

CUSC Panel

Friday 30 July 2021

Online Meeting via Teams

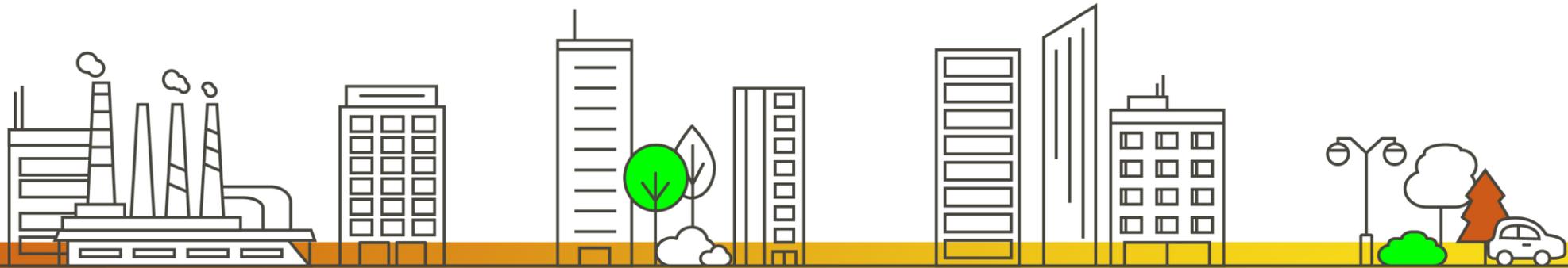
WELCOME



nationalgridESO

Approval of Panel Minutes

Approval of Panel Minutes from the Meeting held 28 May 2021 and 25 June 2021



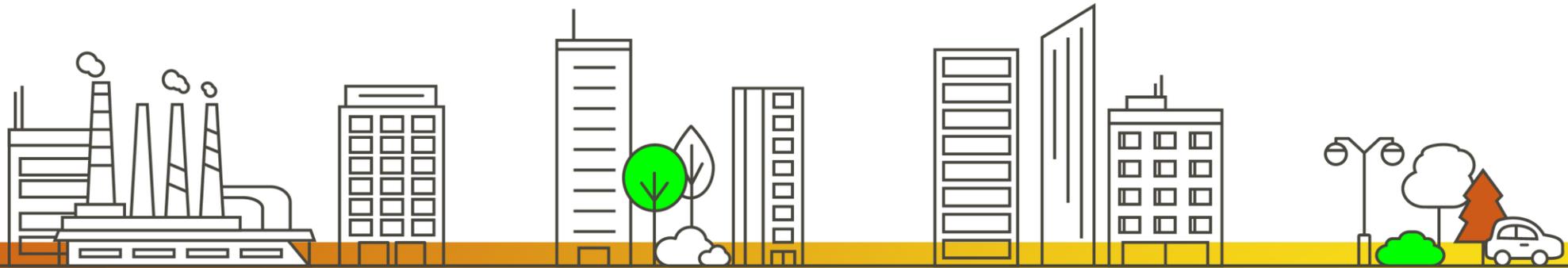
Actions Log

Review of the actions log



Chair's Update

An update from the Chair about ongoing relevant work, discussions etc.



Authority Decisions (as at 22 July 2021)



Decisions Received since last Panel meeting

- CMP280 (rejected 30 June 2021 given the high implementation costs, the short-term nature of the potential solution and the absence of evidence that the benefit would outweigh the costs)
- CMP300 (sent back 9 July 2021 asking for 1) more evidence that demonstrates objective (b) would be better facilitated for CfD BMUs as a class of users, 2) further feedback from industry and affected parties to improve the robustness of the assessment of the proposals and 3) best endeavours to secure further supporting evidence to demonstrate the economic impact of the Proposal against the class of users that would be affected)
- CMP365 (decision received 16 July 2021 approving the CMP365 Original – to be implemented 30 July 2021)

Decisions Pending

- CMP326 (decision expected 10 August 2021), CMP335/336 (due 27 August 2021), CMP343/340 (due 27 August 2021), CMP292 (decision expected 30 September 2021)

Received Final Modification Reports since last Panel Meeting

- CMP371 (received 7 July 2021 with decision expected date to be confirmed)

New modifications submitted

**CMP376: 'Inclusion of Queue Management
process within the CUSC'**

**Keren Kelly and Rashmi Radhakrishnan, – National Grid
ESO**



Critical Friend Feedback – CMP376

Code Administrator comments	Amendments made by the Proposer
<p>Added timeline but noted that Proposer's requested decision date cannot be met by a standard timeline; however, did not believe there is a compelling case for an Urgent route</p> <p>Need to be more explicit on the solution and be consistent on the terminology for the User Guide that is being used as the basis for the solution</p> <p>Questioned one of the justifications for a Code Administrator Consultation being that only the Exhibits to CUSC are changing</p> <p>Suggested there should be additional detail on the STC change and timing of it i.e. will the CUSC and STC Final Modification Reports be sent to Ofgem at the same time?</p> <p>Lots of background included, which showed there has been lots of industry engagement on this; however suggested some of this should be added to Reference Material instead</p>	<p>All amendments accepted by Proposer</p>

Queue Management Roadmap

Queue Management arrangements have been developed through the Energy Network Association as part of the Open Networks Project. The Open Networks Project is a major industry initiative to transform the way our energy networks operate to facilitate the transition to a smart flexible energy system.

All network companies will include Queue Management principles to all connection offers from **1st October 2021**. It will be applied to all New and Modification applications.

- **2018 consultation** – providing stakeholders with a review of network companies' approach to Queue Management and seeking views on the approach for 2019 [here](#)
- **2019 consultation** – set out a Queue Management policy framework [here](#)
- **2020 consultation** - sought stakeholder comments on the User Guide based on previous consultations and the 'minded to' policy [here](#)
- **In Dec 2020**, the final Queue Management User Guide and implementation plan was published by ENA [here](#)



Introduction to Queue Management

Queue Management is a process to manage contracted connections (Transmission and Distribution) against limited network capacity to enable fair and effective use of available network capacity.

To date network companies have managed contracted connections, both generation and demand, against limited network capacity and largely on a 'first to contract, first to connect' principle.

The main components in respect of applying Queue Management are:

Milestones: benchmarks agreed between network companies and customers to measure and track project progress towards a contracted connection date.

