CUSC Panel Minutes: 26 April 2019

## CUSC Panel Minutes: Meeting Number 233

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| Date: | 26/04/2019 | Location: | L1-15, Faraday House, Warwick and WebEx |
| Start: | 10:00am | End: | 3:00pm |

## Participants

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| --- | --- | --- |
| Attendee | Initials  | Company  |
| Trisha McAuley | TM | Independent Panel Chair |
| Rachel Hinsley | RH | Code Administrator, National Grid Electricity System Operator |
| Ren Walker | RW | Technical Secretary, Code Administrator, National Grid Electricity System Operator |
| Jon Wisdom | JW | National Grid Electricity System Operator (NGESO) |
| Simon Lord | SL | Users’ Panel Member |
| Laurence Barrett | LB | Users’ Panel Member |
| Paul Mott | PM | Users’ Panel Member |
| Trevor Rhodes | TR | Users’ Panel Member |
| Cem Suleyman | CS | Users’ Panel Member |
| Damian Clough | DC | ELEXON - Observer |
| Andy Pace (Dial in) | AP | Users’ Panel Member |
| Garth Graham (Dial in) | GG | Users’ Panel Member |
| Robert Longden (Dial in) | RL | Users’ Panel Member |
| Nadir Hafeez (Dial in) | NH | Authority Representative |
| Rob Marshall  | RM | National Grid Electricity System Operator (NGESO) - Observer |
| Grace Smith | GS | Sembcorp - Observer |
| Nick Sillito | NS | Peakgen – Proposer CMP315 |
| Jean Hamman (Dial in) | JH | National Grid Electricity System Operator (NGESO) – CMP314 |
| Simon Sheridan (Dial in) | SS | National Grid Electricity System Operator (NGESO) – CMP314 |
| Grahame Neale (Dial in) | GN | National Grid Electricity System Operator (NGESO) – CMP316 |
| Joseph Henry  | JHE | National Grid Electricity System Operator (NGESO) - AOB |
| Apologies | Initials  | Company  |
| Paul Jones | PJ | Users’ Panel Member |
| Shazia Akhtar | SA | Technical Secretary, Code Administrator, National Grid Electricity System Operator |

## Introductions and Apologies for Absence

1. Apologies were received from Paul Jones and Shazia Akhtar. Trevor Rhodes attended the CUSC Panel as Paul’s alternative.

## Approval of Minutes from Previous Meeting

1. TM advised that the minutes from the CUSC Panel held on 29 March 2019 and the Special CUSC Panel held on 4 April 2019 will be circulated for comments. TM confirmed the Panel minutes will be approved at the CUSC Panel meeting on 26 May 2019. RH took an action to circulate the minutes for comments from Panel members.

**ACTION**

## Review of Actions

1. The CUSC Panel reviewed the open actions from the meeting held on 29 March 2019 which can be found on the Actions Log.

