

CUSC Panel

Wednesday 26 January 2022

Online Meeting via Teams

WELCOME



nationalgridESO

Approval of Panel Minutes

Approval of Panel Minutes from the Meeting held 17 December 2021, 6 and 12 January 2022 - *to be approved at Panel meeting on 25 February 2022*



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 18 January 2022)

Decisions Received since last Panel meeting

- ❑ **CMP381** (decision received 14 January 2022 to implement WACM4. This was implemented from the first settlement period (i.e. 00:00 - 00:30) of 17 January 2022).

Decisions Pending

- ❑ **CMP335/336 and CMP343/340** (Ofgem's latest expected decision dates table, published on 9 December 2021, confirms that there is currently no firm date for a decision).
- ❑ **CMP371** (decision now expected 28 February 2022 according to Ofgem's latest expected decision dates table published on 9 December 2021).
- ❑ **CMP292** (decision date TBC in 2022 (previously 30 June 2021 and latterly 30 September 2021) as Ofgem consider this to be low priority).
- ❑ **CMP308** (On 8 December 2021, Ofgem advised that they are consulting on their minded-to decision on CMP308. Ofgem are minded-to approve the CMP308 Original Proposal, which would move BSUoS charges fully onto demand, with effect from 1 April 2023 and have launched the consultation to gather industry views. The consultation closes 19 January 2022).

Authority Decisions (as at 18 January 2022)



Decisions Pending

- ❑ **CMP368/369** (On 24 November 2021, Ofgem sent a letter (which was sent to Panel Members, industry and published on 25 November 2021). This formally confirms that Ofgem intend to wait until judgment has been issued in the Judicial Review before reaching a decision in respect of CMP368 and CMP369, even if judgment is not available before the end of 2021). Ofgem's latest expected decision dates table (published on 9 December 2021) confirms that there is currently no firm date for a decision).
- ❑ **CMP377** (Final Modification Report received 6 October 2021. Ofgem's latest expected decision dates table (published on 9 December 2021) confirms that there is currently no firm date for a decision).
- ❑ **CMP328** (Final Modification Report received 10 November 2021 and Ofgem confirmed at November 2021 Panel that no decision would be made on this until they have received the equivalent STC Modification. Ofgem's latest expected decision dates table (published on 9 December 2021) confirms that there is currently no firm date for a decision).

Received Final Modification Reports since last Panel Meeting

- ❑ **None**

New modifications submitted



CMP382 – Amend the terminology used in CUSC Section 14 to align with the definitions of ‘Financial Year’ and ‘Business Days’ within CUSC Section 11

Harvey Thakar– National Grid ESO

Critical Friend Feedback – CMP382

Code Administrator comments	Amendments made by the Proposer
<p>Proposed changes to the Title</p> <p>Added timeline</p> <p>Moved text to different sections to aid flow</p> <p>Clarity needed on justification for self-governance route</p> <p>Proposed that reference (and link) to Ofgem’s CMP373 decision needs to be added to provide context and support why the change is needed</p> <p>Formatting and grammatical changes</p>	<p>Proposer accepted the amendments made by the Code Administrator and added reference and link to Ofgem’s CMP373 decision</p>

Background

Removal of all 'charging year(s)' and 'working day(s)' terminology used in section 14 of 'Charging Methodologies' of the CUSC. Replaced with the defined terms 'Financial Year(s)' & 'Business Day(s)' (as per the below);

- charging year(s) » Financial Year(s)
- working day(s) » Business Day(s)

Reason for this Change

- To resolve ambiguity in the interpretation of the terminology within section 14 only.
- Financial Year & Business Day are already defined in Section 11.

Financial Year - *the period of 12 months ending on 31st March in each calendar year*

Business Day - *any week-day other than a Saturday on which banks are open for domestic business in the City of London*

- This modification therefore seeks to align all sections within the CUSC with the aim of providing greater clarity to the end user.

Feedback Following TCMF

- Engaged with TCMF on 25 November 2021 and broad support for the clarifications
- Feedback received notes that financial years are different to different organisations. Due to the Section 11 definition highlighting the dates, we believe that this covers the concern; however, we appreciate that this may require additional communications for some organisations.

