Meeting Minutes

## CUSC Modifications Panel Meeting Number 232

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| Date: | 29/03/2019 | Location: | L15, Faraday House, Warwick |
| Start: | 10:00 AM | End: | 15:00 PM |

## Participants

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| Attendee | Attend/Regrets | Attendee | Attend/Regrets |
| Trisha McAuley, Chair (TM) | Attend | Robert Longden, User Panel Member (RL) | Dial-In |
| Rachel Hinsley, NGESO Code Administrator Representative (RH) | Attend | Trevor Rhodes, User Panel Alternate (TR) | Attend |
| Shazia Akhtar, NGESO Code Administrator, Panel Secretary (SA) | Attend | Nadir Hafeez, Authority Representative (NH) | Dial-In |
| Paul Jones, User Panel Member (PJ) | Attend | Damian Clough, ELEXON (DC) | Attend |
| Laurence Barrett, User Panel Member (LB) | Attend | Andy Pace, Consumers’ Panel Member (AP) | Attend |
| James Anderson, User Panel Member (JA) | Attend | Christine Brown (CB), NGESO Code Administrator, Proposer CMP313 | Attend |
| Paul Mott, User Panel Member (PM) | Dial-In | Simon Sheridan, NGESO Proposer CMP314 (SS) | Attend |
| Garth Graham, User Panel Member (GG) | Dial-In | Sarah York, NGESO: A.O.B ESO Energy Codes Review (SY) | Attend |
| Jon Wisdom, National Grid Panel Member (JW) | Dial-In | Joseph Henry (JH), NGESO Code Administrator: A.O.B Plan on a Page | Attend |
| Simon Lord, User Panel Member (SL) | Attend |  |  |

