

CUSC Panel

Friday 28 October 2022

National Grid ESO Offices, Faraday House

WELCOME

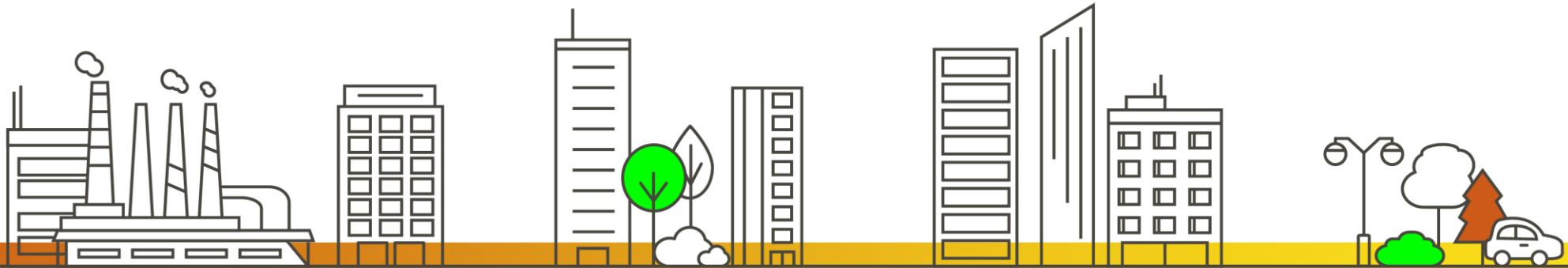


nationalgrid**ESO**

Approval of Panel Minutes

**Approval of Panel Minutes from the Meeting
held 13 and 21 September 2022**

*30 September 2022 Panel minutes to be approved at
November Panel meeting*



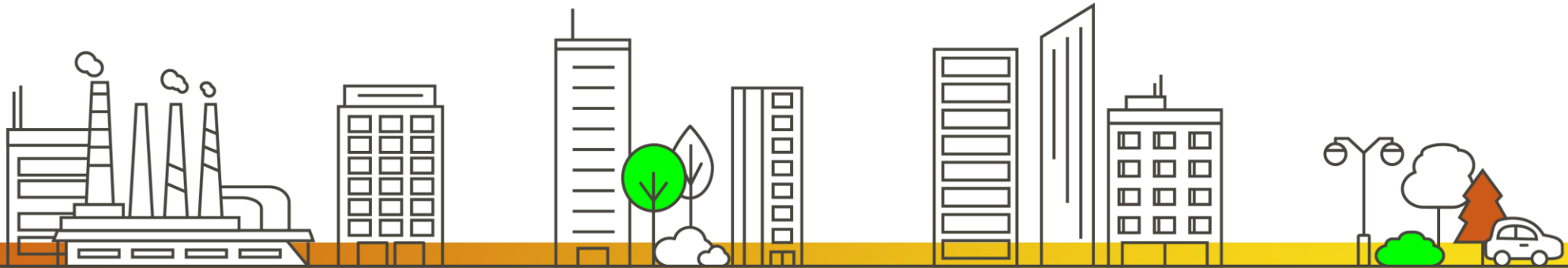
Actions Log

Review of the actions log



Chair's Update

An update from the Chair about ongoing relevant work, discussions etc.



Authority Decisions (as at 26 October 2022)



Decisions Received since last Panel meeting

- ☐ **CMP395** (Decision was received 5 October 2022 approving WACM3 (as per Original except cap BSUoS at £40/MWh rather than £15/MWh). CMP395 WACM3 came into effect from 1st Settlement Period (00:00 to 00:30) on 6 October 2022).

Decisions Pending

- ☐ **CMP288** (Expected decision date of 30 November 2022)
- ☐ **CMP292** (Expected decision date of 31 October 2023)
- ☐ **CMP298** (Expected decision date of 30 November 2022 - The Final Modification Report for the associated STC change (CM080) was issued to Ofgem on 11 October 2022)
- ☐ **CMP328** (Expected decision date of 30 November 2022 - The Final Modification Report for the associated STC change (CM078) was issued to Ofgem on 7 June 2022)
- ☐ **CMP361/362** (Expected decision date of 31 October 2022)
- ☐ **CMP388** (Expected decision date of 16 December 2022)
- ☐ **CMP389** (Expected decision date of 16 December 2022)
- ☐ **CMP390** (Expected decision date of 3 February 2023)

Received Final Modification Reports since last Panel Meeting

- ☐ **CMP363/364** (Final Modification Report issued to Ofgem 12 October 2022 - Expected decision date of early December 2022)
- ☐ **CMP384** (Final Modification Report issued to Ofgem 12 October 2022 - Expected decision date of 31 January 2023)

New modifications submitted



**CMP399: CUSC Section 14 – Minor changes
update**

Joe Henry – National Grid ESO

Critical Friend Feedback – CMP399

Code Administrator comments	Amendments made by the Proposer
<p>Proposed minor amendments to Proposal form</p> <p>Clarification on proposed legal text changes</p>	<p>Proposer accepted all amendments made by the Code Administrator</p>

CMP399 – What is the change and why?



