

## Minutes

<b>Meeting name</b>	CUSC Modifications Panel
<b>Meeting number</b>	147
<b>Date of meeting</b>	22 March 2013
<b>Location</b>	National Grid House, Warwick

## Attendees

<b>Name</b>	<b>Initials</b>	<b>Position</b>
Mike Toms	MT	Panel Chair
Emma Clark	EC	Panel Secretary
Alex Thomason	AT	Code Administrator
Abid Sheikh	AS	Authority Representative (via teleconference)
Ian Pashley	IP	National Grid Panel Member
Patrick Hynes	PH	National Grid Panel Member
James Anderson	JA	Users' Panel Member (via teleconference)
Bob Brown	BB	Users' Panel Member (via teleconference)
Garth Graham	GG	Users' Panel Member (via teleconference)
Paul Jones	PJ	Users' Panel Member
Paul Mott	PM	Users' Panel Member
David Kemp	DK	ELEXON (via teleconference)
Louise McGoldrick	LM	National Grid
Sally Lewis	SLe	Observer

## Apologies

<b>Name</b>	<b>Initials</b>	<b>Position</b>
Michael Dodd	MD	Users' Panel Member
Simon Lord	SL	Users' Panel Member
Robert Longden	RL	Alternate Users' Panel Member

## Alternates

Paul Jones for Simon Lord

*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

3514. Introductions were made around the group. Apologies were received from MD, SL and RL.

## 2 Approval of Minutes from the last meeting

3515. The minutes from the CUSC Modifications Panel meeting held on 22 February 2013 were approved, subject to minor comments received.

## 3 Review of Actions

3516. **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 work is progressing and that the application of the European Codes to the GB Framework will be discussed further at the JESG meeting in April 2013. GG added that more information on the governance of the European Network Codes is expected shortly and that it will be useful to obtain this as soon as possible.

3517. **Minute 3486: AT to contact NCC to discuss CUSC Panel Membership.** AT advised that she had contacted Consumer Focus and had been advised that they have issued a tender<sup>1</sup> seeking candidates to act as Consumer Focus appointees on the BSC, CUSC and UNC Panels and are planning on making an appointment in time for the April CUSC Panel.

**Action: Forward Consumer Focus email containing the link to the tender to the Panel.**

3518. **Minute 3493: Forward presentation on Forwards Code to Panel Members.** Complete.

#### 4 New CUSC Modification Proposals

3519. **CMP218 - Changes required for use of new banking product to hold Users' cash securities.** LM presented on the key elements of CMP218 and advised that it has been raised by National Grid Electricity Transmission (NGET) and seeks to amend the CUSC to facilitate the use of a new banking product by NGET to hold security provided by Users. The Panel accepted the proposal and agreed that the proposal should be progressed as **Self-Governance**. The Authority Representative exempted CMP218 from the ongoing Electricity Balancing Significant Code Review.

3520. AS noted that Ofgem had some questions regarding the intent of the modification. AS asked whether the current and proposed new arrangements ensured that accounts held in trust were protected, and that money held in these accounts would not form part of National Grid's own financial assets. AT responded that there is no change in the running of accounts, and that the money is held in trust in accordance with the rules of the CUSC and is separate from National Grid's assets. AS then queried why there had to be two separate definitions for the accounts (Bank Account and Escrow Account) and whether its protected status could be made clear in the definition. AS advised that he would forward Ofgem's questions to LM in order for clarification to be sought on the answers.

**Action: AS to send questions on CMP218 to LM and answers to be provided prior to Code Administrator Consultation being published.**

3521. PM raised some questions, regarding how the arrangements ensure that Users' cash security are protected from being used by the Administrator, in the event of insolvency. LM responded that one bank is responsible for administering the process, but that she would find out whether the money is spread across multiple accounts and whether there is a minimum credit rating for the bank. PM also asked how interest is applied, specifically if it is applied to the total amount and then spread across the individual accounts.
3522. PJ asked why this process is deemed to be more efficient than the current process. AT advised that the process phases out paperwork which presently introduces delays into the processing of transactions such as refunds to generators and instead allows National Grid to manage transactions online which is more efficient overall. BB

---

<sup>1</sup> <http://www.consumerfocus.org.uk/transparency/contractstenders>

asked if checks had been carried out for unintended consequences with the new process, in particular if mistakes could be made in allocating the Users' securities to the wrong account. AT advised that the CUSC and the Bilateral Agreements had been checked. BB suggested that it would have been more productive for the relevant expert on this subject to attend the Panel in order to answer the questions fully and to save time on the process. MT noted this comment.