Tolerance: provides some flexibility which recognises that some delays can lead to milestones not being achieved and provides customers with an opportunity to get their project back on track.

Queue Management enables:

- Effective management of contracted projects which are not progressing against agreed milestones;
- Avoidance of stalled or slow-moving projects from affecting other projects in queues;
- Network companies to terminate agreements if delays to projects exceed the tolerances given.

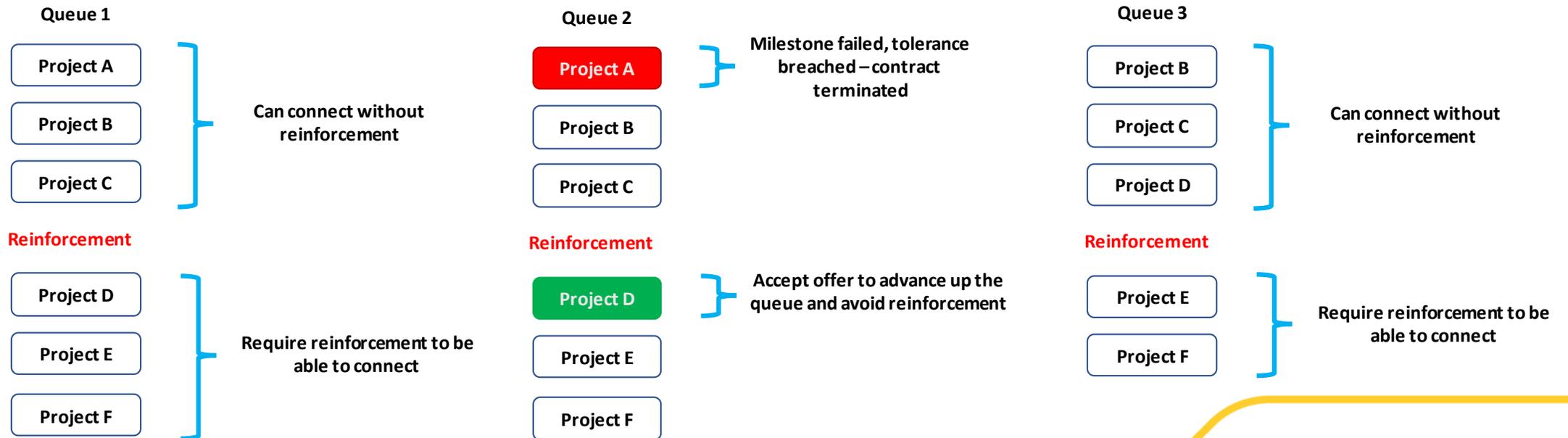
Queue Management Milestones

- The current milestones developed in 2016 remain unchanged and a new milestone which demonstrates Project Commitment has been created. They:
 - Represent the agreed key stages requiring completion to allow the project to connect on time.
 - Are intended to be transparent and realistic and with an expectation that customers will undertake relevant key stages of project development.
 - Are supported by timescales and the requirement to provide suitable evidence.
- A high-level overview of the milestones is shown in the table below.

Milestone	Action	Commencement
M1	Initiated statutory consents including Planning Permission	From Offer acceptance
M2	Secured Statutory Consents and Planning Permission	From Offer acceptance
M3	Secure Land Rights	From Offer acceptance
M4	Provision and Agreement of User's Construction Programme	After achieving Planning permission
M5	Project Commitment	Agreed as part of M4
M6	Project Construction	Agreed as part of M4

An Example of Queue Management

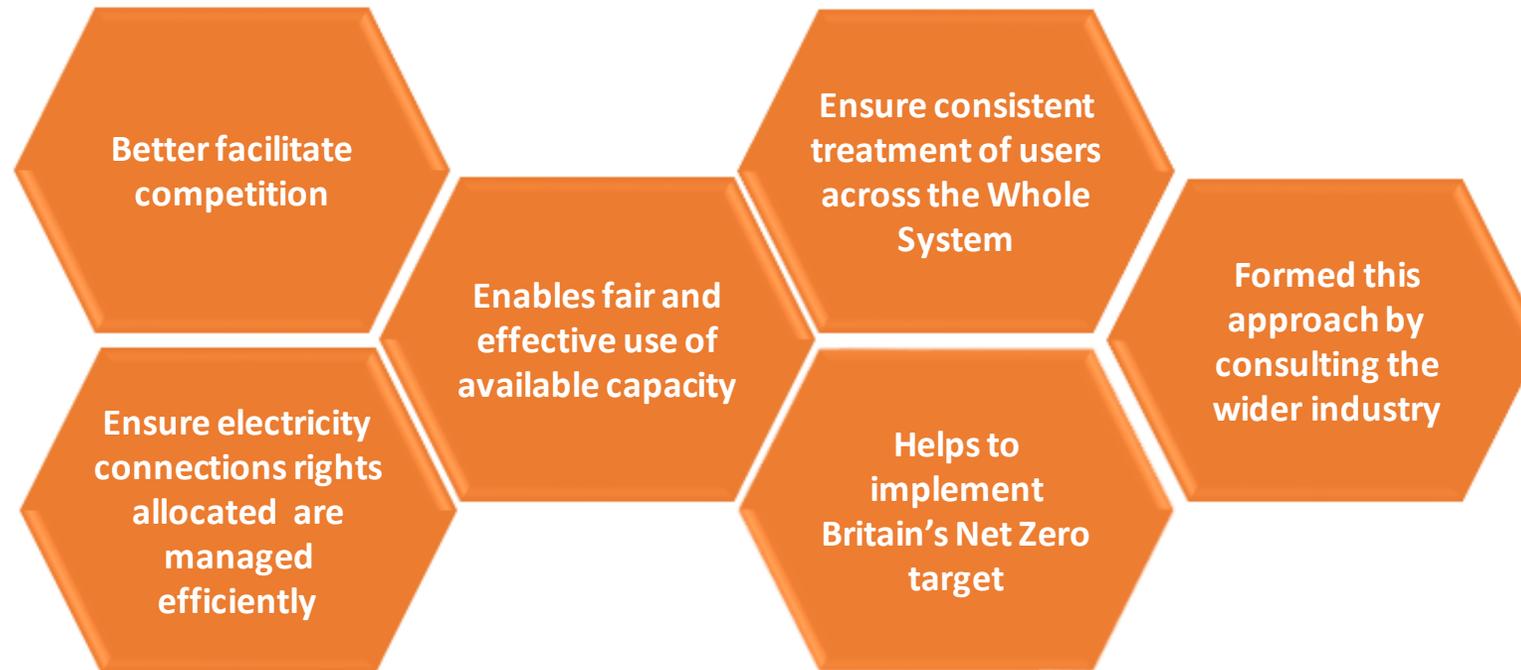
- Consider the following simple example:
 - **Queue 1:** All projects are progressing against agreed milestones.
 - **Queue 2:** Project A has exceeded the tolerance, failed a milestone and their contract is terminated.
 - **Queue 3:** Project D accepts the opportunity to move up the queue and can now connect without requiring reinforcement.
- The diagrams below show the changing queue position where a project breaches the tolerance, fails a milestone and has their contract terminated.



