

Minutes

Meeting name	CUSC Modifications Panel
Meeting number	163
Date of meeting	27 June 2014
Location	National Grid House, Warwick

Attendees

Name	Initials	Position
Mike Toms	MT	Panel Chair
Jade Clarke	JC	Panel Secretary
Alex Thomason	AT	Code Administrator
Abid Sheikh	AS	Authority Representative
Patrick Hynes	PH	National Grid Panel Member
James Anderson	JA	Users' Panel Member
Simon Lord	SL	Users' Panel Member
Garth Graham	GG	Users' Panel Member
Paul Jones	PJ	Users' Panel Member
Paul Mott	PM	Users' Panel Member
Kyle Martin	KM	Users' Panel Member
Bob Brown	BB	Consumers' Panel Member
Michael Dodd	MD	Users' Panel Member
Tom Abbott	TA	National Grid Digital Comms (Part meeting)
Tom Selby	TS	National Grid Representative (Proposer)

Apologies

Name	Initials	Position
David Kemp	DK	ELEXON
Ian Pashley	IP	National Grid 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://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/CUSC/Panel-information/>

1 Introductions/Apologies for Absence

4067. Introductions were made around the group. Apologies were given from David Kemp.

2 Approval of Minutes from the last meeting

4068. The minutes from the last meeting held on 30 May 2014 were approved subject to changes and are now available on the National Grid website.

3 Review of Actions

4069. **Minute 4061: JC to circulate contact details for Tom Abbott to the CUSC Panel and vice versa** - Complete

4070. **Minute 4062: JC to invite Tom Abbott along to next CUSC Panel meeting to provide an update on website developments** - Complete

4071. **Minute 4064: Tom Stone to discuss with TCMF about an industry session on improvements to the National Grid website** – JC stated that TS would be looking to present at an industry forum later in the year to discuss ideas for how to improve usability of the National Grid website.
4072. **Minute 4065: JC to circulate consequential changes to the CUSC resulting from the Licence change to implement the generator commissioning clause** - Complete

4 New CUSC Modification Proposals

4073. **CMP231 (Fast Track) 'Electricity Market Reform Preparation Costs'**. TS presented on the background and key points of CMP231. CMP231 seeks to make consequential changes to the CUSC to reflect changes to the National Grid Electricity Transmission Licence which allows recovery of the costs incurred by NGET in preparation for performing its functions required under Electricity Market Reform (EMR).
4074. BB asked what the likely financial impact for the recovery of costs by NGET is. TS stated that there will be a daily charge inserted into BSUoS that would recover £14.7m per annum. TS agreed to include this within the Approved CUSC Modification Fast Track Report for CMP231.
4075. The Panel considered the impact of this £14.7m recovery of costs from the original change to the Transmission Licence. BB clarified that CMP231 would have no material impact as it is simply reflecting a change which has already been made.
4076. The Panel agreed that CMP231 should progress as Fast Track and that it should be implemented on 22 July, after the closure of a 15 working day objection window, as proposed by the Code Administrator.
4077. **CMP232 (Fast Track) 'Demand Side Balancing Reserve and Supplemental Balancing Reserve Costs Recovery Restriction'** TS presented on the background and key points of CMP232. CMP232 seeks to make consequential changes to the CUSC to reflect changes to the National Grid Transmission Licence which restrict the recovery of the costs incurred through the use of the Demand Side Balancing Reserve (DBSR) and Supplemental Balancing Reserve (SBR).
4078. BB asked what the likely financial impact of these changes is. TS stated that any costs over £2.5m would have to be reviewed by Ofgem.
4079. MD asked whether the Transmission Licence states which parties these charges would come from or whether they would come from all parties. TS stated that these charges would come from SO revenue which is exclusively BSUoS charges. TS agreed to include references to the Transmission Licence within the Approved CUSC Modification Fast Track Report to show this.
4080. The Panel agreed that CMP232 should progress as Fast Track and that it should be implemented on 22 July, after the closure of a 15 working day objection window, as proposed by the Code Administrator.
4081. SL noted that the Panel has little say over consequential fast track changes resulting from changes to the Transmission Licence and questioned whether there would be a better process to making these changes.