## Discussions

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| 9245  9246 |  | Introductions and Apologies for Absence  TM opened the CUSC Modification Panel meeting with introductions and noted that no apologies had been received.  TM highlighted that this would be JA’s last Panel owing to his retirement. |
| 9247  9248  9249  9250  9251  9252  9253  9254  9255 |  | Approval of February CUSC Panel Minutes  TM asked the Panel if they had reviewed the comments received from TM, PJ and those circulated by GG earlier that morning.  GG explained that his amendments were mainly of a typographical nature but there were a couple of more substantive changes.  GG requested that the Panel minutes are circulated earlier, by half way through the month as they used to be.  TM and RH noted this request and stated that it would be fed back to the Code Admin Team.  LB highlighted that he did sometimes struggle to recall conversations and what was exactly said, by the time the minutes are circulated.  RL agreed and stated that they would rather have poorer quality draft minutes earlier.  **New Action: Code Admin to make sure Panel minutes are circulated earlier.**  TM proposed that the Panel accept all the typographical amendments that have been circulated and quickly run through any comments that had been fed back by TM and PJ. The Panel can then review GG comments offline.  The Panel agreed to this and the amendments that were required.  The Panel approved the minutes, subject to the incorporation of the above amendments and the review of GG comments offline. |
| 9256  9257  9258  9259  9260  9261  9262  9263  9264  9265  9266  9267  9268  9269  9270  9271  9272  9273  9274  9275  9276  9277  9278  9279  9280  9281  9282  9283  8284  9285  9286  9287  9288  9289  9290  9291  9292  9293  9294  9295  9296  9297  9298  9299  9300  9301  9302  9303  9304  9305  9306  9307  9308  9309  9310  9311  9312  9313  9314  9315  9316  9317  9318  9319  9320  9321  9322  9323  9324  9325  9326  9327  9328  9329  9330  9331 |  | Review of Actions    **Minute 8710**  **Code Administrator to add the frequency of Workgroup meetings to the Prioritisation stack.**  RH explained that there is quite a lot of work going on within the team in relation to this and they are currently completing timesheets to try and establish how much time it takes to do the pre-work, post-work, Workgroups and Panels. They are also making sure they log any un-expected deliverables, such as urgent modifications which increase workload and cause other tasks to be delayed.  RH stated that they are also looking at the modifications on the prioritisation stack to try and identify which modifications may not need as many Workgroups before they proceed to Workgroup Consultation, such as CMP292 and CMP300 which were both done within one Workgroup.  RH explained that she does not want to bring something back to the Panel until they have had time to fully investigate, otherwise they could end up under-delivering on what they have promised. RH explained that it has become a bigger piece of work than originally anticipated, but they want to make sure they set realistic expectations.    The Panel agreed for this action to remain open and a progress update to be provided at the next Panel.  **Minute 8739**  **Code Administrator to liaise with GG to confirm the date of next Governance Standing Group (GSG) in January 2019.**  RH stated that she has discussed this with GG and other GSG standing group members and they had proposed the 5th or 12th April as the date for the next meeting.  RH explained that the 5th April was looking like the best date, but after internal discussions they have decided that they want to try and increase GSG membership and get a better view of what they really want to discuss before they have these important discussions around quoracy and self-governance. RH stated that this will mean there will be a further slight delay until the next meeting, but they are hoping it will not be too long.  TM asked GG as Chair of GSG if he had any comments.  GG stated that he was fine with that.  The Panel agreed for this action to remain open during the interim period.  **Minute 8935**  SVC to feed back into the Panel with information on Deal or No Deal Scenarios for connection agreements  RH stated that they emailed GG on the 25th March to ask what additional information was needed.  GG stated that he was pursing this directly with BEIS. GG explained that the issue was around existing bilateral connection agreements and making substantive modifications to it in the event of a no deal and non-compliance with Article 4, paragraph 1 of the European Network Codes. GG explained that the current process requires the SO to notify the ERN in Ofgem of the substantive modification, Ofgem will then decide which part of the connection agreement needs to be amended to reflect the European Connection Code.  TM asked the Panel if they were happy for this action to be closed as GG was dealing directly with BEIS in relation to it.  GG stated that he would like to report the outcome of this action back to the Panel, as it directly affects CUSC connection agreements and will be of material interest to stakeholders.  TM suggested that they close this action and raise a separate new action for GG.  **New Action: GG to confirm BEIS position on how to make substantive changes to existing bilateral agreements in the event of a no deal.**    **Minute 8921**  TM to speak to Rob Marshall and Gareth Davies about clarifying the responsibilities surrounding the drafting of legal text.  TM explained that she has spoken to Rob Marshall and the Code Admin Team were preparing some guidance around this which they will be publishing shortly. TM therefore proposed that the action be closed.  SL stated that they have been struggling to get legal text for CMP280/281 and it has been very unclear whether it will be coming from a legal team, technical experts on the Workgroup or the Code Admin Team. SL explained that it has delayed these modifications by a couple of Working groups.  TM highlighted that similar concerns had been raised at the Grid Code Review Panel which is why she originally took this action. TM explained that this guidance is being put together in recognition of these issues and to make sure there is a common understanding going forwards on who will be producing this.  LB stated that he has been in Workgroups where it has been unclear whether Code Admin or the ESO rep on the Workgroup will be taking this forward.  SL stated that his issue was more around how do you make it appear rather than who will be producing it.  LB stated that assigning responsibility and accountability would be the first stage to making that happen.  AP questioned if it was always the same person who drafted the legal text.  GG stated that in his many years of experience with National Grid and writing legal text one name imminently comes to mind. GG stated that they are employed by the ESO regardless of whether they write the legal text for the Code Admin team or the ESO representative on the Workgroup. GG highlighted that this person has a very encyclopaedic knowledge of both the Grid Code and CUSC which is why it all ends up back with them in National Grid House in Warwick.  TM stated that Code Admin will keep the Panel updated on when this guidance document will be ready for publication, but in the meantime suggested that this action be closed.  GG stated that he agreed that TM had fulfilled her action, but it would be useful for a draft of this guidance document to come back to the CUSC and Grid Code Panels for review before it is published externally.  TM asked RH what their intention was in relation to this. TM stated that she understood that the Code Admin wanted to get some commonality across the Codes but did not want to un-necessarily lengthen or delay the publication of this document because of different views across the Panels.  RH stated that their intention was that it would solely be an ESO guidance document. RH stated that they would take any feedback into consideration, but it may not necessarily result in any amendments to the document.  GG questioned whether it was an ESO or Code Admin document, given that it covered the governance of the CUSC and felt that it could be argued that it falls under Code Admin rather than the ESO.  DC stated that the CACoP principles also contain guidance on legal text so it will be interesting to see how the Code Admin document aligns to them.  RH explained that the CACoP principles state that Code Admin are responsible for making this available, but it does not state that they are responsible for writing it.  GG suggested that the Code Admin Team review CACoP principles three, six and nine in relation to this.  TM highlighted the lengthy delay in the publication of the prioritisation guidance document and explained that she did not want a similar delay in the publication of this document because of disagreements across the Panels.  TM proposed that the document is circulated off line to all the codes for comments. The Panel agreed with this approach.  The Panel agreed for the Original action to be closed.  **New Action: Code Admin to circulate draft guidance on legal text to all the Code Panels so that they can all have one discussion around this.**  **Minute 8782**  **Code Admin to bring their TCMF dashboard to the next CUSC Panel and add it into the slide pack going forwards.**  RH explained that has been included in the March Panel pack and recommended that this action be closed.  The Panel agreed that this action should be closed.  **Minute 8806**  **Code Administrator to Return CMP301 FMR to the Authority for a Decision**  RH explained that this will be covered off during the discussion on in-flight modifications. RH stated that the second Code Admin Consultation has closed but Ofgem have subsequently requested further information as they did not feel their original send back had been fully addressed. They have now obtained this information and wanted to discuss next steps with the Panel.  RH proposed that this action be closed and be discussed in further detail later during the meeting.  The Panel agreed for this action to be closed.  **Minute 9063**  **Code Admin to confirm the governance rules around delaying self-governance modifications and circulate any Authority information on Brexit/transition periods.**  RH explained that they have checked the governance and the Brexit self-governance modifications should be brought back to the next Panel. RH explained that with the delay to Brexit the Special Panel will be moved from the 1st April to the 15th April, which is the next working day after the 12th April. RH explained that if they cannot vote on the 15th April then CMP309 and CMP310 may need to be withdrawn.  PJ and LB stated that they would not be able to make the special Panel meeting on the 15th April.  TM recommended that Code Admin check availability of Panel members off-line and obtain alternatives if required, so that the Special Panel is quorate and can go ahead.  The Panel agreed for the original action to be closed.  **New Action: Code Admin to check Panel member availability for the 15th April and source alternatives if required.**  **Minute 9086**  **ESO to confirm if CMP311 only applies to the credit function between the ESO and its suppliers, or whether it applies to all BSUoS and demand TNUoS.**  JW stated that the modification is primarily intended for Suppliers, but the Workgroup could widen this to include Generators.  GG stated that he thought they had concluded at the last Panel that Generation was excluded from this and that Harriet Harmon (HH) had confirmed that the defect only referred to suppliers. GG also explained that the word Suppliers appeared 17 times within the Proposal, but the word Generation was completely absent from the defect.  JW questioned why this action was raised if it had already been concluded at the last Panel.  GG stated that it was raised early on during their Panel discussion but then clarified by HH later during the meeting.  PJ stated that the intention of CMP311 may be to only affect suppliers, but when you read the legal text it actually affects everyone.  JW acknowledged this issue was there and explained that they would need to create two separate defined terms to address it.  RL questioned whether anything within CMP311 affected the current arrangements for generators.  GG stated that Page 8, minute 9099 from the February Panel minutes’ state that “no generation liability for credit arrangements is within the scope of the defect and it specifically only refers to Suppliers”.  AP questioned whether this was something for the Workgroup to discuss, they could then raise a WACM if they chose to do so.  LB and JW stated that from previous discussions the Panel had agreed that the defect was too narrow to allow this.  JW stated that there was nothing stopping another modification being raised looking specially at Generation.  GG stated that Generators have been led to believe that this does not to extend to them. If the Workgroup later raises a WACM in relation to this then generator will be extremely concerned that they were not give the opportunity to join the Workgroup from the start of the process and be party to these discussions. However, any new modification should be considered on its own merit.  RL asked JW if they were going to consider credit arrangements for generators in the future?  JW stated that they are looking at issues around User Commitment and that a paper is going to be published on this very shortly. JW stated that it may be worth having further discussions on this at the April Panel once this has been published.  TM questioned why this needed to be discussed at the next Panel if it was not a modification and proposed that TCMF may be a better place to do this.  JW and RL agreed that TCMF was the best place for these discussions.  The Panel agreed that this action should be closed.  **Minute 9088**  **ESO to confirm if there are separate unsecured allowances for generation TNUoS.**  The Panel agreed that this action had already been covered off in the discussions above and should be closed.  **Minute 9102**  **Code Admin to source ESO supplier distribution list and use for comms on CMP311.**  RH confirmed that has been sourced and used for Workgroup nominations.  The Panel agreed that this action should be closed.  **Minute 9105**  Code Amin to check if the Proposer of CMP302 would like to withdraw their modification.  RH confirmed that the Proposer withdrew his support for CMP302 on the 18 March, nobody else came forward to take on the modification so it has now been officially withdrawn.  The Panel agreed that this action should be closed.  **Minute 9129**  **Code Admin to add CMP305 back onto the Plan on the Page.**  RH confirmed that this had been done and it is included within the Panel Pack. RH proposed that this action be closed.  The Panel agreed that this action should be closed.  **Minute 9146**  **Code admin to add modifications that are urgent/self-governance/going straight to CAC/send-backs onto the prioritisation stack.**  RH confirmed that these modifications have been added to the bottom of the Prioritisation Stack.  The Panel agreed that this action should be closed.  **Minute 9151**  **Discuss issues raised on self-governance at the next GSG and report back to Panel.**  RH explained that this was discussed earlier and has been added to the agenda for the next GSG meeting.  The Panel agreed that this action should be closed.  **Minute 9185**  **Code Admin to confirm if there is a STC modification on the Horizon that would allow non STC parties to raise a STC modification.**  RH confirmed that this is not currently on the STC Horizon Scan.  The Panel agreed that this action should be closed.  **Minute 9200**  **Code Admin to circulate an editable version of “ways of working” to the Panel for feedback.**  RH confirmed that this was circulated to the Panel on the 26th February.  The Panel agreed that this action should be closed.  **Minute 9219**  **Code Admin to check what if Customer Journey work includes surveying Proposers of modifications to see how they found the whole modification process and if they had any suggestions for improvements.**  RH confirmed that Code Admin are planning to survey the Proposers of CMP285 and CMP303 very shortly, and this will be ongoing as part of the Customer Journey work.  The Panel agreed that this action should be closed. |