Issues Outside of the Customer's Control

- Queue Management recognises that there may be exceptional issues that customers cannot control and which may lead to project delay.
- Projects experiencing delays of this nature will not change its project status if
 - they discuss the specifics of the delay with the network company at the earliest opportunity; and
 - they provide reasonable evidence to justify the specific delay.
- For the avoidance of doubt, a failure to comply with any of these conditions can result in a failure of a milestone and a change in the project status.

Benefits of Queue Management



Amendments Following Stakeholder Feedback

What you have asked	What we have done to improve
Simpler approach	A simpler approach has been adopted. If milestone tolerances are exceeded, there is no intermediate stage ahead of contract termination whereby projects are moved to the end of the connection queue.
Additional clarity to milestones & cumulative delays	Additional clarity is included in the guide to ensure customers have a clearer understanding <ul style="list-style-type: none">• Changes made to the later milestones to provide greater leniency.• Cumulative delay will only apply to earlier milestones.
Applicability	Additional clarity on the scope of QM and its applicability has added to the guide. QM principle will be applied to new and modification offer from 1st of October 2021.
Governance	Clarity was sought on the governance process would work however; Stakeholders can raise issues with ENA directly. CUSC modification will give transparency and governance at Transmission level.
Customer and Stakeholder engagement	<ul style="list-style-type: none">• Open letter and Implementation plan have been published here• A QM webinar was held in May for all interested industry parties and stakeholders.• Within ESO, All contract managers are working closely with our customers to apply these new processes appropriately in customer contract and helping each other to overcome any issues.• ESO is also modifying our IT system to enable us to accurately monitor customer milestones.

Proposed Changes to the CUSC

- Proposed solution is to codify the Queue Management Process described in the Queue Management User Guide within the CUSC subsidiary documents.
- The updates will be made to the Construction Agreement template (contained within CUSC Schedule 2 Exhibit 3 part 1 and 2 and Schedule 2 Exhibit 3A).
- It is proposed that the Construction Agreement template will include:
 - a new Appendix Q Queue Management Process.
 - a new clause titled 'Queue Management Process' and new defined terms **Queue Management Process** and **User Progression Milestones**.

Proposed Appendix Q Queue Management Process (1)

- Appendix Q Queue Management Process will include:
 - User Progression Milestones – a series of six milestones with associated descriptions, suitable evidence and milestone periods. The template includes different milestone timescales depending upon whether an Environmental Impact Assessment is required.
 - Tolerance Periods – a description of tolerance periods that will be applied to milestones to allow management of any reasonable delays that are within control of the User.
 - The tolerance period for a project varies by voltage level as shown in the table below.

Project voltage	Project Status		
	On track	Within Tolerance	Termination
LV & HV	Milestones achieved without delay	Up to 65 working days (approx 3 months)	More than 65 working days (approx 3 months)
EHV & 132kV		Up to 130 working days (approx 6 months)	More than 130 working days (approx 6 months)
275kV, 400kV & offshore 132kV		Up to 260 working days (approx 12 months)	More than 260 working days (approx 12 months)

Proposed Appendix Q Queue Management Process (2)

- Project Status – a description of each of the three Project Status Categories that a User’s project will be given. These are:
 - **‘On Track’** – Where all User Progression Milestones to date have been achieved without delay;
 - **‘Within Tolerance’** – Where the User has exceeded one or more of its required User Progression Milestones but the cumulative delay (applicable to Milestones 1, 2, 3 and 4) or the delay on individual milestones (applicable to Milestones 5 and 6) does not exceed the defined tolerance period;
 - **‘Termination’** – Where the User has breached a User Progression Milestone(s) and the cumulative delay (applicable to Milestones 1, 2, 3 and 4) or the specific delay (applicable to Milestones 5 and 6) has exceeded the defined tolerance period. In such instances, The Company will apply the provisions of Clause [2.18] of the Construction Agreement.
- Exceptional Issues – reference to exceptional issues out with the User’s control which may lead to project delay

Proposed Changes to the Construction Agreement Template (1)

Introduction of the following defined terms:

“Queue Management Process”

the process as set out in Appendix Q to measure and provide a status (“On Track”, “Within Tolerance” or “Termination” as defined within that process) of the progress of the **User’s** project against the **User Progression Milestones**.

“User Progression Milestones”

the milestones to demonstrate the **User** is progressing with and its progress on the **User’s** project for the purposes of Clause [2.18] such milestones being as set out in Appendix Q.

Proposed Changes to the Construction Agreement Template (2)

2.18 Queue Management Process

2.18.1 The Company will monitor the progression of the User's project against the User Progression Milestones in accordance with the Queue Management Process and shall determine the status of the User's project as being "On Track", "Within Tolerance" or "Termination" as provided for in the Queue Management Process.

2.18.2 The User shall notify The Company as soon as it becomes aware of any issues that will impact on the User's ability to meet any of the User Progression Milestones.

2.18.3 In the event that in accordance with the Queue Management Process the status of the User's Project is categorised as "Termination" The Company shall be entitled to terminate this Construction Agreement by notice in writing and upon such termination the provisions at Clause 11 of this Construction Agreement shall apply

2.18.4 Whether or not any of the User Progression Milestones have been achieved and/or what constitutes progress towards achieving them is a matter for the sole discretion of The Company and Relevant Transmission Licensee.

Proposed Governance Process

- The ENA Queue Management User Guide has been developed through extensive consultation with industry over a number of years.
- The Modification is seeking to codify the ENA developed solution within the CUSC subsidiary documents
- The proposal is for this Modification to proceed to Code Administrator Consultation

Any Questions?

