

CUSC Panel

Friday 24 September 2021

Online Meeting via Teams

WELCOME



nationalgridESO

Approval of Panel Minutes

Approval of Panel Minutes from the
Meeting held 27 August 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 23 September 2021)



Decisions Received since last Panel meeting

- ☐ **CMP370 (Ofgem decision to approve the CMP370 Original was received 20 September 2021. To be implemented 4 October 2021).**

Decisions Pending

- ☐ **CMP335/336 (due 27 August 2021), CMP343/340 (was expected 27 August 2021; however Ofgem confirmed at CUSC Panel on 27 August 2021 that this date will not be met and will advise on the new expected decision date as soon as possible;**
- ☐ **CMP371 (decision expected 29 September 2021); and**
- ☐ **CMP292 (decision was expected 30 September 2021 but now TBC in 2021).**

Received Final Modification Reports since last Panel Meeting

- ☐ **None**

New modifications submitted

CMP379: ‘Determining TNUoS demand zones for transmission-connected demand at sites with multiple Distribution Network Operators (DNOs)’

James Stone – National Grid ESO



Critical Friend Feedback – CMP379

Code Administrator comments	Amendments made by the Proposer
<p>Added potential timeline</p> <p>Proposed that text is added clarifying why generators and suppliers are impacted</p> <p>Need to be explicit why it is not self-governance</p> <p>On Legal text, questioned if there needs to be a definition of “predominant DNO” and if so will this be a Section 14 definition or would there need to be a separate non-Section 14 Modification?</p> <p>Suggested that the analysis referred to in the Proposal Form is included as an Annex</p>	<p>All proposed amendments accepted by Proposer and Proposer confirmed intention to define “predominant DNO” within the paragraph</p>

Background

- There are 14 Transmission Network Use of System (TNUoS) demand zones which align to the 14 Distribution Network Operator (DNO) demand zones
- Demand users pay TNUoS demand tariffs depending on the demand zone they fall within:
 - **For distribution-connected users** - the demand zone is determined by the relevant DNO zone where the user is located
 - **For transmission-connected users** - the geographic DNO zone determines the user's demand zone
- However, if a transmission-connected user connects at a transmission substation which also feeds multiple DNOs via its local GSP (Grid Supply Point) it is essentially located at a 'boundary point' and therefore spans multiple DNO zones.
- Although the current wording of the CUSC allows for some level of flexibility in terms of how demand zones can be used for tariff purposes it is not explicit within the charging methodologies which demand zone such a user should be allocated to.

Proposed Changes

- It is proposed that where a transmission site has a local GSP which connects to and feeds multiple DNO networks, the DNO with the highest local net demand MW value at that site (using 'Week 24'* data) will be classed as the “predominant DNO”.
- If a transmission-connected demand user is then connected to this transmission site it will be assigned the “predominant DNO” demand zone for tariff purposes.
- **CMP379** seeks to update Section 14 of the CUSC to provide clarity on how TNUoS demand zones and therefore TNUoS demand tariffs should be determined for transmission-connected demand users who connect to the system located at a boundary point between multiple DNO areas.

* For sites where multiple DNOs connect, the DNOs provide a 'Week 24' demand forecast – the combined value being the total GSP demand at site

Recommended Governance Route

- The **CMP379** defect and solution has previously been discussed with industry at the Transmission Charging Methodology Forum. Feedback from the meeting suggested industry would welcome further discussion around the solution and possible alternatives.
- Taking account of this feedback and the small number of transmission-connected Generators expected to connect at DNO boundary points in 2022/23, it is proposed that this modification should be assessed by a Workgroup.
- To allow adequate time for **CMP379** to be assessed and to ensure industry have a clear understanding of the approach to be used for 2022/23, it is proposed that charging guidance* will be issued and published on the NGENSO website around the same time as the publication of Draft Tariffs.
- The estimated materiality in terms of aggregated demand charge variation (due to choice of zones) for those transmission-connected projects expected to connect located at a 'boundary point' is <£1m**. Therefore, it is proposed that **CMP379** should follow standard governance with a decision on whether it should be implemented to be made by Ofgem.

*The detail of this will be communicated to industry (via the TCMF) prior to the charging guidance being published

** Projects include transmission-connected Generators expected to connect at/be located at boundary points between multiple DNOs during the 2022/23 charging year and assumes the users take full demand over the triad period.

