

CUSC Modifications Panel Meeting

Headline Report

Meeting Name:	CUSC Modifications Panel Meeting
Meeting No:	225
Date of Meeting:	31 August 2018
Venue:	National Grid House, Warwick



Any Questions?

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1 Introduction

Welcome to the CUSC Panel Headline Report. This shall be produced after every CUSC Panel meeting and aims to provide all of our key stakeholders / interested parties with an overview of the headlines and key decisions the Panel are currently managing. Full minutes of the meeting will be produced and approved at the next meeting of the CUSC Panel and will then be published on the website.

All presentations given at this Modifications Panel meeting can be found in the Meeting documents area on the National Grid website¹.

We would welcome any comments you may have.

2 New Proposals

CMP302 'Extend the small generator discount until an enduring solution acknowledging the discrepancy between England & Wales and Scotland is implemented'. The purpose of this modification proposal is to extend the small generator discount that is currently due to expire on 31 March 2019 until an enduring solution that acknowledges the discrepancy between sub-100MW plant connected in England and Wales at 132kV versus the same connected in Scotland is implemented. It proposes to achieve this by introducing the arrangements for the discount into the CUSC. An enduring solution may come forward through Ofgem's Targeted Charging Review, as it affects forward-looking and residual charges. This modification seeks to maintain the status quo until an enduring solution is established.

On 31 August 2018, the Proposer of CMP302 submitted a request for this modification to be treated as Urgent.

¹ <https://www.nationalgrid.com/uk/electricity/codes/connection-and-use-system-code-cusc/meetings/cusc-panel-meeting-31082018>

The Panel reviewed the Proposal and recommended by majority that the modification be treated as urgent and be developed by an accelerated Workgroup. The Code Administrator will write out to the industry requesting nominations to join the Workgroup. Ofgem will make the final decision on this recommendation.

CMP304 ‘Improving the Enhanced Reactive Power Service by making it fit for purpose’. This modification seeks to enable reforms to commercial reactive power services that will create more useful and economic solutions, and new opportunities for providers. This proposal aims to ensure that the reactive power services (i) delivers transparency and clear information to the market; (ii) facilitates greater competition in the provision of services; and (iii) meets the changing needs of balancing services providers and operational requirements of the system operator.

The Panel reviewed the Proposal and agreed that the Proposal should be developed by a Workgroup. The Code Administrator will write out to the industry requesting nomination to join the Workgroup.

CMP305 ‘Removal of the Enhanced Reactive Power Service (ERPS). This modification seeks to remove references to the Enhanced Reactive Power Service (ERPS) from the CUSC. This is an opt-in tendered commercial service for which no tenders have been submitted in seven and a half years, and no contracts have been agreed in nine years. There is an ongoing obligation for NG ESO to issue a request for tenders every six months. Given the administrative burden of running a tender exercise with no participants, the period for which no tenders have been received, and customer feedback, it is proposed that this obligation should be removed from the CUSC.

The Panel reviewed this modification and agreed that this modification could progress straight to Code Administrator Consultation with Authority decision.

3 Panel Decisions

CMP293 and CMP294 ‘National Grid Legal Separation changes to CUSC sections, Exhibits & Schedules’. These modifications seek to modify the CUSC to reflect the creation of a new National Grid Electricity System Operator (NGESO) that is legally separated from National Grid Electricity Transmission Limited (NGET). CMP294 covers CUSC section 14 (charging section) and CMP293 is the Modification for all the other non-charging impacted sections, schedules and exhibits that are being amended by the National Grid Legal separation.

The Panel held a recommendation vote on CMP293 and CMP294 against the Applicable CUSC Objectives. The Panel unanimously agreed that both Original Proposals better facilitated the CUSC Objectives. CMP293 and CMP294 will now be sent to the Authority for decision.

3 Prioritisation Stack

Please see Annex 1.

4 Next Meeting

The next Panel meeting will take place on 28 September 2018 at National Grid House.






Annex 1

CUSC Prioritisation Stack – August 2018

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.