4082. AS stated that the fast track process is a transparent process which allows parties to object to the Modification. It also gives the Panel a clear view of how the changes to the CUSC are replicated from the Transmission Licence and allows them to suggest changes to the Approved CUSC Modification Fast Track Report. GG noted that the previous 'consent to modify' approach was not transparent to parties and did not allow for Panel review. AS noted that the Fast Track process also gives the CUSC Panel more responsibility to discuss whether the change is appropriate and provides a better balance between the Panel and the Authority in overseeing code changes.
4083. **ACTION: Code Administrator to consider whether there is a more efficient way of making licence changes within the CUSC.**

5 Workgroups / Standing Groups

4084. **CMP227 'Reduce the G:D split of TNUoS charges, for example to 15:85'.** JC updated the Panel on the Workgroup's progress and stated that the Workgroup had met on 20 June 2014 and discussed potential impacts on consumers. The Workgroup plan to send out the Workgroup Consultation in July and meet again in early September to consider responses and to agree on any Workgroup Alternate CUSC Modifications. JC noted that the Workgroup were currently due to report back to the CUSC Panel in August and that Ofgem has requested additional analysis to be provided with the Workgroup Report.
4085. The CUSC Panel agreed to a one month extension to the CMP227 timetable to allow time for additional analysis to be included within the Workgroup Report. The CMP227 Workgroup Report will now be tabled at the September CUSC Panel meeting.
4086. **Governance Standing Group (GSG).** GG advised that there had been no GSG meeting since the last CUSC Panel meeting.
4087. **Joint European Standing Group (JESG).** GG advised that there had been a JESG meeting on 17 June 2014 and noted that there had been an update from ACER on ENSO-E's latest draft of the Forward Capacity Allocation (FCA) Network Code. GG also stated that there was a discussion on National Grid's view on ACER's 'Bridge to 2025' consultation.
4088. GG noted that generally the progression of the Network Codes is slower than originally predicted as a number of codes are delayed in an area of the Commission led process. The Commission are seeking to address this issue.
4089. **European Code Coordination Application Forum (ECCAF).** GG stated that there was an ECCAF meeting held on 26 June 2014, and that in line with the projected workload for the group, codes have not come out of Comitology as expected. As a result of this light workload, the ECCAF have agreed to postpone ECCAF meetings until September 2014, with the ECCAF Chair and Technical Secretary maintaining a watching brief on developments in Comitology. If there is a significant change to the timescales, ECCAF will reconvene sooner. ECCAF will also continue to map the ENCs according to the principles of the revised ECCAF work plan, expected from September 2014 onwards.
4090. **Transmission Charging Methodologies Forum (TCMF).** PH advised that there had been no TCMF meeting since the last CUSC Panel meeting. The next TCMF is scheduled to be held on 17 July 2014.
4091. **Commercial Balancing Services Group (CBSG).** JC advised that there had been no CBSG since the last CUSC Panel meeting.

4092. **Balancing Services Standing Group (BSSG).** JC advised that there had been no BSSG since the last CUSC Panel meeting. This meeting is currently on hold.

6 European Code Development

4093. AS noted that ACER are holding a public de-briefing on 17th July 2014 in Brussels regarding its' and the Board of Regulators' activities and if anyone wishes to attend, the invite is on the ACER website. GG advised that this de-briefing may only be a short meeting and therefore was a meeting only to attend if already in Brussels.

7 CUSC Modifications Panel Vote

4094. **CMP223 'Arrangements for Relevant Distributed Generators under the Enduring Generator User Commitment'.** CMP223 seeks to achieve fair and transparent treatment of relevant distributed generators in terms of transmission system securities and liabilities.

