

## Minutes

<b>Meeting name</b>	CUSC Modifications Panel
<b>Meeting number</b>	165
<b>Date of meeting</b>	29 August 2014
<b>Location</b>	National Grid House, Warwick

## Attendees

<b>Name</b>	<b>Initials</b>	<b>Position</b>
Mike Toms	MT	Panel Chair
Jade Clarke	JC	Panel Secretary
Alex Thomason	AT	Code Administrator
Lesley Nugent	LN	Authority Representative
Patrick Hynes	PH	National Grid Panel Member
Ian Pashley	IP	National Grid Panel Member
James Anderson	JA	Users' Panel Member
Garth Graham	GG	Users' Panel Member
Paul Jones	PJ	Users' Panel Member
Kyle Martin	KM	Users' Panel Member
Michael Dodd	MD	Users' Panel Member
Bob Brown	BB	Consumers' Panel Member
Wayne Mullins	WM	National Grid Representative (Proposer)

## Apologies

<b>Name</b>	<b>Initials</b>	<b>Position</b>
David Kemp	DK	ELEXON
Simon Lord	SL	Users' Panel Member
Paul Mott	PM	Users' Panel Member
Abid Sheikh	AS	Authority Representative

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

4162. Introductions were made around the group. Apologies were given from DK, SL, PM and AS.

## 2 Approval of Minutes from the last meeting

4163. The minutes from the last meeting held on 25 July 2014 were approved subject to changes and are now available on the National Grid website.

## 3 Review of Actions

4164. **Minute 4130: JCh to make changes to the draft legal text for CMP233** - Complete

4165. **Minute 4158: JC to call Electralink to discuss consequential DCUSA Modification to CMP233** – JC stated that she had called Electralink and was asked if National Grid could bring this to the DCUSA Panels' attention. JC was advised that

the DCUSA Panel would decide how to progress with this once the Authority had made a decision on whether to implement CMP223 or not.

#### 4 New CUSC Modification Proposals

4166. **CMP234 'Incorporation of Biddable Indexation of OFTO revenues in TNUoS'** – WM presented on the background and key points of CMP234. CMP234 seeks to change the indexation of local Offshore Transmission Network Use of System tariffs to match the rate applied to each Offshore Transmission Owner's (OFTO's) revenue under their licence instead of Retail Price Index (RPI).
4167. WM advised that there had been two Tender Rounds for Offshore Transmission, in which the OFTO had their revenue set fully indexed to RPI. For Tender Round 3, Ofgem have introduced arrangements which allow bidders to nominate a proportion of their revenues they want indexed by RPI, meaning that a proportion of their revenue will be linked to RPI and the remainder will stay constant.
4168. WM explained that currently TNUoS charges for Offshore generators are indexed by RPI and if OFTO revenue is now only partially linked to RPI the charges could diverge.
4169. WM noted that CMP234 aims to link the annual indexation of TNUoS charges to the annual indexation rate in the OFTO's contract which will require changes to the local substation charges and the local circuit charge. This would ensure that the link between the OFTO revenues for the first two Tender Rounds and the local TNUoS charges remain in place to avoid discrimination of Tender Round 3 Participants.
4170. GG questioned whether the actual RPI and non RPI figures would be published for Tender Round 3. WM stated that this information is used by National Grid, and assuming that it is not confidential, it could be published.

**ACTION: WM to check confidentiality of data and include paragraph stating where the information will be published within the CMP234 Code Administrator Consultation.**

4171. The CUSC Panel unanimously agreed that CMP234 meets the Self-Governance criteria and that it should progress straight to Code Administrator Consultation. CMP234 will return for Panel Vote at the October Panel meeting.
4172. AT also noted the Code Administrators intention to provide a two page summary note alongside the Code Administrator Consultation to ease understanding.

#### 5 Workgroups / Standing Groups

4173. **CMP227 'Change 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 Consultation was sent to the Industry on Wednesday 27<sup>th</sup> August for 20 Working days.
4174. JC presented an updated Workgroup timetable to the CUSC Panel, noting that the Workgroup will not meet the agreed deadline of providing their Workgroup Report to the September CUSC Panel meeting. The CUSC Panel agreed a two month extension to the CMP227 Workgroup timetable. The Workgroup are now due to provide the Workgroup Report to the November CUSC Panel meeting.