Timeline for CMP379 V1

Milestone	Date	Milestone	Date
Workgroup Nominations (15 working days)	1 October 2021 to 5pm on 22 October 2021	Panel sign off that Workgroup Report has met its Terms of Reference	25 March 2022
Workgroup 1 - Understand proposal and solution, agree timeline, agree terms of reference,	12 November 2021	Code Administrator Consultation (15 Working Days)	30 March 2022 to 22 April 2022
Workgroup 2 and 3 – Review analysis, discuss and Agree alternate solutions + Legal Text, finalise Workgroup consultation (including agreeing Workgroup Consultation questions)	8 December 2021 and 13 January 2022	Draft Final Modification Report (DFMR) issued to Panel (5 working days)	19 May 2022
Workgroup Consultation (15 Working Days)	21 January 2022 to 11 February 2022	Panel undertake DFMR recommendation vote	27 May 2022
Workgroup 4 and 5 Assess Workgroup Consultation Responses, review legal text, carry out Alternative Vote	23 February 2022	Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	1 June 2022
Workgroup 6 – Finalise solution(s) and legal text, agree that Terms of Reference have been met, Review Workgroup Report and hold Workgroup Vote	8 March 2022	Final Modification Report issued to Ofgem	9 June 2022
Workgroup report issued to Panel (5 working days)	17 March 2022	Ofgem decision	TBC (by 31 December 2022)
		Implementation Date	1 April 2023

CMP379 – 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 Workgroup
- **AGREE** Workgroup Terms of Reference
- **NOTE** that there appear not to be any impacts on the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the CUSC
- **NOTE** the proposed timeline

CUSC Self-Governance Criteria

“Self-Governance Criteria”

a **CUSC Modification Proposal** that, if implemented,

(a) is unlikely to have a material effect on:

(i) existing or future electricity consumers; and

(ii) competition in the generation, distribution, or supply of electricity or any commercial activities connected with the generation, distribution or supply of electricity; and

(iii) the operation of the **National Electricity Transmission System**; and

(iv) matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; and

(v) the **CUSC**'s governance procedures or the **CUSC**'s modification procedures, and

(b) is unlikely to discriminate between different classes of **CUSC Parties**;

c) other than where the modification meets the **Fast Track Criteria** will not constitute an **EBGL Amendment**.



In Flight Modification Updates

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

Dashboard – CUSC (as at 24 September 2021)

Category	Apr	May	Jun	Jul	Aug	Sep
New Modifications	6	1	1	2	1	1
In-flight Modifications (includes those on hold but not New Modifications)	36	42	43	43	44	44
Modifications issued for Workgroup consultation	2 <i>(CMP308, CMP373)</i>	0	1 <i>(CMP368/369)</i>	0	1 <i>(CMP298)</i>	1 <i>(CMP361/362)</i>
Modifications issued for Code Administrator Consultation	2 <i>(CMP326), CMP365)</i>	4 <i>(CMP373, CMP371, CMP370, CMP372)</i>	0	1 <i>(CMP370 on 13 Jul)</i>	3 <i>(CMP308, CMP377), CMP368/369)</i>	0
Workgroups held	7	8	8	9	6	5 <i>(CMP330/374 21 Sep; CMP298 22 Sep; CMP316 27 Sep)</i>
Authority Decisions	0	2 <i>(CMP344, CMP373)</i>	1 <i>(CMP280)</i>	2 <i>(CMP300 and CMP365)</i>	1 <i>(CMP326)</i>	1 <i>(CMP371 due 29 Sep; CMP292 due 30 Sep. Await confirmation from Ofgem of new decision dates for CMP335/336 and CMP343/340)</i>
Implementations	18 <i>(CMP281, 306, 317/327, 319, 320, 324/325, 333, 339, 346, 347, 349, 353, 354, 355/356, 357, 360, 366, 367)</i>	0	0	1 <i>(CMP365)</i>	1 <i>(CMP372)</i>	0
Modifications Withdrawn	0	0	0	0	0	0
Modifications on Hold	3 <i>(CMP271, 276, 305)</i>	3 <i>(CMP271, 276, 305)</i>	3 <i>(CMP271, 276, 305)</i>	3 <i>(CMP271, 276, 305)</i>	3 <i>(CMP271, 276, 305)</i>	3 <i>(CMP271, 276, 305)</i>
Workgroups postponed	1 <i>(CMP298 – was 7 Apr)</i>	0	3 <i>(CMP298 – was 7 Jun, CMP363/364 was 11 Jun, CMP328 was 30 Jun)</i>	0	0	0