Timeline for CMP376 – Proposed Timeline (*Standard-Governance with Code Administrator Consultation*)

Milestone	Date	Milestone	Date
Modification presented to Panel	30 July 2021	Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	28 September 2021
Code Administrator Consultation (20 working days)	4 August 2021 to 2 September 2021	Final Modification Report issued to Ofgem	6 October 2021
Draft Final Modification Report (DFMR) issued to Panel	16 September 2021	Ofgem Decision	TBC
Panel undertake DFMR recommendation vote (5 working days)	24 September 2021	Implementation Date	10 working days after Ofgem decision

CMP376 – the asks of Panel

- **AGREE** that this Modification should follow Standard Governance (Ofgem decision) rather than the Self-Governance Criteria (Panel decision)
- **AGREE** that this Modification should proceed to Code Administrator Consultation
- **NOTE** that there appear not to be any impacts on the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the CUSC
- **NOTE** the proposed timeline

New modifications submitted

CMP377: 'Clarification of Section 14 BSUoS
Charging Methodology'

Sean Donner–National Grid ESO



Critical Friend Feedback – CMP377

Code Administrator comments	Amendments made by the Proposer
<p>Added timeline</p> <p>Legal Text – proposed addition of title, removed duplicated text, some discrepancies on paragraph numbering and references.</p>	<p>All amendments accepted by Proposer</p>

Background

- Proposing a Modification to address a few minor issues in Section 14 of the CUSC
- There are four areas which this Modification would seek to bring clarity to:
 - 1) Updating Covid-19 calculations
 - 2) Housekeeping changes following CMP373 decision
 - 3) Storage imports being excluded from BSUoS costs
 - 4) General housekeeping changes

None of these changes would affect the process of charging BSUoS, only clarifying what already exists in the CUSC.

Updating Covid-19 calculations

Background and defect

- CUSC Modifications CMP345 '**Defer the additional Covid-19 BSUoS costs**' and CMP350 '**Changes to the BSUoS Covid Support Scheme**' added a Covid-19 term to the BSUoS charging methodology in Section 14 of the CUSC.

- The Licence was updated to add in BSUoS Covid (t) as part of external costs:

$$B\text{Xext}_t = CSO\text{BM}_t + B\text{SCC}_t + \text{TotAdj}_t - OM_t + S\text{OTOC}_t + LO\text{CTRU}_t + \text{BSUoS}\text{COVID}_t$$

- CMP360 "**Aligning Section 14 of the CUSC 'Balancing Services Use of System Charging Methodology' to the licence changes introduced by RIIO-2 in respect of the 'System Operator Revenue Restriction'**" introduced the term BSUoS COVID into paragraph 14.30.10 of the CUSC.
- It was agreed that BSUoS costs associated with Covid-19 should be recovered in such a way that the amount recovered is the same for each Settlement Period during Financial Year 2021/22.
- While the intent of how Covid-19 associated BSUoS costs will be recovered is clear following the two mods, the wording in paragraph 14.30.10 of the CUSC is less clear and so should be amended.

Proposed approach

- Move the BSUoS COVID term out of the brackets in the equation in 14.30.10 so it isn't being volume weighted
- Remove paragraph 14.30.16 except the final sentence, which is added to the bottom of 14.30.15

Housekeeping changes following CMP373 decision

Background and defect

- Following CMP373 '**Deferral of BSUoS billing error adjustment**' the ESO received feedback that the legal text contained housekeeping errors
- These were that some instances of Financial Year need to be consistently capitalised in paragraphs 14.30.19 and 14.31.8 and that Settlement Day needs to be consistently capitalised in paragraph 14.31.8
- There is also one instance where 'due' is used for the definition of 'BSUoS 2020/21 Under Recovered Costs' in paragraph 14.31.8 when a more precise word would be 'payable'
- There is one instance of 'scheme year' which needs to be corrected to Financial Year
- These are minor errors and so are fine to pick up as part of this mod as they create no substantive change to the intent or meaning of Section 14 of the CUSC

Proposed approach

- Update the paragraphs referenced above so that Financial Year is capitalised, capitalise the defined term Settlement Day and replace an instance of the word 'due' with 'payable'

Storage imports being excluded from BSUoS costs

Background and defect

- CUSC Modification CMP281 '**Removal of BSUoS Charges From Energy Taken From the National Grid System by Storage Facilities**' led to the costs of imports from storage being removed from BSUoS charges
- The ESO uses data which holds storage imports as positive values and so their subtraction excludes them from BSUoS charges as intended by CMP281
- We have received feedback that the wording in the CUSC, "minus storage imports", could be misunderstood by a party who uses data which holds storage imports as negative values

Proposed approach

- Make clear the value being subtracted from costs related to imports is based on the absolute value of the number given in a data source, so it doesn't matter if a data source gives imports as positive or negative. This could be done by redefining SGQM and TQM in paragraph 14.31.8.
- This would only clarify the wording in the CUSC – the ESO has been correctly subtracting storage imports since the implementation of CMP281
- Note that this has an overlap with CMP308 '**Removal of BSUoS charges from Generation**' legal text as it is changing the baseline definition of SGQM and TQM

General housekeeping

Background and defect

- There are currently instances of defined terms not being capitalised/incorrectly used
- This includes the terms BSUoS Charges, Settlement Period, Settlement Day and NETS
- Move the sentence defining Covid Support Scheme End Date to paragraph 14.30.14, where it is first referenced in the CUSC
- Updating paragraph references based on the changes being proposed in this Modification

Proposed approach

- Make these general housekeeping changes

Overall Proposed approach

Modification

- Raise a CUSC Modification to provide clarity around these four potentially unclear aspects of the charging methodology in Section 14
- This can be wrapped up in one Modification, as all four are clarifications being made to the BSUoS charging methodology in Section 14
- Looking to raise this as a Standard Governance Modification to proceed to Code Administrator Consultation, as it has no material impact on what is outlined in the CUSC – it's only clarifying previously agreed changes to the CUSC (from Modifications which went through Standard Governance already)

