

Meeting Summary

Transmission Charging Methodologies Forum and CUSC Issues Steering Group 145

Date: 04/04/2024 **Location:** Faraday House & MS Teams
Start: 10:30am **End:** 12:35pm

Participants

Attendee	Company	Attendee	Company
Camille Gilsean (CH)	ESO (Chair)	Joseph Henry (JH)	ESO (Tec Sec and Presenter)
Grace March (GM)	Sembcorp (Presenter)	Alex Curtis (AC)	ESO (Presenter)
Paul Mullen (PM)	ESO (Presenter)	Milly Lewis (ML)	ESO (Presenter)
Nick George (NG)	ESO (Presenter)	Alice Taylor (AT)	ESO (Presenter)
Adam Lee (AL)	Gazprom	Alan Currie (AC)	Ventient Energy
Alan Fradley (AF)	ESO	Alan Kelly (AK)	Corio Generation
Alistair Tolley (AT)	EPUKI	Alex Ikonic (AI)	Orsted
Alice Cockshutt (AC)	Engie	Arjan Geveke (AG)	Energy Intensive Users Group
Charles Wood (CW)	Energy UK	Chiamaka Nwajagu (CN)	Orsted
Christopher Patrick (CP)	Ofgem	Claire Huxley (CH)	ESO
Claire Hynes (CLH)	RWE	Corwin Barney (CB)	Energy Corp
Daniel Hickman (DH)	ESO	David Jones (DJ)	Ofgem
David Tooby (DT)	Ofgem	Dennis Gowland (DG)	Fairwind (Orkney) Ltd
Dimuthu Wijetunga (DW)	Shell	Edda Dirks (ED)	SSE
Garth Graham (GG)	SSE	George Douthwaite (GD)	ITP Energised
Ghulam Haider (GH)	Ofgem	Giulia Licocci (GL)	Ocean Winds
Graeme Hickman (GH)	ESO	Hadi Karimi (HK)	Light Source BP
Harriet Eckweiler (HE)	SSE	Harriet Harmon (HH)	Ofgem
Hector Perez (HP)	Scottish Power	Helen Stack (HS)	Centrica
Hugh Morgan (HM)	WatchHill Consultancy Services	Jacqueline Wilkie (JW)	SSE

James Knight (JK)	Centrica	James Stone (JS)	Ofgem
John Mclellan (JM)	Ofgem	Jonathan Bowes (JB)	Ofgem
John Tindal (JT)	SSE	Karl Maryon (KM)	Haven Power
Katie Clark (KC)	ESO	Keren Kelly (KK)	ESO
Kyle Murchie (KM)	Road Night Taylor	Kyran Hanks (KH)	Waters Wye Associates
Liam Cullen (LC)	Ofgem	Lizzie Timmins (LT)	ESO
Louis Sandiford (LS)	Ofgem	Mark Fletcher (MK)	Shell
Mark Jones (MJ)	SSE	Muhammad Madni (MM)	National Grid Ventures
Nayan Maske (NM)	ESO	Neil Dewar (ND)	ESO
Niall Coyle (NC)	EON Energy	Nick Everitt (NE)	ESO
Nicola Fitchett (NF)	RWE	Nina Brundage (NB)	Ocean Winds
Nina Sharma (NS)	Drax	Paul Jones (PJ)	Uniper Energy
Paul Mott (PM)	ESO	Paul Youngman (PY)	Drax
Pedro Arcain (PA)	Ofgem	Peter Frampton (PF)	Vitol
Prisca Evans (PE)	ESO	Rein de Loor (RL)	ESO
Robert Longden (ROL)	Cornwall Energy	Rustam Ellis-Majainah (RM)	OVO
Ruth Kemsley (RK)	EDF Renewables	Ryan Ward (RW)	Scottish Power
Sally Ann Young (SY)	SSE	Sally Musaka (SM)	SSE
Sean Nugent (SN)	ESO	Sinan Kufeoglu (SK)	Ofgem
Stephen Dale (SD)	ESO	Sunil Gokani (SG)	St Clements
Suzanne Law (SL)	SSE	Tobias Burke (TB)	Energy UK
Tony Cotton (TC)	Energy Technical & Renewable Services Ltd	Vicki Holland (VH)	St Clements

Agenda, slides, and modifications appendices

[Transmission Charging Methodologies Forum \(TCMF\) - 04.04.2024 | ESO \(nationalgrideso.com\)](#)

TCMF and CISG

These notes are produced as an accompaniment to the slide pack presented which can be found here [PowerPoint Presentation \(nationalgrideso.com\)](#)

Meeting Opening – Camille Gilsenan, ESO

CG opened the meeting, providing an overview of the agenda items for discussion.

TNUoS Task Force update - Grace March, Sembcorp

NE shared an update from the TNUoS Task Force. See slides for more details.

PY asked what the signals subgroup was looking at. NE to respond privately to PY on this. **Action ID 24-7**

RL stated signals subgroup was around short medium and longer term TNUoS and what they incentivise. AG stated he has an interest in this as he represents large demand and wants to know who represents large demand on the subgroup. **Action ID 24-8** DH said the subgroup was looking to raise a modification to move away from TRIADs and will look at splitting the charge out. PJ stated that the subgroup was also looking at the appropriateness of negative locational charges for generation and demand.