In flight Modifications – the asks of Panel

CMP363/364

As the Workgroup agreed it is prudent to wait for the Ofgem decision on the suite of Transmission Demand Residual Modifications before finalising the Workgroup Report, this means the Workgroup Report will not be presented to September Panel and the Workgroup Meeting on 6 September 2021 was not the final Workgroup meeting as originally intended. **Panel to NOTE that revised timeline to be confirmed once we have received clarity from Ofgem on their revised expected decision date re: the suite of Transmission Demand Residual Modifications.**

CMP370

NOTE that this will be implemented 4 October 2021

CMP298

On 22 September 2021, the Workgroup met to discuss the Workgroup Consultation Responses received. It was clear from the responses and subsequent discussion that the STC changes need to be defined more fully, the implementation plan needs to be further developed and there are currently up to 4 possible alternatives to consider. This means the Workgroup Report will not be ready for October 2021 Panel and the aim is now November 2021 Panel. We have a Workgroup on 6 October 2021 to confirm this plan. **Panel to note this delay.**

CMP286/287

NOTE that Proposer will be seeking re-prioritisation of this Modification at October 2021 Panel

Discussions on Prioritisation

- **AGREE** where New Modifications that need Workgroups are placed in the prioritisation stack
- **AGREE** any movements in the current 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

**CMP328: Connections Triggering Distribution Impact
Assessment**

Paul Mullen

CMP328 Summary

- CMP328 seeks to put in place an appropriate process to be utilised when any connection triggers a Distribution impact assessment.
- CUSC Panel unanimously agreed that CMP328 should follow standard governance route and proceed to Workgroup.
- 3 Solutions developed.
- On 8 September 2021, Workgroup concluded that they had addressed the Terms of Reference and also concluded, by majority, that the CMP328 Original, WACM1 and WACM2 better facilitated the objectives than the current CUSC. There was majority support (7 out of 9 votes) for the CMP328 Original.

What are the CMP328 Solutions – the Original

CMP328 Original

DIA process applies to all new connecting assets \geq 1MVA unless agreed otherwise* including, but not limited to, those from Independent DNOs, DNOs, TOs, Offshore TOs and Interconnectors (as well as Generation and Demand

** The final decision on whether a DIA is required will sit with the DNO but clear reasoning for this decision will be provided to the ESO to pass to the Transmission User*

Embedded Users that hold Transmission Entry Capacity (TEC) and those that do not hold TEC are included in DIA assessment. However, Embedded TEC Users will not see their access rights constrained under this process

Transmission User* choice as to whether or not to trigger the DIA after Original Offer has been signed or run in parallel with the normal Offer process **via the ESO*

Contractual Arrangements will be between the ESO and Transmission User, and the ESO and the DNO. The ESO will trigger the DIA on behalf of the Transmission User and the DNO will send an Offer (rather than a DIA Conclusions Report) to the ESO

The DIA works will be published by the DNOs on their Distribution Works Register (the existing Embedded Capacity Register)

This change does not seek to amend nor remove the existing Third Party Works process

Implementation Date: 6 months after Authority Decision although some concern expressed that this is not sufficient and 9-12 months after Authority Decision is more appropriate

What are the CMP328 Solutions – 2 alternatives

Alternative Solution(s)	Details	Implementation Date
WACM1	Enhance the current TPW Works process instead of introducing DIA	1 month after Authority decision
WACM2	<p>As per the Original but:</p> <ul style="list-style-type: none">• Use applicability criteria rather than blanket 1MVA threshold; and• DNO will send a DIA Conclusions Report (rather than an Offer) to the ESO	12 months after Authority decision

CMP328 Workgroup Consultation

The Workgroup held their Workgroup Consultation between 19 February 2021 (9am) and 19 March 2021 (5pm) and received 11 non-confidential responses. Key points were:

- The majority (8 of 11 respondents) were supportive of the principle of the DIA (some questioned the 1MW threshold though as leads to unnecessary DIAs as majority of applications to the NETS will have no impact on distribution systems and this which add more costs to consumers) itself. (Note this has since been somewhat mitigated as the Proposer, following this feedback, have amended their Original Proposal to allow flexibility for DNOs as to whether a DIA is needed (even if it meets the MW/MVA criteria). Some of these respondents expressed a preference for a criteria-based approach - this is covered as part of WACM2.
- 6 out of 11 respondents supported implementation 12 months after Ofgem decision (3 would have liked it earlier with 2/3 months suggested); however, there was general recognition that STC changes are needed, which is discussed further below in the “Interactions” section of this document. There are different implementation periods proposed for the CMP328 Original, WACM1 and WACM2 and these are explored in the “When will this change take place” section of this document.
- Strong views were expressed that the Third-Party Works (TPW) is not fit for purpose – it is inconsistent across DNOs and there are no formal timescales. WACM1 proposes enhancing the TPW process but the Workgroup in general thought this was not suitable to resolve the current issue.

CMP328 Workgroup Terms of Reference

Workgroup Term of Reference	Location in Workgroup Report
a) Consider EBGL implications	None – see “Interactions” section
b) Evaluate the suitability of how impacts of transmission connections to distribution networks are assessed currently to identify perceived gaps and improvements, in order to define a comprehensive repeatable and consistent methodology	“Workgroup Discussion on Proposer’s Solution” section – various discussion on the pros and cons of the Distribution Impact Assessment and Third Party Works
c) Develop the proposed arrangements for a Distribution(al) Impact Assessment type process for connecting the new user; consider existing requirements of other directly connected users inclusive of scope, roles and responsibilities and compliance processes.	“Workgroup Discussion on Proposer’s Solution” section
d) Consider how the TSO and relevant network operator will ensure they coordinate and agree the connection requirements with the generation, storage or demand user.	“Workgroup Discussion on Proposer’s Solution” section
e) Consider if the constraint payment arrangements in the CUSC need to be updated.	“Workgroup Discussion on Proposer’s Solution” section – “Clean Energy Package (CEP) / Compensation Arrangements”
f) Consider if the substantial modification requirements e.g. RFG, DCC etc. will apply to the DSO or the existing generation or demand User in terms of seeking to amend their respective connection agreements.	“Workgroup Discussion on Proposer’s Solution”
g) Consider cross-code impacts, notably on STC.	“Interactions” section
h) Consideration of the interaction and impacts of changes in distributed generation/storage/demand on one distribution system upon another distribution system on generation/storage/demand connected to its system.	“Workgroup Discussion on Proposer’s Solution” section

CMP328 Next Steps

Milestone	Date
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)

CMP328 - 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 Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the CUSC?
- **NOTE** the ongoing timeline

Draft Final Modification Reports

**CMP377 - Clarification of Section 14 BSUoS Charging
Methodology**

Paul Mullen

CMP377 Background

- CMP377 seeks to provide clarity on how the BSUoS charging methodology is described in Section 14 of the CUSC. The four areas being addressed are:
 - Covid-19 cost recovery calculations;
 - Capitalisation of defined terms in CMP373 legal text;
 - Clarifying storage import terminology;
 - General housekeeping.
- CUSC Panel unanimously agreed that CMP377 should follow standard governance route and proceed straight to Code Administrator Consultation.
- Code Administrator Consultation was run from 4 August 2021 to 5pm on 2 September 2021 with 3 non-confidential responses received. All were supportive of the change and implementation approach; however, there were changes proposed to the legal text, some of which are within the scope of CMP377 with the rest to be considered as part of future changes to Section 14 (Section 2) of the CUSC.

CMP377 Code Administrator Consultation Responses Summary

Legal Text Changes proposed for CMP377	Proposer View (ESO are the Proposer)
In 14.13.10, the use of BSUOSCoVIDjd / BSUoSCoVIDjd is inconsistent with the rest of the legal text, which uses BSUoSCoVID _{jd} (subscript jd).	The 2 references to “BSUOSCoVIDjd” to be amended to “BSUoSCoVID _{jd} ”
In 14.13.19, BSUoSUR20d and its definition (in should use a subscript d.	<p>The 2 references in 14.13.19 to “BSUoSUR20d” to be amended to “BSUoSUR20_d”</p> <p>The definition in 14.31.8 of “BSUoSUR20d” to be amended to “BSUoSUR20_d”</p>

CMP377 Code Administrator Consultation Responses Summary

Respondents also noted potential future changes to be “borne in mind for other Section 14 housekeeping modifications”. These are outside the scope of this Modification.

