

Minutes

Meeting name	CUSC Modifications Panel
Meeting number	136
Date of meeting	25 May 2012
Location	National Grid House, Warwick

Attendees

Name	Initials	Position
Mike Toms	MT	Panel Chair
Emma Clark	EC	Panel Secretary
Alex Thomason	AT	Code Administrator
Ian Pashley	IP	National Grid Panel Member
Patrick Hynes	PH	National Grid Panel Member
Abid Sheikh	AS	Authority Representative (by teleconference)
Bob Brown	BB	Users' Panel Member
Fiona Navesey	FN	Users' Panel Member
Paul Mott	PM	Users' Panel Member
Garth Graham	GG	Users' Panel Member
Paul Jones	PJ	Users' Panel Member
Simon Lord	SL	Users' Panel Member (by teleconference)
Duncan Carter	DC	Consumers' Panel Member (by teleconference)
Barbara Vest	BV	Users' Panel Member (by teleconference)

Apologies

Name	Initials	Position
Adam Lattimore	AL	ELEXON
Paul Jones	PJ	Users' Panel Member

Alternates

Simon Lord for Paul Jones

All presentations given at this CUSC Modifications Panel meeting can be found in the CUSC Panel area on the National Grid website:

<http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/Panel/>

1 Introductions/Apologies for Absence

3127. Introductions were made around the group and apologies were received from AL and PJ.

2 Approval of Minutes from the last meeting

3128. The draft minutes from the meeting held on 27th April 2012 were approved by the Panel.

3 Review of Actions

3129. **Minute 3015: IP to provide an update to the Panel on progress of work regarding how the European Codes will interact with the domestic codes.** IP advised that a meeting had taken place with Ofgem since the last Panel meeting which had been high-level and productive. IP advised that the approach was a two-step process involving National Grid providing an assessment of similarities and differences between the European and the GB Codes and making decisions on the types of changes required. IP added that there is a second meeting scheduled for the end of June 2012. It is intended to bring an update note to the next Ofgem/DECC Stakeholder meeting for discussion.
3130. GG pointed out that at the recent Capacity Allocation and Congestion Management (CACM) workshop on 14 May 2012, it was clear that the issue of implementation of CACM is potentially quite problematic as there will be an 11 month process before generators are informed about the detail of their obligation to provide information to the System Operator. GG added that there had been the suggestion of forming an Implementation Group and it was important for the Panel and the JESG to consider this issue in a timely manner. BV noted that consideration needs to be given as to how the message gets across to the industry as no minutes are produced from the JESG, just a headline report. PH responded that National Grid has a duty to coordinate with the industry and to keep the CUSC aligned with any changes.
- Action: NG to consider implementation for CACM and report back to next Panel.**
3131. **Minutes 3095: GSG to consider issue of requiring separate proposal forms where a charging methodology and a CUSC change is required.** GG advised that this would be added to the GSG's scope of work.
3132. **Minute 3100: EC to draft Terms of Reference for CMP209 and CMP210 and request Workgroup nominations.** Complete.
3133. **Minute 3106: GSG to consider prioritisation criteria.** GG advised that this would be added to the GSG's scope of work.
3134. **Minute 3108: PH and BV to discuss the possibility of a BSC issues group relating to CMP201.** PH advised that he had not spoken to BV but that at the last CMP201 meeting it had been agreed that National Grid would submit a BSC Modification Proposal to deal with the issue and that CMP201 would continue to be progressed as planned.
3135. **Minute 3121: AT to circulate minutes from Ofgem's CACOP review.** AT advised that comments had been sent to Ofgem on the draft minutes but that the final minutes had not yet been published by Ofgem.
3136. **Minutes 3122: EC to provide update on CAP48 claims at the next Panel meeting.** EC advised that no further progress had been made further to the update provided at the Panel meeting in February 2012. EC advised that this area of work had been passed to another team within National Grid to deal with and that she would provide an update at the next Panel meeting in June 2012.