| 4.  9332  9333  9334  5.  9335  9336  9337  9338  9339  9340  9341  9342  9343  9344  9345  9346  9347  9348  9349  9350  9351  9352  9353  9354  9355  9356  9357  9358  9359  9360  9361  9362  9363  9364  9365  9366  9367  9368  9369  9370  9371  9371  9372  9373  9374  9375  9376  9377  9378  9379  9380  9381  9382  9383  9384  9385  9386  9387  9388  9389  9390  9391  9392  9392  9393  9394  9395  9396  9397  9398  9399  9400  9401  9402  9403  9404  9405  9406  9407  9408  9409  9410  9411  9412  9413  9414  9415  9416  9417  9418  9419  9420  9421  9422  9423  9424  6.  9425  9426  9427  9428  9429  9430  9431  9432  9433  9434  9435  9436  9437  9438  9439  9440  9441  9442  9443  9444  9445  9446  9447  9448  9449  9450  9451  9452  9453  9454  9455  9456  9457  9458  9459  9460  9461  9462  9463  9464  9465  9466  9467  9468  9469  9470  9471  9472  9473  9474  9475  9476  9477  9478  9479  9480 |  | Authority Decisions  NH stated that they published their decision on CMP312 on Wednesday 27th March.  NH confirmed that the CMP285 was still with them and they were hoping to make a decision on it by mid-April.  NH explained that they were still waiting for CMP301 and CMP305 to be sent back to them.  New CUSC Modifications  CMP313 ‘C**ritical Friend review period for submission of new modifications**’. CMP313 seeks to codify a requirement for new modifications to be submitted to the National Grid ESO Code Administrator for a period of five working days ahead of when the modification is to be submitted to the CUSC Panel. This period will allow the Code Administrator to deliver a better service and in turn allow all network users to better understand code modifications  CB presented slides to the Panel outlining the scope of the defect, the reasons for the modification, and explained why it should procced down the self-governance route.  These slides and the proposed timeline for self-governance can be found within the March 2019 Panel Pack on the ESO Website[[1]](#footnote-1).  TM thanked CB for her presentation and asked the Panel if they had any questions.  GG stated that the summary on Page four of the Proposal talks about why the modification is being raised and one of the points it makes is that it will make sure Consumer Impacts are a lot clearer, but we need to be mindful that the Proposer may not understand what the Consumer Impact/Customer effect will be until the Workgroup gets going. GG highlighted they needed to be careful that this does not become a barrier to entry for small parties or a blocker to modifications being raised.  GG explained that if this is just about the Code Governance Team acting as a critical friend then that is fine, but it would become a problem if the Code Admin Team later said a modification could not be raised because the Proposer has failed to provide the consumer impact of their modification within the five working days. GG stated that is what the Workgroup, Panel and Consultations are for, to tease out and understand the impacts of the modification.  TM stated that she did not believe that was the intention of the modification.  CB confirmed that was not their intention, there have been occasions in the past where they could have teased out more information at the start of the process to help the Workgroup progress more quickly, but they have not had the time to do this. This modification will allow them time to try and do that, but they recognise there may be circumstances where this cannot always be achieved.  LB agreed with CB and stated that it is was about getting as much information that is reasonably practicable within the five days.  AP stated that he thought in principle this was a good idea, but he was slightly concerned that there was no obligation on Code Admin to provide any feedback within the five days, so this could just end up bringing the deadline forward.  LB highlighted that the CACoP principles place the obligation on the Code Admin Team to act as a critical friend and support industry in raising modifications.  SL stated that he believed Industry will like this idea. SL explained that he has often struggled to understand the relationship between the Code Admin Team and the technical ESO and had sometimes felt that National Grid do not support or like a particular modification so how can they really act as a critical friend. SL stated that this tension did not appear to exist with any of the other Code Administrators. SL stated that if National Grid can tease out this issue then that would be very beneficial. SL explained that most parties can take their modifications to TCMF for a bit of a discussion and debate but there is nowhere else to get help on completing the form or getting any technical advice on the content. Elexon provide the whole package regardless of whether they like the modification or not.  CB stated that it is about how we evolve from a Critical Friend to the Code Manager Role.  RH agreed with CB and stated that the CACoP principles state that the modifications should be in plain English and that there should be no jargon or acronyms. RH stated that she was not an industry expert but really struggled to sometimes read and understand a modification proposal and has no idea what it means. RH stated that Phase one of their journey will be to make sure the modification proposals are in plain English, easy to understand/digest and include any consumer impacts. The second phase will then be to provide the technical support needed to raise the modifications, but it will take a few years to build up that technical knowledge to provide that support.  SL stated that you could say take it to TCMF and then Code Admin will engage with you.  DC stated that at Elexon you can raise an issue even though you are not quite sure what the exact issue is or what the solution could be. DC stated that you will then have a Workgroup to then discuss the issue and off the back of that the necessary modifications will be raised.  GG stated that he understood the comment about plain English but at the same time they needed to recognise that the CUSC is a multi-lateral contract that deals with technical matters to do with connection, User Credit and Charging. GG stated that if the defect is in too plain English then parties may struggle to understand which elements are exactly included within the defect and what are out.  LB stated that most of these points are valuable things to consider but they are broader improvements to the process, this specific improvement should be considered on its own merit and any subsequent steps should be considered later.  TM stated that when she and RL went to see the Flexible Generation Group last year one of their biggest concerns was that they needed Code Admin to perform their role of Critical Friend better as they did not have the time and resource to do things themselves and would welcome any interaction from them.  RL stated that he had no problem with the Code Admin Team trying to improve the administration and process for raising a modification Proposal so that they are in a better shape for when they reach the Panel. RL stated that however, he would be concerned about any enabling powers in the modification which later allow a technical assessment to be included within that process, because the Code Admin do not have the resource like Elexon to do that work and they are also part of a wider organisation the ESO. RL stated that the critical friend for stakeholders fits into two parts, the first is as RH stated that you get the Proposal in a shape that is digestible for the process. RL explained that the second part is about supporting small parties with technical and commercial input to allow them to raise modifications. RL stated that currently he is not sure how they can resolve this, and the only probable answer is to take it to CISG/TCMF. RL explained that it would be very useful in future if it was in Code Admins gift to provide this service, but that may be a debate for another day.  TM thanked the Panel for their thoughts and suggested that they now move on to look at the process CMP313 should follow. TM highlighted that the Grid Code Review Panel decided that their modification should proceed down the self-governance route yesterday.  JA stated that it is currently best practice to bring something to TCMF, could TCMF be timed so that it allows enough time for the modification to be raised for Papers day for the next Panel.  JW stated that they should not assume that just because a something is getting raised at TCMF that it should then be raised as a new modification for the next Panel. JW explained that coming to TCMF should not just be a tick box exercise and parties should be able to go there to gain feedback and then incorporate that within their proposal before raising a modification.  JA explained that it was more about giving Parties the opportunities to take it straight to the Panel as a new modification if they wish to do so.  TM questioned whether the timing of the TCMF needed to be logged as an action for someone to look into it.  CB stated that the Code Admin team may look at this when they look at the implementation of CM313, how it will be introduced and how it will work in practice.  TM asked the Panel if they were happy for CB to pick this up as part of the implementation work for CMP313, so it did not need to logged as a formal action.  RH stated that she did not feel that there would be a clash because TCMF is always held on the second Wednesday of the month and CUSC Panel is on the last Friday of the month.  TM asked CB to take it away as part of her work on CMP313  RL highlighted that they needed to remember that there was no obligation on parties to bring their proposal to CISG or TCMF.  TM asked CB to confirm what route she was proposing CMP313 should follow.  CB stated that she is proposing that the modification proceed down the self-governance route. CB explained that after CGR3 all modifications should fall under self-governance unless they have a material effect. CB stated that she has checked the guidance around this and she did not believe that was the case for CMP313.  GG stated that just to clarify this is the material effect in the CUSC £10,000 and not the material guidance issued within the Code Admin guidance document of £100,000.  CB confirmed that was correct.  TM asked the Panel for their thoughts on whether CMP313 should proceed done the self-governance route.  LB stated that he was happy with this.  SL and AP questioned how good the first draft of the modification Proposal needed to be, what information needed to be included within it and if there would be a lot of changes before it reached the Panel.  CB highlighted that the governance rules already state the minimum information that is required for a modification Proposal to be raised such as the Proposers name, defect etc. along with some nice to have information. CB explained that what this modification is trying to do is give the Code Administrator additional time to make sure the form is in the best possible position it can be and has all the relevant information on it before it gets to the Panel.  TM highlighted that Code Admin are not proposing to change the information that is required on the form, only the time that it needs to be submitted.  RH explained that the governance rules state that there should be reasonable amount of detail included within the form but not an excessive amount.  GG questioned whether the same rules would apply to modifications raised by the ESO, as he did not want a situation where the ESO operated to five working days and everyone else had to adhere to the ten.  CB confirmed that they would follow the same process.  LB stated that all the modifications would be treated equally.  GG questioned when the modifications would be published.  CB stated that they will continue to be published on Panel papers day, but if a modification is ready earlier then they would consider publishing it earlier to the Panel and they will be showing some flexibility around this.  TM asked the Panel to confirm if they are happy for the modification to proceed down the self-governance route.  PJ stated that he was concerned that the Panel would never be able to put anything through the self-governance criteria if it were to only apply to issues with materiality below £10,000. PJ stated that from a quick reading of the CUSC, the defined term Material Effect did not appear to relate to the self-governance criteria. PJ stated that therefore he felt that there may be more flexibility around this.  CB highlighted that Ofgem can also change any Panel decisions for a modification to follow the self-governance route.  The Panel agreed that CMP313 should proceed down the route of self-governance.  CB went through the self-governance timeline for CMP313. CB stated that the Code Admin Consultation will be issued on the 5th April 2019 for 20 working days alongside the Grid Code Modification. CB confirmed that CMP313 will then be come back to the May 2019 Panel for a vote.  CMP314 ‘Updating the CUSC to align Power Available with the Grid Code definition for Power Park Modules’. This modification seeks to align the CUSC with the Grid Code on the use of Power Available in ESO headroom calculations for Power Park Modules. The definition of Maximum Export Limit (MEL) was changed in the Grid Code for Power Park Modules under GC0063 to be registered capacity less unavailable units and the Power Available signal introduced to replace MEL in ESO headroom calculations. This has not been reflected in the CUSC, which uses MEL in the De-load calculation.  SS presented slides to the Panel outlining the background and scope of the defect, who it will affect and why it should proceed down the self-governance route straight to Code Admin Consultation. These slides can be found within the March 2019 Panel pack on the ESO Website[[2]](#footnote-2).  TM thanked SS for his presentation. TM asked the Panel if they had seen the letter from Renewable UK recommending Self-Governance and if they had any questions for the Proposer.  GG stated that he was struggling to understand how this was self-governance, given what they had just discussed on material effect and that the materiality threshold within the Code Administrator Guidance Document was £100,000. GG stated that within the implementation section of this modification it states that it will enable active participation in the Mandatory Frequency Response. GG stated that he struggled to see how that would not be more than £100,000. GG also highlighted that just because this a consequential change driven by the Grid Code Modification GC063, that did not mean it does not requires its own impact assessment to assess its impact on the CUSC. GG stated that the GC063 Workgroup may have looked at the implications on the Grid Code but it would not have considered the impact on the CUSC.  SS explained that he saw this modification as more of an enabler and an alignment to the Grid Code. SS stated that Power Available Integration would be coming later in March 2020 and would facilitate the commercial aspect of this rather than this modification. This is why they did not think it really had a material effect.  PJ questioned when Power Available Integration would be made available on the Grid Code and if it was already being used.  SS explained that Power Available Integration has already been put to the Grid Code and some of it has already been applied retrospectively, but full integration will not take place until April 2020. SS explained that it has taken may years to gather the signals together for that so the impact has been very minimal but it is being used today.  PJ questioned what the implementation date was and when they would flip from the declared MEL to one based on registered capacity.  RL stated that he agreed with GG views. RL stated that they need a statement to say this has no other impact besides alignment and that any other changes will be brought in a separate change process.  LB stated that he needed more information on what the MEL and Power Available are and how they interrelate with each other.  SL stated that he would need more information on how it all practically fits together i.e. what is in the connection agreements and D-Load tables,  LB stated that he feels like the Panel have raised enough questions for a Workgroup to consider and square off the uncertainties, even if there is just one Workgroup meeting.  SL suggested that the Proposer could come back to the next Panel with the answers to these questions.  TM highlighted that there are a lot of questions around the table.  LB stated that he understands that this modification is needed for alignment to the Grid Code, but he has concerns around the questions that have been raised by the Panel and feel nervous about it coming back to the next Panel.  JW stated that he appreciates the concerns raised by the Panel but he would ask that they do this as quickly as possible. JW explained that this modification is widely recognised as having a large benefit, especially to the wind Industry. JW stated that they already have system timelines in place for implementation, so if it does go to a Workgroup he would ask that it is done as quickly as possible.  RH stated that it was within the gift of the Panel to put it at the top of the Prioritisation Stack, but they would have to open a Workgroup nomination window before they held the first Workgroup. The modification could then come straight back to the Panel and it would not have to go out to Workgroup Consultation.  SL suggested that the Proposer could come back to the next Panel with the answers to these questions having thought through end to end process. SL stated that he would be comfortable with that rather than necessarily requiring a Workgroup to be held.  PJ stated that he agreed with SL.  GG highlighted that Ofgem’s decision letter on GC063 was issued over four years ago, in January 2015. GG stated that he would be happy for CMP314 to be put quite high on the Prioritisation Stack and for it to go through the Workgroup process very quickly, but he would get very nervous about skipping a stage just because the deadline is now looming. GG stated that he had noted JW requested that this be progressed very quickly, but just because the Proposer has already had meetings with the Wind Energy Community and the Wind Advisory Balancing Services, does not mean a Workgroup should not be held. GG stated that this modification does have a material impact and a positive impact on competition and that is why Ofgem should be the ones making a determination on it.  RL stated that he was torn between the two options, but if the proposer is able to satisfactorily answer the questions that have been raised in a fairly short timescale then he would be happy to let it go forward without a Workgroup. However, if the questions are a lot deeper and need wider exploration then maybe a Workgroup would be best. RL stated that may be this a question for the Proposer and they may struggle to source Workgroup members at very short notice.  PM agreed that it would take time to muster members for a Workgroup, so he hoped that these questions could be answered without the need for one.  SS stated that he was confident that they could do this but requested that Panel members email him their questions offline so that he can bring back all the answers to the next Panel.  TM asked the Panel if they were happy with this approach.  LB stated that he would not want these questions to be answered at the next Panel and then for them to say it still needs to go to a Workgroup because of x, y and z. LB highlighted that they could end up delaying the modification by another month. LB stated that SS and the Panel needed to be confident that these questions can be fully addressed at the next Panel meeting.  TM stated that are you losing a month but making a more informed decision.  GG stated that that hypothetically the modification will be all written up and ready to go out to Code Admin Consultation, if that is the route that the Panel agree to.  JW stated that the questions are more around the assessment so could they not answer these offline via email and get Panel agreement go out to Code Admin Consultation. JW stated that way they avoid the risk highlighted by LB.  TM stated that she understood that Panel wanted this brought back to the next meeting.  JA stated that he is worried that there is some scope creep here and he is worried that they are trying to do the Workgroup assessment within the Panel. JA stated if there are too many issues and questions to be discussed then maybe they do need a Workgroup.  TM summarised the conversations and asked the Panel if they would like this to go to a Workgroup, have the questions answered offline or if it should come back to the next Panel.  JA suggested that they have the necessary discussions and the Proposer can then reflect that in the Code Admin Consultation before it is issued.  SL stated that he is comfortable that the issues are small enough that it will be able to go straight out to Code Admin Consultation after the discussions at the next Panel, as long as the Proposer explains how the modification will work in practical terms. SL stated that a Workgroup did not sound efficient in this case.  