CMP399 is a housekeeping change to Section 14 of the CUSC



CMP399 is needed to make minor/housekeeping changes to Section 14



A sister modification, CMP400, is being raised to change small CUSC errors in non-charging sections



It is proposed that the modification should proceed on a self governance basis

Proposed Changes

Current CUSC Reference	Why is change needed?	Type of change
14.17.38	Error in paragraph numbering	Numbering
14.17.32	Errors in cross referencing	Numbering
14.18.33	Errors in cross referencing	Numbering
14.29 (Two sections with this numbering)	Unclear section numbering and contents page	Numbering
Throughout Section 14	“The Company” needs to be emboldened	Bolding defined terms
14.18.18	Errors in cross referencing	Numbering
Numbering 14.17.35.1 follows 14.17.37. Then the references increase up to 14.17.35.6 and continue 14.17.29.8.	Numbering is misaligned and needs to be realigned to be sequential	Numbering
14.6.7	Errors in cross referencing	Numbering
14.14.5 (vi and viii)	Unclear paragraph numbering	Numbering

Proposed Changes

Current CUSC Reference	Why is change needed?	Type of change
14.15.60	Errors in cross referencing	Numbering
14.15.90A	Errors in cross referencing	Numbering
14.16.3	Errors in cross referencing	Numbering
14.17.35.1	Incorrect paragraph numbering	Numbering
14.17.35.2	Errors in cross referencing	Numbering
14.17.35.4	Errors in cross referencing	Numbering
14.17.35.5	Errors in cross referencing	Numbering
14.17.29.8 to 14.17.29.11	Incorrect paragraph numbering	Numbering
14.17.29.9	Errors in cross referencing	Numbering
14.17.29.11	Errors in cross referencing	Numbering
Para 14.17.38 to 14.17.40 -	Incorrect paragraph numbering	Numbering
14.18.18	Errors in cross referencing	Numbering
14.18.19	Small Generator Charges no longer apply – delete paragraph	Superfluous text
14.19.5	Errors in cross referencing	Numbering
14.23 v) a)	Errors in cross referencing	Numbering
14.23 Adjustment Tariff	Incorrect paragraph numbering	Numbering
14.23 Adjustment Tariff	Errors in cross referencing	Numbering
Throughout Section 14	Updating consequential paragraph referencing	Numbering
Contents Page	Updating erroneous reference to CUSC Section 14.33	Indexing
CMP395 Legal Text (14.30.27-14.30.34)	Numbering amended to 14.31.27-14.31.4 to reflect the renumbering on “14.29 Principles” to “14.30 Principles”. Paragraph references also amended to reflect change	Numbering

- It is proposed that the modification should be Self Governance as these are minor and immaterial changes to the CUSC
- The proposer argues that this would be the most efficient use of Industry time.

Timeline for CMP399 – Proposed Timeline – Code Administrator Consultation

Milestone	Date
Modification presented to Panel	28 October 2022
Code Administrator Consultation (15 working days)	3 November 2022 to 5pm on 24 November 2022
Draft Self Governance Modification Report issued to Panel (5 working days)	8 December 2022
Panel undertake Draft Self Governance Modification Report determination vote	16 December 2022
Final Self Governance Modification Report issued to Panel to check votes recorded correctly	16 December 2022
Appeals Window (15 working days)	6 January 2023 to 5pm on 27 January 2023
Implementation Date	1 April 2023

CMP399 – the asks of Panel

- **AGREE** that this Modification meets the Self-Governance Criteria (Panel decision) rather than Standard Governance (Ofgem decision)
- **AGREE** that this Modification should proceed to Code Administrator Consultation
- **NOTE** that there appear not to be any impacts on the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the CUSC
- **NOTE** the proposed timeline

CUSC Self-Governance Criteria

“Self-Governance Criteria”

a **CUSC Modification Proposal** that, if implemented,

(a) is unlikely to have a material effect on:

(i) existing or future electricity consumers; and

(ii) competition in the generation, distribution, or supply of electricity or any commercial activities connected with the generation, distribution or supply of electricity; and

(iii) the operation of the **National Electricity Transmission System**; and

(iv) matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; and

(v) the **CUSC**’s governance procedures or the **CUSC**’s modification procedures, and

(b) is unlikely to discriminate between different classes of **CUSC Parties**;

c) other than where the modification meets the **Fast Track Criteria** will not constitute an **EBGL Amendment**.