Summary of changes

- **Covid-19 Calculations:** Move the BSUoS_{COVID} term out of the brackets in the equation in 14.30.10 so it isn't being volume weighted. This is to clarify that BSUoS Covid recovery is managed with a fixed amount per Settlement Period during Financial Year 2021/22
- **Housekeeping changes following CMP373 decision:** Update paragraphs 14.30.19 and 14.31.8 so that Financial Year is capitalised, capitalise the defined term Settlement Day and replace an instance of the word 'due' with 'payable'. Replace an instance of 'scheme year' with Financial Year
- **Storage Imports:** Make clear the value being subtracted from costs related to imports is based on the absolute value of the number given in a data source, so it doesn't matter if a data source gives imports as positive or negative. This could be done by redefining SGQM and TQM in Paragraph 14.31.8.
- **General Housekeeping:** Capitalise defined terms and put the definition of Covid Support Scheme in the first paragraph it is referenced, 14.30.14

Timeline for CMP377 – Proposed Timeline (*Standard-Governance with Code Administrator Consultation*)

Milestone	Date	Milestone	Date
Modification presented to Panel	30 July 2021	Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	28 September 2021
Code Administrator Consultation (20 working days)	4 August 2021 to 2 September 2021	Final Modification Report issued to Ofgem	6 October 2021
Draft Final Modification Report (DFMR) issued to Panel	16 September 2021	Ofgem Decision	TBC
Panel undertake DFMR recommendation vote (5 working days)	24 September 2021	Implementation Date	10 working days after Ofgem decision

CMP377– the asks of Panel

- **AGREE** that this Modification meets the Self-Governance Criteria (Panel decision) rather than Standard Governance (Ofgem decision)
- **AGREE** that this Modification should proceed to Code Administrator Consultation
- **NOTE** that there appear not to be any impacts on the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the CUSC
- **NOTE** the proposed timeline



In Flight Modification Updates

Review of all CUSC Modifications with current status, next steps and any Panel recommendations

Dashboard – CUSC (as at 22 July 2021)

Category	Feb	Mar	Apr	May	Jun	Jul
New Modifications	4	3	6	1	1	2
In-flight Modifications (includes those on hold but not New Modifications)	50	53	36	42	43	44
Modifications issued for Workgroup consultation	2 (CMP326, CMP328)	0	2 (CMP308, CMP373)	0	1 (CMP368/369)	0
Modifications issued for Code Administrator Consultation	1 (CMP360)	1 (CMP367)	2 (CMP326), CMP365)	4 (CMP373, CMP371, CMP370, CMP372)	0	1 (CMP370 on 13 Jul)
Workgroups held	4	5	7	8	8	9
Authority Decisions	0	2 (CMP360, CMP367)	0	2 (CMP344, CMP373)	1 (CMP280)	2 (CMP300 and CMP365)
Implementations	1 (CMP351)	0	18 (CMP281, 306, 317/327, 319, 320, 324/325, 333, 339, 346, 347, 349, 353, 354, 355/356, 357, 360, 366, 367)	0	0	0 (CMP365 30 July 2021)
Modifications Withdrawn	0	0	0	0	0	0
Modifications on Hold	3 (CMP271, 276, 305)	3 (CMP271, 276, 305)	3 (CMP271, 276, 305)	3 (CMP271, 276, 305)	3 (CMP271, 276, 305)	3 (CMP271, 276, 305)
Workgroups postponed	0	0	1 (CMP298 – was 7 Apr)	0	3 (CMP298 – was 7 Jun, CMP363/364 was 11 Jun, CMP328 was 30 Jun)	0

In flight Modifications – the asks of Panel

CMP370

VOTE whether or not to recommend implementation

CMP308

AGREE that Terms of Reference have been met

CMP300

AGREE next steps following Ofgem send-back on 9 July 2021

CMP300 – Governance Rules for Send-Backs and Panel Asks

8.23.12 If the **Authority** determines that the **CUSC Modification Report** is such that the **Authority** cannot properly form an opinion on the **CUSC Modification Proposal** and any **Workgroup Alternative CUSC Modification(s)**, or where the **CUSC Modification Proposal** and/or any **Workgroup Alternative CUSC Modification(s)** constitutes an **EBGL Amendment** where the **Authority** requires an amendment to **CUSC Modification Proposal** and/or any **Workgroup Alternative CUSC Modification(s)** in order to approve it, it may issue a direction to the **CUSC Modifications Panel**:

- (a) specifying the additional steps (including drafting or amending existing drafting associated with the **CUSC Modification Proposal** and any **Workgroup Alternative CUSC Modification(s)**), revision (including revision to the timetable), analysis or information that it requires in order to form such an opinion; and
- (b) requiring the **CUSC Modification Report** to be revised and to be re-submitted.

8.23.13 If a **CUSC Modification Report** is to be revised and re-submitted in accordance with a direction issued pursuant to Paragraph 8.23.12, it shall be re-submitted as soon after the **Authority's** direction as is appropriate, (and in the case of an **EBGL Amendment** within 2 months), taking into account the complexity, importance and urgency of the **CUSC Modification Proposal** and any **Workgroup Alternative CUSC Modification(s)**. The **CUSC Modifications Panel** shall decide on the level of analysis and consultation required in order to comply with the **Authority's** direction and shall agree an appropriate timetable for meeting its obligations. Once the **CUSC Modification Report** is revised, the **CUSC Modifications Panel** shall carry out its **CUSC Modifications Panel Recommendation Vote** again in respect of the revised **CUSC Modification Report** and re-submit it to the **Authority** in compliance with Paragraphs 8.23.4 to 8.23.6.

Panel to agree next steps following send-back on 9 July 2021:

NOTE that Ofgem are asking the Final Modification Report to be revised and resubmitted

AGREE whether or not this needs to be assessed by a Workgroup

AGREE Workgroup's Terms of Reference (if Panel determine a Workgroup is needed)

AGREE whether or not (following the assessment by the Workgroup) a Code Administrator Consultation is needed to be run before it is re-presented to Panel for Recommendation Vote

CMP300 – Terms of Reference 1st Draft

- Provide more evidence that demonstrates CUSC Objective (b) would be better facilitated for CfD Balancing Mechanism Units (BMUs) as a class of users.
- Seek further feedback from industry and affected parties to improve the robustness of the assessment of the proposals.
- Seek further supporting evidence to demonstrate the economic impact of the Proposal against the class of users that would be affected.