NE said that meeting was to be set up around codification to the STC. NE also noted that the associated subgroup were also reviewed – determined all questions answered.

CN asked what the REMA consultation means for the Taskforce. NE said there is a life expectancy for the Task Force and that something will be established for REMA but cannot share specifics at this stage. RL and PJ stated TF was looking at shorter to medium terms issues as opposed to longer term issues to be dealt with by REMA.

ESO Connections update - Alex Curtis, ESO

AC shared an ESO Connections update. See slides for more details.

RL asked whether the new framework would take into account how many existing applications would fall away under new criteria if applied to all current connections applications. PM said this was contingent of criteria but would expect a reduction.

Connections Reform Code Change Strategy - Paul Mullen, ESO

PM shared details of the Connections Reform Code Change Strategy. See slides for more details.

PM advised on progress since TCMF. Ofgem have published a blog on connections process – link in slides. PM advised that the connections queue is going up and not down and as such the ESO discussed (at CDB in March) proposals for a reformed queue process. The aim is that connections applications ready to connect are the ones that should be prioritised. Further thinking on this to be shared in mid April. PM stated that this may change scope of modifications as it will apply to pre-existing queue. ESO aiming for publication on 15th April accompanied by roadmap. There will be events in April where this will be socialised (please see slides for info). PM stated that code changes to be raised at April panels seeking urgency.

GG advised CPAG met 7th March and CPAG had met since. The next meeting will be held 18th April. GG asked whether STC and CUSC mod would have a joint workgroup as he could not see how governance would work in terms of assessment against applicable objectives, noting that STC panel doesn't have a non-network representation. GG stated that it would be good to understand the logic and practicalities of this process. It was also noted that CUSC stakeholders may be interested in STC mod but not sure that this would be reciprocal.

JT stated that that a lot of the queue is dominated by southern Solar PV and Battery Storage and queried if consideration of making Queue Management more technology or location specific had been undertaken. PM said not at the moment but this may be considered in future with strategic plan due in 2026. AK asked how tension of delivery timescales were being managed and queried if there is any risk to the queue position of a longer term project if quicker projects are being prioritised. PM stated there shouldn't be any detrimental impact but could not confirm.

PY asked if CDB had seen proposals but CPAG hadn't. PM confirmed and stated this would remain the case.

PM stated that modifications would run May until August. Workgroups are being planned. PM highlighted that some weeks may have 3 workgroups. Other industry meetings and modification clashes are being avoided. PM stated that timescales are tight and will only work if WG members are fully prepped for each meeting. ESO will confirm resource ask of workgroups when solidified. PM disagrees with GG on CUSC and STC workgroup as TOs are an important part. STC changes are not as many as CUSC. Plan to have a joint workgroup post WG consultation. PM stated that it may be more efficient to have STC and CUSC together.

GG highlighted the need for clarity on whether CUSC parties are able to raise alternatives on STC mods and vice versa. GG stated that he believed it unfair to allow STC parties to raise alternatives to CUSC

modifications and vice versa if arrangements are not reciprocated. GG stated that this should be clarified this in the ToR. **Action 24-9**

GG stated that it would be beneficial to confirm meeting logistics ahead of the modifications being raised as this would have a benefit for industry colleagues. ML advised that Code Governance are looking at this in a number of ways. Hybrid meetings are being ruled out. The expectation is that initial meetings will be online and the value of face to face meetings will be assessed. Tools such as collaborative whiteboards to be used. Full 7 to 8 hour days are being considered where necessary but meetings may be broken up into more manageable timeframes.

RL supported PM in regards to commitment and advised the ESO to be reasonably robust in regards to workgroup composition, and that the workgroups should not object to shared chairing.

GG asked for confirmation as to whether the ESO were minded to bring forward a singular proposal. GG had suggested breaking proposal into a number of elements as he believes that this would make process more manageable. PM stated it was a live discussion and feedback being taken into account. GG said colleagues would be interested in application of modification to current queue especially in regards to Gate 2 aspects.

Code Administrator Update – Milly Lewis, ESO

ML shared a Code Administrator update. See slides for more details.

ML advised that there would be no face to face CUSC Panel in April 2024 as it is expected to be more efficient to have this virtually as a number of new modifications are being brought forwards.

Interest on TDR Element of Initial Demand Reconciliation – Nick George ESO

NG updated on potential modification around a modification to CUSC Section 14 which looks at interest paid and received to the ESO on the TDR element of TNUoS initial demand reconciliation.

HH stated presentation helpful, and asked whether a modification was needed, if there was an already an overarching obligation in Section 3 of the CUSC. NG stated that he felt it was not helpful to users if the illustrative example was not consistent with the main provision, and therefore should be clarified.

HH stated that the legal text is written by the ESO, and asked how scenarios whereby wording doesn't work from an operation perspective can be avoided. ML advised that moving forwards at Code Administrator Consultation stage, Code Governance would share a version of the word document with no mark up and tracked changes and this should reduce the risk of such issues.