4 New CUSC Modification Proposals

3137. None.

5 Workgroup / Standing Groups

3138. **CMP201 – Removal of BSUoS Charges from Generation** PH provided an update on the progress of CMP201 and advised that a meeting had been held on 10 May 2012 to discuss the Workgroup Consultation responses and further analysis that had been carried out. PH advised that the draft Workgroup Report was circulated to Workgroup Members on 24 May 2012 and that a voting template had also been circulated as the group had not been able to vote at the meeting. Once the votes are received along with comments on the report, PH advised that the report would be re-circulated to ensure that views had been captured correctly before presenting the final Workgroup Report to the Panel in June.
3139. **CMP203 – TNUoS Charging Arrangements for Infrastructure Assets subject to one-off charges.** AT presented the CMP203 Workgroup Report to the Panel. GG requested that the table showing the breakdown of the differences between the original proposal and the final Alternatives is included in the report summary within the Code Administrator Consultation for clarity. PH suggested that care is taken with the wording of the voting within the report to ensure it is not misleading as there was not overall majority support for any option.
3140. AT highlighted that a concern had been raised during the Workgroup process regarding the selection of Workgroup Alternative CUSC Modifications (WACMs). These included WACM 3 which had been progressed under the workgroup chair's powers. This concern may have been due to a lack of understanding about the process for some new Workgroup Members. BV suggested attaching some guidance to the Terms of Reference for each Workgroup. AT responded that the Terms of Reference already contains quite a lot of information and that it is not guaranteed that everyone has time to read all the documentation that is circulated for these meetings. AT advised that for a recent Workgroup meeting, the Code Administrator had rung round new members to talk through the process and that this seemed to be the most pragmatic way forward.
3141. The Panel agreed for CMP203 to progress to Code Administrator Consultation and requested that the consultation period is extended to allow for the holidays.
- Action: CMP203 Code Administrator Consultation to be published and timetable to be reviewed to allow for a longer consultation period.**
3142. **CMP206 – Requirement for NGET to provide and update year ahead TNUoS forecasts.** AT advised that the first meeting had been held on 24 May 2012 and that the National Grid representative had taken away an action to provide a list of inputs that go into how TNUoS is calculated and that the next meeting would focus on analysing that information, currently planned to take place on 12 June 2012.
3143. **CMP208 – Requirement for NGET to provide and update forecasts of BSUoS charges each month.** AT advised that the meeting for CMP208 had taken place after the CMP206 meeting and that some actions had been taken away and would be discussed further at the next meeting on 12 June 2012.
3144. **CMP207 – Limit increases to TNUoS tariffs to 20% in any one year.** AT advised that after some initial issues with finding a quorum, the first Workgroup meeting for CMP207 was due to take place on 29 May 2012. AT added that an equivalent DCUSA modification had also been raised. MT asked about the issue with a potential interaction with the electricity charging Significant Code Review (SCR) and AT reminded the Panel that the Authority had decided that CMP207 should be exempted from the SCR at this stage. PH noted that this was a cause for concern as there are some very similar issues and that it would be difficult for the Workgroup for CMP207 and a Workgroup for the SCR – related CUSC Modification Proposals to

work in parallel. AS confirmed that the response letter to the Panel's SCR statement for CMP207 laid out the Authority's views.

3145. **CMP209 and CMP210 – Allow Suppliers' submitted forecast demand to be export.** AT advised that the first Workgroup meeting was planned for 20 June 2012 and that there had been a delay in organising the meeting due to Workgroup Member availability.
3146. **Governance Standing Group (GSG).** GG advised the Panel that no GSG meeting had been held since the last Panel meeting, and that the next GSG was scheduled to take place in July 2012. GG added that the original date of 24 July was being changed as this now clashed with a JESG workshop, but confirmed that it would take place prior to the July Panel meeting.
3147. **Joint European Standing Group (JESG).** BV advised that the last JESG meeting was held on 1 May 2012 and had been well attended. BV advised that the main items for discussion had been on the Requirements for Generators (RfG) Network Code where it was confirmed that the final proposals would be sent to ACER at the end of June with comitology due to start in October 2012. BV added that there had been a presentation on the Demand Connection Code, a discussion on CACM which had progressed well, and an item on the Electricity Balancing Framework Guidelines. BV went on to say that the next JESG had been cancelled as it clashed with an ENTSO-E meeting. BV noted that she had not yet completed a previous action regarding writing to ENTSO-E to ask them to be more flexible on their meeting dates as they mostly seem to fall on Mondays or Fridays.
3148. **Transmission Charging Methodologies Forum.** PH advised that the TCMF had met on 22 May 2012 and had discussed the volumes of new charging proposals and advised that there had been the view that the TCMF should replicate the DCMF (Distribution Charging Methodologies Forum) structure which has a register of issues and discusses potential modification proposals at an early stage. PH advised that it had been agreed that National Grid would circulate a list of potential issues for members to review in order to discuss at the next meeting.
3149. PH went on to tell the Panel that the TCMF had discussed Project TransmiT, CACM, and changes to price parameters which would be discussed further at the next meeting where some indicative figures would be provided. PH advised that an update had been given on charging for integrated offshore and also application fees for small generators. PH confirmed that the next meeting was scheduled to take place on 12 July 2012.
3150. FN asked if there had been any discussion on CMP192 and how securitisation would work for offshore. PH advised User Commitment had not been discussed but that the issue of HDVC links (also known as bootstraps) and how they are dealt with if they go through multiple zones were fully covered under CMP192.

Action: PH to update TCMF Terms of Reference to reflect new structure of meetings.