New modifications submitted



**CMP400: CUSC Non Section 14 – Minor changes
update**

**Paul Mullen (on behalf of Rashpal Gata-Aura) -
National Grid ESO Code Administrator**

Critical Friend Feedback – CMP400

Code Administrator comments	Amendments made by the Proposer
<p>Clarity on Implementation Date</p> <p>Proposed amendments to Proposal form to ensure all Legal Text sections being changed were cross referenced</p> <p>Ensured assessed against the CUSC non-charging objectives</p>	<p>Proposer accepted all amendments made by the Code Administrator</p>

Timeline for CMP400 – Proposed Timeline – Code Administrator Consultation

Milestone	Date
Modification presented to Panel	28 October 2022
Code Administrator Consultation (15 working days)	3 November 2022 to 5pm on 24 November 2022
Draft Self Governance Modification Report issued to Panel (5 working days)	8 December 2022
Panel undertake Draft Self Governance Modification Report determination vote	16 December 2022
Final Self Governance Modification Report issued to Panel to check votes recorded correctly	16 December 2022
Appeals Window (15 working days)	6 January 2023 to 5pm on 27 January 2023
Implementation Date	3 February 2023

CMP400 – the asks of Panel

- **AGREE** that this Modification meets the Self-Governance Criteria (Panel decision) rather than Standard Governance (Ofgem decision)
- **AGREE** that this Modification should proceed to Code Administrator Consultation
- **NOTE** that there appear not to be any impacts on the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the CUSC
- **NOTE** the proposed timeline

CUSC Self-Governance Criteria

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a **CUSC Modification Proposal** that, if implemented,

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(iii) the operation of the **National Electricity Transmission System**; and

(iv) matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; and

(v) the **CUSC**'s governance procedures or the **CUSC**'s modification procedures, and

(b) is unlikely to discriminate between different classes of **CUSC Parties**;

c) other than where the modification meets the **Fast Track Criteria** will not constitute an **EBGL Amendment**.

New modifications submitted



**CMP401: Maintaining Non Half-Hourly (NHH)
charging arrangements for Measurement Classes
F and G**

**Joe Henry (on behalf of Neil Dewar) – National Grid
ESO**

Critical Friend Feedback – CMP401

Code Administrator comments	Amendments made by the Proposer
Proposed minor amendments to Proposal form	Proposer accepted all amendments made by the Code Administrator



CMP401 :

Maintaining Non Half Hourly (NHH) charging arrangements for Measurement Classes F and G

CUSC Modification Panel – 28th October

What is the current CUSC defect and Who is impacted?

- What is CUSC defect?
- Clause 14.17.29.9 has a fixed end date of 31st March 2023
- This is a result of previous Modification proposals CMP318 and prior to this, CMP266:
 - CMP318 - Maintaining Non Half- Hourly (NHH) charging arrangements for Measurement Classes F and G was approved by Ofgem in November 2019 extending
 - CMP266 Removal of Demand TNUoS charging as a barrier to future elective Half Hourly settlement arrangements.
- Who is affected?
 - Suppliers

What are the potential and preferred proposed CUSC solutions?

- Potential solutions to rectify the CUSC defect includes:
 - Introducing a Fixed Date of 31st March 2026
 - Aligning with the introduction of the Market Wide Half Hourly Settlements (MWHHS) programme, after 31 March 2026, ensuring all Measurement Classes are treated equally, but this assumed MWHHS does go live in October 2025
 - Align with the introduction of the MWHHS programme, beginning at the start of a Financial Year, but not specifying the year to avoid issues if MWHHS is delayed.
- Preferred solution after discussions internally (including Revenue team) and MWHH Design Advisory Group Chair is to:
 - Align with the introduction of the MWHHS programme, beginning at the start of a Financial Year, but not specifying the year to avoid issues if MWHHS is delayed.
- Reason:
 - Reduces risk of Consequential Modification proposals in future if MWHHS is delayed

What are the consequences of non-implementation?