Legal Text Changes proposed for any future Section 14 Housekeeping Modifications	Proposer View (ESO are the Proposer)
<p>On the Contents Page (which flow through from later parts of Section 14):</p> <p>14.30 Principles</p> <p>14.31 Calculation of the Daily Balancing Services Use of System Charges</p> <p>14.32 Settlement of BSUoS</p> <p>14.33 Examples of Balancing Services Use of System (BSUoS) Daily Charges Calculations</p> <ul style="list-style-type: none">• Notes that “Daily” is capitalised so asks the ESO to consider if the word “Daily” needs to be capitalised and if so whether it needs to be defined in section 11 or within section 14. Alternatively, could consider creating a new definition of Daily Balancing Services Use of System Charges within Section 14.31;• Notes that the word Daily appears before Balancing Services Use of System in 14.31 but afterwards in 14.33. If a definition is created, then they need to be in the same order; and• From a look and feel it looks inconsistent to use the acronym (BSUoS) in 14.32 and 14.33 when the same definition earlier in the list 14.31 does not have the same treatment.	<p>Proposer agrees to consider these in a future Modification</p>

CMP377 Code Administrator Consultation Responses Summary

Legal Text Changes proposed for any future Section 14 Housekeeping Modifications	Proposer View (ESO are the Proposer)
<p>In 14.29.1, notes that “Balancing Services Use of System Charges” is a defined term in section 11. Argues it would be better to put in brackets (BSUoS Charges), than then separately use the acronym (BSUoS) without Charges when “Balancing Services Use of System” (BSUoS) appears by itself without “Charges” on the end which is a separate defined term?</p>	<p>Proposer agrees to consider these in a future Modification</p>
<p>In 14.29.4 notes the term “National Grid system” and states that “National Grid” is not defined in section 11. Suggests changing to “Total System” as defined by the BSC”</p>	<p>Proposer agrees to consider these in a future Modification</p>
<p>The use of subscript to indicate the time period is consistent within Section 14 Section 2 but not in associated definitions</p> <ul style="list-style-type: none"> e.g. LOCTRU_d and BSUoSINT_{jd}, compared to TotAdj_d and BSUoS_{tariffj}. <p>Notes that corrections to those would probably be out of scope of this Mod but should be borne in mind for other Section 14 housekeeping modifications.</p>	<p>Proposer agrees to consider these in a future Modification</p>
<p>Throughout Section 14 there appears to be inconsistent use of the full defined term and the acronyms for BSUoS and/or BSUoS Charges, with it flipping between the full written out version and use of the acronym, often within the same section. This suggestion does not legally alter the CUSC but does improve the look and feel of the section. 14.31.4 and 14.31.5 being prime examples.</p>	<p>Proposer agrees to consider these in a future Modification</p>

CMP377 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

(ii) if the change required is not considered to be a typographical error then the **CUSC Modifications Panel** may direct the **Workgroup** to review the change. If the **Workgroup** unanimously 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**.

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

(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 changes are typographical and instruct Code Admin to make the change. Then we carry out Recommendation Vote; or**
- **Agree the changes are not needed. Then we carry out Recommendation Vote; or**
- **Direct the Workgroup to review the changes under 8.23.4(ii)**

CMP377 Next Steps

Milestone	Date
Draft Final Modification Report (DFMR) issued to Panel	16 September 2021
Panel undertake DFMR recommendation vote (5 working days)	24 September 2021
Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	28 September 2021
Final Modification Report issued to Ofgem	6 October 2021
Ofgem Decision	TBC
Implementation Date	10 working days after Ofgem decision

CMP377 - 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 Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the CUSC?
- **VOTE** whether or not to recommend implementation
 - *Does the CMP377 Original proposal better facilitate the objectives than the current CUSC arrangements?*
- **NOTE** next steps

EBR Article 3 Objectives

For reference, the Electricity Balancing Regulation (EBR) Article 3 (Objectives and regulatory aspects) are:

1. This Regulation aims at:
 - (a) Fostering effective competition, non-discrimination and transparency in balancing markets;
 - (b) enhancing efficiency of balancing as well as efficiency of national balancing markets;
 - (c) integrating balancing markets and promoting the possibilities for exchanges of balancing services while contributing to operational security;
 - (d) contributing to the efficient long-term operation and development of the electricity transmission system and electricity sector while facilitating the efficient and consistent functioning of day-ahead, intraday and balancing markets;
 - (e) ensuring that the procurement of balancing services is fair, objective, transparent and market-based, avoids undue barriers to entry for new entrants, fosters the liquidity of balancing markets while preventing undue market distortions;
 - (f) facilitating the participation of demand response including aggregation facilities and energy storage while ensuring they compete with other balancing services at a level playing field and, where necessary, act independently when serving a single demand facility;
 - (g) facilitating the participation of renewable energy sources and supporting the achievement of any target specified in an enactment for the share of energy from renewable sources.

Authority Led CUSC Modification Report

**CMP378 - Market-wide Half-Hourly Settlement (MHHS)
Implementation and Governance Arrangements**

Paul Mullen

CMP378 Background

- CMP378 seeks to place an obligation on The Company (defined in the CUSC as National Grid Electricity System Operator (NGESO) Limited) to comply with the obligations insofar as these apply to it under Section C12 (Market-wide Half-Hourly Settlement Implementation) of the Balancing and Settlement Code (BSC).
- August 2021 CUSC Panel noted that CMP378 will follow the AUTHORITY LED SCR MODIFICATION process as set out in CUSC 8.17B, They also agreed that CMP378 should follow standard governance route and proceed straight to Code Administrator Consultation.
- Code Administrator Consultation was run from 31 August 2021 to 5pm on 14 September 2021 with 1 non-confidential response received. This respondent was supportive of the change and implementation approach and no changes were proposed to the legal text.

CMP378 Next Steps

Milestone	Date
Authority Led CUSC Modification Report issued to Panel	16 September 2021
Panel undertake Authority Led CUSC Modification Report recommendation vote (5 working days)	24 September 2021
Authority Led CUSC Modification Report issued to Panel to check votes recorded correctly (1 working day)	24 September 2021
Authority Led CUSC Modification Report issued to Ofgem	28 September 2021
Ofgem Decision	By no later than 12 October 2021
Implementation Date	3 working days after Ofgem decision / 15 October 2021 if decision received by 12 October 2021

CMP378 - the asks of Panel


- **NOTE** that this change follows the **AUTHORITY LED SCR MODIFICATION** process as set out in CUSC 8.17B
- **AGREE** that no assessment of the proposal on greenhouse gas emissions is needed
- **NOTE** that this Modification does not impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the CUSC?
- **VOTE** whether or not to recommend implementation
 - *Does the CMP378 Original proposal better facilitate the objectives than the current CUSC arrangements?*
- **NOTE** next steps

EBR Article 3 Objectives

For reference, the Electricity Balancing Regulation (EBR) Article 3 (Objectives and regulatory aspects) are:

1. This Regulation aims at:

- (a) Fostering effective competition, non-discrimination and transparency in balancing markets;
- (b) enhancing efficiency of balancing as well as efficiency of national balancing markets;
- (c) integrating balancing markets and promoting the possibilities for exchanges of balancing services while contributing to operational security;
- (d) contributing to the efficient long-term operation and development of the electricity transmission system and electricity sector while facilitating the efficient and consistent functioning of day-ahead, intraday and balancing markets;
- (e) ensuring that the procurement of balancing services is fair, objective, transparent and market-based, avoids undue barriers to entry for new entrants, fosters the liquidity of balancing markets while preventing undue market distortions;
- (f) facilitating the participation of demand response including aggregation facilities and energy storage while ensuring they compete with other balancing services at a level playing field and, where necessary, act independently when serving a single demand facility;
- (g) facilitating the participation of renewable energy sources and supporting the achievement of any target specified in an enactment for the share of energy from renewable sources.



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



Relevant Interruptions Claim Report

(January, April, July, October)

The background features several decorative yellow lines. In the top left, there are several thin, curved lines that sweep upwards and to the right. In the bottom right, there are several thicker, parallel diagonal lines that sweep upwards and to the right, creating a sense of movement and modern design.

Governance

None

Paul Mullen

The background features several abstract, flowing yellow lines. Some lines are curved and sweep across the top left, while others are more linear and extend towards the bottom right, creating a sense of movement and energy.

