

Trisha McAuley OBE
Independent Chair
CUSC & Grid Code Panel

Nadir Hafeez
Ofgem
By email

16 April 2021

Dear Nadir

Connection and Use of System Code (CUSC) Modification Panel Request for Urgency and Recommended Timetable for **CMP368: Updating Charges for the Physical Assets Required for Connection, Generation Output and Generator charges for the purpose of maintaining compliance with the Limiting Regulation and CMP369: Consequential changes to Section 14 of the CUSC as a result of the updated definitions introduced by CMP368**

On 14 April 2021, National Grid ESO raised CMP368 and CMP369. The Proposer sent a request to the CUSC Panel Secretary for these modifications to be treated as urgent.

CMP368 seeks to give effect to the Authority determination within the CMP317/327 decision published on the 17 December 2020 to amend the definition of Assets Required for Connection, create new definitions of 'GB Generation Output' and define Generator charges for use in the Limiting Regulation range calculation. To facilitate the change, CMP369 proposes to update the legal text relating to 'Generation Output' detailed in the tariff setting methodology within Section 14.14.5 and the Ex-Post Reconciliation within Section 14.17.37 of the CUSC to align with the updated definitions introduced by CMP368.

All documentation for this modification can be located via the following link:

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

The CUSC Modifications Panel ("the Panel") on 16 April 2021, considered CMP368 and CMP369 and the associated request for urgency. This letter sets out the views of the Panel on the request for urgent treatment and the procedure and timetable that the Panel recommends.

The Proposer set out their rationale for Urgency against Ofgem's Urgency criteria (c), which is as follows:

c) A party to be in breach of any relevant legal requirements.

"The Proposer considers that this issue if not urgently addressed may cause a party to be in breach of any relevant legal requirements and therefore meets Ofgem's Urgency Criteria (c) i.e. NGENSO, for the purpose of assessing compliance with the Limiting Regulation in the context of setting limits on the annual charges paid by Generators must use the correct definition of

Generation Output and Generator charges within the calculation and ensure that the correct definition of Charges for Physical Assets Required for Connection is used in all charge setting calculations.

Ofgem's decision to approve CMP317/327 specified that changes to the CUSC should be brought forward and allow implementation in April 2022. To enable this NGENSO require a decision by 31 August 2021 in order to use the correct components within the calculation to allow draft tariffs to be produced for the 2022/23 charging year. Clarity of the components within the calculation is also important to give confidence to industry of NGENSO's ongoing compliance with the Limiting Regulation and an appropriate corrective mechanism.

NGESO considers it unlikely that this date can be met without the proposal following an Urgent timeline."

Panel Consideration of the Request for Urgency

The Panel considered the request for urgency with reference to [Ofgem Guidance on Code Modification Urgency Criteria](#). The majority view of the Panel is that **CMP368** and **CMP369 does not meet** Ofgem's Urgency criteria¹. Therefore, the recommendation of the Panel is that **CMP368** and **CMP369 should not** be treated as an Urgent CUSC Modification Proposal.

Panel members set out their rationale behind this decision:

- Panel members recognised the Proposer's desire for this to be approved sufficiently ahead of the issue of draft TNUoS tariffs to provide stakeholders with as much notice as possible and allow time for any system changes. However, the majority of Panel members did not believe the ESO would be in breach of their legal requirements and therefore did not meet Ofgem Urgency Criteria (c). This is because the ESO's desire to get these modifications in place before the draft TNUoS tariffs are published is not a legal requirement, and not doing so would not be a breach, so Urgency isn't justified under this criteria.
- Panel did agree that it was prudent to progress this change as a joint CMP368/CMP369 Workgroup

Panel noted that if urgency is required, there would be;

- A Workgroup Nominations period of less than 15 working days;
- A Code Administrator Consultation period of less than 15 working days; and

¹ Ofgem's current view is that an urgent modification should be linked to an imminent issue or a current issue that if not urgently addressed may cause:

- a) A significant commercial impact on parties, consumers or other stakeholder(s); or
- b) A significant impact on the safety and security of the electricity and/or gas systems; or
- c) A party to be in breach of any relevant legal requirements.

- Less than 5 clear working days between issuing the Workgroup Report to Panel and Panel being asked to agree that the Workgroup had met its Terms of Reference.

Under CUSC Section 8.24.4, we are now consulting the Authority as to whether this Modification is an Urgent CUSC Modification Proposal.

Procedure and Timetable

The Panel discussed an appropriate timetable for CMP368 and CMP369 in the instance that urgency is granted.

The Panel agreed that CMP368 and CMP369 subject to Ofgem's decision on Urgency should follow the attached Code Administrator's proposed timetable (Appendix 1 **Urgent recommendation**). In Appendix 2 of this letter, the Code Administrator has also provided the timeline if this follows standard timescales with the assumption that Panel prioritise this high in the prioritisation stack.

Please do not hesitate to contact me if you have any questions on this letter or the proposed process and timetable. I look forward to receiving your response

Yours sincerely



Trisha McAuley OBE
Independent Chair of the CUSC and Grid Code Panel

Appendix 1 – Urgent Timeline

Modification Stage	Date
Request for Urgency Received	14 April 2021
Panel consideration of Urgency	16 April 2021
Ofgem decision on Urgency	21 April 2021 (by 5pm)
Workgroup Nominations (4 working days)	19 April 2021 (9am) to 5pm on 22 April 2021
Workgroup 1	23 April 2021
Workgroup 2	28 April 2021
Workgroup 3	6 May 2021
Workgroup Consultation (15 working days)	10 May 2021 to 5pm on 1 June 2021
Workgroup 4	7 June 2021
Workgroup 5	10 June 2021
Workgroup Report issued to Panel (3 working days)	15 June 2021
Workgroup Report presented to Panel	18 June 2021
Code Administrator Consultation (10 working days)	21 June 2021 to 5 July 2021

Draft Final Modification Report issued to Panel and Industry	7 July 2021
Draft Final Modification Report presented to Panel / Panel Recommendation Vote	15 July 2021
Final Modification Report issued to Panel to check votes recorded correctly (1 working day)	15 July 2021
Submit Final Modification Report to Authority	19 July 2021
Authority Decision	By 31 August 2021
Date of Implementation	1 April 2022

Appendix 2 – Standard Timeline

Modification Stage	Date
Workgroup Nominations (15 working days)	19 April 2021 to 5pm on 11 May 2021
Workgroup 1	19 May 2021
Workgroup 2	26 May 2021
Workgroup 3	3 June 2021
Workgroup Consultation (15 working days)	8 June 2021 to 5pm on 29 June 2021
Workgroup 4	9 July 2021
Workgroup 5	16 July 2021
Workgroup Report issued to Panel (5 working days)	22 July 2021
Workgroup Report presented to Panel	30 July 2021
Code Administrator Consultation (15 working days)	2 August 2021 to 23 August 2021
Draft Final Modification Report issued to Panel and Industry	25 August 2021
Draft Final Modification Report presented to Panel / Panel Recommendation Vote	3 September 2021
Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	6 September 2021
Submit Final Modification Report to Authority	14 September 2021
Authority Decision	TBC
Date of Implementation	1 April 2022