## Authority Decisions

1. NH advised that the Final Modification Reports for CMP301 ‘Clarification on the treatment of project costs associated with HDVC and subsea circuits’ and CMP303 ‘Improving local circuit charge cost- reflectivity’ have been received.
2. CMP305 ‘Removal of the Enhanced Reactive Power Service (ERPS)’ was sent back and in line with the send back letter CMP305 will be submitted with CMP304 ‘Improving the Enhanced Reactive Power Service by making it fit for purpose’.
3. NH advised the Panel that CMP285 ‘CUSC Governance Reform- Levelling the Playing Field’ was sent back. NH advised that CMP285 was sent back due to the lack of clarity around the options presented.
4. TM invited RH and RM to present a presentation on CMP285 following the send back letter. RH advised that National Grid Electricity System Operator and the Proposer of CMP285 reviewed the comments within Ofgem ‘s send back letter. RH advised it was deemed that most of the comments received were requests for clarifications or for highlighting where information can be found in the Final Modification Report.
5. RH stated the proposed next steps are to amend the wording in the Workgroup report to ensure further clarity and to include a response letter to the Authority as an Annex in the Final Modification Report. RH asked the Panel to agree the next steps for progressing CMP285 send back.
6. SL suggested an alternative approach to addressing the send back letter. SL questioned if the elections could be delayed by 6 months to allow enough time to action the feedback on the send-back letter and ensure that, pending the outcome of CMP285 the Code Administrator has enough time to ensure internal processes are correct before commencing the elections.
7. GG voiced concerns about the proposed next steps. GG stated that only the Proposer and National Grid Electricity System Operator have been involved in discussions about the send-back. GG argued that the Workgroup should have been involved in the send back process and ultimately to confirm if they are happy for CMP285 to have another consultation.
8. RM advised that CMP285 is different from previous send backs as Ofgem are not asking for any new material evidence, Ofgem are asking for text in the Final Modification Report to be clarified. RM confirmed the information would be re-presented in the Final Modification report and that the submitted legal text is not changing, this is simply an opportunity to provide Ofgem with further evidence as requested. LB questioned, if the Final Modification Report and legal text was not clear to Ofgem then how was it clear to Industry members who responded to the Code Administrator Consultation (CAC).
9. GG stated that when Modifications have been sent back previously, a second Code Administrator Consultation has been published to give stakeholders the opportunity to respond. GG explained that there needs to be consistency with the process and how Modifications are treated. RH explained that as there are no amendments to the legal text a second Code Administrator Consultation will extend the timelines and risk implementation ahead of the elections this year.
10. Following the discussion TM concluded that the Panel as a collective agreed to ensure that the CMP285 Workgroup have the opportunity to review the letter that will be included as an Annex in the Final Modification Report. Following this, Panel will review the letter and any additional comments from the workgroup and decide whether a second CAC is required. If not second CAC is deemed necessary Panel will re-vote on the Final Modification Report.
11. Panel members agreed that this was a sensible approach to take. RH confirmed the next steps will involve the Code Administrator liaising with the Workgroup and presenting the response to the send back and if there are any further issues this will be highlighted to Panel.
12. TM advised that, subject to the workgroup consideration, he Modification will progress and a Special CUSC Panel will need to be held.
13. TM stated that following this send back, National Grid Electricity System Operator has identified lessons learnt and what can be improved going forward. TM advised Gareth Davies was unable to join the Panel and TM will provide the update on his behalf.
14. TM read that ‘There is further work to do to ensure Workgroup Reports are easier to read. It is apparent that Industry is struggling with the pace on which Modifications are being raised and the on-going issues with quoracy. There are further improvements which the Code Administrator are looking to make’. TM advised that Gareth with be in contact with Panel members for further feedback on improvements.
15. Some Panel members also had feedback on lessons learnt. LB stated that when Modifications are sent back this can be a result of different issues, however this does raise a question around interpretation and if the Panel and Ofgem have a different understanding. SL advised that as a Panel we need to acknowledge that the audience we need to work for isn’t the audience we are writing for and different Modifications do require different skill sets when it comes to writing a report. CS stated that the reports need to include summaries of decisions made by the Workgroup as this is key information when reading a report.
16. RM advised that CMP285 is an example of how report writing can be improved and invites Panel members to provide feedback on how as a Code Administrator we can improve this.

## New non- urgent Modification Request

**CMP314 ‘Updating the CUSC to align Power available with the Grid Code definition for Power Park Modules’**

1. Following discussions at CUSC Panel on 29 March 2019 and further clarification from National Grid ESO in regards CMP314, the CUSC Panel agreed that CMP314 should proceed to Code Administrator Consultation for 20 working days.
2. GG requested that the questions submitted by the Panel to the Proposer should be included as an Annex in the Code Administrator Consultation to provide transparency to Industry.

**ACTION**

**CMP315 ‘TNUoS Review of the expansion constant and the elements of the transmission system charged for’**

1. NS from Peakgen delivered a presentation on CMP315. NS advised the purpose of this Modification is to review how the expansion constant is determined such that it best reflects the costs involved. The Modification proposal can be found on National Grid ESO’s website via the following link: <https://www.nationalgrideso.com/codes/connection-and-use-system-code-cusc/modifications/cmp315-tnuos-review-expansion-constant-and>
2. NS explained that there are two elements to the proposed solution. The first element, review the expansion constant and confirm it best reflects the full cost of 1km of 400kV overhead line, and the second element proposed is to review and introduce expansion factors for other assets used on the transmission system.
3. NH highlighted that Ofgem feel that Industry do not have enough capacity to resource this change and advised they have a concern around the relation with the SCR.
4. SL commented that if Panel believe this Modification should proceed to Workgroup, the Chair of the Workgroup should be from the Transmission part of the business, not from the ESO. JW advised that the ESO expertise has to be provided for all CUSC Workgroups and that TOs could be invited to join the workgroup if necessary. SL stated that it is important that someone from the TO is involved in the Workgroup.
5. Following discussions, the CUSC Panel unanimously agreed that CMP315 should proceed to Workgroup to develop further. The questions raised by Panel members have been captured and included in the Terms of Reference for CMP315.
6. TM recorded an action for NH to confirm the relationship between CMP303 and CMP315 and if the Modification is in scope of the SCR.

