

Minutes

Meeting name	CUSC Modifications Panel
Meeting number	143
Date of meeting	30 November 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
Abid Sheikh	AS	Authority Representative (by teleconference)
Ian Pashley	IP	National Grid Panel Member
Patrick Hynes	PH	National Grid Panel Member
James Anderson	JA	Users' Panel Member
Bob Brown	BB	Users' Panel Member
Duncan Carter	DC	Consumers' Panel Member (by teleconference)
Garth Graham	GG	Users' Panel Member
Paul Jones	PJ	Users' Panel Member
Simon Lord	SL	Users' Panel Member (by teleconference)
Paul Mott	PM	Users' Panel Member (by teleconference)
Adelle McGill	AM	National Grid Observer
Robyn Jenkins	RJ	Code Administrator Presenter
Antony Badger	AB	Haven Power Observer

Apologies

Name	Initials	Position
David Kemp	DK	ELEXON
Robert Longden	RL	Alternate Users' Panel Member
Michael Dodd	MD	Users' Panel Member

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

3376. Introductions were made around the group. Apologies were received from DK, RL and MD.

2 Approval of Minutes from the last meeting

3377. The minutes from the last meeting held on 26 October 2012 were approved, subject to minor comments received.

3 Review of Actions

3378. **Ongoing Action: 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 with Ofgem and the Distribution Network Operators had taken place to discuss applying the European Codes to GB arrangements, particularly with regard to changes to the Grid Code. IP advised that a number of potential solutions had been discussed and another meeting will take place on 5 December 2012 to discuss some examples. Following that, Ofgem will then consider the overall implementation strategy further, taking into account the discussions held so far. GG noted that governance for the Grid Code is different to the CUSC so consideration needs to be given to the mechanics of raising changes for all the codes, as there may be different approaches. IP responded that code changes will be considered as part of the wider work carried out in this area. AS added that Grid Code changes are being considered in more detail currently largely due to the context for this discussion revolving around the proposed Requirements for Generators (RfG) Code that may have a considerable impact on the Grid Code. AS added that there will be other European Codes that require CUSC changes and that they will be addressed and the current arrangements will be used where appropriate. GG felt that it is important to have an open and transparent change process in place when the European Network Codes are transposed into the GB codes, such as the CUSC, as there could be contentious issues resulting from the European Network Code changes and it will be important to use the existing change processes, such as that in the CUSC, wherever possible.
3379. **Minute 3347: MT to send Request for Urgency letter to Ofgem for CMP214.** Complete. EC added that the Final CUSC Modification Report for CMP214 will be sent to the Authority today (30 November 2012). MT asked AS about Ofgem's timescales for making a decision on CMP214 and AS advised that whilst he cannot guarantee when a decision will be made (the Authority seeks, where possible, to make decisions within 25 Working Days after receiving a Final Modification Report), he is reasonably confident that a decision can be made in an appropriate timescale in line with the timetable set out in Ofgem's response to the Panel's request for urgency.
3380. **Minute 3347: Code Administrator to inform industry of CMP214 developments.** Complete.
3381. **Minute 3349: Code Administrator to reconvene the CMP201 Workgroup and make the necessary arrangements to hold a meeting.** Complete.
3382. **Minute 3350: Highlight Panel comments in Code Administrator Consultation for CMP208.** Complete.
3383. **Minute 3352: Highlight Panel views in Code Administrator Consultation and include question on Self-Governance for CMP212.** Complete.
3384. **Minute 3354: Circulate GSG minutes to Panel.** Complete.
3385. **Minute 3354: Publish updated GSG Terms of Reference on website.** Complete.
3386. **Minute 3356: Publish revised JESG Terms of Reference on website.** Complete.

