

CUSC Panel Minutes: 24 September 2021

CUSC Panel Minutes: Meeting Number 285

Date: 24/09/2021 **Location:** Microsoft Teams

Start: 10:00am **End:** 1:00pm

Participants

Attendee	Initials	Company
Trisha McAuley	TM	Independent Panel Chair
Paul Mullen	PM	Code Administrator, National Grid Electricity System Operator
Ren Walker	RW	Technical Secretary, Code Administrator, National Grid Electricity System Operator
Jon Wisdom	JW	National Grid Electricity System Operator
Paul Jones	PJ	Users' Panel Member
Paul Mott	PMo	Users' Panel Member
Nadir Hafeez	NH	Authority Representative
Andy Pace	AP	Users' Panel Member
Mark Duffield	MD	Users' Panel Member
Garth Graham	GG	Users' Panel Member
Simon Lord	SL	Users' Panel Member (Alternate)
Jeremy Caplin	JC	BSC Representative (Observer)
James Stone	JS	Proposer of CMP379 – Agenda item 6
Frank Kasibante	FK	Presenter - Agenda item 19

Laetitia Wamala	LW	Presenter – Agenda item 19
Kate Morley - Hurst	KMH	Observer
Binoy Dharsi	BD	Observer
Apologies	Initials	Company
Joseph Dunn	JD	Users' Panel Member
Cem Suleyman	CS	Users' Panel Member

1. Introductions and Apologies for Absence

11057. Apologies were received from Joe Dunn and Cem Suleyman.

2. Approval of minutes from previous meetings

11058. The meeting minutes from the CUSC Panel held on 27 August 2021 were approved by the Panel.

3. Action log

11059. The CUSC Panel reviewed the open actions from the meeting held on 27 August 2021, which can be found on the Actions Log.

4. Chair update

11060. TM advised the Panel that all Code Panel Chairs met in September. Updates were provided by ELEXON on Energy Code Reform and there was a presentation delivered by the Retail Energy Code on a new process for strategic prioritisation of modifications.

5. Authority decisions

11061. NH stated that the following decisions had been made since the August 2021 Panel meeting:

Modification	What this does	Decision Date
CMP370	Aligns the CUSC with the new Interactivity policy that has been developed collaboratively with industry through the Energy Networks Association (ENA) Open Network Projects	Decision received 20 September 2021 approving the CMP370 Original – to be implemented 4 October 2021.

Awaiting Decisions

11062. NH provided an update at the Panel on Modifications awaiting decisions. The summary table below sets out which Modifications are with the Authority decision together with the expected decision date:

Modification	What this seeks to achieve	Expected Decision Date
CMP335/336 and CMP343/340	Proposes the methodology for Transmission Demand Residual charges to be applied only to 'Final Demand' on a 'Site' basis, as well as	Expected decision dates for all these Modifications was 27 August 2021; however Ofgem confirmed at CUSC Panel on 27 August 2021 (and at CUSC Panel on

	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	24 September 2021) that this date will not be met and will advise on the new expected decision date as soon as possible.
CMP292	Introduces a cut-off date for changes to the Charging Methodologies	Has an expected decision date of TBC in 2021 (previously 30 June 2021 and latterly 30 September 2021) as Ofgem consider this to be low priority
CMP371	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	Final Modification Report received 7 July 2021 – expected decision date was 29 September 2021; however Ofgem have identified legal issues, which they are in the process of considering so no new expected decision date has been confirmed.
CMP308	Seeks to modify the CUSC to better align GB market arrangements with those prevalent within other EU member states by removing BSUoS charges from Generation.	Final Modification Report received 23 September 2021
CMP368/369	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.	Final Modification Report received 23 September 2021

6. New modifications

[CMP379 'Determining TNUoS demand zones for transmission-connected demand at sites with multiple Distribution Network Operators \(DNOs\)'](#)

11063. JS from National Grid ESO delivered a presentation on CMP379. JS explained that CMP379 has been raised to update Section 14 of the CUSC to clarify how TNUoS demand zones and therefore TNUoS demand tariffs and charges should be determined for transmission – connected demand users who connect at the boundaries of multiple DNO areas.