Recommended Governance Route

- Self-Governance modification to proceed to Code Administrator Consultation
- This modification has no material impact on the content of the CUSC; it only clarifies terminology used in the code

Timeline for CMP382 – Proposed Timeline (Self-Governance with Code Administrator Consultation)

Milestone	Date	Milestone	Date
Modification presented to Panel	26 January 2022	Final Self Governance Modification Report issued to Panel to check votes recorded correctly (5 working days)	29 March 2022
Code Administrator Consultation (15 working days)	2 February 2022 to 5pm on 23 February 2022	Appeals Window (15 working days)	6 April 2022 to 5pm on 29 April 2022
Draft Self Governance Modification Report issued to Panel (5 working days)	17 March 2022	Implementation Date (5 working days)	9 May 2022
Panel undertake Draft Self Governance Modification Report vote	25 March 2022		

CMP382 – 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 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 18 January 2022)

Category	Aug	Sep	Oct	Nov	Dec	Jan
New Modifications	1	1	0	1	1	1
In-flight Modifications (includes those on hold but not New Modifications)	44	44	42	40	41	42
Modifications issued for Workgroup consultation	1 <i>(CMP298)</i>	1 <i>(CMP361/362)</i>	0	0	2 <i>(CMP330/374 and CMP381)</i>	0
Modifications issued for Code Administrator Consultation	3 <i>(CMP308, CMP377, CMP368/369)</i>	1 <i>(CMP328)</i>	0	0	3 <i>(CMP380, CMP361/362 and CMP381)</i>	2 <i>(CMP381 and CMP300 – Note that CMP298 due 31 Jan)</i>
Workgroups held	6	8	6	10	9	9
Authority Decisions	1 <i>(CMP326)</i>	1 <i>(CMP370)</i>	1 <i>(CMP378)</i>	0	0	1 <i>(CMP381)</i>
Implementations	1 <i>(CMP372)</i>	0	3 <i>(CMP373, CMP370 and CMP378)</i>	0	0	1 <i>(CMP381)</i>
Modifications Withdrawn	0	0	0	2 <i>(CMP358 and CMP359)</i>	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	0	0	0	0	0	1 <i>(CMP379 – not quorate)</i>

In flight Modifications – the asks of Panel

CMP288/289

- Workgroup restarted on 20 January 2022 and there were concerns from some Workgroup Members that the revised solution does not address the defect set out in **CMP288**. Panel views sought as to whether proposed solution addresses the **CMP288** defect? If Panel are content that the proposed solution addresses the **CMP288** defect, then Panel are asked to **AGREE** to proposed revisions to the Terms of Reference

CMP304

- December 2021 Panel agreed that the Workgroup Report will be presented to March 2022 Panel rather than February 2022 Panel. Panel will be asked to **AGREE** to a further delay to April 2022 Panel as more time required to issue Workgroup Consultation (it was 31 January 2022 but now 15 February 2022) and resolve actions from 15 December 2021 meeting.

CMP376

- At the meeting on 13 December 2021, Workgroup reviewed the timeline and agreed that 3 more Workgroups were needed before the Workgroup Consultation is launched to ensure full understanding of the Original Solution - January 2022 Panel to **AGREE** revised timeline

CMP379

- Workgroups will now commence from 2 March 2022 (originally the 1st Workgroup was to be 19 January but needed to seek further Workgroup membership first). Nominations deadline has been extended to end of January and the Chair has also targeted contacting stakeholders directly to see if any further interest could be generated. Consequently, a few more workgroup members have been secured. January 2022 Panel will be asked to **AGREE** the revised timeline.

CMP381

- **NOTE** that WACM4 (proposes a £20/MWh cap on BSUoS from the Ofgem Implementation Date until 31 March 2022 and the limit the BSUoS costs could be deferred to is £200m) was implemented from the first settlement period (i.e. 00:00 - 00:30) of 17 January 2022.

CMP288 Defect and Solution

Modification	Defect
CMP288	There are currently no explicit charging arrangements to recover additional costs incurred by Transmission Owners and TNUoS liable parties as a result of transmission works undertaken early due to a User requested delay to the Completion Date of the works or backfeed.