4175. MD questioned the interaction between CMP224 'Cap on the total TNUoS target revenue to be recovered from generation users' and CMP227. AT noted that the CMP227 Workgroup had discussed the Modifications interaction with other industry developments such as CMP224 and the European Commission's decision on whether to change generation charges set out in Commission Regulation 838/2010. AT stated that there had been no further developments on these at the time when the CMP227 Workgroup Consultation was sent to industry, although the CMP227 Workgroup will make sure to discuss any further developments and its impact on CMP227 before submitting the Workgroup Report to the CUSC Panel in November.
4176. **Governance Standing Group (GSG)**. GG advised that there had been no GSG meeting since the last CUSC Panel meeting.
4177. **Joint European Standing Group (JESG)**. GG advised the Panel that there had been a JESG meeting on 20<sup>th</sup> August 2014 and that this JESG was used as an education and information sharing day where many updates were given. This included updates on the Emergency and Restoration Network Code, ACERs opinion on the HVDC Network Code and from ECCAF.
4178. **European Code Coordination Application Forum (ECCAF)**. GG stated that there had been no ECCAF meeting since the last CUSC Panel meeting.
4179. **Transmission Charging Methodologies Forum (TCMF)**. PH advised that there had been no TCMF meeting since the last CUSC Panel meeting. PH noted that there will be a TCMF held on 17<sup>th</sup> September with agenda items on the latest TNUoS tariffs, an exporting GSPs update and an update on shorter term access products.
4180. **Commercial Balancing Services Group (CBSG)**. JC stated that there had been no CBSG since the last CUSC Panel meeting. There will be a CBSG held on Wednesday 3<sup>rd</sup> September which will include discussions on System Operability Framework and updates on future developments. JC also advised that the Standing Group will be reviewing its Terms of Reference to bring it up to date with current and future industry developments.
4181. **Balancing Services Standing Group (BSSG)**. JC advised that there had been no BSSG since the last CUSC Panel meeting. This group is currently in abeyance.

## 6 European Code Development

4182. The Panel noted that they had received an EU Update from Ofgem.

## 7 CUSC Modifications Panel Vote

4183. There were no votes at this meeting.

## 8 Authority Decisions as at 20 August 2014

4184. The Panel noted that on 25<sup>th</sup> July 2014 Ofgem had published their decision letter on **CMP213 'Project TransmiT TNUoS Developments'**. This followed their announcement to approve CMP213 WACM 2 on 11<sup>th</sup> July 2014. CMP213 WACM 2 will be implemented on 1<sup>st</sup> April 2016.

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

4185. JC noted that the deadline for responses to the open letter for the Code Administration Code of Practice review had now passed. JC gave a high level

overview of the responses and informed the Panel that these would be taken to the CACoP annual review meeting in October. JC invited views from the Panel on the CACoP to feed into the annual review meeting.

4186. GG noted that the annual review meeting consists of Code Administrators and Ofgem and suggested that it would be good to know that Parties could attend the meeting if they wanted to.
4187. LN noted that the Code Administrators have already discussed this and are introducing this.
4188. BB noted that there should be more interrelated code changes but understands that different Code Administrators have different resources and this may not always be possible. BB also noted that there is a difference between certain codes and the amount of alternative modifications that are allowed and explained that if there is no limit to the amount of alternatives that can be raised, it avoids the inefficient situation where additional modifications are raised with urgent timescales in order to provide alternatives. JA advised that a number of alternative modifications can be useful in modification proposals where a number of implementation timescales are considered.

**ACTION: JC to provide update to the CACoP annual review meeting of CUSC Panel discussions.**

## 10 AOB

4189. JC confirmed that the consequential EMR changes to the CUSC were implemented on 1<sup>st</sup> August 2014.
4190. MD asked what, if any, right do CUSC parties have to make changes to any element of the EMR parts of the CUSC. AT noted that as it has now been implemented within the CUSC, changes to these sections should be allowed.
4191. PJ asked if there would be any more EMR changes to the CUSC resulting from the legislation.

**ACTION: AT to ask EMR team if any more changes will be made to the CUSC.**

## 12 Next meeting

4192. The next meeting will be held on 26<sup>th</sup> September 2014 at National Grid House, Warwick.