AP stated that he would be happy for this to come back next month with the information requested.  PJ stated that he is happy with that.  JA confirmed he was happy with this approach.  LB stated that he was a bit torn and suggested that it could go to one Workgroup and then come straight back to the Panel if it does not need to have a Workgroup Consultation. If not, he is happy for it to go down the route proposed.  TM stated that most the Panel appear to be happy with it coming back to the next Panel.  PM and RL stated that they were happy with this approach.  JW stated that he would just like this to go through the process as quickly as possible.  GG stated that he has been through the Final Modification Report for GC063 and the word CUSC only appears in one place throughout the document. GG stated that he does not therefore think that any consideration was given to the consequential changes to the CUSC by the GC063 Workgroup. GG stated that for that reason and the reasons already noted above he would prefer for this to go a Workgroup so that they can fully explore the consequences of this modification. GG highlighted that he would be happy for this done to be done quite quickly.  TM stated that it appears that most of the Panel are happy for this to come back to the next Panel with the clarity that has been requested. The Panel agreed with this approach.  SS explained that he will be sending out an email to the Panel giving them five working days to confirm the questions that they would like answered at the next Panel.  **New Action: CMP314 - SS to send an email out to the Panel asking them to confirm the questions that they want answering at the next Panel.**  TM asked Code Admin to respond to the letter sent in by Renewables UK and give them an update on the CMP314.  **New Action: Code Admin to respond to letter received from Renewables UK and provide them with an update on CMP314.**  In-Flight Modifications  RH confirmed that CMP271/CMP274/CMP276 and CMP307 were all still on hold pending the outcome of the TCR/SCR and that CMP302 had now been officially withdrawn.  **CMP280 ‘Creation of a New Generator TNUoS Demand Tariff which Removes Liability for TNUoS Demand Residual Charges from Generation and Storage Users’.** CMP280 aims to remove liability from Generator and Storage Parties for the Demand Residual element of the TNUoS tariff.  And  **CMP281 ‘Removal of BSUoS Charges from Energy Taken From the National Grid System by Storage Facilities’.** CMP281 aims to remove liability from storage facilities for Balancing Services Use of System (BSUoS) charges on imports.  RH advised the Panel that the next Workgroup is planned for the 11th April 2019.  SL stated that he is hoping that they can get this completed at the next Workgroup but it will really depend on whether they can get some legal text on the day or not.  SA highlighted that the Panel have asked for it to come back in May after the Workgroup have considered the outputs of the BSUoS taskforce.  TM asked SL if it would help if this was recorded as an action.  **New Action: Code Admin/ESO to make sure legal text is ready for the next Workgroup meeting on the 11th April.**  **CMP285 ‘CUSC Governance Reform – Levelling the Playing Field’.** CMP285 seeks to reform CUSC governance to enhance the independence and diversity of Panel members and ensure wider engagement from CUSC signatories. RH advised the Panel that CMP285 was sent off to Ofgem on the 12th March 2019 for a decision. **CMP286 ‘Improving TNUoS Predictability through Increased Notice of the Target Revenue used in the TNUoS Tariff Setting Process’.** The purpose of this modification proposal is to improve the predictability of TNUoS demand charges by bringing forward the date at which the target revenue used in TNUoS tariff setting is fixed to allow customer prices to more accurately reflect final TNUoS rates.  RH explained that there had been no movement on this modification and the ESO are still liaising with the Proposer on issuing the second RFI.    **CMP287 ‘Improving TNUoS Predictability through Increased Notice of Inputs Used in the TNUoS Tariff Setting Process’.** The purpose of this modification proposal is to improve the predictability of TNUoS  RH advised the Panel that Code Admin are in the process of preparing the Workgroup Consultation and they are planning to get this issued in April.  **CMP288 ‘Explicit Charging Arrangements for Customer Delays’.**  The purpose of this modification is to introduce explicit charging arrangements to recover additional costs incurred by Transmission Owners and TNUoS liable parties as a result of transmission works undertaken early due to a User initiated delay to the Completion Date of the works, or to facilitate a backfeed.  AND    **CMP289 ‘Consequential change to support the introduction of explicit charging arrangements for customer delays and backfeeds via CMP288’**. The purpose of this modification is to introduce changes to non-charging sections of the CUSC to support the introduction of explicit charging arrangements to recover additional costs incurred by Transmission Owners and TNUoS liable parties as a result of transmission works undertaken early due to a User initiated delay to the Completion Date of the works, or to facilitate a backfeed. The changes to the charging element of the CUSC are covered under CMP288.  RH advised the Panel that the last Workgroup meeting was held on Friday 22nd February 2019 and that the Workgroup report is not due back to the Panel until May 2019.  **CMP 291 ‘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 set out within the Bilateral Agreements’.** The purpose of this modification is to set out within the CUSC the obligations in the EU Connection Network Codes and System Operation Guideline as they relate to the harmonised rules for connection and system operation in GB.  RH advised the Panel that there has been no progress on CMP291 because they have been struggling to get quoracy within the Workgroup and the Proposer has limited availability. RH explained that they have sent out some more dates today so they will try and see if they can get quoracy for a meeting to be held within the next few weeks.  **CMP292 ‘Introducing a Section 8 cut-off date for changes to the Charging Methodologies’.** The purpose of this modification is to ensure that the charging methodologies (all Charging Methodologies as defined in the CUSC) are fixed in advance of the relevant Charging Year to allow The Company – as Electricity System Operator - to appropriately set and forecast charges. Introducing a cut-off date for changes to the methodologies will help to reduce the risk of charges out-turning differently to the forecasts produced by the Company and created by users.  RH advised the Panel that they tried to set up a meeting but that it was not quorate, so they have had to send out another doodle poll.  LB requested that Code Admin clarify whether any references to National Grid on the plan on the page refer to the TO or ESO.  **New Action: Code Admin to amend any references to National Grid on the Plan on the Page to specify whether they refer to the ESO or TO.**  **CMP295 - Contractual Arrangements for Virtual Lead Parties (Project TERRE).** Under BSC P344 and GC0097, and future market arrangements, an aggregator will combine the export capabilities of SVA-registered embedded generation to participate in the BM. In order to facilitate Grid Code compliance, and to ensure appropriate rights/obligations for Virtual Lead Parties (as to be defined in BSC P344), accession to the CUSC is necessary and entry into specific CUSC contracts is required.    RH explained that they have been struggling with quoracy so have been unable to bring this back to the March Panel and would like an extension to April, or more realistically to May.  LB stated that there are quite a lot of reports due back to the Panel in May, which means there must be a lot of Code Admin activity going on in tandem on all of those modifications. LB questioned if this was feasible.  RH stated that they have added some more resource to the CUSC, which has given them more availability to do more Workgroups but they are still struggling to get quoracy on Workgroups.  SL highlighted that the traditional industry players do not have the time to dedicate themselves to these things as they used to.  RH explained that it may be more sensible to request an extension to May, but if it is ready earlier then they will bring it back in April.  GG explained that this did cause an issue as Project TERRE will be going live and parties will be asked to pre-qualify for it, but they will not know what the contractual terms relating to it are, for quite some time. GG stated that he was keen to get this back to Ofgem for a decision as quickly as possible.  JW explained that he thought this only needed one more Workgroup before it came back to the Panel.  RH explained that the discussions around alternatives was still ongoing, but nothing had been officially raised yet.  RH explained that with Easter it may be best that they request an extension until May, but if they can get this back to the April Panel they will definitely try and do so.  The Panel agreed an extension to May.  **CMP298: Updating the Statement of Works process to facilitate aggregated assessment of relevant and collectively relevant embedded generation.** This modification is needed due to increasing levels of embedded generation connections the process for assessing their overall impact on the transmission system needs to be revised allowing the System Operator to recognise the changes caused by multiple small-scale connections and plan accordingly.    RH confirmed that the last Workgroup meeting was held on the 8th March 2019 and it is on track to come back to the Panel in May 2019.  **CMP300: Cost Reflective Response Energy Payment (REP) for Generators with low or negative marginal costs.** This proposal seeks to ensure that the Response Energy Payment paid to or by generators with respect to a BM Unit with low or negative marginal costs is reflective of the cost or avoided cost of energy production.  RH confirmed that the last Workgroup meeting was held on the 22nd March 2019 and they are hoping to issue the Workgroup Consultation in April 2019.  **CMP301: Clarification on the treatment of project costs associated with HVDC and subsea circuits.** CMP213 introduced specific expansion factors for HVDC and subsea circuits however the existing legal text is open to interpretation – this proposal would cement the interpretation made by The Company to ensure consistency with onshore circuits.  RH explained that the second Code Admin Consultation has closed but Ofgem have subsequently requested some further information as they did not feel that their original send back had been fully addressed. RH explained that Code Admin have now sourced this additional information and it just needed to be added to the draft final modification report. RH explained that she wanted to check next steps with the Panel and if they now wanted this returned to Ofgem of whether they feel a third Code Admin Consultation is needed. RH stated that as the legal text has remained unchanged, she would propose that they send it back to Ofgem.  LB questioned whether they had received any substantive feedback to the second consultation.  RH stated that she did not believe they had.  LB stated that it feels like it should just go back to Ofgem.  JW questioned whether the Panel needed to re-vote on this, if so could they do this off-line via emails rather than waiting for the April Panel.  The Panel agreed that another vote was required.  TM highlighted that the vote needed to be made in person.  GG suggested that they hold a short WebEx at 9am one day next week.  PM questioned whether they could just confirm their previous votes today.  LB stated that he had not seen the latest version of the report.  RH confirmed that she would circulate the Draft Final Modification Report to the Panel and arrange a short WebEx for next week.  **New Action: CMP301 - Code Admin to circulate the DFMR and arrange a special Panel meeting in the first week in April to carry out the Panel recommendation vote.**  **CMP303: ‘Improving local circuit charge cost-reflectivity’.** This modification seeks to make part of the TNUoS charge more cost-reflective through removal of additional costs from local circuit expansion factors that are incurred beyond the connected, or to-be-connected, generation developers’ need.    RH explained that CMP303 was raised by EDF and brought to the CUSC Panel on 27th July 2018. The Panel agreed that the modification should proceed to a Workgroup. The Workgroup met on seven occasions between September 2018 and February 2019. Nine responses were received to the Workgroup Consultation and most respondents agreed that the Original Proposal better facilitated the applicable CUSC objectives. Ten alternatives were raised, but only nine were voted through as official WACMs. The Workgroup carried out its final Workgroup vote on the 13th February 2019 and concluded that the original, WACM’s 1,2,3,8 and 9 better facilitated the applicable objectives when compared to the baseline. The Workgroup report was finalised and presented to the CUSC Panel in May 2019. The Panel agreed that the terms of reference had been met and that CMP303 should now proceed to Code Admin Consultation. The Code Admin Consultation was published on the 26th February 2019 for fifteen working days and closed on the 19th March 2019. Seven responses were received to the consultation. Six respondents agreed with this should be implemented ahead of the CFD auctions. Full details of all the responses can be found on the ESO website[[3]](#footnote-3). RH requested that the Panel carry out its out its recommendation vote on CMP303, against the applicable CUSC Objectives.The Panel had some discussions on the reasoning behind their votes.RH asked Panel members who had already submitted completed voting templates to confirm that their vote was still the same. RH then asked the remaining Panel members to confirm their vote along with the rationale for their decision. Four Panel members felt that the Original Proposal was the best option and better facilitated the CUSC Objectives over the baseline, and WACMs. The baseline received 2 votes and WACMs 1, 5 and 8 each received one vote each. RH confirmed that Code Admin will circulate the Final Modification Report to the Panel for five working days for them to confirm that their votes have been correctly recorded. Code Admin will then issue the Final Modification Report to the Authority for a decision. Details of the full Panel vote can be found in Annex 1. The Panel stated that they found the description of the alternatives very helpful within the Workgroup report.  The Panel requested that a summary of Vote 1 should be added to the voting template going forwards, as that is the key vote that Ofgem look at when they make their decision. The Panel explained that vote 2 was merely advisory.  **New Action: Code Admin to add a summary of Vote 1 to voting templates going forwards**  **CMP304 looks to improve the Enhanced Reactive Power Service, making it “fit for purpose”. This modification will 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.  RH confirmed that the last Workgroup meeting was held on the 22nd March 2019 and a doodle has been sent out to arrange the next Workgroup meeting for April. CMP305.  **CMP305 ‘Removal of the Enhanced Reactive Power Service (ERPS)’** The aim of this modification is 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.  RH explained that this was sent back by Ofgem for some additional information and they have requested that it is resubmitted in combination with CMP304.  **CMP306: ‘Align annual connection charge rate of return at CUSC 14.3.21 to price control cost of capital’.** The purpose of this modification is to align the rate of return applied to the net asset value of connection points in the calculation of annual connection charges (as set out at paragraph 14.3.21 of the Connection Charging Methodology) to the pre-tax cost of capital in the price control of the Relevant Transmission Licensee (plus a margin of 1.5 percentage points in the case of MEA-linked assets). This will improve the cost reflectivity of the charges, since the return on capital will equal the Authority’s most recent assessment of that cost for the Relevant Transmission Licensee.  RH confirmed that the second Workgroup meeting was held on the 25st March 2019 and that this will be going out to Workgroup Consultation in April 2019.  **CMP308: ‘Removal of BSUoS charges from Generation’.** This modification seeks to modify the CUSC to better align GB market arrangements with those prevalent within other EU member states. This will deliver more effective competition and trade across the EU and so deliver benefits to all end consumers.  RH advised the Panel that the last Workgroup meeting was held on the 28th March 2019 to finalise the Workgroup Report and this will be going out to Workgroup Consultation in April.  RH confirmed that any Consultations going out over the Easter period will be for 20 working days.  CMP309 ‘CUSC changes in the event the UK leaves the EU without an agreement’. This modificationaims to ensure that retained EU law will function effectively in the context of the CUSC. In the event the United Kingdom leaves the European Union without an agreement, it will ensure that the CUSC takes into account the provisions in the relevant Statutory Instruments that have been prepared under the European Union (Withdrawal) Act 2018 as well as relevant consequential licence modifications.  &  CMP310 ‘CUSC section 14 changes in the event the UK leaves the EU without an agreement’. This modification aims to ensure that retained EU law will function effectively in the context of the CUSC. In the event the United Kingdom leaves the European Union without an agreement, it will ensure that the CUSC takes into account the provisions in the relevant Statutory Instruments that have been prepared under the European Union (Withdrawal) Act 2018 as well as relevant consequential licence modifications.  RH explained that they have already discussed these modifications earlier and they will be voted on at a Special CUSC Panel on the 15th April 2019.  CMP311 ‘Reassessment of CUSC credit requirements for Suppliers, specifically for “User Allowed Credit” as defined in Section 3, Part III section 3.27 of the CUSC’. This modification seeks to reassess User Allowed Credit” as defined in Section 3, Part III section 3.27 of the CUSC due to the large scale of liabilities this creates.  RH explained that the Workgroup nomination window will close on the 2nd April 2019 and the first Workgroup meeting is planned for the 9th April 2019.  CMP312 ‘**Correcting** erroneous legal text in Section 14 following implementation of CMPs 264/5 (consequential)’. CMP312 aims **t**o address the issue caused to Generator Users liable for demand TNUoS charges which has been created through a clear error in the approved legal text for CMPs 264/5.  RH confirmed that Ofgem had published their decision on CMP312 on Wednesday 27th March 2019.  CUSC Dashboard  RH introduced the CUSC dashboard which is normally presented at TCMF. RH suggested adding in the number of cancelled Workgroups.  LB stated that they could use this to help them calculate the number of Workgroups they can realistically facilitate a month.  RH explained that it did depend on what stage each modification was in and some month they may have less Workgroups because of Consultations or issues around quoracy.  GG stated that in the past they have had up to three/four Workgroups a week. GG explained that he did not expect it to go back to that rate, but he would not expect it to be limited to 5 Workgroups a month either.  RH stated that they need to remember some Workgroups meetings will be for two modifications such as CMP280/81 and CMP288/89. RH also stated that when they have sat down to plan out the month all the modifications have been worked on, it is just that some of the modifications are at consultation, so they do not need a Workgroup. RH explained that it is very difficult to establish what they can realistically deliver a month.  TM stated it was a very good dashboard and asked the Panel if they were happy for Code Admin to include all the cancelled Workgroups.  The Panel agreed to this. |