3523. JA raised an issue regarding safeguards, and asked if there should be independent scrutiny on accounts, and that regular reconciliation would provide some comfort. LM responded that monthly statements would be produced and emailed to customers, and JA felt that this would satisfy most customers. GG asked what the process would be if an error was made and the funds had not been allocated correctly. It was agreed to address this point in the Code Administrator Consultation.
3524. GG suggested that an exact time for implementation for CMP218 needed to be checked, for example, should implementation be timed for midnight due to the nature of the change.
3525. Due to the number of questions raised, the Panel agreed that these queries should be answered prior to issuing the Code Administrator Consultation. **Post-meeting note:** The Panel agreed to discuss the responses further at the Panel meeting on 26 April 2013, after which the Code Administrator Consultation will be published, with the clarifications included in the document.

**Action: Questions on CMP218 to be addressed and discussed at the next Panel meeting and timetable revised.**

**Action: Send CMP218 Self-Governance Statement to Ofgem.**

## 5 Workgroup / Standing Groups

3526. **CMP213 Project TransmiT TNUoS Developments.** PH provided an update on the progress of CMP213, notably that the Workgroup had carried out their vote at the last meeting held on 18-19 March 2013. PH advised the Panel that there were 26 Workgroup Alternative CUSC Modifications and therefore voting was a complicated process. PH added that the Workgroup are currently reviewing the draft Workgroup Report, which is currently around 900 pages including the technical data and legal text, and that it will be presented to the special CUSC Panel meeting on 9<sup>th</sup> April 2013. PH advised that following discussions on how to better engage with the industry, he is planning on using the next Transmission Charging Methodologies Forum (TCMF) on 16 April 2013 to discuss CMP213 and that it will also be discussed as part of the National Grid Customer Seminars being held in April. The Final CUSC Modifications Report is then due to go to the May CUSC Panel. PH offered to spend some time with Panel Members who are not members of the CMP213 Workgroup, in order to discuss the detail of CMP213 prior to the Panel vote, and would discuss with the Code Administrator and the Panel Chair how best to run the Panel vote.
3527. MT asked PH if there are any concerns currently that the Workgroup may not have met their Terms of Reference. PH advised that he believes that the Terms of Reference have been met and therefore does not have any specific concerns. MT asked the Panel and Ofgem for their views. AS advised that Ofgem have been involved in CMP213 throughout the whole process and are satisfied that, while it has been an intensive process, Ofgem have no further issues to raise at this point. PM noted that the Stage 2 modelling results were only made available one week ago in full resolution form, and that there had been some odd results for Method 3. PM added that he believes that National Grid is currently looking into whether there is a

valid explanation for this. PH responded that the model will be sent to Ofgem and they may wish to consider this further as part of their Impact Assessment, and that any issues with the modelling will be highlighted in the Code Administrator Consultation.

3528. PJ felt that there had been limited opportunity for people to question and query the modelling due to the fast pace of the process. PH responded that the model contains assumptions, and not necessarily an absolute number.
3529. MT asked the Panel if they felt that the communication efforts have been satisfactory, or if there is anything further that can be done. The Panel did not suggest any further options at this time.

**Action: CUSC Panel to consider any communication that may be required in addition to the Code Administrator Consultation.**