GG questioned if this modification would be prioritised highly by CUSC Panel. RL suggested this could be self governance – maybe this should be considered by the ESO. VH asked if ESO would publish how interest would be calculated. NG advised that the ESO will be publishing a data definition document for the STAR billing system ahead of the initial demand reconciliation in June.

Potential Arbitration Modifications – Joseph Henry, ESO

JH shared details on potential modifications to remove the Electricity Arbitration Association (EAA) as arbiters in the CUSC, and replace them with the London Court of International Arbitration. Please see slides for details.

DJ asked how much had been spent on EAA since its inception. PM advised in real terms ~£4.5m but this was paid from BSC charges. RL agreed the EAA should be removed and was surprised it has lasted as long as it had. GG advised that this arbitration is in addition to statutory arbitration in CUSC Section 7.

HH asked whether ESO be reviewing obsolete references in the CUSC more broadly. CG said feedback to be taken on board. JH said reference not obsolete, but it was looking alternatively to change the provider of arbitration services.

CH asked whether any consultation would include the costs of future arbitration to industry. JH said these are publicly available LCIA website.

BSUoS Guidance – Alice Taylor, ESO

AT shared an update on a BSUoS Guidance note as part of the CMP420 workgroup process. Please see slides for more detail.

RK observed that the CMP420 workgroup was not looking to codify requirements in CUSC Section 14 and they wish for guidance to come in the form of a note from the ESO. RK questioned whether this was this a fair observation. AT stressed that there is a separate solution being developed within CMP420, and the intention was to publish an entirely separate background to guidance note. AT noted that reporting obligations fall under CUSC Section 3, and that the WG have asked a consultation question on matter. RK observed that a guidance note allows ESO to write what it likes, whereas codification is more solid. It was also noted that current weekly reporting is working in a satisfactory manner. RK asked why would ESO change this.

AT advised that ESO would drive guidance note but it would be collaborative with industry to produce this. PA advised that Ofgem asked ESO to bring this matter to TCMF to understand what industry think of trade-off between guidance and codification. Ofgem keen to gather different viewpoints. GG stated that guidance notes are mandatory on parties but optional for the ESO. There is a wider point that it is a statutory obligation that Ofgem approve charging methodologies. If guidance effects the methodologies it cannot circumvent statutory obligation that changes to the methodology are to be approved by the Authority. HH agreed with GG in regards to the Authority's duty at law. HH stated that in terms of feedback and industry views, when coming to making the assessment Ofgem will need to look at this. At a conceptual level guidance notes can be changed. HH stated that it was helpful for Ofgem to understand where industry concerns lie. If there is a broader view as to whether this is permissible or commercially favourable Ofgem will need to take this into consideration. RL stated the workgroup identified these two points and all agreed that they were important to be taken forward in some way. Views diverge as to whether to codify or to have a guidance note. It was noted that this had been captured in the CMP420 workgroup consultation and industry can input.

AOB

ED questioned item at last meeting on CMP425 follow up around TDR arrangements. ESO had put forward that there may need to be clarificatory modification. ED asked whether these have been raised yet/will they be raised

ML advised that new modifications haven't been raised yet. These due for April. CG stated ESO in process of drafting modification, ESO yet to confirm date for when the modifications will be raised.

NE stated that ESO Revenue running a webinar on 17th April to update on BSUoS forecasting model tweaks, revenue vs costs, and give an interim view on tariffs. NE welcomed sign up and shared registration details.

Next TCMF 9th May, and there will be an in person on 6th June. Attendance form to be sent out.

GG asked if in person meeting could be linked up with reform mods in terms of location.

Action Item Log

Action items: In progress

ID	Description	Owner	Notes	Target Date	Status
24-6 Feb 29	Update TCMF with progress on potential CUSC defect on double counting of Cancellation Liability and Security presented by Tony Cotton at TCMF 1 February 2024.	CG	TC expressed dissatisfaction with progress. CG confirmed action was progressing and will catch up with TC offline. Action to remain open	May 24	Open
24-7 April 4	NE to respond to PY on TNUoS Task Force Signals Work	NE	NE to speak to PY on matter	May 24	Open
24-8 April 4	ESO to advise who is representing large scale demand users on TNUoS TF	NE	ESO to advise at next subgroup	May 24	Open

ESO

24-9 April 4	ESO to confirm if CUSC and STC users have reciprocal arrangements for raising alternatives on proposed connections modifications	PM	PM to check governance arrangements with ESO Code Admin	May 24	Open
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Action items: Completed

ID	Description	Owner	Notes	Target Date	Status
24-2 Feb 1	Is the basis of the Connection Process going to change from first come first served?	AC	PM provided verbal update. Item closed	April 24	Closed
24-4 Feb 29	To check the CPAG Terms of Reference on information sharing and publication of CPAG meeting papers.	AC	Links to resources provided	April 24	Closed
24-5 Feb 29	Update panel dates slide with in person TCMF dates highlighted.	CG	Updated	April 24	Closed