Headline Report – 15 December 2023

Connection and Use of System Code (CUSC) Panel

The Headline Report is produced after every 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 Special CUSC Panel on 06 December 2023 will be presented for approval at the Panel meeting on 26 January 2024.

The meeting minutes from the Panel on 24 November 2023 were approved subject to minor comments from the Panel being incorporated and these have been uploaded to our <u>website</u>.

New Modifications

The following new Modification Proposals were presented to the Panel:

<u>CMP426 'TNUoS charges for transmission circuits identified for the HND as onshore transmission'</u>

To consider the cost recovery for circuits being classified as boundary reinforcement within the Holistic Network Design (HND). Ensuring the purpose and function of circuits classified as boundary reinforcement are considered when determining the appropriate TNUoS tariff and users the costs are recovered from.

The Panel unanimously agreed that CMP426 should follow the Standard governance route and proceed to a Workgroup. The Panel agreed the Terms of Reference for the Workgroup.

CMP426 documentation can be found here

<u>CMP427 'Update to the Transmission Connection Application Process for Onshore Applicants'</u>

This modification proposes that a Letter of Authority (LoA) should be required for new Onshore Transmission Connection Applications.

The Panel unanimously recommended that CMP427 met Ofgem's Urgency criteria and therefore recommended urgent treatment. Panel's recommendation was sent on 15 December 2023 seeking an Ofgem decision by 5pm on 21 December 2023.

The Panel recommended that CMP427 proceed to a Workgroup. The Panel agreed the Terms of Reference for the Workgroup.

CMP427 documentation can be found here

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New / Pending Authority Decisions

Decisions since the last Panel

Modification V	What this seeks to achieve	Decision
C	This modification is to provide clarity within the CUSC on how the residual demand charges should be divided between multiple Suppliers at one Connection Site.	Authority directed that the

Awaiting Decisions

Modification	What this seeks to achieve	Expected Decision Date
CMP298	Process for aggregated assessment of Distributed Generators that impact (or may impact) on the National Electricity Transmission System.	The Authority Representative indicated that due to the publication moratorium the approval of WACM3 would be published on 04 January 2024 (previously 12 December 2023)
CMP330&CMP374	To amend the definition of Connection Assets in section 14 of the CUSC to allow cable and overhead line lengths over 2km to be contestable where agreed between the Transmission Owner and the User.	08 March 2024
CMP344	Clarifies that the allowed revenue for Transmission Owners recovered from Transmission Users under the Charging Methodologies is fixed for each onshore price control period for onshore transmission licensees and at the point of asset transfer for OFTOs.	26 January 2024 (previously 08 December 2023)
CMP392	Under CMP391 a definition of "Charges for Physical Assets Required for Connection" which reflects the Limiting Regulation has been added to the CUSC. CMP392 seeks to provide stakeholders with legal certainty and transparency of the methodology including the calculation and the output of the calculation.	31 January 2024
CMP398	GC0156 will place new obligations, within the Grid Code, upon CUSC Parties who are not contracted with the ESO as Restoration Service Providers. CMP398 proposes to introduce a codified cost recovery mechanism to prevent the affected parties being commercially disadvantaged by the implementation of the new obligations	30 January 2024
CMP408	Following the approval of CMP361 WACM3, of an ex-ante fixed BSUoS tariff with a 9-month notice and 6-month fix, this modification seeks to amend the notice period to a 3-month notice period.	To be confirmed
CMP412	Seeks to facilitate the implementation of CMP398 and proposes a small change to Section 14 (BSUoS) to ensure that any validated costs arising via the CMP398 solution are recovered (as happens today with black start costs via BSUoS.	30 January 2024

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CMP414	Seeks to enact the Workgroup solution from CMP330/CMP374, by updating Exhibit B, Section 2 and Section 11 of the CUSC	08 March 2024
CMP415	This modification is a consequential modification for CMP408, which looks at a change to a definition in Section 11. Amending the Fixed Price Period from 6 months to 12 months.	To be confirmed

Ofgem publish 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 08 December 2023 and is published here.

Prioritisation Stack

There is an expectation that there will be a significant amount of industry resource required for modifications from the beginning of 2024 and in anticipation of this the Panel held a more in-depth review of the in-flight modifications.

The latest prioritisation stack can be found here

In flight Modifications

Modification Send Back Timeline and Terms of Reference Update: CMP288: Explicit charging arrangements for customer delays and backfeeds

The Panel approved the new timeline and additional Terms of Reference as submitted within the Panel Papers.

Modification Timeline Update: CMP402: Introduction of Anticipatory Investment (AI) principles within the User Commitment Arrangements

The Panel approved the new timeline as submitted within the Panel Papers.

Modification Timeline Update: CMP405: TNUoS Locational Demand Signals for Storage

The Panel approved the new timeline as submitted within the Panel Papers.

The next Modification Tracker will be published on 08 January 2024

Workgroup Reports

No Workgroup Reports were presented to the Panel.

Draft Final Modification Reports

The following Draft Final Modification Reports were presented to the Panel:

CMP396 'Re-introduction Of BSUoS on Interconnector Lead Parties'

Re-introduction of BSUoS on Interconnector Lead Parties to reflect BSUoS is an energy management cost and not a transmission access charge.

The Panel has recommended unanimously that the Proposer's solution did not better facilitate the CUSC Applicable Objectives. The Final Modification Report will be sent to Ofgem on 05 January 2024.

CMP396 documentation can be found here

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CMP411: Introduction of Anticipatory Investment (AI) within the Section 14 charging methodologies

Seeks to introduce Anticipatory Investment (AI) and a mechanism for the recovery of AI costs within the Section 14 charging methodologies.

The Panel has recommended unanimously that the Proposer's solution better facilitated the CUSC Applicable Objectives. The Final Modification Report will be sent to Ofgem on 05 January 2024.

CMP411 documentation can be found here.

Questions or feedback?

Panel Secretary: Milly Lewis, Code Administrator

Panel Technical Secretary: Ren Walker, Code Administrator

Email: cusc.team@nationalgrideso.com