4095. JC advised the CUSC Panel that the CMP223 Proposer had requested to make two minor housekeeping changes to the legal text. The CUSC Panel agreed to approve these housekeeping changes before the Code Administrator submits the Final Modification Report to the Authority.

4096. **CMP223 - Original**

Panel Member	(a)	(b)	(c)	Overall
Michael Dodd	No	Yes	Neutral	Yes
Bob Brown	Neutral	Yes	Neutral	Yes
Paul Jones	No	Yes	Neutral	No
Garth Graham	No	Yes	Neutral	Yes
Patrick Hynes	No	Yes	Neutral	No
Kyle Martin	No	Yes	Neutral	Yes
Paul Mott	Neutral	Yes	Neutral	Yes
Simon Lord	Yes	Yes	Neutral	Yes
James Anderson	No	Yes	Neutral	Yes

4097. **CMP223 - WACM1**

Panel Member	(a)	(b)	(c)	Overall
Michael Dodd	Yes	Yes	Neutral	Yes
Bob Brown	Yes	Yes	Neutral	Yes
Paul Jones	Neutral	Yes	Neutral	Yes
Garth Graham	Yes	Yes	Neutral	Yes
Patrick Hynes	Yes	Yes	Neutral	Yes
Kyle Martin	Yes	Yes	Neutral	Yes
Paul Mott	Neutral	Yes	Neutral	Yes
Simon Lord	Yes	Yes	Neutral	Yes
James Anderson	Yes	Yes	Neutral	Yes

4098. **CMP223 – WACM2**

Panel Member	(a)	(b)	(c)	Overall
Michael Dodd	Yes	Yes	Neutral	Yes
Bob Brown	Yes	Yes	Neutral	Yes
Paul Jones	Neutral	Yes	Neutral	Yes
Garth Graham	Yes	Yes	Neutral	Yes

Patrick Hynes	Yes	Yes	Neutral	Yes
Kyle Martin	Yes	Yes	Neutral	Yes
Paul Mott	Neutral	Yes	Neutral	Yes
Simon Lord	Yes	Yes	Neutral	Yes
James Anderson	Yes	Yes	Neutral	Yes

4099. **CMP223 – WACM3**

Panel Member	(a)	(b)	(c)	Overall
Michael Dodd	Yes	Yes	Neutral	Yes
Bob Brown	Yes	Yes	Neutral	Yes
Paul Jones	Yes	Yes	Neutral	Yes
Garth Graham	Yes	Yes	Neutral	Yes
Patrick Hynes	No	Yes	Neutral	No
Kyle Martin	Yes	Yes	Neutral	Yes
Paul Mott	Neutral	Yes	Neutral	Yes
Simon Lord	Yes	Yes	Neutral	Yes
James Anderson	Yes	Yes	Neutral	Yes

4100. **CMP223 – WACM4**

Panel Member	(a)	(b)	(c)	Overall
Michael Dodd	Yes	Yes	Neutral	Yes
Bob Brown	Yes	Yes	Neutral	Yes
Paul Jones	Yes	Yes	Neutral	Yes
Garth Graham	Yes	Yes	Neutral	Yes
Patrick Hynes	No	Yes	Neutral	No
Kyle Martin	Yes	Yes	Neutral	Yes
Paul Mott	Neutral	Yes	Neutral	Yes
Simon Lord	Yes	Yes	Neutral	Yes
James Anderson	Yes	Yes	Neutral	Yes

4101. **CMP223 – Overall best option**

Panel Member	Best Option
Michael Dodd	WACM3
Bob Brown	WACM3
Paul Jones	WACM3
Garth Graham	WACM3
Patrick Hynes	WACM1
Kyle Martin	WACM3
Paul Mott	WACM1
Simon Lord	WACM3
James Anderson	WACM3

4102. The CUSC Panel voted by majority that all options better met the Applicable CUSC Objectives than the baseline. When asked for a preferred option, there was a majority view that WACM3 was the best option and therefore should be implemented.