4 New CUSC Modification Proposals

3387. None.

3388. **CMP201 – Removal of BSUoS from Generators.** PH gave an update on CMP201 and advised that following the 'send back' direction from Ofgem, the Workgroup had reconvened and met on 15 November 2012 to discuss the deficiencies that Ofgem identified in the Final CUSC Modification Report. PH advised that the Workgroup Report is currently being updated and will be circulated to the Workgroup for comment. PH added that the report will then be presented to the Panel in January (2013), after which a Code Administrator Consultation will be issued to the industry. MT added that there had been an email exchange between him and Ofgem regarding gaining clarity from Ofgem as to what needs to be done for CMP201 to address the deficiencies and asked AS if he had anything else to add. AS advised that Ofgem are satisfied that the Workgroup is progressing the issues raised in the 'send back' letter and that they are happy with the timescales proposed for the next steps. DC highlighted to the Panel that DECC have previously concluded that Ofgem's overriding responsibility is to protect consumers' interests and that competition should only be used as a tool for this. MT suggested that this may be perhaps more for Ofgem to consider in their final determination. DC agreed but added that the Panel have a broader role in providing advice and a recommendation. PJ noted that he did not put a great deal of weight on the analysis in the previous CMP201 Panel vote and voted more on the principle of the right thing to do. PJ added that whilst he will take the analysis into account, there tend to be limitations in this type of analysis.
3389. **CMP213 – Project TransmiT TNUoS Developments.** PH advised the Panel that CMP213 is progressing well and that two seminars have been scheduled to take place to provide the industry with an opportunity to discuss the details of CMP213 and understand the key components. These are taking place on 11 and 12 December 2012 in London and Glasgow respectively. PH confirmed that the CMP213 Workgroup Report is due to be presented to the CUSC Panel in February 2013. PH added that the timescales are still challenging and reminded the Panel that an environmental assessment will be required and that this cannot take place until after the Workgroup Alternative CUSC Modifications (WACMs) have been formalised, and also that producing the legal text will be a big undertaking as it will require the Charging Methodology in section 14 of the CUSC to be re-written. MT asked if two consultations may be required. PH responded that the Code Administrator Consultation will effectively be the second consultation and that should be sufficient as long as adequate time is given for parties to respond.
3390. PJ advised that the Workgroup Consultation as it is currently drafted stands at 180 pages and is very difficult to read due to the complexity of CMP213. PJ suggested that a shorter version could be produced which summarises the key elements, and the detail could perhaps be included as an appendix. GG responded that parties need to know all the detail and that producing a summary may result in parties believing that the Workgroup have not covered all the topics thoroughly. GG suggested that the seminars planned in December should serve the purpose of explaining the key elements of the proposal and to assist understanding and to answer any questions. JA added that the 180 pages go a long way to detailing the practical formulation and this is what parties will want to know.
3391. AT expressed a concern that if Workgroup Members who are experts on charging are finding the report difficult to read, then it will be even more difficult for parties who have not been involved in the Workgroup process and do not have the relevant expertise in charging. GG advised that the Workgroup Consultation is being circulated just before the two seminars, and the aim of the seminars is to give an introduction to the content of the report and to explain the key elements. PJ

mentioned that the report as it stands contains a lot of analysis and it is difficult to pinpoint what all the options are. SL commented that the seminars are crucial to assist understanding of CMP213, and that they can help to direct parties to look at their areas of interest in the report. DC advised that he would like to see something more concise in the report and that the Workgroup process seems to be reaching its limit of what can be achieved. MT noted that the Workgroup has the duty to take CMP213 through the process and will try to help parties to understand the proposal as much as possible. GG agreed that the report is complicated, but suggested that a summary is included in the report as to which parts apply to which parties, so that parties can read the sections relevant to their areas of business only.