In flight Modifications (Revised Timelines) – the asks of Panel

CMP298

At Workgroup on 28 June 2021 (which was intended to be the final one prior to Workgroup Consultation being issued), it was clear there are still some legal drafting points to be addressed particularly in the Schedules and a further meeting will be held 26 July 2021 ahead of issuing Workgroup Consultation from 5 August 2021 to 5 September 2021. June 2021 Panel agreed revised timeline noting that Workgroup Report will be presented to September 2021 Panel rather than August 2021 Panel to allow further refinement of the legal text ahead of Workgroup Consultation. Panel to **AGREE** a further delay to allow further time to resolve legal drafting issues - Workgroup Report will be presented to October 2021 Panel rather than September 2021 Panel.

CMP328

Workgroup meeting that was held on 14 July 2021 was expected to be the last one before the Workgroup Report was issued to Panel. However, there is still more work to be done particularly on the legal text and new Exhibits for both the Distribution Impact Assessment application and output. Panel to **AGREE** a further delay to allow further time to resolve legal drafting issues - Workgroup Report will be presented to September 2021 Panel rather than July 2021 Panel

CMP368/CMP369

July 2021 Panel to **AGREE** they will have less than 5 working days to assess the Workgroup Report ahead of Special Panel on 6 August 2021 at which Panel will be asked to agree that the Terms of Reference have been met. July 2021 Panel will also be asked to **AGREE** revision to the timeline noting that the Draft Final Modification Report will be presented to a Special Panel in September 2021

Timeline for CMP298 V6 as at 1 July 2021

Milestone	Date	Milestone	Date
Workgroups 1 to 6	Already held – Workgroup 6 was 4 October 2019	Panel sign off that Workgroup Report has met its Terms of Reference	29 October 2021
Workgroup 7 – present Product Document, clarify solution, review legal text, review terms of reference	23 February 2021	Code Administrator Consultation (15 Working Days)	8 November 2021 to 5pm on 29 November 2021
Workgroup 8 – finalise Product document, review legal text and schedules, implementation approach and discuss Workgroup Consultation Questions	28 June 2021 (10-3pm)	Draft Final Modification Report (DFMR) issued to Panel	9 December 2021
Workgroup 9 – finalise legal text and schedules, finalise Workgroup Consultation	26 July 2021 (12 – 3pm)	Panel undertake DFMR recommendation vote	17 December 2021
Workgroup Consultation (20 Working Days)	5 August 2021 – 5pm on 3 September 2021	Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	20 December 2021
Workgroup 10 - Assess Workgroup Consultation Responses, review any request for Alternatives and hold Alternative Vote	15 September 2021 (10 – 2pm)	Final Modification Report issued to Ofgem	5 January 2022
Workgroup 11 – Confirm Terms of Reference have been met and hold Workgroup Vote	6 October 2021 (10 – 2pm)	Ofgem decision	TBC
Workgroup report issued to Panel	21 October 2021	Implementation Date	TBC
		Date changes highlighted in yellow	

Timeline for CMP328 – as of 14 July 2021

Milestone	Date
Workgroup Meeting 5 to review Workgroup Consultation responses, review ESO's alternative (and hold alternative vote on this solution), identify any other potential alternatives)	14 April 2021
Workgroup meeting 6 and 7 to finalise Proposer's solution, review any alternatives and review legal text	25 May 2021 (9am-1pm) and 16 June 2021 (10am – 3pm)
Workgroup meeting 8 Review Legal Text, Review Workgroup Report and identify gaps	14 July 2021 (12pm – 3pm)
Workgroup meeting 9 and 10 Finalise Legal Text, Exhibits, STC changes, Workgroup Report, hold alternative vote, agree that Terms of Reference have been met and hold Workgroup Vote	25 August 2021 (10am-3pm) and 8 September 2021 (10am-3pm)
Workgroup Report issued to Panel	16 September 2021
Workgroup Report presented to Panel	24 September 2021
Code Administrator Consultation (15 working days)	27 September 2021 to 18 October 2021
Draft Final Modification Report issued to Panel	21 October 2021
Draft Final Modification Report presented to Panel	29 October 2021
Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	2 November 2021
Submission of Final Modification Report to Ofgem	10 November 2021
Implementation Date	TBC (depends on solution)
Date changes highlighted in yellow	

CMP368 and CMP369 as at 22 July 2021

Milestone	Date	Milestone	Date
Modification presented to Panel	16 April 2021	Code Administrator Consultation (15 working days)	10 August 2021 to 1 September 2021
Workgroup Nominations (15 Working Days)	19 April 2021 (9am) to 11 May 2021 (5pm)	Draft Final Modification Report (DFMR) issued to Panel	6 September 2021
Workgroups 1 - 4	19 May 2021, 26 May 2021, 3 June 2021 and 8 June 2021	Panel undertake DFMR recommendation vote	14 September 2021
Workgroup Consultation (15 Working Days)	11 June 2021 to 2 July 2021	Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	15 September 2021
Workgroups 5 - 7	9, 16 and 28 July 2021	Final Modification Report issued to Ofgem	23 September 2021
Workgroup report issued to Panel (3 working days)	2 August 2021	Ofgem decision	TBC
Panel sign off that Workgroup Report has met its Terms of Reference – Special Panel	6 August 2021 (10 – 11am)	Implementation Date	1 April 2022

Date changes highlighted in yellow

Discussions on Prioritisation

- **AGREE** where New Modifications that need Workgroups are placed in the prioritisation stack
- **AGREE** where CMP300 is placed in the prioritisation stack
- **CARRY OUT** deep-dive assessment of all Modifications that sit within the prioritisation stack

Prioritisation Principles

Section 8: 8.19.1.(e) makes the following provision for the Panel and states “Having regard to the complexity, importance and urgency of particular CUSC Modification Proposals, the CUSC Modifications Panel may determine the priority of CUSC Modification Proposals and may (subject to any objection from the Authority taking into account all those issues) adjust the priority of the relevant CUSC Modification Proposal accordingly”

Complexity	The modification is viewed as being resource intensive and will most likely require a higher than average number of workgroups to conclude the process. Additionally the modification defect is viewed to have implications for many different areas of the energy market which need to be taken into consideration throughout the process.
Importance	The perceived value & risk associated with the proposed modification. The value / risk could be considered from a number of different perspectives i.e. financial / regulatory / licence obligations both directly for customer and end consumers more generally.
Urgency	A modification which requires speedy consideration within the code governance process, both complexity and importance should be factors considered in evaluating urgency as well as the timescales for implementation within the respective code.