3151. **Frequency Response Standing Group.** IP advised that there had not been a meeting since the last CUSC Panel as the meeting planned for 9 May 2012 had been cancelled due to lack of attendance.
3152. **Commercial Balancing Services Group (CBSG).** EC advised the Panel that the CBSG had not met since the last Panel meeting and that the next meeting is planned for 13 June 2012. PM asked if discussions on Bilateral Embedded Licence exemptable Large power station Agreements (BELLAs) and Bilateral Embedded

Generation Agreements (BEGAs) were coming up in the near future. IP responded that this was regarding participation in the Balancing Mechanism (BM) and the differences between the two agreements in this respect. GG noted that the CBSG seems to be dealing with a wider range of issues and it was worth bearing in mind that the CBSG has no formal governance as it is not a CUSC Standing Group, unlike the BSSG. BV pointed out that at the recent Grid Code Review Panel, it had been noted that the range of work under the CBSG seems to be expanding. IP explained that the CBSG had been set up to deal with other issues that sat outside of the BSSG and dealt with the more commercial aspects, but acknowledged that it is important to report back to the relevant Panels. IP added that National Grid is looking at the governance issue and how CBSG may work in the future.

3153. **Balancing Services Standing Group (BSSG).** EC advised the Panel that the BSSG had not met since the last Panel meeting and that the next meeting is planned for 13 June 2012.

6 European Code Development

3154. AS advised that an update had been provided in his email of 21 May 2012. In addition to the points raised in the email, AS added that a workshop on the Network Code on CACM is being held in Brussels on 3 July 2012 and that ACER is holding a workshop on 6 June 2012 in Ljubljana on its priorities for 2013.

7 Code Governance Review Phase 2

3155. AT explained that Ofgem had issued an open letter on 26 April 2012 regarding a second phase of the Code Governance Review which included several questions about the changes implemented from the Code Governance Review. AT pointed out that National Grid had issued a joint response to the letter incorporating gas, electricity and Code Administrator views, and that a response from the CUSC Panel would be useful in order to establish views on particular areas. AT added that responses to the letter had been requested by 24 May 2012 but that Ofgem had agreed to an extension to allow for the Panel to discuss at its meeting. Therefore, AT ran through each question specified in the open letter:
3156. *Question 1 – Has the requirement on code panels to provide rationale for their recommendations been effective in improving analysis to support code changes?* GG felt that there had not been any substantial changes as the CUSC Panel has historically always done this through the minutes, and that it is recorded in the minutes exactly who said what. The Panel agreed that overall, this was a good concept but not a new one to the CUSC Panel.
3157. *Question 2 – Has the concept of “critical friend” been effectively embraced by the Code Administrators?* PM believed that it had, as there are examples where the Code Administrator has helped parties in raising Modification Proposals. BB added that the Code Administrator try to ensure that small parties are included. FN commented that whilst it was appropriate for the Code administrator to engage small parties re: Code and cross Code related matters, it should not necessarily be a Code Administrator role to provide teach-ins or information updates/notices regarding the plethora of other broader strategic industry change e.g. EMR, Cashout, AT noted that the UNC hold a pre-Panel brief where they give parties the opportunity to discuss the Panel agenda and any issues and concerns they may have. AT added that National Grid holds the Cross Codes Forum in conjunction with Elexon which provides updates to parties on key issues and provides an opportunity for questions and discussions. GG felt that the Code Administrator should limit themselves to talk about issues which only affect the codes and should not necessarily expand to subjects such as EMR. PH added that if the Code Administrator broadens their role

too much, they may lose focus on their specific role. AS asked if there had been any issues about National Grid carrying out the role of Code Administrator to which AT responded that there had not, and that smaller parties perhaps do not make a distinction as to who does what.