3392. PM suggested that the Workgroup Consultation could be extended from the 5 weeks already proposed, noting that it falls over the Christmas period as well. PM also added that a summary would also be useful, but still with an extended consultation period. AS appreciated the good debate the Panel had held on progressing CMP213 and that the seminars will be important to draw out the key points in the 180 page report. AS added that explaining the key points of the Workgroup Consultation at the seminars would perhaps be more beneficial than writing a separate summary document. AS noted that Ofgem appreciate the hard work that the Workgroup have done so far and it is best to continue on the basis that as much information is provided to the industry as possible in order for them to respond effectively to the consultation. PJ agreed that a huge amount of work had been put into writing the report, particularly by the Proposer. MT summarised that the Panel feels that all the information necessary for parties to make informed comment should be included in the Workgroup Consultation and that the slides from the seminars may help to summarise the key areas. The Panel also felt that the Workgroup chair should not be reluctant to extend the consultation period if he felt this would be appropriate, bearing in mind that it falls over the holiday period. GG added that if an extension to the consultation is agreed, then this will impact the Workgroup meetings scheduled for next year and therefore the meeting dates may need to be reconsidered. PH advised that he will discuss with the Workgroup the option of extending the Workgroup Consultation period.

Action: CMP213 Workgroup to consider extending the Consultation period for CMP213.

3393. **Governance Standing Group (GSG).** GG advised that no GSG meeting had taken place since the last Panel.
3394. **Joint European Standing Group (JESG).** GG advised that a meeting had been held on 7 November 2012 where a number of the high-level points regarding the European Network Codes had been discussed. GG noted that a letter had been written to ENTSO-E on behalf of the JESG regarding concerns about stakeholder engagement in the process for the Requirement for Generators (RfG) code, following the ACER opinion published in October. GG added that the group had also discussed implementation of the codes and advised that a two day technical workshop on the Operational Planning and Scheduling Network Code would be held in December and that the JESG dates for 2013 were now available on the National Grid website¹.
3395. **Transmission Charging Methodologies Forum (TCMF).** PH advised that the TCMF had taken place on 28 November 2012 and that an update had been provided on all the current charging CUSC Modifications and also that the 2013/2014 tariffs had been discussed.

¹ <http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/workingstandinggroups/JointEuroSG/>

3396. **Frequency Response Working Group (FRWG).** IP advised that the consultation on Frequency Response had closed and that 9 responses had been received. IP added that the consultation focused on technical and commercial aspects and that a number of options had been presented, of which several of those were no longer feasible due to developments that had occurred in the meantime with regard to EU developments. IP advised that further technical work would be carried out under Grid Code jurisdiction and that the CBSG and BSSG would be used as a forum to develop the work. SL asked if the option to bring the work to the CBSG had formed part of the consultation, to which IP responded that the Working Group had suggested this course of action. SL felt that the BSSG is not relevant to the Frequency Response work and that the work relates to the Grid Code rather than the CUSC. IP advised that CUSC changes need to be considered and GG added that the work should be covered by the BSSG, which is under the jurisdiction of the Panel, and noted that the CBSG does not have Terms of Reference that sit under the CUSC Panel, but rather it deals with areas that are not mandated by the CUSC.
3397. **Commercial Balancing Services Group (CBSG).** EC informed that Panel that no meeting had taken place since the last Panel and that the meeting scheduled for 5 December 2012 had been cancelled.
3398. **Balancing Services Standing Group (BSSG).** EC advised that further to IP's update regarding the FRWG, an updated Terms of Reference for the BSSG would be brought to the CUSC Panel in January to consider resurrecting the group for frequency response discussions.

6 GB determination of the detail of the European Network Codes

3399. GG presented an information paper that had previously been presented to the Grid Code Review Panel (GCRP) and explained that its purpose was to gain an understanding of the actual process for the implementation of the European Network Codes into the GB codes, such as the CUSC, and the ongoing effects. GG added that there will be a profound impact on the governance of the GB codes which will be a substantial change from what the current process is. PH noted that this centres on how National Grid listens to and approaches users and that it will be a transparent process. IP highlighted that the conclusion at the GCRP was that this is within Ofgem's sphere of responsibility and that the key will be the direction from Ofgem with regard to how they go about the overall implementation process. AS noted that ACER's opinion in October 2012 referred a number of points in the RfG Code (including Article 4(3), the subject of SSE's paper) back to ENTSO-E for further development and presentation in a revised version of the RfG Code and that until this process has been completed, it is not appropriate to comment at this stage. BB highlighted that it is important to have a process that protects **Parties'** rights and to ensure that that process is maintained. AS clarified that until ENTSO-E has re-submitted the revised version of the RfG Code, it would be difficult to assess the impact on the process.
3400. GG explained that the paper expressed a concern about only the TSO being able to define the terms and conditions etc., of many items to be determined after the RfG comes into effect and that consideration needs to be given as to how these terms and conditions etc., will be defined (i) initially and (ii) ongoing changes afterwards and whether it will be via closed governance by the TSO only; along the lines of the charging methodologies, which were outside of the CUSC change governance up until January 2011. GG added that there is no reason why the existing GB code modification processes cannot be used for determining all the detail when the European Network Codes are transposed into the GB code(s) as there is sufficient time to do this given the long implementation timescales proposed in the European Network Codes. GG noted that this would allow for open and transparent