4103. Comments from the CUSC Panel provided alongside their votes can be found in the Final Modification Report under the 'Final Modification Report' tab on the National Grid website via the following link; <http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/CUSC/Modifications/CMP223/>

4104. AS noted that Ofgem will be doing an impact assessment of this modification.

8 Authority Decisions as at 19 June 2014

4105. There had been no Authority decisions this month prior to 19 June, although the CUSC Panel noted that the Authority had approved **CMP225 'Consequential changes following implementation of the Third Package and other miscellaneous changes'** on 26 June 2014. This will be implemented on 10 July 2014.
4106. AT stated that National Grid's legal team had informed the Code Administrator of EMR Consequential Changes to the CUSC, Grid Code and STC and it is expected that these will be directed by the Secretary of State with an implementation date of 1 August 2014.
4107. GG requested for these changes to be circulated to the CUSC Panel.
4108. **ACTION: JC to check confidentiality of CUSC Change information and circulate an email to CUSC Parties.**
4109. AS noted that Ofgem are still considering responses to the CMP201 Impact Assessment and are still considering responses to the most recent CMP213 consultation. AS also noted that the CMP222 impact assessment should be expected within the next two months and indicated that there would be a consultation sent out for CMP224 in the near future.

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

4110. PH noted that National Grid had recently sent out an open letter which sets out National Grid's views on the development of User Commitment arrangements for offshore projects classed as Generator Focused Anticipatory Investment (GFAI).
4111. PH also stated that National Grid had sent out an open letter on charges associated with requests to delay connections to the National Electricity Transmission System.
4112. JC gave an update from Elexon in DK's absence. JC stated that the P305 Workgroup believes that Market Index Data should be retained even if a single imbalance price is introduced and P306 is looking to make similar changes to letters of credit under the BSC to what CMP228 'Definition of Qualified Bank' did under the CUSC.

10 Nationalgrid.com – Website developments

4113. TA presented to the CUSC Panel on improvements in page load times on the National Grid website and stated that there have been a number of IS issues addressed and that the feedback received from the CUSC Panel and other industry members has been very useful.
4114. TA thanked the CUSC Panel for their communication and asked for this to continue. TA noted that once all issues have been fixed on the website, he would like to discuss with the CUSC Panel how improvements can be made to the functionality of the website.

11 Code Administration Code of Practice review

4115. JC stated that the first meeting for the Code Administration Code of Practice annual review will be scheduled for September and that the Code Administrators will take

suggestions from the Panels and Industry members of any changes to the Code of Practice to this meeting to discuss.

4116. GG suggested an open letter would be appropriate to ask if the Industry have any comments on the Code Administration Code of Practice, and then the CUSC Panel can review any comments at either the July or August Panel meetings. The Panel agreed that an open letter should be sent out to CUSC Parties.

4117. **ACTION: JC to issue open letter on Code Administration Code of Practice.**

12 AOB

4118. AT noted that the CUSC Panel were expecting a CUSC Modification Proposal from National Grid on Response Energy Payments this month. Following internal discussion, as this CUSC Modification is likely to require a Workgroup, it was agreed that it would be more appropriate to raise this after the summer.

4119. AT noted that at a previous CUSC Panel meeting, PM had suggested changing the abbreviation CMFTP (CUSC Modification Fast Track Proposal) to CMP (CUSC Modification Proposal) for Fast Track Modifications as it was more familiar usage within the industry and would be consistent with other CUSC Modifications. It was suggested that any description of a future Fast Track Modification would be described as CMPxxx (Fast Track). The Panel agreed to make this change.

4120. **ACTION: AT to check whether the abbreviation CMFTP could be changed to CMP in reference to Fast Track CUSC Modifications.**

13 Next Meeting

4121. The next meeting will be held on 25 July 2014 at National Grid House, Warwick.