panel meeting and therefore there was nothing to report. The next BSSG meeting is currently being arranged and is anticipated to take place late June 2016.

6 European Code Development

5320. AS advised that there was no Ofgem European updates to provide to the Panel this month.

5321. **Joint European Stakeholder Group (JESG).** GG noted that the JESG had met on 25 May 2016 and that a significant amount of work still needed to be completed for the mapping of codes principally focussed on the Transmission System Operational Guideline (TSOG) work.

7 CUSC Modifications Panel Determination Vote

5322. **CMP244 - Set final TNUoS tariffs at least 15 months ahead of each charging year' and CMP256 'Potential consequential changes to the CUSC as a result of CMP244'.** CMP244 sought to increase the length of the notice period for TNUoS tariffs (currently 2 months) to a suggested period of 15 months. This has subsequently been changed by the Proposer to a notice period of 200 calendar days. CMP256 seeks to introduce consequential changes to Section 3 and 11 of the CUSC, as a result of charging modification CMP244.

5323. Before HC presented the voting slides, GG queried the legal text and suggested that the days may need to be checked against the licence.

ACTION: NJ to ask National Grid Representative to confirm that the legal text does not contradict the licence.

5324. PJ queried the rationale for 200 days as it made the modification far less useful, because it did not provide sufficient notice for use in HH customer contracting rounds. NJ confirmed that this period takes into consideration everything required today and is considered the most appropriate number of days to use.

5325. NJ noted ahead of the Panel vote that National Grid had an outstanding issue that had not been addressed by the Authority in relation to the risk associated with the implementation of this modification and the penal rate and how this would be managed going forward. Panel members noted that they were surprised that this had not progressed and that they appreciated that National Grid would not be able to support the modification without some certainty that National Grid would be 'held whole'. This issue resulted in National Grid voting

for the Baseline. AS was able to confirm that he had not received any feedback from his colleagues on this matter to feedback to NJ. NJ also noted that had she received confirmation of this agreement she would have been in a position to vote for the Original.

5326. Fourteen responses were received to the Code Administrator Consultation. The majority of responses broadly supported the CMP244/256 proposals, and the suggested implementation approach, and these respondents noted the positive impact on competition and stability of tariffs.

5327. Four responses did not support the proposal, noting issues around the cost of under / over recovery in the longer term, how under / over recovery would be recovered from users, and whether the costs of the modifications outweighed the benefit.

5328. Two Transmission Owners also responded to the consultation raising concerns about the need to provide revenue forecasts earlier.

5329. For the avoidance of doubt, the CUSC Panel voted against Use of System Charging Methodology Objectives for CMP244 which are:

(a) That compliance with the use of system charging methodology facilitates effective competition in the generation and supply of electricity and (so far as is consistent therewith) facilitates competition in the sale, distribution and purchase of electricity;

(b) That compliance with the use of system charging methodology results in charges which reflect, as far as is reasonably practicable, the costs (excluding any payments between transmission licensees which are made under and accordance with the STC) incurred by transmission licensees in their transmission businesses and which are compatible with standard licence condition C26 (requirements of a connect and manage connection);

(c) That, so far as is consistent with sub-paragraphs (a) and (b), the use of system charging methodology, as far as is reasonably practicable, properly takes account of the developments in transmission licensees' transmission businesses; and

(d) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.

5330. For the avoidance of doubt, the CUSC Panel voted against the Applicable CUSC objectives for CMP256 which are;

(a) The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission License;

(b) Facilitating effective competition in the generation and supply of electricity, and (so far as is consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity;

(c) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.

5331. **CMP244 Vote:** Whether the proposal better facilitates the Applicable Charging Objectives against the CUSC baseline

Panel Member	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)
James Anderson					
Original	Yes	Neutral	Neutral	Neutral	Yes

Bob Brown					
Original	Yes	Neutral	Neutral	Neutral	Yes
Kyle Martin					
Original	Yes	Neutral	Neutral	Neutral	Yes
Garth Graham					
Original	Yes	Neutral	Neutral	Neutral	Yes
Nikki Jamieson					
Original	No	No	Neutral	Neutral	No
Paul Jones					
Original	Yes	Neutral	Neutral	Neutral	Yes
Simon Lord					
Original	Yes	Neutral	Neutral	Neutral	Yes
Cem Suleyman					
Original	Yes	Neutral	Neutral	Neutral	Yes
Paul Mott					
Original	Yes	Neutral	Neutral	Neutral	Yes

5332. **CMP256 Vote:** Whether the proposal better facilitates the Applicable Objectives against the CUSC baseline

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

5333. The Panel agreed by majority that the option proposed under CMP244 and CMP256 better facilitate the CUSC Objectives than the Baseline. It was also noted that National Grid are still awaiting a response from the Authority in relation to the risk associated with the implementation of this modification and how it will be managed going forward which resulted in them voting for the Baseline.

ACTION: All Panel members to provide their voting statements to HC by 31 May 2016.

5334. The Final Modification Report will be sent to the Authority for their determination as per the timetable.

5335. **CMP260 'TNUoS Demand charges for 2016/17 during the implementation of P272 following approval of P322 and CMP247'.**

CMP260 proposes to give the option for metering systems that are registered on Measurement Classes E-G on or before 1 April 2016 to be treated as HH for the purposes of calculating the actual annual liability up until the full charging year after the implementation date of P272.

5336. HC noted that three responses were received to the Code Administrator Consultation. All responses had opposing views.

5337. One respondent preferred the Original Proposal over the proposed WACM. One respondent supported the WACM as they considered that this would provide suppliers with flexibility over an extended period of time when compared to the Original.