stakeholder engagement in the process and ensure alternatives, if appropriate, were presented to the Authority for approval. MT summarised the discussion by noting that the issue had been raised and that there is concern that some CUSC Parties may lose their rights if a closed governance process is followed. The Panel may need to revert to the issue when the situation becomes clearer.

7 European Code Development

3401. AS noted that information had been circulated to the Panel on 22 November 2012 and IP added that a summary on the European Network Codes had also been circulated.

8 CUSC Modifications Panel Vote

3402. **CMP207 – Limit increases to TNUoS Tariffs to 20% in any one year.** RJ presented on the key elements of CMP207 and how it had progressed so far.

3403. The Panel voted by majority that CMP207 does not better facilitate the Applicable CUSC Objectives for Charging and so should not be implemented. The tables below show a breakdown of each Panel Member's vote and the rationale for their vote:

For reference, the Applicable CUSC Objectives for the Use of System Charging Methodology are:

(a) that compliance with the use of system charging methodology facilitates effective competition in the generation and supply of electricity and (so far as is consistent therewith) facilitates competition in the sale, distribution and purchase of electricity;

(b) that compliance with the use of system charging methodology results in charges which reflect, as far as is reasonably practicable, the costs (excluding any payments between transmission licensees which are made under and in accordance with the STC) incurred by transmission licensees in their transmission businesses and which are compatible with standard condition C26 (Requirements of a connect and manage connection);

(c) that, so far as is consistent with sub-paragraphs (a) and (b), the use of system charging methodology, as far as is reasonably practicable, properly takes account of the developments in transmission licensees' transmission businesses.

Original

Panel Member	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Overall (Y/N)
Garth Graham	Some merit, but capping charges would be detrimental to competition. Mindful of Authority's recent work on capping charges – not taken forward as an option.	No, does not reflect cost within year (met in subsequent years). Counters merits against (a).	Neutral.	No.
Bob Brown	Yes, it enhances competition. Trade-off required between comp and cost reflectivity. CMP207 designed to address severe shocks in tariff changes. New entrants have had to develop innovative products to enter market to compete with existing players, particularly longer-term products.	Neutral. Dampens cost reflective signals.	Neutral.	Yes.
Simon Lord	Neutral. Some other mods going	No. Will reduce cost	Neutral.	No.

	through will enhance forecasting, therefore cost reflectivity.	reflectivity.		
James Anderson	Yes, marginally. Improves stability, but note comments in report on alternative measures to improve predictability.	No. All options will be less cost reflective. Report talks about requiring carve-outs for price controls, this would undermine cost reflectivity even further.	Neutral.	No.
Paul Jones	No. Reduces cost reflectivity which is an important precondition for effective competition. % vs absolute: if you address stability, all options with % address stability but to differing extents, depending on what you start with. Therefore absolute change addresses stability better. Year on year vs forecast: Yr on Yr addresses stability instead of predictability. Forecast address predictability and view is that these are better.	No, reduces cost reflectivity.	Neutral.	No.
Paul Mott	Neutral. It's about predictability and CMP206 will help.	No. Damaging natural cost reflective outcome of TNUoS charging process.	Neutral.	No.
Duncan Carter	Yes. Suppliers – and in particular smaller suppliers - are currently negatively impacted by high volatility in costs so CMP207 will improve competition by reducing volatility. This will offset the disadvantages from a reduction in cost reflectivity.	Neutral. 207 will reduce cost reflectivity in the short-term, but here benefits to competition outweigh the cost reflectivity issue. Costs would be recouped from appropriate party eventually so there is some benefit to the consumer and costs are spread more evenly.	Neutral.	Yes.
Ian Pashley	No (marginally). Recognise benefits of reducing volatility.	No. Cost reflectivity is reduced by not allowing costs to be recovered.	No. Doesn't facilitate timely revenue collection for Tx companies	No.