**ACTION**

**CMP316 ‘TNUoS Arrangements for Co-Located Generation Sites’**

1. GN from National Grid Electricity System Operator (NGESO) delivered a presentation on CMP316. GN advised the Panel that this Modification seeks to develop a cost- reflective methodology to allow the CUSC charging arrangements to accommodate the growing number of such sites.
2. GN advised the Panel that workshops have been held with Industry colleagues. GN explained that the workshops explored four different methodologies for TNUoS charging on co-located sites, these fell into two categories; the Pro- Rata approach and clarify ‘pre-dominant’ approach.
3. The Pro- Rata approach seeks to more accurately reflect the generator’s network impact as multiple technologies are taken into consideration and the clarify ‘pre-dominant’ approach is simple, easy to review and requires minimal change.
4. LB questioned if this Modification would introduce some inconsistencies as various generation is scaled differently. JW advised that this Modification should consist of a relatively simple change as different technology types are charged in a cost reflective way. GG highlighted the concern that this Modification raises an issue of discrimination as this would not result in equal treatment. JW advised that there are different methodologies for negative and positive TNUoS zones and this Modification aims to ensure that everything is charged correctly. JW offered to discuss this with GG offline following Panel.
5. Following discussions, the CUSC Panel unanimously agreed that CMP316 should proceed to Workgroup to develop further. The Terms of Reference for CMP316 Workgroup have been updated to include Panel Members discussions and will be shared when the Workgroup convenes.

## In Flight Modifications

1. RH advised Panel that within the CUSC Modification template, the Code Administrator should provide a timetable for the Modification to progress, however due to prioritisation of CUSC Modifications and quoracy of Workgroups the timetables proposed are unrealistic and result in Panel approving timetable extensions. RH therefore proposed to the Panel that following quoracy and the first Workgroup, the Code Administrator will then bring a proposed timetable to the next CUSC Panel meeting.
2. The CUSC Panel agreed that the Code Administrator should adopt this process going forward. RH also confirmed that this process would not apply for CUSC Modifications following the Urgent, Fast-Track or Self-Governance procedure.
3. RH talked the Panel through the progression of the in-flight Modifications. The in-flight Modifications can be found within the CUSC Panel papers pack on the National Grid ESO website via the following link: <https://www.nationalgrideso.com/codes/connection-and-use-system-code-cusc/meetings/cusc-panel-meeting-26-april-2019>
4. The Panel held a discussion around CMP304 ‘Enhancing EPRS’ and CMP305 ‘Removal of the Enhanced Reactive Power Service (ERPS)’. There was a question around CMP304 being put on hold. GG stated that the Workgroup shouldn’t be put on hold as the Workgroup is unable to progress without the product road map which National Grid Electricity System Operator is carrying out.
5. Panel members suggested that CMP304 still progress, however a Workgroup should be scheduled for July so that National Grid ESO can carry out the roadmap activity. RL advised that the Panel should keep this Modification under review. The Panel agreed to review this Modification at the next meeting.

**ACTION**

1. RH presented the blocker information slide to the Panel. RH advised that CMP295 ‘Contractual Arrangements for Virtual Lead Parties (Project TERRE)‘ is no longer quorate and the Code Administrator will need to seek new Workgroup members. RH advised that by doing this, the new Workgroup members will be ineligible to vote due to not attending 50% of Workgroup meetings. CS commented that the Code Administrator should highlight this to Industry and advise the importance of Project TERRE being implemented on time in 2020.

**ACTION**

## Discussions on Prioritisation

1. The CUSC Panel reviewed the prioritisation stack. Panel members agreed to move CMP280/281 above CMP291.
2. LB advised if CMP315 and CMP316 are Modifications about charging and have a material improvement to Industry, should these Modifications not be high on the prioritisation stack. JW advised that both CMP315 and CMP316 do not have a compliance deadline so should be placed in the high on the Prioritisation stack and review following the first Workgroup meetings.
3. RH will ensure the updated prioritisation stack is circulated as an annex to the CUSC headline report.