11064. JS explained that there are 14 Transmission Network Use of System (TNUoS) demand zones, which align to the 14 Distribution Network Operator (DNO) demand zones. Demand users pay TNUoS demand tariffs depending on the demand zone they fall within. For distribution-connected users, the demand zone is determined by the relevant DNO zone where the user is located. For transmission-connected users, the geographic DNO zone determines the user's demand zone.
11065. JS stated that if a transmission-connected user connects at a transmission substation, which also feeds multiple DNOs via its local GSP (Grid Supply Point) it is essentially located at a 'boundary point' and therefore spans multiple DNO zones. Although the current wording of the CUSC allows for some level of flexibility in terms of how demand zones can be used for tariff purposes it is not explicit within the charging methodologies which demand zone such a user should be allocated to.
11066. JS explained that the proposed change is to clarify in the CUSC that where a transmission site has a local GSP, which connects to and feeds multiple DNO networks, the DNO with the highest local net demand MW value at that site (using 'Week 24'* data) will be classed as the "predominant DNO". If a transmission-connected demand user is then connected to this transmission site it will be assigned the "predominant DNO" demand zone for tariff purposes. CMP379 seeks to update Section 14 of the CUSC to provide clarity on how TNUoS demand zones and therefore TNUoS demand tariffs should be determined for transmission-connected demand users who connect to the system located at a boundary point between multiple DNO areas.
11067. JS advised the Panel that the CMP379 defect and solution has previously been discussed with industry at the Transmission Charging Methodology Forum (TCMF). Feedback from the meeting suggested industry would welcome further discussion around the solution and possible alternatives. Taking account of this feedback, it is proposed that this modification should be assessed by a Workgroup. JS advised the Panel that to allow adequate time for CMP379 to be assessed and to ensure industry have a clear understanding of the approach to be used for 2022/23, it is proposed that charging guidance will be issued and published on the National Grid ESO website around the same time as the publication of Draft Tariffs. JS stated that the estimated materiality in terms of aggregated demand charge variation (due to choice of zones) for those transmission-connected projects expected to connect located at a 'boundary point' is <£1m.
11068. The Panel held discussions on the CMP379 modification proposal. GG noted concerns regarding the publication of the charging guidance, stating that this could be pre-empting the solution of the modification before it has been decided on by the Authority. JS and JW confirmed that it would be an interim guidance document to provide clarity to industry on how the charges would be applied for the 2022/2023 charging year only.
11069. The CUSC Panel unanimously agreed that CMP379 should follow a standard governance route and proceed to a Workgroup. The Panel also discussed and agreed Terms of Reference for the Workgroup.

7. In Flight Modification Updates

11070. PM talked the Panel through the progression of the in-flight modifications. The in-flight modifications can be found within the CUSC Panel papers pack on the National Grid ESO website via the following link:

<https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/meetings/cusc-panel-meeting-7>

11071. PM also presented the latest rolling 12-month cross code view of all the Workgroups currently planned in and when Workgroup Reports and Draft Final Modification Reports are planned to be presented to Panel and a view of modifications that are likely to be raised in the same period.

Month	Planned Number of Workgroups (as at 13 October 2021)	Comments
October 2021	11 cross code – 8 CUSC	Workgroups planned to commence on CMP376 (Queue Management)
November 2021	13 cross code – 11 CUSC	Workgroups planned to recommence on the CMP300 Post Authority Send Back in September 2021 and CMP304 (Enhanced Reactive Power Service)
December 2021	7 cross code – 3 CUSC	Workgroups planned to recommence on CMP288/289 (Charging for customer delays and backfeeds re: Transmission Connections)

[CMP363/364 'TNUoS Demand Residual charges for transmission connected sites with a mix of Final and non-Final Demand & Definition changes for CMP363'](#)

11072. PM advised the Panel that the CMP363/CMP364 Workgroup agreed it is prudent to wait for the Ofgem decision on the suite of Transmission Demand Residual modifications before finalising the Workgroup Report. This means the Workgroup Report will not be presented to September Panel. The CUSC Panel agreed that a revised timeline is to be confirmed once Ofgem provide clarity on their revised expected decision date for the suite of Transmission Demand Residual Modifications.

[CMP370 'Revision of the connection offer acceptance period for interactive connection offers'](#)

11073. PM advised the Panel that CMP370 will be implemented on 4 October 2021.

[CMP298 'Updating the Statement of Works process to facilitate aggregated assessment of relevant and collectively relevant embedded generation'](#)

11074. PM advised the Panel that on 22 September 2021, the Workgroup met to discuss the Workgroup Consultation Responses received. It was clear from the responses and subsequent discussion that the STC changes need to be defined more fully, the implementation plan needs to be further developed and there are currently up to 4 possible alternatives to consider. PM advised the Panel that as a result, this means the Workgroup Report will not be ready for October 2021 Panel and the aim is now November 2021 Panel but advised this would be confirmed at October 2021 Panel. **(Post Meeting Note: Following, a Workgroup Meeting on 6 October 2021, the plan is to present the Workgroup Report to December 2021 Panel – timeline will be presented to October 2021 Panel).**

[CMP286/287 ‘Improving TNUoS Predictability through Increased Notice of the Target Revenue used in the TNUoS Tariff Setting Process’](#)

11075. PM advised the Panel that the proposer will be attending the October Panel meeting to seek re-prioritisation of these modifications.