WACM 1

Panel Member	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Overall (Y/N)
Garth Graham	More intuitive than Original but does not better facilitate Objective as still detrimental to competition.	No. Not cost-reflective.	No.	No.
Bob Brown	Yes. Same as for Original.	Neutral. Same as for Original.	Neutral.	Yes.
Simon Lord	Neutral. Same as for Original.	No. Same as for Original.	Neutral.	No.
James Anderson	Yes, marginally. Same as for Original.	No. Same as for Original.	Neutral.	No.
Paul Jones	No. Same as for Original, but marginally better as it addresses differences to forecast.	No, same as for Original.	Neutral.	No.
Paul Mott	Neutral. Same as for Original.	No. Same as for Original.	Neutral.	No.
Duncan Carter	Yes. Same as for Original.	Neutral. Same as for Original.	Neutral.	Yes.
Ian Pashley	No (marginally). Same as for Original.	No. Same as for Original.	No. Same as for Original.	No.

WACM 2

Panel	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better	Overall
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Member			facilitates ACO (c)?	(Y/N)
Garth Graham	No. Same as for WACM 1.	No. Not cost-reflective.	No.	No.
Bob Brown	Yes. Same as for Original.	Neutral. Same as for Original.	Neutral.	Yes.
Simon Lord	Neutral. Same as for Original.	No. Same as for Original.	Neutral.	No.
James Anderson	Yes, marginally. Same as for Original.	No. Same as for Original.	Neutral.	No.
Paul Jones	No. Same as for Original, but marginally better as it addresses differences to forecast.	No. Same as for Original.	Neutral.	No.
Paul Mott	Neutral. Same as for Original.	No. Same as for Original.	Neutral.	No.
Duncan Carter	Yes.	Neutral. Same as for Original.	Neutral.	Yes.
Ian Pashley	No (marginally). Same as for Original.	No. Same as for Original.	No. Same as for Original.	No.

WACM 3

Panel Member	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Overall (Y/N)
Garth Graham	No. Same as for WACM 1.	No. Not cost-reflective.	No.	No.
Bob Brown	Yes. Same as for Original.	Neutral. Same as for Original.	Neutral.	Yes.
Simon Lord	Neutral. Same as for Original.	No. Same as for Original.	Neutral.	No.
James Anderson	Yes, marginally. Same as for Original.	No. Same as for Original.	Neutral.	No.
Paul Jones	No. Same as for Original, but marginally better as it addresses absolute changes and differences to forecast	No. Same as for Original.	Neutral.	No.
Paul Mott	Neutral. Same as for Original.	No. Same as for Original.	Neutral.	No.
Duncan Carter	Yes. Same as for Original.	Neutral. Same as for Original.	Neutral.	Yes.
Ian Pashley	No (marginally). Same as for Original.	No. Same as for Original.	No. Same as for Original.	No.

WACM 4

Panel Member	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Overall (Y/N)
Garth Graham	No. Same as for WACM 1.	No. Not cost-reflective.	No.	No.
Bob Brown	Yes. Same as for Original.	Neutral. Same as for Original.	Neutral.	Yes.
Simon Lord	Neutral.	No. Same as for Original.	Neutral.	No.
James Anderson	Yes, marginally. Same as for Original.	No. Same as for Original.	Neutral.	No.
Paul Jones	No. Same as for Original but marginally better as it addresses absolute changes and differences to forecast	No. Same as for Original.	Neutral.	No.
Paul Mott	Neutral. Same as for Original.	No. Same as for Original.	Neutral.	No.
Duncan Carter	Yes. Same as for Original.	Neutral. Same as for Original.	Neutral.	Yes.
Ian Pashley	No (marginally). Same as for Original.	No. Same as for Original.	No. Same as for Original.	No.