| 7.  9481  9482  9483  9484  9485  9486  9487  9488  9489  9490  9491  9492  9493  9494  9495  9496 |  | Discussions on Prioritisation:  RH explained that there were no new modifications that needed to be added to the stack and asked the Panel if they were happy with the ordering of the stack.  LB explained that where they are repeatedly struggling for quoracy on Workgroups then that is a sign of Industry de-prioritisation and they should consider lower the modifications ranking on the stack.  RH explained that they have struggled with CMP295 which is at the top of the list and near the end of its life.  RH stated that there were two issues, parties not responding to doodle polls and Workgroups being cancelled because of quoracy.  TM questioned when RH would be bringing back the information on blockers.  RH confirmed she would be bringing that back to the April Panel.  TM stated that they need to understand the reasons behind this before they have these conversations.  SL stated that some of the modifications that are really popular and get through the process quite quickly, whilst there are others that industry is just not interested in or does not have the time for.  RH stated that there are quite a lot of modifications that Industry are keeping an eye on but they just do not have the time and resource to get involved in the Workgroups themselves.  PJ agreed, highlighting that CMP292 and CMP295 are quite important modifications but they are still struggling to get through the process.  RL stated that there are many reasons why quoracy is not achieved such as other industry meetings and other cross code modification Workgroups being held on the same date.  GG stated that if Code Admin can stick to the schedule of CUSC Workgroup meeting dates that have already been agreed for the year, then that would enable parties to work around other commitments. GG also highlighted that the ESO have diary clashes across departments and with other industry meetings.  RH highlighted that some of the CUSC Workgroup days are currently scheduled for the Strand in London but, post-separation, Code Admin are no longer allowed to host meeting there. RH explained that these meetings will need to be re-scheduled or they will need to find a new venue.  TM asked the Panel if they were happy with the ordering of the stack or if there was anything else that they needed to discus in terms of prioritisation.  The Panel agreed that they were happy with the current ordering of the stack.  The prioritisation stack can be found at the end of the headline report on the ESO Website[[4]](#footnote-4). |
| 8.  9497 |  | **Chair Update**  TM stated that had a meeting with James Kerr from Citizens Adviceand they were quite supportive of the prioritisation process but felt that there were ways in which they could be better involved in the Code Admin Process. TM explained that she has provided the feedback to Rob Marshall. |
| 9.  9498  9499  9500  9501 |  | **Standing Groups**   1. **Governance Standing Group**   TM stated that they have already covered this off in previous discussions and asked GG if he had anything further to add.  GG confirmed that he did not.   1. **Transmission Charging Methodologies Forum / CUSC Issues Standing Group**   JW stated that TCMF was held by WebEx this month and they had an update from the ESO on RIIO 2, the BSUoS taskforce and the intended change to maintain ESO compliance with regulation change 838/2010. JW highlighted that he thought this modification would be coming to the April Panel.  JW explained that the CISG agenda included the usual modifications update and the Horizon Scan. |
| 10.  9502  9503 |  | European Code Development  NH confirmed that he had no European Code Development updates.  GG stated that JESG met a few weeks ago, and there was an update from National Grid on the European Network Codes and Emergency Restoration. GG stated that they also received an update on the Market European Stakeholder Committee, but they are still awaiting clarification on Brexit. GG explained that a JESG meeting was meant to have been held on the 2nd April to discuss this, but because of the delay to Brexit this has now been proposed to Tuesday 16th April if there is a no deal scenario. |
| 11.  9504 |  | Update on Industry Codes/General Industry Updates Relevant to the CUSC  RH stated that that they had a very good CACoP meeting in March and that she will be circulating the main points from the meeting to the Panel shortly  **New Action: RH to circulate main points from the March CACoP meeting to the Panel** |
| 12.  9505 |  | Customer Journey Update  RH presented slides to the Panel explaining the work they have done under the Customer Journey. These slides can be found within the March CUSC Panel Pack on the ESO website[[5]](#footnote-5). RH highlighted that this included the Modification Tracker, Horizon Scanning, FAQs, The Modification Process Booklet and the Critical Friend Modification. RH explained the next steps to develop these items further and highlighted that they would also be looking to develop the Plan on a Page, create a welcome page for their website and carry out a Customer Connection Seminar. RH asked the Panel to send in any feedback they may have on any of the items that they have discussed today. |
| 12.  9506  9507  9508  9509  9520  9521  9522  9523  9524  9525  9526  9527  9528  9529  9530  9531  9532  9533  9534  9535  9536  9537  9538  9539  9540  9541  9542  9543  9544  9545  9546  9547  9548  9549  9550  9551  9552  9553  9554  9555  9556  9557  9558  9559  9560  9561  9562  9563  9564  9565  9566 |  | A.O.B  **ESO Energy Codes Review thought piece: Reforming code content**  SY stated that for transparency they wanted to the make the Panel aware of an upcoming ESO publication that will be going out towards the end of April. SY explained that it is a part of their thinking on the Energy Codes Review. SY highlighted that they have taken part in the Ofgem / BEIS stakeholder engagement workshops which has helped them evolve their thinking around this. SY explained that the focus of the piece is around reforming code content and that this is one of the terms of reference that were set by the review when it was launched back in November 2018.  SY explained that they are looking to try and overcome some of the challenges faced by the codes i.e. that they are inaccessible, fragmented, complex, technical, lengthy and dense. SY explained that they will try and do this by simplifying and rationalising the codes where possible. SY stated that they will also try and make them follow a more logical structure, use plain language, take out parts of the text that would sit better in subsidiary documents and remove any duplication or redundant information. SY stated that they will demonstrate how this can be done through case studies of the CUSC and Grid Code.  SY stated that they appreciate this will take a lot of time, effort and resource to complete but it will bring transparency to the industry and make the codes more accessible and understandable. SY explained that a wider step change in behaviours will also be required across the Industry to make this happen and they believe they can help achieve that. SY explained that this is one of their forward plan deliverables and asked the Panel if they had any thoughts on any of this that she could take away to help shape the thought piece. SY explained that the thought piece would not be open to challenge and review and that this was more of a stakeholder engagement and feedback gathering exercise.  TM asked the Panel if they had any questions.  SL stated that there has been a gradual decline in the importance of this area within National Grid over the last 10/15 years. SL explained that a director used to be present at the Panel meetings and it used to make a big difference. SL stated that it would be good if this can be elevated to the position it needs to be so that they have leadership buy in to get the resource they need to deliver the best service. SL stated that the challenge is not telling people what you are going to do but doing it.  SY stated that they have already had these discussions internally and they realise that there needs to be clear progress and actions that follow on from this publication.  GG thanked SY for her presentation but stated that he would probably put himself down as a healthy sceptic. GG stated that there have been recent developments within the ESO which have been along the lines of closed governance and if this simplification meant that they were going to be removing things from the CUSC and placing them under Code Administrator/ESO governance then he would not be happy with that. GG stated that this would not be streamlining or simplification, it would be a land grab.  PJ stated that he understood why the ESO would want to streamline it as there is a lot of repetition, it is all in different places and it can be extremely difficult to get through.  SY explained that you can lose the thread of what you are reading because it is all scattered through different sections. SY stated that if they do take things out they need to make sure it is then put in an appropriate place.  PJ stated that he is happy with the removal of any duplication but agreed with GG’s point on governance.  LB questioned how this ran alongside the overall Energy Codes Review.  SY explained that they are yet to see what will fall out of the review but there is a drive towards the consolidation of codes. SY stated that it would be difficult to achieve the maximum benefit in doing that when you have big bulky codes. SY explained that this would be a pre-cursor to that.  LB highlighted that this will be quite a significant piece of work and it would require a lot of technical resource and expertise to deliver. LB highlighted that they have already discussed issues around lack of resource and delays in the production of legal text, so this may end up having further ramifications.  JA stated that in terms of simplification maybe they could look at the BSC. JA explained that the ESO do not use the Code Residuary or Guidance documents in the same way as the BSC and suggested that they could strip out the worked examples from the legal text and place them within the guidance documents.  TM asked the Panel if they had any more feedback.  No further feedback was provided.  TM thanked SY for her update to the Panel.  **Role and Responsibilities update:**  RH thanked the Panel for all their feedback and explained that she needed some additional time to work through it all.  RH suggested that they could circulate it for a final review off-line.  TM asked the Panel if they were happy with that.  GG stated that he believed that if their feedback is going to be used to help create this document, then it is a Panel document. GG explained that historically Code Admin has been guided by the respective Code Panels (CUSC and Grid Code) in making these decisions. GG highlighted that Code Admin came to the Panel with their Proposal for the respective roles. GG stated that if this document is going to be taken forward and changed in some way without the Panels input then there would be nothing stopping the Code Admin Team from later bringing that amended version out in a Workgroup and saying you must do x, y and z.  TM suggested that, given this document applies across all of the Codes, and in order to avoid any lengthy delay, it be circulated to all the codes offline for comment, so that the Code Admin Team can then come up with the final document. TM asked the Panel if they are happy with this suggestion and the Panel agreed to this approach.  **Plan on a Page (POAP)**  JH presented slides to the Panel explaining the two different proposed approaches to the Plan on the Page. These slides can be found within the March Panel Pack on the ESO website[[6]](#footnote-6). JH demonstrated how the interactive and linear approaches would both work using dummy data. JH explained that this would help provide Industry with a high-level view of where modifications were and how far away they were from different stage gates. JH asked the Panel for their favourite and if they had any other feedback or comments.  **Feedback on the Interactive Plan on the Page:**  SL highlighted that he did know which numbers relate to which modifications and titles would be required.  AP suggested adapting it so that when you hover over the bubble it gives you the name of the modification.  LB stated that you do tend to know the numbers of the modifications that are important to you, but that additional hover would be useful.  LB stated that in general it was quite helpful, you can see how the modifications are progressing and when they will be going to consultation and to Ofgem for a decision. LB explained that it will help industry plan their resource around those dates.  PJ highlighted that you will need to go into the detail to know all that. The initial page only provides you with a snapshot of what is happening at the time it was taken.  JH explained that there is a one and three month ahead slide as well.  PJ questioned where he would find information on two months’ ahead or any other month. PJ explained that if they were to use a Gantt chart instead, then Industry would be able to see everything that is due to happen.  TM questioned whether they could add a two-month view.  JH stated that he would take that feedback away to be considered.  PJ explained that in terms of providing an over-view it was fine and it is very visual, but in terms of planning he did not think it was as useful as a Gantt chart could be.  **New Action:**  POAP - to include a Gantt chart option and to be placed in prioritisation stack order  **Feedback on the Linear Plan on the Page:**  LB highlighted that it did not tell you when the modifications would be going to Workgroup Consultation, LB stated that if he was a stakeholder the key things that he would want to take away from this is when the modifications will be going to Workgroup Consultation, Code Admin Consultation, to the Authority for a decision and be implemented.  TM highlighted that some of that information is available on the Prioritisation stack and will help Industry target their resources.  JH stated that he would take that feedback away and get that added on their and rank them in Priority order.  GG stated that it would certainly make sense to put it in Priority order so that the Panel and Industry can see if modifications are being backloaded or front loaded. GG explained that they would then be able to see how many Workgroups are taking place and the impact that has on the timescales for progressing the modifications and if ranking really makes much difference.  TM stated that it could also link into the discussions on blockers, to give a more rounded approach.  DC stated that when a modification is raised it just ends up getting a standard timeline, maybe they could set more realistic timelines from the start so that they do not need to continuously ask for extensions.  LB questioned whether the RAG status related to the initial timeline or a revised timeline after an extension had been approved by the Panel. LB stated that it may be worthwhile considering that.  DC stated that they could add some further clarification on what the RAG status’s mean.  JH thanked the Panel for their feedback and stated that he would be coming back to the next Panel meeting with updated versions of the POAP.  TM asked the Panel if they had any other business.  GG highlighted that there were a lot of links in the minutes to documents that can be found “here” and then when you press the link and it takes you there. GG stated that he is very conscious that these are records of their meetings and websites can get changed or updated so he would ask that going forwards they add the name of the document/presentation within the minutes and a link in the footnote.  The Panel agreed to this approach.  **New action: Code Admin to add name of document they are referencing within the minutes and a link to it, within the footnote.**  **James Anderson Resignation**  TM thanked JA on behalf of the Panel for all his tremendous source of support, wise counsel and input into the Panel. TM stated that he would be much missed, hard to replace and wished him all the best for his retirement.  The Panel members echoed TM comments.  JA stated that it had been a pleasure to contribute towards the work of the Panel and he has always been impressed by the integrity and professionalism by which it operates. JA stated that he did not think there was enough appreciation of the efforts Panel members have to put in and that there was a lot of external criticism from people who do not really understand what the Panel does. JA wished everyone the best with all the change that is going on and just generally for the future.  RH explained that in-line with the Governance Rules JA had nominated Cem Suleyman as his alternative on the Panel going forwards.  No other business was raised.  TM thanked everyone for their input and brought the meeting to a close. |
| 13. |  | Next meeting  The next Panel meeting will take place at Faraday House on 26 April 2019 at 10am. |