8. Discussions on Prioritisation

11076. The Panel reviewed the Prioritisation Stack. This can be found via the following link:

<https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/meetings/cusc-panel-meeting-7>

11077. The Panel specifically discussed CMP379 and the discussion is summarised in the table below:

Modification	Comments	Position in Prioritisation Stack
CMP379	September 2021 Panel placed this as "Low to Medium" in the prioritisation stack as they considered this has a low materiality and a decision is not needed until end December 2022. Therefore, Workgroups will not commence in 2021.	"Low to Medium"

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

9. Workgroup Reports

[CMP328 ‘Connections Triggering Distribution Impact Assessment’](#)

11078. PM delivered a presentation on CMP328 to the CUSC Panel. PM explained that CMP328 seeks to put in place an appropriate process to be utilised when any connection triggers a Distribution impact assessment.

11079. PM stated that the Workgroup held their Workgroup Consultation between 19 February 2021 and 19 March 2021 and received 11 non-confidential responses. PM confirmed that the majority of respondents were supportive of the principle of the Distribution Impact Assessment (DIA) however, some respondents questioned the 1MW/1MVA threshold though as leads to unnecessary DIAs as the majority of applications to the National Electricity Transmission System will have no impact on distribution systems and this adds more costs to consumers. PM noted that this has since been somewhat mitigated as the Proposer, following this feedback, have amended their Original Proposal to allow flexibility for DNOs as to whether a DIA is needed (even if it meets the MW/MVA criteria).

11080. PM advised that 6 out of 11 respondents supported implementation 12 months after the Ofgem decision (3 would have liked it earlier with 2/3 months suggested); however, there was general recognition that STC changes are needed. There are different implementation periods proposed for the CMP328 Original, WACM1 and WACM2 and these are explored and documented in the Workgroup Report.
11081. PM advised that on 8 September 2021, Workgroup held their vote and concluded that they had addressed the Terms of Reference and also concluded, by majority, that the CMP328 Original, WACM1 and WACM2 better facilitated the objectives than the current CUSC. There was majority support (7 out of 9 votes) for the CMP328 Original.
11082. JW questioned if the legal text has been fully developed enough by the Workgroup and asked both the Chair of CMP328 (PM) and Ofgem for their view on this. PM clarified that the Workgroup agreed that the DNOs would provide their standard Terms and Conditions to the ESO during the implementation phase, which will allow the ESO to create specific DIA Offers for each DNO and noted that Ofgem had been appraised of the approach. NH also confirmed that Ofgem have been engaging with the Workgroup and have no concerns regarding the legal text at present.
11083. The CUSC Panel agreed that the CMP328 Workgroup have met its Terms of Reference and can proceed to Code Administrator Consultation. ***(Post Meeting Note: The Code Administrator Consultation was published on 27 September 2021 and will close on 18 October 2021).***

10. Draft Final Modification Reports

CMP377 'Clarification of Section 14 BSUoS Charging Methodology'

11084. PM delivered a presentation on CMP377. PM explained that CMP377 seeks to provide clarity on how the BSUoS charging methodology is described in Section 14 of the CUSC. The four areas being addressed are:
- a. Covid-19 cost recovery calculations.
 - b. Capitalisation of defined terms in CMP373 legal text.
 - c. Clarifying storage import terminology.
 - d. General housekeeping.
11085. The CUSC Panel had previously unanimously agreed that CMP377 should follow standard governance route and proceed straight to Code Administrator Consultation. The Code Administrator Consultation was held from 4 August 2021 to 2 September 2021 with 3 non - confidential responses received. All respondents were supportive of the change and implementation approach. However, there were changes proposed to the legal text, some of which are within the scope of CMP377 with the rest to be considered as part of future changes to Section 14 (Section 2) of the CUSC.
11086. The Panel agreed that the proposed changes to the legal text were typographical and noted a number of suggested legal text changes (that are out of scope for CMP377 but could be considered as part of a subsequent Modification). The Panel held their recommendation vote and unanimously recommended that the CMP377 Original should be implemented and the Final Modification Report will be sent to Ofgem 6 October 2021. ***(Post Meeting Note: Final Modification Report was submitted to Ofgem on 6 October 2021).***

CMP378 'Market-wide Half- Hourly Settlement (MHHS) Implementation and Governance Arrangements'