BEST

(Baseline, CMP207 Original, WACM1, WACM2, WACM3, WACM4)

Garth Graham	Baseline
Bob Brown	WACM1 and WACM3

Simon Lord	Baseline
James Anderson	Baseline
Paul Jones	Baseline
Paul Mott	Baseline
Duncan Carter	WACM1 and WACM3
Ian Pashley	Baseline

3404. GG noted that there are some minor typographical errors in section 3.1 and 3.2 of the Final CUSC Modification Report.

3405. **CMP209 Allow Suppliers' submitted forecast demand to be export. (Charging).** EC presented on the key elements of CMP209 and CMP210. PJ clarified that the difference between the Original and WACM 1 is that a greater breakdown of information is required, to which EC agreed that this is correct.

3406. The Panel voted by majority that CMP209 better facilitates the Applicable CUSC Objectives for Charging and so should be implemented. The tables below show a breakdown of each Panel Member's vote and the rationale for their vote:

Original

Panel Member	Better facilitates ACO (a)?	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Overall (Y/N)
Garth Graham	No. Mindful of views of smaller parties regarding concerns over cash flow – generators might ask for money upfront from suppliers so shifts the risk on to suppliers.	Neutral.	Neutral.	No.
Bob Brown	Yes. Defect exists and is fixable, solution is proportionate to issue. Better monitoring and information provision. Change is appropriate given changes in embedded generation. More accurate cash requirements mean less credit risk for participants and makes market entry easier.	Yes. NGET will be getting a cash flow which is more accurate.	Neutral.	Yes.
Simon Lord	Yes. Help competition and encourage more accurate forecasts.	Yes. Would incentivise more accurate forecasts.	Neutral.	Yes.
James Anderson	Yes. Improving cash flow to net exporters will improve competition.	Yes, marginally better as improved forecast data should improve cost reflectivity of charges.	Neutral.	Yes.
Paul Jones	Yes. Benefit is improving the cash flow for net exporters and putting them on a similar basis to those parties that don't have a net export.	Neutral. Charges are unaffected, just their timing.	Neutral.	Yes.
Paul Mott	Yes, marginally better. The defect does exist for net exporters. Risk of creating another defect of inaccurate submission and credit risk.	Yes, marginally better.	Neutral.	Yes.
Duncan Carter	Yes. Defect does exist in CUSC. Reduces exposure to cash flow imbalances to those parties who are exporting and National Grid can take safeguards to prevent potential abuse of credit opportunities.	Neutral.	Neutral.	Yes.
Ian Pashley	No. Not clear from consultation responses that competition is improved. Creates credit risk for suppliers. NGET has a licence obligation to consider embedded generation separately.	Neutral.	Neutral.	No.

WACM 1

Panel Member	Better facilitates ACO (a)?	Better facilitates ACO (b)?	Better facilitates	Overall (Y/N)
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			ACO (c)?	
Garth Graham	No. Same as for Original.	Neutral.	Neutral.	No.
Bob Brown	Yes. Same reasoning as for Original but Original better due to quality of information.	Yes. Same as for Original.	Neutral.	Yes.
Simon Lord	Neutral.	Yes. Same as for original.	Neutral.	Yes.
James Anderson	Yes. Same cash flow benefit as Original.	No. Does not have improved forecast data of Original	Neutral.	No.
Paul Jones	Yes. Same benefit on cash flow as the original, but makes it harder for National Grid to validate.	Neutral. Same reasoning as for the original.	Neutral.	Yes.
Paul Mott	No. Enhances competition but makes it harder for National Grid to validate.	Neutral.	Neutral.	No.
Duncan Carter	Yes. Same as for Original.	Neutral.	Neutral.	Yes.
Ian Pashley	No. Same as for Original and using net approach further muddies the water.	Neutral.	Neutral.	No.