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)

None



Whole System Technical Code

Letitia Wamala / Frank Kasibante – National Grid ESO



Digitalised Whole System Technical Code

September 2021

nationalgridESO

Why do Digitalised Whole System Technical Code (WSTC)?

The digitalised WSTC project seeks to digitalise and consolidate technical codes through an industry-led approach.

- The Ofgem/BEIS Energy Codes Reform recommends code simplification and consolidation
- Stakeholder feedback is that the technical codes are lengthy, overly complex, and are structured differently across Transmission and Distribution – creating a barrier to market participation
- This project was supported by stakeholders and Ofgem as part of the ESO RII02 business plan

Purpose of this discussion

1. To share high level scope of the consultation paper
2. Signpost additional opportunities to engage with the digitalised WSTC project

Identified benefits of the WSTC project

More efficient
resource
requirements for a
connection
journey

Increased market
participation

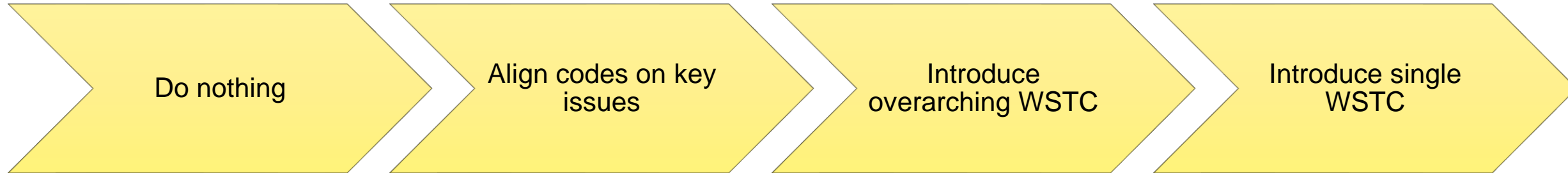
Encouraging
innovation in the
market

User-friendly
technical codes

Streamlined
implementation of
changes across
the whole system

Consultation scope: Potential solutions

Whole System Alignment



Digitalisation



Consultation scope: Work that can progress independently of Energy Codes Reform

Simplification & rationalisation of
Distribution Code and Grid Code

Identifying areas where the
Distribution Code and Grid Code
can be aligned

Digitalising the Distribution Code
and Grid Code separately

Inclusion of SQSS into the Grid
Code

Consultation scope: Phasing of Delivery

The Ofgem/BEIS Energy Codes Reform programme is ongoing and initial stakeholder input has suggested that there are options to phase work on different elements of the WSTC project in order to coordinate with the ECR.

Phasing / timing options identified for different aspects of the project are:

Code consolidation / creating new codes

- a) Develop recommendations & input to the BEIS/Ofgem ECR
- b) Postpone until ECR outcome
- c) Exclude from project scope

Whole system alignment independent of ECR

- a) “Quick win” modifications delivered through existing governance process
- b) Detailed recommendations for alignment delivered later, as part of ECR implementation