11087. PM delivered a presentation on CMP378. PM stated that this modification places an obligation on The Company (defined in the CUSC as National Grid Electricity System Operator (NGESO) Limited) to comply with the obligations insofar as these apply to it under Section C12 (Market-wide Half-Hourly Settlement Implementation) of the Balancing and Settlement Code (BSC).
11088. PM stated that at the August 2021 CUSC Panel, the Panel noted that CMP378 will follow the Authority Led SCR Modification process as set out in CUSC 8.17B. The Panel also agreed that CMP378 should follow standard governance route and proceed straight to Code Administrator Consultation. The Code Administrator Consultation was held from 31 August 2021 to 14 September 2021 with 1 non - confidential response received. This respondent was supportive of the change and implementation approach and no changes were proposed to the legal text. AS, the Proposer of CMP378, thanked the Code Administrator and Panel for their support and engagement on this modification.
11089. The Panel held their recommendation vote and unanimously recommended that the CMP378 Original should be implemented. The Final Authority Led CUSC Modification Report will be sent to Ofgem 28 September 2021, seeking decision on or before 12 October 2021 with a view to being implemented on 15 October 2021. ***(Post Meeting Note: Final Modification Report was submitted to Ofgem on 28 September 2021 and the CMP378 Original was approved 12 October 2021 and implemented 15 October 2021).***

11. Standing Groups

Transmission Charging Methodology Forum (TCMF)

11090. JW advised the Panel that TCMF was held on 2 September 2021. The TCMF meeting papers can be found via the following link:

<https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc/tcmf-cisq>

The next TCMF meeting will be held on 7 October 2021.

11091. JW noted that the timing of TCMF currently clashes with the equivalent Distribution charging group and stated that, in conjunction with the Chair of the equivalent Distribution charging group, he is reviewing how best to align these two forums.

Joint European Stakeholder Group (JESG)

11092. GG advised that the JESG meeting was held on 14 September 2021. The meeting papers will be available via the following link:

<https://www.nationalgrideso.com/industry-information/codes/european-network-codes-old/meetings/jesg-meeting-14-september-2021>

Governance Standing Group

11093. No further updates.

EU Codes

11094. No further updates for Panel.

12. Update on other Industry Codes

11095. PM advised the Panel that [GC0151 'Grid Code Compliance with Fault Ride Through requirements'](#) Code Administrator Consultation closes on 27 September 2021. SL questioned, even with the Ongoing Energy Codes Reform, if there was opportunity to review the modification process to make it more streamlined. The Code Administrator and SL took an action to pick this discussion up offline. **ACTION**

11096. JC highlighted to the Panel that the BSC Panel has independently responded to the Energy Codes Reform consultation.

13. Relevant Interruptions Claim Report

11097. No further updates for the Panel.

14. Governance

11098. No further updates for Panel.

15. Horizon Scan

11099. No further updates for the Panel.

16. Forward Plan Update

11100. No further update for Panel.

17. AOB

General Discussion on Covid-19

11101. The Panel had no further discussion on this.

Digitalised Whole System Technical Code (WSTC)

11102. LW and FK delivered a presentation on the whole digitalisation of the Grid Code, stating that the main purpose of sharing this presentation was to share high level scope of the consultation paper and to signpost additional opportunities to engage with the digitalised WSTC project.

11103. LW explained that the WSTC project seeks to digitalise and consolidate technical codes through an industry-led approach. LW stated that the Ofgem/BEIS Energy Codes Reform recommends code simplification and consolidation. Stakeholder feedback is that the technical codes are lengthy, overly complex, and are structured differently across Transmission and Distribution, creating a barrier to market participation. LW confirmed that this project was supported by stakeholders and Ofgem as part of the ESO RII02 business plan.

11104. The Panel thanked LW and FK for their presentation and noted two key areas of feedback. GG sought confirmation that by digitalising the Codes, this would not change Parties' obligations. LW confirmed that this is outlined within the consultation. PJ also highlighted concerns about breaching the Codes and who would be legally responsible if this was to happen. LW stated that this is also covered in the consultation.

11105. FK also advised the Panel that the digitalised Whole System Technical Code (WSTC) project will issue its first consultation on 27 September 2021, with a closing date of 12 November

2021. FK confirmed that there will be regular webinars during this period to discuss the consultation. More information on the WSTC project and webinars can be found [here](#).

Thanks to Paul Mott and Simon Lord

11106. TM thanked both PM and SL for their longstanding service to the CUSC Panel and wished them the best of luck for the future.

The next CUSC Panel meeting will be held on Friday 29 October 2021 via Microsoft Teams.