Movement	Date Modification Raised	Modifications at Workgroup Stage	Panel Comments on Prioritisation	Cross Code Impacts	Date of First Workgroup	Workgroup Development [WG already held]	Workgroup Report submission	Expected FMR Date to Authority
New Modification	23/08/2018	CMP302 'Extend the small generator discount until an enduring solution acknowledging the discrepancy between England & Wales and Scotland is implemented'	Panel Recommend Urgency - Imminent commercial impact on parties		TBC - September 2018	[0]	TBC	TBC
Down 1	22/06/2017	CMP280 'Creation of a New Generator TNUoS Demand Tariff which Removes Liability for TNUoS Demand Residual Charges from Generation and Storage Users & CMP281 'Removal of BSUoS Charges From Energy Taken From the National Grid System by Storage Facilities'	High Priority because of clear impact for users and a known policy issue. Complexity of alternative (raised during WG Consultation) has resulted in an extended timeline to October.		4 August 2017	[8] upto October 2018	Timeline agreed: October submission	December 2018
Down 1	10/10/2017	CMP286 'Improving TNUoS Predictability through Increased Notice of the Target Revenue used in the TNUoS Tariff Setting Process' and CMP287 'Improving TNUoS Predictability through Increased Notice of Inputs Used in the TNUoS Tariff Setting Process'	Priority based on a need for a quick decision date to have an effect on tariff setting timetables		18 January 2018	[5] upto October 2018	Timeline agreed: October submission	December 2018
Down 1	12/02/2018	CMP288 'Explicit Charging Arrangements for Customer Delays' and CMP289 'Consequential change to support the introduction of explicit charging arrangements for customer delays and backfeeds via CMP288'	Priority based on Consumer benefits. Quite a degree of complexity involved, extended timeline to December 2018.		16 May 2018	[4] upto December 2018	Timeline agreed: December 2018	February 2019
Down 1	27/04/2018	CMP295 'Contractual Arrangements for Virtual Lead Parties (Project TERRE)'	Prioritisation based on alignment to European Law changes/timetables		12 July 2018	[1] upto December 2018	Timeline agreed: December 2018	February 2019
Down 2	15/02/2018	CMP291 'The open, transparent, non-discriminatory and timely publication of the harmonised rules for grid connection (in accordance with the RfG, DCC and HVDC) and the harmonised rules on system operation (in accordance with the SOGL) set out within the Bilateral Agreement(s) exhibited in the CUSC.'	Prioritisation based on alignment to European Law changes/timetables		12 July 2018	[1] upto December 2018	Timeline agreed: December 2018	February 2019

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New Modification	23/08/2018	CMP304 'Improving the Enhanced Reactive Power Service by making it fit for purpose'	High Materiality		TBC	[0]	TBC	TBC
 Down 3	20/07/2017	CMP285 'CUSC Governance Reform – Levelling the Playing Field'	Priority based on timing of decision date which is required ahead of the next election process		28 September 2017	[5] upto October 2018	Timeline to be approved: October submission	November 2018
 Down 3	19/07/2018	CMP303 'Improving local circuit charge cost-reflectivity'	Priority based on a need for a decision date by summer 2019. An early Workgroup will be required.		25 September 2018	September 2018 - January 2019	Proposed: January 2019	Proposed: March 2019
 Down 3	23/04/2018	CMP298 - Updating the Statement of Works process to facilitate aggregated assessment of relevant and collectively relevant embedded generation	Priority based on assessment against other modifications. A SOW process is also already in place, so there is no immediate need for any urgency.		02 October 2018	September 2018 - January 2019	Proposed: January 2019	Proposed: March 2019
 Down 3	15/02/2018	CMP292 'Introducing a Section 8 cut-off date for changes to the Charging Methodologies	Priority based on when a decision will be needed for the tariff setting process		02 October 2018	September 2018 - January 2019	Proposed: January 2019	Proposed: March 2019
	27/06/2018	CMP300 'Cost reflective Response Energy Payment for Generators with low or negative marginal costs'	Low materiality		25 September 2018	September 2018 - January 2019	Proposed: January 2019	Proposed: March 2019