**Annex 1 – CMP303 Panel Recommendation Vote:**

**Vote 1 – does the original or WACMs facilitate the objectives better than the Baseline?**

**Panel Member: Paul Jones**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Better facilitates ACO (a)** | **Better facilitates ACO (b)?** | **Better facilitates ACO (c)?** | **Better facilitates ACO (d)?** | **Better facilitates ACO (e)?** | **Overall (Y/N)** |
| Original | No | No | No | Neutral | Neutral | No |
| WACM 1 | No | No | No | Neutral | Neutral | No |
| WACM 2 | No | No | No | Neutral | Neutral | No |
| WACM 3 | No | No | No | Neutral | Neutral | No |
| WACM 4 | No | No | No | Neutral | Neutral | No |
| WACM 5 | No | No | No | Neutral | Neutral | No |
| WACM 6 | No | No | No | Neutral | Neutral | No |
| WACM 7 | No | No | No | Neutral | Neutral | No |
| WACM 8 | No | No | No | Neutral | Neutral | No |
| WACM 9 | No | No | No | Neutral | Neutral | No |

|  |
| --- |
| **Voting statement** |
|
| This would result in different treatment for these assets compared with that for onshore circuits. The methodology for onshore circuits reflects the cost of the relevant asset regardless of whether or not it was built entirely for the generation (or demand) concerned. It seeks to provide a marginal signal to reflect the use of the assets concerned, the signal for demand being the opposite of that for generation. It is not a cost recovery mechanism. It calculates, through a loadflow model, what an additional MWkm would cost to transport over the asset concerned (or indeed how much would be saved with a reduction in flow). By artificially reducing the cost per MWkm of the assets concerned, this proposal would reduce cost reflectivity of that signal and would therefore undermine competition in the wholesale market. The WACMs which seek to socialise the costs of converter stations go beyond the scope of the defect stated in the modification proposal and further reduce cost reflectivity. |

