

# Headline Report – 17 December 2021

## Connection and Use of System Code (CUSC) Panel

The CUSC Panel Headline Report is produced after every CUSC Panel and aims to provide an overview of the key decisions made. Minutes for this meeting will be published separately.

## Approval of Panel Minutes

The meeting minutes from the CUSC Panel on 26 November 2021 were approved at the CUSC Panel meeting on 17 December 2021 subject to minor changes from Panel being incorporated. These will be uploaded to our website.

## Prioritisation Stack

For each Modification in the prioritisation stack, Panel have determined if the Priority is “High”, “Medium to High”, “Medium”, “Low to “Medium” or Low”. Panel continue to review the prioritisation stack on a monthly basis and every quarter hold a more in-depth review (ahead of this review, Proposers will be asked to provide updated justification against the prioritisation criteria). This next in-depth review will be carried out at our January 2022 Panel.

At December 2021 Panel, there were no discussions on the current Prioritisation Stack.

The full discussions on each Modification can be found [here](#).

## New Modifications

1 new Modification Proposal was presented for consideration.

### **CMP381 - Defer exceptionally high Winter 2021/22 BSUoS costs to 2022/2023**

**CMP381** seeks to set a £10/MWh cap on BSUoS from 1 January 2022 until 31 March 2022, due, in the view of the Proposer, to exceptional market conditions making BSUoS much higher than industry parties could reasonably have expected. The additional BSUoS costs above the cap would be deferred to the 2022/23 charging year, using the same mechanism approved under CMP345 and CMP350.

The CUSC Panel on 17 December 2021 unanimously recommended that **CMP381** met Ofgem's Urgency criteria and therefore recommended urgent treatment to Ofgem. Panel's recommendation was sent to Ofgem 17 December 2021 seeking Ofgem decision by 5pm on 20 December 2021. CUSC Panel also agreed that **CMP381** should be assessed by a Workgroup.

**CMP381** documentation can be found via the following link:

<https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/cmp381-defer>

## New / Pending Authority Decisions

Ofgem provided an update on Modifications that are currently awaiting their decision or have been decided upon since CUSC Panel on 26 November 2021.

### Decisions since last CUSC Panel

None

### Awaiting Decisions

Ofgem did provide an update at Panel on the Modifications awaiting decision. However, since 4 May 2021 Ofgem have published a table that provides the expected decision date, or date they intend to publish an impact assessment or consultation, for code modifications/proposals that are with them for decision. This was last updated on 9 December 2021 and is published [here](#). The CUSC position is summarised below:

Modification	What this seeks to achieve	Expected Decision Date
<b>CMP335/336 and CMP343/340</b>	Proposes the methodology for Transmission Demand Residual charges to be applied only to 'Final Demand' on a 'Site' basis, as well as how to treat negative locational charges and the application of any charging bands.; CMP335/336 looks at the Transmission Demand Residual billing and consequential changes	Expected final decision date for CMP343, CMP340, CMP335 and CMP336 Modifications was 27 August 2021; however Ofgem confirmed at CUSC Panel on 27 August 2021 that this date would not be met. At CUSC Panel on 26 November 2021, Ofgem confirmed they have no firm date for a decision. Ofgem's latest expected decision dates table (published on 9 December 2021) confirms that there is currently no firm date for a decision.
<b>CMP292</b>	Introduces a cut-off date for changes to the Charging Methodologies	TBC in 2022 (previously 30 June 2021 and latterly 30 September 2021) as Ofgem consider this to be low priority. Ofgem's latest expected decision dates table (published on 9 December 2021) confirms that there is currently no firm date for a decision.
<b>CMP371</b>	Seeks to update CUSC Section 8 such that it is possible, under one CUSC Modification Proposal, to change CUSC provisions relating to Connection Charges, and Use of System Charging Methodologies alongside non-charging provision.	Ofgem decision was anticipated 29 September 2021 and then 19 November 2021 and now 28 February 2022 (according to Ofgem's latest expected decision dates table published on 9 December 2021).
<b>CMP308</b>	Seeks to modify the CUSC to better align GB market arrangements with	On 8 December 2021, Ofgem advised that they are consulting on their minded-to

	those prevalent within other EU member states by removing BSUoS charges from Generation.	decision on CMP308. Ofgem are minded-to approve the CMP308 Original Proposal, which would move BSUoS charges fully onto demand, with effect from 1 April 2023 and have launched the consultation to gather industry views. The consultation closes 19 January 2022.
<b>CMP368/369</b>	CMP368 seeks to give effect to the Authority determination within the CMP317/327 decision published on the 17 December 2020 to amend the definition of Assets Required for Connection, create new definitions of 'GB Generation Output' and define Generator charges for use in the Limiting Regulation range calculation. To facilitate the change, CMP369 proposes to update the legal text relating to 'Generation Output' detailed in the tariff setting methodology within Section 14.14.5 and the Ex-Post Reconciliation within Section 14.17.37 of the CUSC to align with the updated definitions introduced by CMP368.	On 24 November 2021, Ofgem sent a letter (which was sent to Panel Members, industry and published on 25 November 2021). This formally confirms that Ofgem intend to wait until judgment has been issued in the Judicial Review before reaching a decision in respect of CMP368 and CMP369, even if judgment is not available before the end of the calendar year. Ofgem's latest expected decision dates table (published on 9 December 2021) confirms that there is currently no firm date for a decision.
<b>CMP377</b>	Seeks to provide clarity on how the BSUoS charging methodology is described in Section 14 of the CUSC. The four areas being addressed are: Covid-19 cost recovery calculations, capitalisation of defined terms in CMP373 legal text, clarifying storage import terminology and general housekeeping.	Final Modification Report was sent to Ofgem 6 October 2021 but decision date has yet to be confirmed. No update on anticipated decision date provided at November 2021 Panel. Ofgem's latest expected decision dates table (published on 9 December 2021) confirms that there is currently no firm date for a decision.
<b>CMP328</b>	Seeks to put in place an appropriate process to be utilised when any connection triggers a Distribution impact assessment.	The Final Modification Report was sent to Ofgem on 10 November 2021 and Ofgem confirmed at November 2021 Panel that no decision would be made on this until they have received the equivalent STC Modification. Ofgem's latest expected decision dates table (published on 9 December 2021) confirms that there is currently no firm date for a decision.

## In flight Modifications

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

## Draft Final Modification Reports

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No Draft Final Modification Reports presented to Panel this month.

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## Workgroup Reports

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No Workgroup Reports presented to Panel this month. However, the Chair of the **CMP300\*** Workgroup presented how Workgroup had addressed the Terms of Reference set the Panel (to address Ofgem's send-back). The Panel expressed no concerns with the approach taken but asked that the conclusions re: storage are checked ahead of the Code Administrator Consultation, which will be issued on 10 January 2022 and will close 5pm on 10 February 2022.

\***CMP300** seeks to improve the cost reflectivity of the Response Energy Payment ("REP") for Balancing Mechanism Units ("BMUs") with low or negative marginal costs, as a consequence of having a Contract for Difference ("CfD").

**CMP300** documentation can be found via the following link:

<https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/cmp300-cost>

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## Questions or feedback?

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