## Chair Update

1. TM advised there were no Chair Updates to share with the CUSC Panel.

## Standing Groups

**Governance Standing Group**

1. No further updates.

**Transmission Charging Methodology Forum (TCMF)**

1. JW advised that TCMF was held on 10 April 2019. JW confirmed that Code Modification updates and presentations were provided by Industry and these documents can be found via the following link:

<https://www.nationalgrideso.com/codes/transmission-charging-methodology-forum-tcmf>

1. GG requested that the Code Administrator review the proposed dates of Industry meetings to ensure there are no clashes with other Industry meetings. RH advised this has been highlighted to the Code Administration team who will endeavour to avoid clash of Industry meetings.

**ACTION**

## European Updates

**European Code Development**

1. NH confirmed there was no further update.

**Joint European Stakeholder Group**

1. GG advised the April meeting was postponed and the next meeting has been scheduled in May 2019.

## Update on other Industry Codes

# DC confirmed ELEXON have raised a Modification P385 ‘Improving the efficacy and efficiency of the Section H Default provisions’ and further details can be found on ELEXON’s website via the following link: <https://www.elexon.co.uk/mod-proposal/p385/>

## Relevant Interruptions Claim Report

1. RH advised the Panel that an update on the Relevant Interruption Claim Report will be provided at the Panel in May.

**ACTION**

## Other CUSC Panel Updates

**CACoP Forum**

1. RH confirmed that CACoP are undergoing a review of the Central Modification Register (CMR) and Horizon Scan to ensure they are both fit for purpose and up to date.
2. RH advised at the meeting held on 24 April 2019, the CACoP members discussed and amended the CACoP Forward Work Plan which will be shared with Industry in May 2019.
3. RH stated that Code Administrators are completing a self-audit against the 14 CACoP Principles which should allow for the sharing of best practice.

## AOB

**EU Exit**

1. NH advised the Panel that following the extension to Article 50 the UK government has confirmed that no deal preparations should now focus on 31st October 2019. In the event of a no deal, the Authority will publish its decision on the [statutory consultation](https://www.ofgem.gov.uk/publications-and-updates/statutory-consultation-licence-modifications-event-uk-leaves-eu-without-deal) it issued in January. In the interim the proposed changes will be kept under review and the Authority also expects Code Administrators and code parties to keep no deal code changes under review to ensure they are fit for purpose.

**Licensing Review**

1. NH confirmed that Ofgem have made a policy decision on new licensing requirements for suppliers. To implement the new regime, we are consulting on new application regulations / forms and a draft guidance document. We have also proposed that the new ‘fit and proper’ disclosure requirements should be equally applicable to all types of licence application.

**Energy Code Review**

1. NH stated that the Energy Code Review consultation that was due to be published in May will now be published in the summer.

**Call for evidence on ESO performance over the 2018-2019 regulatory period**

1. RH advised within Ofgem’s newsletter a call for evidence on the ESO’s performance was requested. Further details can be found via the following link:

<https://www.ofgem.gov.uk/publications-and-updates/call-evidence-eso-performance-over-2018-19-regulatory-period>

**Recommendations section in proposal form**

1. RH advised discussions have been held with GG regarding the recommendations section within the CUSC Modification proposal form. GG advised that this section hasn’t previously been used before in proposals. RH stated that the Modification proposal form is a standard CACoP template and would need to be raised at the next CACoP meeting for further discussion. RH and RM took an action to discuss this at the next CACoP meeting and present back at the May Panel meeting.

**Plan on a Page**

1. JH from National Grid Electricity System Operator presented the plan on a page. JH advised the Panel, following feedback a more linear approach has been taken with this version of the plan on a page. The Panel confirmed they are happy with the revised plan.
2. Panel members questioned what the difference between the plan on a page and Modification Tracker was. RH advised that the plan on a page is a Panel tool and the Modification tracker is a generic Industry tool. RM confirmed that the overall aim is to merge both documents together, however the documents will be published separately in the interim.

**CUSC Panel Minutes**

1. The Panel discussed the length and detail of Panel minutes. RH suggested that going forward the minutes capture the main detail of Panel discussions. The Panel agreed to trial the minutes in a lighter format.

**The next CUSC Panel meeting will be held on Friday 31 May 2019 at Faraday House, Warwick.**