Proposed Solution – *changes from solution originally indicated in CMP288 Proposal Form are shown in red text*

It is proposed that Section 14.4 of the CUSC is amended to ~~explicitly include~~ clarify that incremental costs and financing costs incurred by a TO as a result of a delay can be recovered via a one-off charge (as per each TO's charging statement) which is passed through to the User by the ESO.

Panel views sought as to whether proposed solution addresses the CMP288 Defect

Revised Terms of Reference for CMP288/289 – changes shown in red text

Workgroup Term of Reference	Location in Workgroup Report (to be completed at Workgroup Report stage)
Consider EBR implications	
Transition implementation arrangements	
Asset identification and asset access	
Paying for delay for User	
WACC publication and WACC information specific to TO's calculation of charges passed through to the User	
Information flow ahead of commitment stage gates	
Assessment of materiality of the costs	
Consider assurance process (including non-CUSC processes)	
Consider the different methodologies within the TO's charging statements and processes	

Timeline for CMP304 V5 as of 11 January 2022

Milestone	Date	Milestone	Date
Workgroup 1 (re-education of proposal and solution, agree timeline and terms of reference)	8 November 2021	Code Administrator Consultation	9 May 2022 to 30 May 2022
Workgroup 2 and 3 (finalise solution to be consulted on, agree alternatives and agree Workgroup Consultation questions)	15 December 2021 and 1 February 2022	Draft Final Modification Report (DFMR) issued to Panel	16 June 2022 (CMP305 as well?)
Workgroup Consultation (15 Working Days)	15 February 2022 to 8 March 2022	Panel undertake DFMR recommendation vote	24 June 2022 (CMP305 as well?)
Workgroup 4 - Assess Workgroup Consultation Responses and any alternatives + hold alternative vote	24 March 2022	Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	28 June 2022
Workgroup 5 – finalise solutions, review terms of reference, hold Workgroup Vote	11 April 2022	Final Modification Report issued to Ofgem	6 July 2022
Workgroup report issued to Panel (5 working days)	20 April 2022	Ofgem decision	TBC (Note CMP305 as well)
Panel sign off that Workgroup Report has met its Terms of Reference	29 April 2022	Implementation Date	TBC

Timeline for CMP376 V3 as at 13 December 2021

Milestone	Date	Milestone	Date
Workgroup Nominations (15 working days)	Closed	Panel sign off that Workgroup Report has met its Terms of Reference	24 June 2022
Workgroup 1 - Understand proposal and solution, note the scope and identify any possible alternative solutions, agree timeline, agree and review terms of reference, agree next steps	28 October 2021	Code Administrator Consultation (15 Working Days)	27 June 2022 to 5pm on 18 July 2022
Workgroup 2 - Following Panel, Ofgem and Open Networks views, understand proposal and solution, note the scope and identify any possible alternative solutions, agree timeline, agree and review terms of reference, agree next steps	13 December 2021	Draft Final Modification Report (DFMR) issued to Panel (5 working days)	21 July 2022
Workgroup 3, 4 and 5 - Review solution(s) including potential alternatives, Legal Text, understand STC changes, finalise Workgroup consultation (including agreeing Workgroup Consultation questions)	28 January 2022 (12-3pm), 28 February 2022 and 23 March 2022	Panel undertake DFMR recommendation vote	29 July 2022
Workgroup Consultation (15 Working Days)	4 April 2022 to 5pm on 27 April 2022	Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	2 August 2022
Workgroup 6 and 7 - Assess Workgroup Consultation Responses, further review of Original and alternatives (including legal text) and carry out Alternative Vote	9 and 24 May 2022	Final Modification Report issued to Ofgem	10 August 2022
Workgroup 6 - Finalise solution(s) and legal text, agree that Terms of Reference have been met, Review Workgroup Report and hold Workgroup Vote	7 June 2022	Ofgem decision	TBC
Workgroup report issued to Panel (5 working days)	16 June 2022	Implementation Date	10 working days after Authority Decision