BREAK





Workgroup Reports

CMP308 - Removal of BSUoS charges from Generation

Joe Henry

CMP308 Background

- CMP308 seeks to modify the CUSC to better align GB market arrangements with those prevalent within other EU member states. This will deliver more effective competition and trade across the EU and so deliver benefits to all end consumers.
- It is proposed that liability to pay Balancing Services Use of System (BSUoS) charges, which are currently charged to all liable CUSC parties on a non-locational MWh basis, is removed from GB Generators.
- The Second Balancing Services Charges Task Force has now recommended that BSUoS should be paid by Final Demand which would be achieved by this proposal with an implementation date of 1 April 2023.

CMP308 Workgroup Consultation Responses Summary

The Workgroup held their first Workgroup Consultation between 5 April 2019 and 8 May 2019 and received 20 responses.

The second Workgroup Consultation was required as a result of developments since the first Workgroup Consultation and changes to the Terms of Reference. These additional Terms of Reference were:

- Take into account the work undertaken on CMP281, CMP333 and the Targeted Charging Review;
 - Cross Code Interactions, in particular interactions with the BSC driven by Data Requirements;
 - Consideration of definition of Final Demand, in reference to CMP261 and BSUoS billing; and
 - Consideration of Ofgem's view on the Second Balancing Services Charges Task Force recommendation of 1 April 2023 implementation and any further views expressed by Ofgem on the future of BSUoS Charging
- It was held between 1 and 26 April 2021 and received 11 responses
 - On the whole, the majority of responses indicated support for the modification, and that the modification better met the CUSC objectives in question. Whilst there was support for the modification in its latest form, there was a minority of respondents who indicated that they thought that the proposed 2023 implementation of the modification was too soon, and indicated that at 2024 dates would be preferable, giving the market more time to adjust to the change. In terms of implementation, however, there was broad support for the 2023 implementation date.
 - Many responses indicated that the Workgroup had considered the findings of the Task Force and had remained in scope of the recommendations made.

CMP308 Workgroup Vote – took place 15 July 2021

The Workgroup concluded by majority (10 out of 11 votes) that the Original better facilitated the Applicable Objectives than the Baseline (the current CUSC).

CMP308 Terms of Reference

- The Workgroup conclude that they have met their Terms of Reference and the references can be located below:

Workgroup Term of Reference	Location in Workgroup Report (to be completed at Workgroup Report stage)
a) Consider EBGL implications	Page 38
b) Identifying the impacts on Storage	Throughout the report
c) Identifying the impact on distribution connected parties	Page 3 – 5, Section 5.4.4 and 5.6.4
d) Identifying the potential changes to the shape and distributional impacts of BSUoS	Throughout the report
e) Take into account work undertaken on CMP281, CMP333 and Targeted Charging Review	Throughout the report
f) Cross Code Interactions, in particular interactions with the Balancing and Settlement Code driven by data requirements	Throughout the report
g) Consideration of definition of final demand in reference to CMP363/CMP364 and BSUoS billing	Section 5.5
h) Consideration of Ofgem’s view on the Second Balancing Services Charges Task Force recommendation of 1st April 2023 implementation and any further views expressed by Ofgem on the future of BSUoS Charging	Second Balancing Services Charges Task Force section (pages 18 and 19)

CMP308 Timeline

Milestone	Date
Code Administrator Consultation (20 working days)	02 August 2021 – 31 August 2021
Draft Final Modification Report (DFMR) issued to Panel	6 September 2021
Panel undertake DFMR recommendation vote (Special Panel)	14 September 2021
Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	15 September 2021
Final Modification Report issued to Ofgem	23 September 2021
Ofgem decision	TBC
Implementation Date	01 April 2023

CMP308 - the asks of Panel

- **AGREE** that the Workgroup have met their Terms of Reference
- **AGREE** that this Modification can proceed to Code Administrator Consultation
- **NOTE** that this Modification does not impact the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the CUSC
- **NOTE** the ongoing timeline



Draft Final Modification Reports

**CMP370 - Revision of the connection offer acceptance
period for interactive connection offers**

Paul Mullen

CMP370 Background

- A new Interactivity policy has been developed collaboratively with industry through the Energy Networks Association (ENA) Open Network Projects. CMP370 seeks to align the CUSC with this Interactivity policy.
- CUSC Panel unanimously agreed that CMP370 should follow standard governance route and proceed straight to Code Administrator Consultation.
- After clarifications sought from Panel had been addressed post-Panel via circulation, 1st Code Administrator Consultation was run from 14 May 2021 to 5pm on 7 June 2021 with 2 non-confidential responses received.
- Following the 1st Code Administrator Consultation, given the proposed legal text changes to the definition of “Interactivity”, June 2021 Panel agreed that a 2nd Code Administrator Consultation would be run (specifically re: the definition of “Interactivity”) for 5 working days between 13 July 2021 and 20 July 2021. 1 non-confidential response was received and the respondent proposed the removal of some of the additional proposed legal text as in their view it creates ambiguity.

CMP370 1st Code Administrator Consultation Responses Summary

Code Administrator Consultation summary	
Question	
Do you believe that the CMP370 Original Proposal better facilitates the Applicable CUSC Objectives?	<p>One respondent believes the proposal better facilitates Objectives a, b as it implements a coherent and standardised process to deal with multiple interactive applications on a fair and equal basis.</p> <p>The other respondent stated that although they understand the intent of the modification, they do not believe the definition of 'Interactivity' fulfils that intent where, for example, there is transmission and distribution interactivity. Following discussion with the respondent, the Proposer has suggested an addition to this definition to be presented to the Panel for consideration (<i>see "Legal text issues raised in the consultation" section below</i>)</p>
Do you support the proposed implementation approach?	Both respondents supported the implementation approach, agreeing that the interactive process is already developed.
Do you have any other comments?	One respondent noted that all stakeholders, should be consulted on any changes to the ESO Interactivity Policy and encouraged clarity from the ESO to make the change management process transparent and accessible up front.

Legal Text Changes?

Panel on 25 June 2021 noted that there were changes proposed to the definition of "Interactivity" and agreed that it was prudent to run a 5 working day consultation specifically on this definition.

Legal text to be sent out was agreed via circulation.

2nd Code Administrator Consultation was run (specifically re: the definition of "Interactivity") for 5 working days between 13 July 2021 and 20 July 2021

CMP370 2nd Code Administrator Consultation Responses Summary

1 response received, which argued that the inclusion of *‘Total System which comprises the’* to the amended legal text causes ambiguity and does not align with the definition of “Total System”.