BEST (Baseline, CMP209/210 Original, WACM1)

Garth Graham	Baseline
Bob Brown	Original
Simon Lord	Original
James Anderson	Original
Paul Jones	Original
Paul Mott	Original
Duncan Carter	WACM1 – lower cost of implementation
Ian Pashley	Baseline

3407. **CMP210 Allow Suppliers' submitted forecast demand to be export.** The Panel voted by majority that CMP210 better facilitates the Applicable CUSC Objectives and so should be implemented. The tables below show a breakdown of each Panel Member's vote and the rationale for their vote:

Original

Panel Member	Better facilitates ACO (a)?	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Overall (Y/N)
Garth Graham	Neutral.	No. Mindful of views of smaller parties regarding concerns over cash flow – generators might ask for money upfront from suppliers so shifts the risk on to suppliers.	Neutral.	No.
Bob Brown	Neutral.	Yes. Facilitates competition.	Neutral.	Yes.
Simon Lord	Neutral.	Yes. Promotes competition.	Neutral.	Yes.
James Anderson	Neutral.	Yes. Promotes competition due to improved cash flow to net exporters.	Neutral.	Yes.
Paul Jones	Neutral.	Yes. Due to improved cash flow for net exporters.	Neutral.	Yes.
Paul Mott	Yes.	Yes. Due to cash-flow benefit.	Neutral.	Yes.
Duncan Carter	Neutral.	Yes. Promotes competition.	Neutral.	Yes.
Ian Pashley	No. Embedded issue due to be addressed, potential additional changes could be inefficient at this point in time.	No. Not clear from consultation responses that competition is improved. Creates credit risk for suppliers. NGET licence obligation to consider embedded generation separately.	Neutral.	No.

WACM 1

Panel Member	Better facilitates ACO (a)?	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Overall (Y/N)
Garth Graham	Neutral.	No. Due to cash-flow issues.	Neutral.	No.
Bob Brown	Yes. Better for new market entrants.	Yes.	Neutral.	Yes.
Simon Lord	Neutral.	Yes. Helps competition.	Neutral.	Yes.
James Anderson	Neutral.	No. credit risk issues not countered by improved forecast data.	Neutral.	No.
Paul Jones	Neutral.	Yes. Due to improved cash flow for net exporters, but more difficult for National Grid to validate.	Neutral.	Yes.
Paul Mott	No. Harder for NGET to validate.	No.	Neutral.	No.
Duncan Carter	Neutral.	Yes.	Neutral.	Yes.
Ian Pashley	No. Same as for Original.	No. Same as for Original.	Neutral.	No.

BEST

Garth Graham	Baseline
Bob Brown	Original
Simon Lord	Original
James Anderson	Original
Paul Jones	Original
Paul Mott	Original
Duncan Carter	WACM1
Ian Pashley	Baseline

9 Authority Decisions as at 22 November 2012

3408. None.

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

3409. AS advised that the Consultation on proposed licence changes following the implementation of the EU Third Package and other miscellaneous changes had been published on 20 November 2012 and will close for responses on 15 January 2013. AS added that changes had been suggested to the Use of System Charging Methodology standard licence condition (C5) and also the Connection Charging Methodology standard licence condition (C6) to include an EU related code objective and remove defunct transitional provisions regarding Authority decision-making on the Charging Methodology changes now these are part of CUSC governance. GG requested that a link to the Transmission Licence is circulated as it is difficult to find on Ofgem's website.

Action: AS to send link to Transmission Licence to Panel Members.

11 AOB

3410. PJ highlighted that the archive section on the National Grid website which holds information of past modifications is very slow and difficult to use. AT advised that the National Grid website is currently undergoing a major review and that this area will be looked at as part of the review.

3411. AT mentioned that subject to budget approval it was planned to hold a dinner in Warwick on the evening before the January meeting, to which the Ofgem representative would be particularly welcome.

3412. EC advised that the next set of customer surveys would be carried out in December via email and noted that responses would be appreciated.

12 Next Meeting

3413. The next meeting will be held on 14 December 2012 at National Grid House, Warwick.