**Panel Member: Andy Pace**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Better facilitates ACO (a)** | **Better facilitates ACO (b)?** | **Better facilitates ACO (c)?** | **Better facilitates ACO (d)?** | **Better facilitates ACO (e)?** | **Overall (Y/N)** |
| Original | Y | Y | Neutral | Neutral | Neutral | Y |
| WACM 1 | N | N | Neutral | Neutral | Neutral | N |
| WACM 2 | N | N | Neutral | Neutral | Neutral | N |
| WACM 3 | Y | Y | Neutral | Neutral | N | Y |
| WACM 4 | N | N | Neutral | Neutral | N | N |
| WACM 5 | N | N | N | Neutral | N | N |
| WACM 6 | N | N | N | Neutral | N | N |
| WACM 7 | N | N | N | Neutral | N | N |
| WACM 8 | N | N | N | Neutral | Neutral | N |
| WACM 9 | N | N | N | Neutral | Neutral | N |
| **Voting statement** | | | | | | |
|
| The original proposal results in a more cost reflective allocation of costs and therefore better meets applicable objectives (a) and (b) as it facilitates effective competition in the generation and supply of electricity. This will allow island projects to participate more effectively in future CfD auctions.  WACM1 and WACM2 propose to remove 50% or 100% of the costs associated with HVDC converter stations. The rationale for this is that the equivalent assets are socialised for onshore AC substations. We do not believe this results in an increase in cost reflectivity as these asset costs would be socialised and the cost fall on other generators or consumers. The fact that costs are socialised elsewhere should not set a precedent, rather the underlying principle should be reviewed. We would expect the scope of this work to be covered under the Ofgem SCR on network access and forward-looking charges.  WACM3 proposes for a bespoke calculation on a case by case. We believe that this is likely to result in more cost reflective charges and therefore better meets applicable objectives (a) and (b). However, we are also concerned that the resultant charge will be based on the capability of the asset rather than how they are used which may lessen the impact. We are also concerned that WACM3 will worsen objective (e) as it places a considerable administrative burden on NGESO according to their consultation response.  WACM4 introduces the concept of an offset element linked to the cost of a distribution variation for the network solution. Generally, we see the HVDC links as primarily being generation led and therefore the proposed solution of transmission rather than distribution is the basis on which the costs should be derived. To introduce a concept of alternative distribution assets in this instance would need to be considered as a principle and applied across the board rather than selecting a case where it is beneficial. We therefore do not consider that WACM4 better meets applicable objectives (a), (b) and (e).  WACMs 5, 6, and 7 all include the element of WACM4 which we do not believe better meets applicable objectives (a), (b) and (e).  WACM8 proposes to pro-rate the import potential to the island and the export rating to determine a deduction from the local circuit tariff. We are concerned that this will over-allocate costs to the import and therefore does not better meet applicable objectives (a) and (b). As stated above, we believe that these assets are primarily required for generation and pro-rating the charges based on peak demand would over allocate the costs to consumers.  WACM9, includes the element of WACM8 which we do not believe better meets applicable objectives (a) and (b). | | | | | | |

**Panel Member: Laurence Barrett**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Better facilitates ACO (a)** | **Better facilitates ACO (b)?** | **Better facilitates ACO (c)?** | **Better facilitates ACO (d)?** | **Better facilitates ACO (e)?** | **Overall (Y/N)** |
| Original | N | Y | Neutral | Neutral | N | N |
| WACM 1 | N | N | Neutral | Neutral | N | N |
| WACM 2 | N | N | Neutral | Neutral | N | N |
| WACM 3 | N | N | Neutral | Neutral | N | N |
| WACM 4 | N | N | Neutral | Neutral | N | N |
| WACM 5 | N | N | Neutral | Neutral | N | N |
| WACM 6 | N | N | Neutral | Neutral | N | N |
| WACM 7 | N | N | Neutral | Neutral | N | N |
| WACM 8 | N | N | Neutral | Neutral | N | N |
| WACM 9 | N | N | Neutral | Neutral | N | N |
| **Voting statement** | | | | | | |
|
| The Original appears to address a quite narrow defect and costs can be examined on a case by case basis. This has the potential to improve the cost-reflectivity of the charge that the connecting generator faces, albeit at the expense of a more complicated process. However, whilst this approach may be feasible on a forward-looking basis for new connections, it is not clear that such an assessment can be made for historical connections. This therefore results in differential treatment which may be harmful to competition.  Therefore, the Original is better against Objectives (b) but negative against (a) and (e). Overall, the Original is negative against the Baseline.  All of the WACMs appear to reduce cost-reflectivity compared to the baseline by socialising significantly more costs to other Users and thus reducing competition. In addition, many of the WACMs apply significantly more complex arrangements to calculating charges. Therefore, these are negative against Objectives (a), (b) and (e). | | | | | | |

**Panel Member: Garth Graham**

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| --- | --- | --- | --- | --- | --- | --- |
|  | **Better facilitates ACO (a)** | **Better facilitates ACO (b)?** | **Better facilitates ACO (c)?** | **Better facilitates ACO (d)?** | **Better facilitates ACO (e)?** | **Overall (Y/N)** |
| Original | Y | Y | Y | Y | Neutral | Y |
| WACM 1 | Y | Y | Y | Y | Neutral | Y |
| WACM 2 | N | N | N | N | Neutral | N |
| WACM 3 | Y | Y | Y | Y | Neutral | Y |
| WACM 4 | Y | Y | Y | Y | Neutral | Y |
| WACM 5 | Y | Y | Y | Y | Neutral | Y |
| WACM 6 | N | N | N | N | Neutral | N |
| WACM 7 | Y | Y | Y | Y | Neutral | Y |
| WACM 8 | N | N | N | N | Neutral | N |
| WACM 9 | N | N | N | N | Neutral | N |
| **Voting statement** | | | | | | |
|
| The Original, WACM1, WACM3, WACM4, WACM5 and WACM7 are better in terms of facilitating Applicable Objectives (a), (b), (c) and (d) whilst being neutral in terms of (e).  Overall they are all better than the baseline.  They ensure that the charging methodology better facilitates competition as the charges associated with HVDC links are applied more cost reflectively on those that give rise to them, whilst also ensuring that EU law relating to transmission charging and renewables is taken fully into consideration; in particular regarding island regions, peripheral regions and regions of low population density.  In considering WACMs 4, 5 and 7 I’ve also taken into account that the proposal is an enabling one with each of the changes allowing the Authority to determine, if appropriate, a £ figure to be applied on a case by case basis to ensure an outcome, in terms of charging, which is in the best interest of consumers in light of the Authority’s wider statutory duties (including compliance with EU law).  In terms of WACMs 2, 6, 8 and 9 I do not believe that they achieve charges that are more cost reflective and so are not better in terms of Applicable Objectives (a) and (c) or, as a result (b) in terms of competition and they do not appear to be better in terms of the wider aspects of EU law  (so are not better in terms of (d)). | | | | | | |

**Panel Member: Jon Wisdom**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Better facilitates ACO (a)** | **Better facilitates ACO (b)?** | **Better facilitates ACO (c)?** | **Better facilitates ACO (d)?** | **Better facilitates ACO (e)?** | **Overall (Y/N)** |
| Original | Y | N | Neutral | Neutral | Neutral | Y |
| WACM 1 | Y | N | Neutral | Neutral | Neutral | N |
| WACM 2 | Y | N | Neutral | Neutral | Neutral | N |
| WACM 3 | N | N | Neutral | Neutral | N | N |
| WACM 4 | N | N | N | Neutral | N | N |
| WACM 5 | N | N | N | Neutral | N | N |
| WACM 6 | N | N | N | Neutral | N | N |
| WACM 7 | N | N | N | Neutral | N | N |
| WACM 8 | N | N | N | Neutral | N | N |
| WACM 9 | N | N | N | Neutral | N | N |
| **Voting statement** | | | | | | |
|
| I support the Original in better fulfilling ACO (a) by enabling island projects to participate more effectively in the CfD auctions albeit with a negligible benefit to consumers. I am satisfied that the potentially large reduction in cost reflectivity is accounted for in the legal text which very clearly deducts costs for additional functionality only when the Relevant Transmission Owner can provide two clear costs to calculate the differential. Therefore, I am supportive of the Original in facilitating the ACO better than Baseline CUSC.  I am concerned that some of the concepts now raised as WACMs have not been thoroughly explored by the workgroup. In particular, I feel that there has been a lack of transparency in the development of WACM 4 (and associated hybrid WACMs 5, 6 and 7) and industry has not had chance to input fully into the development process. The implementation of WACM 4 (or associated hybrid WACMs 5, 6 and 7) would introduce a significant change in the approach to network charging and as such I feel strongly that it requires a robust appraisal; this simply wasn't possible in the timescales CMP303 demanded. | | | | | | |