**Action: Circulate the latest timetable for CMP213.**

3530. **Governance Standing Group (GSG).** GG advised that the GSG had not met since the last CUSC Panel meeting and were due to meet on 25 April 2013. AT added that this would tie in with discussing the fast track Self-Governance draft proposal as part of the Code Governance Review (CGR) Phase 2.
3531. **Joint European Standing Group (JESG).** GG advised that the JESG had met on 19 March 2013 and had discussed a number of items. These included an update on the Balancing Network Code which is due to be consulted on over the summer, a discussion on the Operational Planning and Scheduling Network Code, particularly on the treatment of interconnectors, a discussion on the Transparency Regulations and a discussion on the vision from ENTSO-E on how all the codes will interlink. GG added that Capacity Allocation Congestion Management (CACM) Network Code has now entered comitology, and that the next JESG meeting is on 17 April 2013.
3532. **Transmission Charging Methodologies Forum (TCMF).** PH advised that the TCMF had met on 12 March 2013 and the key agenda items that had been discussed were CMP213 and other ongoing CUSC Proposals. The group also discussed potential future developments, particularly the issue of embedded generation. PH advised that National Grid is intending to circulate a paper on the issue and to hold an informal Workgroup to discuss the topic further and possibly reach a high level solution leading, ultimately, to a CUSC Modification. PH added that the invite will be circulated to key stakeholders and that this would likely be done in the next two months.
3533. **Commercial Balancing Services Group (CBSG).** EC advised that the CBSG had not met since the last meeting but were due to meet on 24 April 2013.
3534. **Balancing Services Standing Group (BSSG).** EC advised that the BSSG had not met since the last meeting but were due to meet on 24 April 2013.

## 6 European Code Development

3535. The Panel noted that an update on EU developments had been provided by Ofgem and circulated on 15 March 2013, with a further update provided on 20 March 2013. IP noted that the update provided by National Grid would be circulated shortly. **Post-meeting note:** European Codes Summary circulated on 25 March 2013.

**7 CUSC Modifications Panel Determination Vote**

3536. **CMP215 (Removal of references to TNUoS Charges for Interconnector BM Units and requirement to provide security cover).** EC presented on the key elements of CMP215 and the process so far. The Panel voted unanimously that CMP215 better facilitates the Applicable CUSC Objectives and so should be implemented. The voting details can be found in the table below:

Panel Member	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Overall (Y/N)
Paul Jones	Yes, it improves clarity.	Neutral.	Neutral.	Y
Paul Jones for Simon Lord	Yes, as above.	Neutral.	Neutral.	Y
James Anderson	Yes, as it reduces the opportunity for misinterpretation.	Neutral.	Neutral.	Y
Ian Pashley	Yes, it improves clarity.	Neutral.	Neutral.	Y
Garth Graham	Yes, it reduces the opportunity for misinterpretation.	Neutral.	Neutral.	Y
Bob Brown	Yes, it improves clarity.	Neutral.	Neutral.	Y
Paul Mott	Yes, as above.	Neutral.	Neutral.	Y

3537. CMP215 will be implemented subject to the Self-Governance appeals process. The appeal window for CMP215 started on 22 March 2013 and will close on 16 April 2013. Subject to any appeal, the earliest implementation date will be 1 May 2013.

3538. **CMP216 (Removal of references to BSUoS Charges for Interconnector BM Units).** EC presented on the key elements of CMP216 and the process so far. The Panel voted unanimously that CMP216 better facilitates the Applicable CUSC Objectives and so should be implemented. The voting details can be found in the table below:

Panel Member	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Overall (Y/N)
Paul Jones	Yes, it improves clarity.	Neutral.	Neutral.	Y
Paul Jones for Simon Lord	Yes, as above.	Neutral.	Neutral.	Y
James Anderson	Yes, as it reduces the opportunity for misinterpretation.	Neutral.	Neutral.	Y
Ian Pashley	Yes, it improves clarity.	Neutral.	Neutral.	Y
Garth Graham	Yes, it reduces the opportunity for misinterpretation.	Neutral.	Neutral.	Y
Bob Brown	Yes, it improves clarity.	Neutral.	Neutral.	Y
Paul Mott	Yes, as above.	Neutral.	Neutral.	Y

3539. CMP216 will be implemented subject to the Self-Governance appeals process. The appeal window for CMP216 started on 22 March 2013 and will close on 16 April 2013. Pending any appeal, CMP216 will be implemented in November 2013 following the Final Reconciliation for BSUoS Charges.

3540. **CMP217 (Clarification of the CUSC ‘Interruption Payment’ and ‘Interruption Period’ Definitions).** EC presented on the key elements of CMP217 and the process so far.

3541. GG raised an issue with one of the MW figures in the report. It was agreed that this was a typographical error and would be corrected. GG also highlighted a comment in the report relating to any further changes to compensation arrangements in relation to EU proposals or any other market changes that may influence the period or level of compensation. IP responded that NGET could possibly set up a group under the CUSC to consider compensation arrangements in light of recent code changes. PH added that a general Standing Group could be set up to take forward a package of changes, and IP added that there is a need for coordination and wider review and for prioritising particular aspects.