5338. One respondent did not support either the Original Proposal or WACM and preferred the baseline as they considered the proposal to positively be detrimental to the Applicable CUSC Objectives in relation to competition and cost reflective charging.

5339. HC also noted that one late response had been received after the publication of the draft FMR from EDF. The response included a number of comments and identified an incorrect representation of the cut-off date for the WACM within the legal text which has been subsequently corrected within version 2 of the draft FMR. The Proposer and the National Grid representative both agreed that the report represents the Workgroups discussions and agreed that the wider comments in this response are important but are out of the scope of this modification. The date in the WACM has been incorrectly represented but this does not have an impact on the assumptions made within the report as any analysis carried out for the WACM used the date of 30 September.

5340. GG noted that the response from Andy Kelsall had been recorded as being from Scottish Power when it actually should be noted as Dataserve.

ACTION: HC to amend the CMP260 FMR report to reflect Andy Kelsall's responses as representing the view of Dataserve.

5341. For the avoidance of doubt, the CUSC Panel voted against Use of System Charging Methodology Objectives which are;

(a) that compliance with the use of system charging methodology facilitates effective competition in the generation and supply of electricity and (so far as is consistent therewith) facilitates competition in the sale, distribution and purchase of electricity;

(b) that compliance with the use of system charging methodology results in charges which reflect, as far as is reasonably practicable, the costs (excluding any payments between transmission licensees which are made under and in accordance with the STC) incurred by

transmission licensees in their transmission businesses and which are compatible with standard condition C26 (Requirements of a connect and manage connection);

(c) that, so far as is consistent with sub-paragraphs (a) and (b), the use of system charging methodology, as far as is reasonably practicable, properly takes account of the developments in transmission licensees' transmission businesses.

(d) compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency. These are defined within the National Grid Electricity Transmission plc Licence under Standard Condition C10, paragraph 1.

Objective (d) refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).

5342. **CMP260 - Vote 1:** Whether each proposal better facilitates the Applicable Charging Objectives against the CUSC baseline

Panel Member	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)
James Anderson					
Original	Yes	Neutral	Neutral	Neutral	Yes
WACM	Yes	Neutral	Neutral	Neutral	Yes
Bob Brown					
Original	Yes	Neutral	Neutral	Neutral	Yes
WACM1	Yes	Neutral	Neutral	Neutral	Yes
Kyle Martin					
Original	Yes	Neutral	Neutral	Neutral	Yes
WACM	Yes	Neutral	Neutral	Neutral	Yes
Garth Graham					
Original	Yes	Neutral	Neutral	Neutral	Yes
WACM	Yes	Neutral	Neutral	Neutral	Yes
Nikki Jamieson					
Original	No	No	Neutral	Neutral	No
WACM	No	No	Neutral	Neutral	No
Paul Jones					
Original	Yes	Neutral	Neutral	Neutral	Yes
WACM	Yes	Neutral	Neutral	Neutral	Yes
Simon Lord					
Original	No	No	Neutral	Neutral	No
WACM	No	No	Neutral	Neutral	No
Cem Suleyman					
Original	No	No	Neutral	Neutral	No
WACM	No	No	Neutral	Neutral	No
Paul Mott					
Original	Yes	Yes	Neutral	Neutral	Yes
WACM	Yes	Yes	Neutral	Neutral	Yes

5343. **CMP260 - Vote 2:** Which option BEST facilitates achievement of the ACOs? (Including CUSC baseline)

Panel Member	BEST Option?
James Anderson	Original
Bob Brown	WACM
Kyle Martin	WACM
Garth Graham	WACM
Nikki Jamieson	Baseline

Paul Jones	WACM
Simon Lord	Baseline
Cem Suleyman	Baseline
Paul Mott	WACM

5344. Overall the Panel view was split with one Panel member voting for the Original; five Panel members voting for the WACM and three Panel members voting for the Baseline. There is therefore a majority Panel recommendation for the WACM as best overall.

ACTION: All Panel members to provide their voting statements to HC by 31 May 2016.

5345. The Final Modification Report will be sent to the Authority for their determination as per the timetable.

8 Authority Decisions as at 21 April 2016

5346. There have been no Authority decisions since the last meeting.

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

5347. AS recommended that Panel read [Ofgem's Elective half-hourly settlement](#) conclusions paper that was published 26 May 2016. AS directed the Panel to contact Martin Bell at Ofgem should they have any questions or wish to discuss the matter further.

5348. NR highlighted that there will be a BSC Annual meeting on 14 July 2016 and noted that there will be guest speakers at the event. Further information and details of the event can be found using the following link <https://www.elexon.co.uk/news/emas-panel-chair-and-ofgems-chairman-speakers-at-annual-bsc-meeting-and-seminar/>. Interested parties should register their interest by emailing communications@elexon.co.uk.

5349. BB noted that he would like to discuss the code administrators workshop on code governance at next month's Panel meeting.

ACTION: HC to add to agenda.

5350. JM noted that National Grid had been experiencing intermittent issues with their website which were being investigated.

10 AOB

5351. Six Energy UK staff (including KM) are rowing 8.5 miles from Westminster to Greenwich **on Friday 10 June**, to raise money for the children's water sports charity [AHOY](#). Any support would be greatly appreciated, for more information please see the Just Giving page: <https://www.justgiving.com/fundraising/Cool-Rowing-EUK>

11 Next meeting

5352. The next meeting of the CUSC Modifications Panel will be held on 24 June 2016.