**Panel Member: James Anderson**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Better facilitates ACO (a)** | **Better facilitates ACO (b)?** | **Better facilitates ACO (c)?** | **Better facilitates ACO (d)?** | **Better facilitates ACO (e)?** | **Overall (Y/N)** |
| Original | Yes | Yes | Yes | Neutral | Neutral | Yes |
| WACM 1 | Yes | Yes | Yes | Neutral | Neutral | Yes |
| WACM 2 | No | No | No | Neutral | Neutral | No |
| WACM 3 | Yes | Yes | Yes | Neutral | Neutral | Yes |
| WACM 4 | No | No | No | Neutral | Neutral | No |
| WACM 5 | No | No | No | Neutral | Neutral | No |
| WACM 6 | No | No | No | Neutral | Neutral | No |
| WACM 7 | No | No | No | Neutral | Neutral | No |
| WACM 8 | No | No | No | Neutral | Neutral | No |
| WACM 9 | No | No | No | Neutral | Neutral | No |
| **Voting statement** | | | | | | |
|
| Costs incurred in the provision of a generator transmission connection which are incurred wholly for reasons other than simply providing the ability to export from that site should be excluded from the specific local circuit charges applied to the generator. Such costs may arise from providing the additional capability to provide for two-way flows to support demand security (Original Proposal) or from the capability to provide other ancillary services (WACM 3). Identifying the incremental cost of facilitating bi-directional flows should be feasible from the original needs case. Separating the costs of items providing additional ancillary services functionality (WACM3) should be possible but using an approximation (WACM1) may provide greater simplicity and predictability to Users. Excluding such costs places generators subject to local circuit charges on a level footing with mainland generators and better facilitates competition (Applicable Charging Objective (a)). Excluding such costs ensures that the local circuit charge only reflects the costs of providing the generator connection and better facilitates ACO (b). The development of island connections has only recently commenced and developing appropriate charging arrangements better facilitates ACO (c). All the proposals are neutral against ACOs (d) and (e). While some HVDC converter station costs do provide additional functionality, this equipment is required to enable the basic function of HVDC circuits. Therefore, excluding all converter station costs (WACMs 2, 6, 9) would not be cost reflective or better facilitate competition. Identification of the additional benefits of an HVDC circuit vs a distribution solution would be highly subjective and, in the gift of Ofgem, not transparent. Therefore WACMs 4, 5, 6 & 7 do not better meet the ACOs. There is insufficient evidence that pro-rating the costs of a circuit on the basis of its import/export capability would provide an accurate allocation of the costs attributable to each capability and could lead to less cost reflective charging. Therefore, WACMs 8 & 9 do not better meet the ACOs. | | | | | | |

**Panel Member: Simon Lord**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Better facilitates ACO (a)** | **Better facilitates ACO (b)?** | **Better facilitates ACO (c)?** | **Better facilitates ACO (d)?** | **Better facilitates ACO (e)?** | **Overall (Y/N)** |
| Original | Y | N | Neutral | Neutral | Neutral | Y |
| WACM 1 | N | N | Neutral | Neutral | Neutral | N |
| WACM 2 | N | N | Neutral | Neutral | Neutral | N |
| WACM 3 | N | N | Neutral | Neutral | Neutral | N |
| WACM 4 | N | N | Neutral | Neutral | Neutral | N |
| WACM 5 | N | N | Neutral | Neutral | Neutral | N |
| WACM 6 | N | N | Neutral | Neutral | Neutral | N |
| WACM 7 | N | N | Neutral | Neutral | Neutral | N |
| WACM 8 | N | N | Neutral | Neutral | Neutral | N |
| WACM 9 | N | N | Neutral | Neutral | Neutral | N |
| **Voting statement** | | | | | | |
|
| The original proposal better fulfils ACO (a) by enabling island projects to participate more effectively in the CfD auctions with minimal negative impact to consumers. As such I support the Original in facilitating the ACO better than Baseline CUSC. The WACM's to varying degrees are all less cost reflective that the original by effectively excluding additional elements from the cost calculation (WACM 8 and 9 by pro rating) that are ultimately shared across all consumed and it is unclear if the additional cost exceed the benefit related to this sharing. | | | | | | |

**Panel Member: Robert Longden**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Better facilitates ACO (a)** | **Better facilitates ACO (b)?** | **Better facilitates ACO (c)?** | **Better facilitates ACO (d)?** | **Better facilitates ACO (e)?** | **Overall (Y/N)** |
| Original | Y | Y | Y | Neutral | Neutral | Y |
| WACM 1 | Y | Y | Y | Neutral | Neutral | Y |
| WACM 2 | N | N | N | Neutral | Neutral | N |
| WACM 3 | Y | Y | Y | Neutral | Neutral | Y |
| WACM 4 | N | N | N | Neutral | Neutral | N |
| WACM 5 | N | N | N | Neutral | Neutral | N |
| WACM 6 | N | N | N | Neutral | Neutral | N |
| WACM 7 | N | N | N | Neutral | Neutral | N |
| WACM 8 | N | N | N | Neutral | Neutral | N |
| WACM 9 | N | N | N | Neutral | Neutral | N |
| **Voting statement** | | | | | | |
|
| The original deducts costs for additional functionality only when the Relevant Transmission Owner can provide two clear cost statements to calculate the differential figure. This allows the principle of cost reflectivity to be applied on a quantitative basis. There are valid arguments to justify apportioning 50% of the costs of the HVDC convertor stations in a similar way to the treatment of onshore assets. There are valid arguments to examine case by case additional functionality. Attempting to conflate distribution functionality with transmission charging appears to have no recognised industry methodology base and should not be established via a CUSC modification. therefore WACM 4 and inclusors are not supported. It has been noted that WACM 8 method overstates the benefits provided to demand on the island from a newly built transmission link. It has the potential to set a precedent where users are paid/receive a discount based on the capability of an asset instead of how it is actually used in practice. WACM 9 shares these issues. | | | | | | |

**Panel Member: Paul Mott**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Better facilitates ACO (a)** | **Better facilitates ACO (b)?** | **Better facilitates ACO (c)?** | **Better facilitates ACO (d)?** | **Better facilitates ACO (e)?** | **Overall (Y/N)** |
| Original | Yes | Yes | Yes | Neutral | Neutral | Yes |
| WACM 1 | Yes | Yes | Yes | Neutral | Neutral | Yes |
| WACM 2 | Yes | Yes | Yes | Neutral | Neutral | Yes |
| WACM 3 | Yes | Yes | Yes | Neutral | Neutral | Yes |
| WACM 4 | No | No | Neutral | Neutral | Neutral | No |
| WACM 5 | No | No | Neutral | Neutral | Neutral | No |
| WACM 6 | No | No | Neutral | Neutral | Neutral | No |
| WACM 7 | No | No | Neutral | Neutral | Neutral | No |
| WACM 8 | Yes | Yes | Yes | Neutral | Neutral | Yes |
| WACM 9 | Yes | Yes | Yes | Neutral | Neutral | Yes |
| **Voting statement** | | | | | | |
|
| Regarding (a) (facilitates effective competition in the generation and supply of electricity) – the original and the WACMS indicated above allow relevant generators to compete fairly in the market without being handicapped by paying extra costs unrelated to the export of their power.  Regarding (b) (…..charges which reflect, as far as is reasonably practicable, costs ….), the original and the WACMS indicated above ensure relevant generators face a cost-reflective local circuit charge, without paying for extra costs unrelated to the export of their power, or costs which benefit other users and not the connecting generators.  Regarding (c) (…properly takes account of the developments in transmission licensees’ transmission businesses), the original and the WACMS indicated above better meet this, as HVDC island links don’t exist yet. The original, among other scenarios, covers the case where the TO adds bidirectionality as a function to such a link – so that such a development would be properly taken account of in a fair and cost-reflective manner. The WACMS indicated above in the table also take account of HVDC developments. (d) Compliance with the Electricity Regulation and (e) Promoting efficiency in the implementation and administration of the CUSC arrangements, do not seem relevant.  Thus, overall the objectives are better met for the WACMS indicated above in the table.  WACM4 and the derivatives that include it have a particular drawback. It is not clear that the relevant numbers to make this WACM work for all island groups, or any, can be derived to same timeframe, and indeed in time for the CFD auction. Such a timing discrepancy could impede competition, though we note the ongoing work being carried out by Ofgem. This renders WACM4 and the derivatives that include it are for this reason unable to effectively take forward cost-reflectivity. They attempt to address developments in transmission licensees’ transmission businesses, but do so ineffectively for the above reason. WACM8 has a strong intuitive sense to it and is easy to implement. | | | | | | |

**Vote 2 – *Which option is the best?***

|  |  |
| --- | --- |
| **Panel Member** | **BEST Option?** |
| Paul Jones | Baseline |
| Andy Pace | Original |
| Laurence Barrett | Baseline |
| Garth Graham | WACM 5 |
| Jon Wisdom | Original |
| James Anderson | WACM1 |
| Simon Lord | Original |
| Robert Longdon | Original |
| Paul Mott | WACM 8 |

***Breakdown of voting:***

|  |  |
| --- | --- |
| **Option** | **Number of votes** |
| Baseline | 2 |
| Original | 4 |
| WACM1 | 1 |
| WACM2 | 0 |
| WACM3 | 0 |
| WACM4 | 0 |
| WACM5 | 1 |
| WACM6 | 0 |
| WACM7 | 0 |
| WACM8 | 1 |

There was no majority vote by The CUSC Panel

1. <https://www.nationalgrideso.com/codes/connection-and-use-system-code-cusc/meetings/cusc-panel-meeting-29-march-2019> [↑](#footnote-ref-1)
2. <https://www.nationalgrideso.com/codes/connection-and-use-system-code-cusc/meetings/cusc-panel-meeting-29-march-2019> [↑](#footnote-ref-2)
3. <https://www.nationalgrideso.com/codes/connection-and-use-system-code-cusc/modifications/improving-local-circuit-charge-cost> [↑](#footnote-ref-3)
4. <https://www.nationalgrideso.com/codes/connection-and-use-system-code-cusc/meetings/cusc-panel-meeting-29-march-2019> [↑](#footnote-ref-4)
5. <https://www.nationalgrideso.com/codes/connection-and-use-system-code-cusc/meetings/cusc-panel-meeting-29-march-2019> [↑](#footnote-ref-5)
6. <https://www.nationalgrideso.com/codes/connection-and-use-system-code-cusc/meetings/cusc-panel-meeting-29-march-2019> [↑](#footnote-ref-6)