

Headline Report – 29 May 2020

Connection and Use of System Code (CUSC) Panel

The CUSC Panel Headline Report is produced after every CUSC Panel and aims to provide an overview of the key decisions made. Minutes for this meeting will be published separately.

Approval of Panel Minutes

The meeting minutes from the CUSC Panel on 24 April 2020 were approved at the CUSC Panel meeting on 29 May 2020. These will be uploaded to our website.

Prioritisation Stack

The November 2019 Panel agreed to split the prioritisation stack into 3 tranches which were:

- Tranche 1 - TCR Modifications (CMP317/327, CMP335/336, CMP339, CMP340, CMP343 and Covid-19 Modifications (CMP345) are currently in this Tranche;
- Tranche 2 - Modifications to be progressed in Q1/Q2 2020 where gaps arise. Modifications CMP311, CMP326, CMP316 and CMP304 inclusive are currently in this Tranche; and

Given the urgency and numbers of TCR and Covid-19 related Modifications, we do not expect any Workgroups for the Modifications in Tranche 2 to be held until at least July 2020 and Tranche 3 to be held until at least August 2020.

At May's Panel, Code Admin requested that Panel consider the positions of the Modifications in Tranche 2 and Tranche 3. However, Panel did not have sufficient current information to do this and therefore delayed this decision to June. Code Admin have therefore requested from each Proposer, with a Modification proposal in Tranche 2 and 3, to provide a revised view of their justification against the prioritisation criteria. This will be required prior to June's Panel to enable Panel to make an informed decision on prioritisation.

New Modifications

Three new Modification Proposals were presented for consideration.

CMP342 'Clarification of VAT for Securities in the CUSC'

CMP342 seeks to clarify, and confirm the position that NGESO has always applied, that when calculating the amount Users are required to secure under the CUSC, the amount of applicable Value Added Tax is to be included.

The CUSC Panel unanimously agreed that CMP342 should follow the self-governance route and proceed to Code Administrator Consultation.

CMP342 documentation can be located via the following link:

<https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/cmp342>

CMP343 'Transmission Demand Residual bandings and allocation (TCR)'

The Authority has published a Direction requiring ESO to raise CUSC Modification Proposals to give effect to the TCR Decisions. This Modification Proposal will deliver their decision by creating a methodology by which the residual element of demand TNUoS can be apportioned to Half Hourly (HH) and Non Half-Hourly (NHH) demand, and a separate methodology to determine the 'bands' against which the residual element of demand TNUoS is levied.

The CUSC Panel unanimously agreed that CMP343 should follow the standard governance route and proceed to a Workgroup and should be worked on jointly with CMP340.

CMP343 documentation can be located via the following link:

<https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/cmp343>

CMP344 'Clarification of Transmission Licensee revenue recovery and the treatment of revenue adjustments in the Charging Methodology'

CMP344 seeks to ensure that the allowed revenue for Transmission Owners recovered from Transmission Users under the Charging Methodologies is fixed for each onshore price control period for onshore transmission licensees and at the point of asset transfer for OFTOs.

The CUSC Panel unanimously agreed that CMP344 should follow the standard governance route and proceed to a Workgroup.

CMP344 documentation can be located via the following link:

<https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/cmp344>

New / Pending Authority Decision

- At April CUSC Panel, Ofgem advised that the publishing moratorium would be lifted on 29 April 2020 and decisions on CMP306, CMP281 and CMP319 will follow shortly thereafter. Ofgem have since approved CMP281 (on 14 May 2020), CMP319 (on 21 May 2020) and CMP306 on (on 21 May 2020).
 - In terms of other Modifications, which are with Ofgem for decision:
 - CMP292 decision was expected 20 September 2019 but Ofgem decision will now be no earlier than summer 2020;
 - CMP280 decision will be made at same time as CMP334 as CMP280 will be superseded by CMP334 (which defines Final Demand);
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- Ofgem consider that CMP303, CMP320 and CMP337/CMP338 are all linked. Ofgem intend to determine CMP337/338 at the same time as CMP320 and CMP303 and make such decision in the next few weeks; and
 - CMP323 decision will be made by 25 June 2020 – decision expected by mid-June 2020.
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In flight Modifications

Please refer to latest Modification Tracker for an update on each in flight Modification. This is published monthly at <https://www.nationalgrideso.com/industry-information/codes> and will be published on 7th of the following month or the next working day thereafter.

Draft Final Modification Reports

CMP337 – Impact of DNO Contributions on Actual Project Costs and Expansion Factors and CMP338 - Impact of DNO Contributions on Actual Project Costs and Expansion Factors – New Definition of Cost Adjustment

Draft Final Modification Report was presented to May's Panel at which Panel recommended by majority that the Original for both CMP337 and CMP338 was better than Baseline. Final Modification Report is to be sent to Ofgem on 3 June 2020.

CMP337 documentation can be located via the following link:

<https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/cmp337-impact-dno>

CMP338 documentation can be located via the following link:

<https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/cmp338-impact-dno>

Workgroup Reports

CMP324/CMP325 – Generation Zones – changes for RIIO-T2 (CMP324) and Rezoning – CMP324 expansion (CMP325)

The CUSC requires that generation zones, used for Transmission Network Use of System (TNUoS) tariff setting, are reviewed at the start of each price control period. CMP324 and CMP325 seek to change the zones and the underlying methodology used to establish them. CMP325 was raised to widen the defect of CMP324.

The CUSC Panel unanimously agreed that CMP324/CMP325 had met its Terms of Reference and could proceed to Code Administrator Consultation. Code Administrator Consultation to be issued in June 2020.

CMP324/CMP325 documentation can be located via the following link:

<https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/cmp324-cmp325>

CMP334 - Transmission Demand Residual - consequential definition changes (TCR)

As per the Authority's Targeted Charging Review (TCR) SCR direction, the Demand Residual is to be applied only to 'Final Demand' on a 'Site' basis. CMP334 seeks to define these terms in a manner which is consistent with DCUSA Change Proposal 359

The CUSC Panel unanimously agreed that CMP334 had met its Terms of Reference and could proceed to Code Administrator Consultation. Code Administrator Consultation to be issued in June 2020.

CMP334 documentation can be found via the following link:

<https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/cmp334>

Questions or feedback?

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