- Without a change, Suppliers will be charged (on a per-MPAN basis) both the NHH and HH tariffs for the same site within one Charging Year for certain demand. This is double-charging and will likely lead either to windfall losses to Suppliers or to increased consumer costs.
- Without extension / adjustment end users in Classes F and G would move to HH settlement with adverse financial consequences.

Benefits for linking to Market Wide Half Hourly Settlement timeline

- By aligning with the introduction of the MWHHS programme, rather than a fixed date, we have removed the requirement for a further consequential Modification proposal
- The date change aligns to the start of a Charging Year and MWHH for all Measurement Classes, preventing double charging issues.

Proposed CUSC legal text change

Current text

- 14.17.29.9 Notwithstanding 14.17.9, for each Financial Year which begins after 31 March 2017 demand associated with Measurement Classes F and G will be treated as Chargeable Energy Capacity (NHH) for the purposes of TNUoS charging for the full Financial Year up until the Financial Year which begins after 31st March 2023. Demand associated with Measurement Class E will continue to be treated as Chargeable Demand Capacity (HH).

Suggested legal text

14.17.29.9 Notwithstanding 14.17.9, for each **Financial Year** which begins after 31 March 2017 demand associated with Measurement Classes F and G will be treated as Chargeable Energy Capacity (NHH) **for the purposes of TNUoS charging for the full Financial Year, until the end of the Financial Year (31st March) following the introduction of the Market Wide Half Hourly Settlement (MWHHS) programme.** Demand associated with Measurement Class E will continue to be treated as Chargeable Demand Capacity (HH).

Suggested Governance Route

- Standard Governance modification to proceed to Code Administration Consultation
- Minor change to CUSC and not significant so does not require Workgroup

Timeline for CMP401 – Proposed Timeline – Code Administrator Consultation

Milestone	Date
Modification presented to Panel	28 October 2022
Code Administrator Consultation (15 working days)	3 November 2022 to 5pm on 24 November 2022
Draft Final Modification Report (DFMR) issued to Panel (5 working days)	8 December 2022
Panel undertake DFMR recommendation vote	16 December 2022
Final Modification Report issued to Panel to check votes recorded	16 December 2022
Final Modification Report issued to Ofgem	6 January 2023
Ofgem decision	Needed by 31 January 2023
Implementation Date	1 April 2023

CMP401 – the asks of Panel

- **AGREE** that this Modification should follow Standard Governance (Ofgem decision) rather than the Self-Governance Criteria (Panel decision)
- **AGREE** that this Modification should proceed to Code Administrator Consultation
- **NOTE** that there appear not to be any impacts on the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the CUSC
- **NOTE** the proposed timeline

BREAK





In Flight Modification Updates

**Review of all CUSC Modifications with
current status, next steps and any Panel
recommendations**

Request to change modification timeline

CMP376	Workgroup Report issued to Panel	DFMR issued to Panel	FMR issued to Ofgem
Previous timeline	8 December 2022	19 January 2023	7 February 2023
New timeline	16 February 2023	23 March 2023	12 April 2023

Rationale: Workgroup agreed that further Workgroups will be needed to check that the proposed milestones are appropriate and further discuss what contract changes will mean for the milestones. There will be a further Workgroup ahead of Workgroup Consultation and a further Workgroup post Workgroup Consultation (as Workgroup Alternatives are likely).

Workgroups Remaining: 5 *(including the one on 21 October 2022)*

Ask of Panel: Agree revised timeline?

Request to change modification timeline

CMP392	Workgroup Report issued to Panel	DFMR issued to Panel	FMR issued to Ofgem
Previous timeline	16 February 2023	20 April 2023	11 May 2023
New timeline	23 March 2023	18 May 2023	7 June 2023

Rationale: Next Workgroup on 23 November 2022 given other priorities and will mean a 1 month delay to the Workgroup Report being issued to Panel (March 2023 rather than February 2023). However, work is continuing on the ESO's interim Connections Exclusion guidance in the meantime and a 1st draft was shared with Workgroup on 26 September 2022.

Workgroups Remaining: 5

Ask of Panel: Agree revised timeline?