**Action: NGET to consider wider review of compensation under EU arrangements.**

3542. The Panel voted unanimously that CMP217 better facilitates the Applicable CUSC Objectives and so should be implemented. The voting details can be found in the table below:

Panel Member	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Overall (Y/N)
Paul Jones	Yes, due to clarification provided.	Yes, due to improving the process.	Neutral.	Y
Paul Jones for Simon Lord	As above.	As above.	Neutral.	Y
James Anderson	Neutral.	Yes, as it enables the user to better quantify their entitlement to compensation.	Neutral.	Y
Ian Pashley	Neutral.	Yes, as above.	Neutral.	Y
Garth Graham	Neutral.	Yes, as above.	Neutral.	Y
Bob Brown	Neutral.	Yes, as above.	Neutral.	Y
Paul Mott	Yes, due to clarity.	Yes, as above.	Neutral.	Y

3543. CMP217 will be implemented subject to the Self-Governance appeals process. The appeal window for CMP217 started on 22 March 2013 and will close on 16 April 2013. Subject to any appeal, CMP217 will be implemented on 1 May 2013.

**8 Authority Decisions as at 14 March 2013**

3544. None.

**9 Update on Industry Codes / General Industry updates relevant to the CUSC**

3545. The Panel noted that Ofgem had published a consultation<sup>2</sup> on CMP209 and CMP210 (Allow Suppliers' submitted forecast demand to be export) in order to seek further

<sup>2</sup> [http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?file=CMP209-10%20consultation%20letter.pdf&refer=Licensing/ElecCodes/CUSC/las&utm\\_source=Ofgem+Website+Mailing+List&utm\\_campaign=2c5c8a4710-Ofgem\\_Email\\_Alert\\_13\\_03\\_20133\\_13\\_2013&utm\\_medium=email](http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?file=CMP209-10%20consultation%20letter.pdf&refer=Licensing/ElecCodes/CUSC/las&utm_source=Ofgem+Website+Mailing+List&utm_campaign=2c5c8a4710-Ofgem_Email_Alert_13_03_20133_13_2013&utm_medium=email)

information and clarification on the proposals prior to making a final decision. Responses are requested by 7 May 2013.

- 3546. EC noted that Ofgem have published a consultation on revisions to their Guidance on Impact Assessments<sup>3</sup> and that responses are requested by 10 June 2013.
- 3547. AS advised that the Code Governance Review (CGR) Phase 2 Final Proposals and licence changes conclusions are due out at the end of March 2013.
- 3548. GG provided an update on Space Weather and noted that National Grid had written out to Generators, had collated the information provided by Generators and that it would be discussed at National Grid's Operational Forum in April.

## 10 AOB

- 3549. IP provided an update on the new Operating Model for National Grid and advised that potential new appointments would be made in May 2013, possibly resulting in changes to the National Grid Panel representation. IP added that one of the objectives is to maintain and enhance the level of expertise on the CUSC Panel.
- 3550. AT advised that National Grid had recently published a document on customer engagement<sup>4</sup> and this included detail on changes to the National Grid website. AT added that improvements to the website are currently being looked at and implementation of the overall project is due in the summer. PJ felt that large-scale changes could potentially be quite disruptive to regular users of the website and suggested carrying out a test before any permanent changes are made. AT responded that the changes are centred on making navigation of the website easier and more user-friendly and coherent, but that the Panel could indeed test the website. AT added that the National Grid Customer Seminars would also be used to discuss the new changes. BB emphasised the importance of engaging with the industry.

## 11 Next Meeting

- 3551. The next meeting will be a Special CUSC Panel meeting to discuss the CMP213 Workgroup Report and will take place on 9<sup>th</sup> April 2013 via teleconference.

---

3

[http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=13&refer=About%20us/BetterReg/IA&utm\\_source=Ofgem+Website+Mailing+List&utm\\_campaign=9b58f98a46-Ofgem\\_Email\\_Alert3\\_18\\_2013&utm\\_medium=email](http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=13&refer=About%20us/BetterReg/IA&utm_source=Ofgem+Website+Mailing+List&utm_campaign=9b58f98a46-Ofgem_Email_Alert3_18_2013&utm_medium=email)

<sup>4</sup> <http://talkingnetworkstx.com/consultation-and-engagement.aspx>