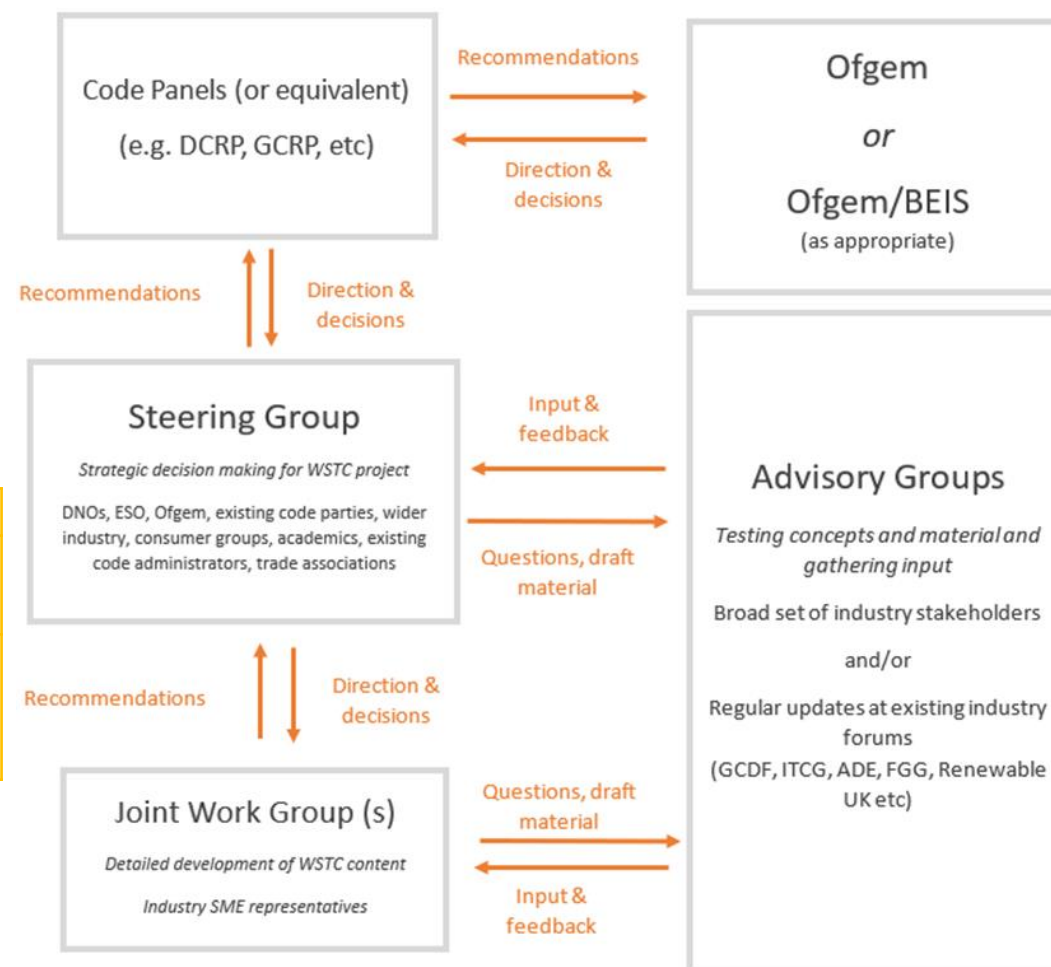
Digitalisation of codes

- a) Digitalisation of Grid Code in parallel with other work
- b) Digitalisation of Distribution Code and Grid Code in parallel with other work
- c) Wait for outcome of BEIS/Ofgem ECR on consolidation before digitalising any technical codes

Consultation scope: Project Governance

- During the consultation we will conduct regular webinars to ensure broad coverage of, and input from, relevant stakeholders
- The consultation will inform the creation of an industry governance structure for the project

Milestone	Description	Date
Draft Consultation	WSTC Draft Issued for Comment Opportunity to comments closes	06/09/21 16/09/21
Consultation 1	WSTC Consultation 1 Issued to Industry WSTC Consultation 1 Closed First proposed Steering Group meeting	27/09/21 12/11/21 By 17/12/21



Next steps

Draft WSTC Consultation webinars

There will be 3 webinars held for reviewers to ask any questions they may have or provide review comments. (Repeat sessions – attend one)

- Tuesday 7 September, 9:00 - 10:00 as part of the Grid Code Development Forum agenda – [register here](#)
- Wednesday 8 September, 10:00 – 11:00 ([Click here to join the meeting](#))
- Thursday 16 September, 10:00 – 11:00 ([Click here to join the meeting](#))

Webinars within the WSTC Consultation window

There will be regular webinars to explain the consultation and enable you to ask questions and provide feedback. (Repeat sessions – attend one)

- Tuesday 5 October, 11:00 – 12:00 ([Click here to join the meeting](#))
- Monday 11 October, 10:00 – 11:00 ([Click here to join the meeting](#))
- Wednesday 20 October, 10:00 – 11:00 ([Click here to join the meeting](#))
- Tuesday 2 November, 14:00 – 15:00 ([Click here to join the meeting](#))
- Friday 5 November, 10:00 – 11:00 ([Click here to join the meeting](#))
- Wednesday 10 November, 14:00 – 15:00 ([Click here to join the meeting](#))

Thank you

**If you have any further questions please contact Laetitia Wamala at
Laetitia.Wamala@nationalgrideso.com**

AOB

1. General discussion on impacts of coronavirus outbreak (All)

Next Panel Meeting

10am on 29 October 2021 via Teams

Papers Day – 21 October 2021

**Modification Proposals to be submitted
by – 14 October 2021**

TCMF – 7 October 2021

Close



Trisha McAuley

Independent Chair, CUSC Panel

national**grid**ESO