Request to agree revised Terms of Reference – CMP331

Workgroup Term of Reference	Location in Workgroup Report
a) Consider EBR implications	
b) Consider if any annual reconciliation process might be appropriate for cost reflectivity purposes if the outturn is more than the forecast (and if so should this be capped by the generic load factor?)	
c) Consider who should commission (and at whose expense) the independent third party review of the forecast to be used.	
d) Consider if there should be any obligations on the User to be fully open and transparent with the independent third party and the ESO where a suitable site-specific ALF is available.	
e) Consider what needs to be contained in the report produced by the independent third party (recognising that it needs to be of sufficient status for the ESO to act upon).	
f) Consider the history associated with Annual Load Factors discussed within CMP213.	
g) Consider whether or not this proposed process only applies to new generators or could existing generators retrofitting new plant be eligible.	
h) Consider Distribution Impact Analysis	

Changes shown in red text

Request to agree revised Terms of Reference – CMP393/CMP394

Workgroup Term of Reference

- a) Consider EBR implications
- b) Consider why this change only applies to a subset of storage technologies (i.e., battery and pumped storage), and potential discrimination for conventional, controllable generation
- c) Consider the full Cornwall Insight modelling results and consider the impacts on TNUoS parties
- d) Undertake analysis on the extent to which storage can on average be expected to impact on constraint cost levels (under different commercial/operational models). **This should include consideration of duration of storage for management of constraints, and it should include consideration of storage providing ESO Balancing Services**
- ~~e) Consider the duration of the storage, both on an asset by asset basis and a total asset class basis, in terms of its contribution to the avoidance of constraints~~
- e) Consider the impacts for Storage Operators not located in areas with constraints
- ~~f) Consider the impacts of storage providing ESO Balancing Services for constraint management~~

Changes shown in red text

Request to agree revised Terms of Reference – CMP393/CMP394

Workgroup Term of Reference

- f) Consider any interactions with the TNUoS Taskforces, in-flight Modifications (CMP316 and CMP331) and the current NETS SQSS review in terms of the treatment of storage
- g) Consider the appropriateness of the solution for both positive and negative charging zones
- h) Consider whether the use of a 'net' as opposed to 'gross' ALF is consistent with the concept of 'Sharing' related to the Year Round Background
- ~~i) Consider the effect of dispatchable and non-dispatchable constraints on storage and boundaries~~

Changes shown in red text

Discussions on Prioritisation

- **AGREE** where New Modifications that need Workgroups are placed in the prioritisation stack
- **CARRY OUT** deep-dive assessment of all Modifications that sit within the prioritisation stack

Prioritisation Principles

Section 8: 8.19.1.(e) makes the following provision for the Panel and states “Having regard to the complexity, importance and urgency of particular CUSC Modification Proposals, the CUSC Modifications Panel may determine the priority of CUSC Modification Proposals and may (subject to any objection from the Authority taking into account all those issues) adjust the priority of the relevant CUSC Modification Proposal accordingly”

Complexity	The modification is viewed as being resource intensive and will most likely require a higher than average number of workgroups to conclude the process. Additionally the modification defect is viewed to have implications for many different areas of the energy market which need to be taken into consideration throughout the process.
Importance	The perceived value & risk associated with the proposed modification. The value / risk could be considered from a number of different perspectives i.e. financial / regulatory / licence obligations both directly for customer and end consumers more generally.
Urgency	A modification which requires speedy consideration within the code governance process, both complexity and importance should be factors considered in evaluating urgency as well as the timescales for implementation within the respective code.



Workgroup Reports

None this month



Draft Final Modification Reports

None this month

Standing Groups - *Updates on all standing groups relevant to CUSC panel e.g. potential for future governance changes or modifications*

Governance Standing Group – Garth Graham

TCMF – James Stone



European Updates - *Updates on all European developments relevant to CUSC panel e.g. potential for future governance changes or modifications*

European Code Development – Nadir Hafeez

Joint European Stakeholder Group – Garth Graham

Update on Other Industry Codes

Grid Code

STC

SQSS

DCUSA

BSC



Relevant Interruptions Claim Report

(January, April, July, October)

The background features several decorative yellow lines. In the top left, there are several thin, curved lines that sweep upwards and to the right. In the bottom right, there are several thicker, straight lines that sweep upwards and to the right, creating a sense of movement and energy.

Governance

None this month



Horizon Scan

(February, May, August, November)

None this month



Forward Plan Update/Customer Journey)

(January, March, May, July, September, November)

None this month

AOB

1. *None this month*

Next Panel Meeting

10am on 25 November 2022 via Teams

Papers Day – 17 November 2022

**Modification Proposals to be submitted
by – 10 November 2022**

TCMF – 3 November 2022

Close



Trisha McAuley

Independent Chair, CUSC Panel