They proposed deletion of *‘Total System which comprises the’* – the suggested amendments to the legal text are shown in **red text**

*“**Interactivity**” means where there are two or more applications for connection and/or use of system which would be using or connecting to the same part of the ~~Total System which comprises the~~ existing or future **NETS** and/or **Distribution System** where not all the applicants can be connected, **Interactivity** is the process that determines the queue position of the applications that can be connected with or without further changes to the network;*

Code Administrator Consultation – Legal Text Changes. What do the Governance Rules say?

8.23.4 A draft of the **CUSC Modification Report** shall be tabled at the **Panel Meeting** prior to submission of that **CUSC Modification Report** to the **Authority** as set in accordance with the timetable established pursuant to Paragraph 8.19.1 at which the Panel may consider any minor changes to the legal drafting, which may include any issues identified through the **Code Administrator's** consultation and:

(i) if the change required is a typographical error the **CUSC Modifications Panel** may instruct the **Code Administrator** to make the appropriate change and the **Panel Chairman** will undertake the **CUSC Modifications Panel Recommendation Vote**; or

(iii) if a change is not required after consideration, the **Panel Chairman** will undertake the **CUSC Modifications Panel Recommendation Vote**.

(iv) In the case of a modification that had been directed pursuant to CUSC 8.19.2(d) to proceed directly to wider consultation without the formation of a Workgroup, and if the change required is not considered to be a typographical error, then the **CUSC Modifications Panel** may direct the **Code Administrator** in conjunction with the proposer to review the change. If both parties agree that the change is minor the **CUSC Modifications Panel** may instruct the Code Administrator to make the appropriate change and the **Panel Chairman** will undertake the **CUSC Modifications Panel Recommendation Vote**, otherwise the Code Administrator shall issue the **CUSC Modification Proposal** for further Code Administrator consultation after which the Panel Chairman will undertake the **CUSC Modifications Panel Recommendation Vote**. In the case of a change that is not considered to be minor, the **CUSC Modifications Panel** may also consider whether to establish a **Workgroup** of the **CUSC Modifications Panel**, to further consider the **CUSC Modification Proposal**, in which case the procedures set out within CUSC 8.20 will be followed as required.

(v) if a change is not required after consideration, the **Panel Chairman** will undertake the **CUSC Modifications Panel Recommendation Vote**.

Code Admin must present the proposed legal text changes

Panel have 3 choices:

- **Agree the change is typographical and instruct Code Admin to make the change. Then we carry out Recommendation Vote; or**
 - **Agree the change is not needed. Then we carry out Recommendation Vote; or**
- **Agree to run a 3rd Code Administrator Consultation (and agree how long this is to be run for). Then re—issue the Draft Final Modification Report to Panel for Recommendation Vote.**

CMP370 Timeline

Milestone	Date
Panel undertake DFMR recommendation vote	30 July 2021
Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	4 August 2021
Final Modification Report issued to Ofgem	12 August 2021
Ofgem decision	Ideally by no later than 31 August 2021
Implementation Date	10 working days after Ofgem decision

CMP370 – the asks of Panel

- **AGREE** whether or not the proposed changes to the legal text are typographical
- **NOTE** that this Modification does not impact the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the CUSC?
- **VOTE** whether or not to recommend implementation
 - *Does the CMP370 Original proposal better facilitate the objectives than the current CUSC arrangements?*
- **NOTE** next steps



Standing Groups - *Updates on all standing groups relevant to CUSC panel e.g. potential for future governance changes or modifications*

Governance Standing Group – Garth Graham
TCMF – Jon Wisdom



European Updates - *Updates on all European developments relevant to CUSC panel e.g. potential for future governance changes or modifications*

European Code Development – Nadir Hafeez

Joint European Stakeholder Group – Garth Graham

Update on Other Industry Codes

Grid Code

STC

SQSS

DCUSA

BSC

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Relevant Interruptions Claim Report

(January, April, July, October)



Governance

CUSC Panel Elections Update

Paul Mullen

What's happening next:

Date	Milestone
Thursday 1st July 2021	Invitations will be sent out to CUSC Schedule 1 Users to nominate candidates to stand for election.
Friday 23rd July 2021	Nomination Forms to be returned no later than 5.00pm
Monday 9th August 2021	List of candidates and voting papers to be circulated, or we will announce the outcome of the Elections.
Tuesday 31st August 2021	Voting papers to be returned no later than 5pm.
Wednesday 15th September 2021	Election results will be announced.
1st October 2021 – 30th September 2023	Newly elected Panel Members and Panel Alternate Members will take up office.

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Horizon Scan

(February, May, August, November)

Forward Plan Update/Customer Journey)

(January, March, May, July, September, November)

(Critical Friend Quarterly Update in Panel Pack – January, April, July and October. To be discussed at Panel – January and July)

Critical Friend Quarterly Update – Paul Mullen

Critical Friend Feedback

5 CUSC Modification Proposals received from 16 April 2021 to 15 July 2021 inclusive (including 1 request for Urgency).

- All 5 have had critical friend checks undertaken on them
- For 4 of these, required communications were sent to Independent Chair, Panel and industry within agreed timescales (i.e. on the next working day after Modification Proposal Submission Date);- the other 1 was an Urgent Modification so no such communications required; and
- Note there have been 2 Grid Code Modification Proposals (1 Urgent Modification) raised in the same period

General areas of feedback (across all CUSC and Grid Code Modifications)

- Continue to work with the Proposer ahead of Modification Proposal Submission Date (even if Urgency requested) to help ensure the best outcome at Panel.
- Continue engagement with Proposers on possible Governance routes (and justification), timelines and possible challenges/questions

Feedback we will act on to further improve our service:

- Continue to have discussions with Proposers ahead of Modification Proposal Submission Date so clear on expectations, possible routes and timelines, level of detail and process.

Any thoughts from Panel?

- Are you seeing better quality Modification Proposals?
- Any further feedback?

AOB

- 1. *General discussion on impacts of coronavirus outbreak***
(ALL)

Next Panel Meeting

10am on 27 August 2021 via Teams

Papers Day – 19 August 2021

**Modification Proposals to be submitted
by 12 August 2021**

TCMF – 5 August 2021

Close



Trisha McAuley

Independent Chair, CUSC Panel