3158. *Question 3 - Do you support the Code Administrator Code of Practice being implemented under all industry codes, to aid convergence and transparency in code governance processes?* The Panel had no comment on this question.
3159. *Question 4 - Is the self-governance criteria introduced by the CGR appropriate and has the implementation of self-governance been effectively achieved in BSC, CUSC and UNC?* MT asked AS about the reasoning behind whether some of the recent proposals should have been treated as self-governance. GG pointed out that the Panel should make the decision based on the information they have on the proposal at the time of the Panel meeting, and that the Authority has the check and balance to change the route of the proposal as it gets developed. AS advised that the concern that the Authority has is that it is not necessarily clear at the outset whether a proposal is self-governance or not, and may need further develop by the Workgroup before it is clear one way or another. GG clarified that the Authority only has the power to state that a proposal is not self-governance, if it has been progressed as self-governance by the Panel. PH reminded the Panel that the Proposer indicates on the form whether it should be treated as Self-governance but GG added that the Panel is not bound by this view. AS agreed, noting that the Proposer may express its view based on its understanding of the Self-governance criteria, while the Panel may take a different view.
3160. *Do you consider that introducing or increasing self governance in the codes would be beneficial?* MT suggested that it would perhaps be helpful if there was more guidance and better criteria on the self-governance process. The Panel agreed with this view and PM noted that he would prefer more proposals to go through as self-governance if possible. MT added that if there was more scope to relax the criteria then it may be possible to progress more proposals through self-governance [provided there was also a robust appeals process to Ofgem as a safeguard]. AS noted the Panel's view that the current self-governance criteria may be restrictive.
3161. *Has the SCR process met with your expectations thus far, in terms of frequency of SCRs, timings and process?* GG commented that it is difficult to comment on this as there has not been a SCR that has gone through the whole process and it is therefore too early to comment. GG added that the Project TransmiT SCR had taken longer than expected as the Ofgem process so far had taken around 18 months and then the modification process may take around another 6 to 9 months. GG noted that it would be helpful to indicate what Ofgem's targets for an SCR are early on in the process. AS commented that it would not be reasonable for Ofgem to look at the process until it had been more firmly embedded. FN advised that she endorsed GG's point. She added that there had been more SCRs than expected since they were introduced and that although SCRs were meant to be a more efficient way of introducing change, in practice, to date they have increased the time taken. PH commented that the TCMF were concerned that the TransmiT SCR conclusions document is not clear what changes are required and that this had caused a sense of frustration. PH added that another type of review instead of an SCR would have perhaps been more efficient.
3162. *Do you consider that Ofgem's guidance in respect of SCRs has been sufficiently clear and detailed?* The Panel had no comment on this question.

3163. None.

9 Authority Decisions as at 17 May 2012

3164. The Panel noted that CMP200 – Generator Led Due Diligence Review had been approved by the Authority on 30 April 2012 and was implemented on 15 May 2012.

3165. The Panel also noted that CMP204 - Consequential to Grid Code Modification D/11 (System to Generator Operational Intertripping Schemes) was approved by the Authority on 22 May 2012 and will be implemented on 7 June 2012.

10 Update on Industry Codes / General Industry updates relevant to the CUSC

3166. **Project TransmiT:** AS confirmed that 1 June 2012 was the deadline to issue a direction on the Project TransmiT SCR but that it was the intention to produce a direction prior to that. Therefore, AS advised that it was anticipated that a modification / modifications would be raised at the June Panel meeting. FN commented that the detail of how the direction is achieved is very complicated. GG advised that he would urge National Grid and Ofgem to raise multiple modifications in order to break down the issues but PH advised that they would likely look to raise one modification as the issues would have such significant interaction and therefore would be difficult to assess separately and the process would be very difficult. MT asked about the timescales for progressing any potential modifications and GG responded that in order for a decision to be made in time for 1 April 2013, the Panel would need to hold its vote at the November 2012 Panel meeting. PH noted that this would be challenging and AS advised that he would note the concerns regarding timescales and feedback to colleagues. FN suggested that the CUSC Panel could put in writing that whilst it would ensure that the process is as efficient as possible, it would perhaps be pragmatic to set a more reasonable timetable from the outset. GG noted that if the 1 April 2013 becomes unlikely to be achieved, then this should be made clear. PH advised that Ofgem are aware of the concerns. SL suggested that no further action should be taken until the direction is received, as that will include timescales. It was confirmed that the dates planned in June for potential Workgroup meetings would be released. [Post-meeting note: The Ofgem direction for Project TransmiT was published on 25 May 2012 and can be accessed here: <http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=234&refer=Networks/T-rans/PT>]

3167. AS noted that the Grid Code Modification D/11 ‘System to Generator Operational Intertripping Schemes’ decision had been published on 22 May 2012 in conjunction with the Authority decision on CMP204.

3168. IP advised that National Grid had raised BSC Modification P284 (Expansion of Elexon’s role via the ‘contract model’) and that this would ensure that the costs and risks arising from the new model would not be borne by BSC parties. IP advised that the first meeting would take place on 28 May 2012.

3169. SL advised that he had recently joined the SQSS Review Panel and that a consultation on Generation Connections would be published shortly.

11 AOB

3170. AS advised that some slides on the Ofgem Stakeholder Satisfaction Survey 2012 had been circulated to the Panel which summarised the key themes of the survey and the results.
3171. GG provided an update on Space weather and advised that an update would be circulated to affected Generators in the next week.
3172. MT announced the resignation of FN as CUSC Panel Member due to other work commitments and thanked her for her time and work on the Panel since her appointment in October 2009. FN thanked the Panel and the Code Administrator for their support.
3173. AT advised that FN's resignation triggers an Interim Panel and Alternate Election Process and asked the Panel when they would like this to commence, taking note of the forthcoming bank Holidays. The Panel agreed for the request for nominations to be sent by Monday 11 June 2012.

12 Next Meeting

3174. The next meeting will be held on 29 June 2012 at National Grid House, Warwick.