Timeline for CMP379 V3 as at 11 January 2022

Milestone	Date	Milestone	Date
Workgroup Nominations (15 working days)	1 November 2021 to 5pm on 22 November 2021	Panel sign off that Workgroup Report has met its Terms of Reference	29 July 2022
Workgroup 1 - Understand proposal and solution, agree timeline, agree terms of reference,	2 March 2022	Code Administrator Consultation (20 Working days)	3 August 2022 – 1 September 2022
Workgroup 2 and 3 – Review analysis, discuss and Agree alternate solutions + Legal Text, finalise Workgroup consultation (including agreeing Workgroup Consultation questions)	13 April 2022 and 27 April 2022	Draft Final Modification Report (DFMR) issued to Panel (5 working days)	22 September 2022
Workgroup Consultation (15 Working Days)	9 May 2022 – 30 May 2022	Panel undertake DFMR recommendation vote	30 September 2022
Workgroup 4 and 5 Assess Workgroup Consultation Responses, review legal text, carry out Alternative Vote	8 June 2022 and 22 June 2022	Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	4 October 2022
Workgroup 6 – Finalise solution(s) and legal text, agree that Terms of Reference have been met, Review Workgroup Report and hold Workgroup Vote	11 July 2022	Final Modification Report issued to Ofgem	12 October 2022
Workgroup report issued to Panel (5 working days)	21 July 2022	Ofgem decision	TBC (by 31 December 2022)
		Implementation Date	1 April 2023

Discussions on Prioritisation

- **AGREE** where New Modifications that need Workgroups are 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

CMP298 - Updating the Statement of Works process to facilitate aggregated assessment of relevant and collectively relevant embedded generation

Paul Mullen

CMP298 Summary

- The current Statement of Works process can be inefficient and time-consuming where there are multiple concurrent applications. Network Operators have for a number of years trialled and refined a more efficient aggregated assessment (widely known as the “Appendix G” process) of Distributed Generators (DG) that have or may have an impact on the National Electricity Transmission System (NETS). CMP298 seeks to introduce this process into the CUSC, which will sit alongside the current Statement of Works process.
- CUSC Panel unanimously agreed that CMP298 should follow standard governance route and proceed to Workgroup.
- 4 Solutions developed.

What are the CMP298 Solutions – the Original

Update CUSC Section 6.5 and definition of “Relevant” to facilitate assessment of relevant embedded small or medium power stations or ‘collectively relevant’ power stations on an aggregated basis in line with the “trials” that have been undertaken over the past few years and link the definition of “Relevant” to a defined level of MW.	Introducing the high-level process between National Grid ESO and DNOs for Appendix G updates (currently outlined in the BCAs for GSPs involved in the trials undertaken over the past few years.	Update CUSC exhibits currently used for the Statement of Works (and Project Progression) process to facilitate the aggregated application and assessment process to be introduced.	Retain existing Statement of Works & Project Progression process for where single applications are still required; however, make a small change to clarify that multiple projects can be applied for at the same time (i.e. bulk Statement of Works applications.
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Implementation Date: 10 working days after Authority Decision. However, there will be a 24 month transition period to allow existing Appendix G contracts to be transferred to the new Transmission Impact Assessment arrangements.

What are the CMP298 Solutions – 3 WACMs

Alternative Solution(s)	Details	Implementation Date
WACM1	As per Original but DNO updates to Appendix G are deemed to be accepted unless ESO confirm otherwise rather than ESO Approve/Reject process	As per Original
WACM2	As per Original but to remove the need for a re-work fee to be charged by the ESO to DNOs to confirm requirements of Transmission Impact Assessment are met	As per Original
WACM3	Combination of WACM1 and WACM2	As per Original

CMP298 Workgroup Consultation

The Workgroup held their Workgroup Consultation between 12 August 2021 and 10 September and received 7 responses, all of which were non-confidential. In summary:

- Majority supportive of change and implementation approach although with a clear desire for the Workgroup to develop a more detailed implementation plan to give confidence that the revised contractual arrangements can be all put in place within 24 months of Ofgem decision. The Workgroup considered this in their discussions post Workgroup Consultation and the results of this are set out in the “When will this change take place - Implementation approach” section.
- STC changes needed to be understood and developed and sufficiently set out such that minimal risk of having to unpick the CMP298 solution(s). There was also a desire to present the Final Modification Reports for the CUSC and the STC changes at the same time (or as near as possible) to Ofgem for decision. The Workgroup agreed with these views. The STC changes are set out in the “Interactions – Implications on STC” section
- In terms of publication of information to assist stakeholders to understand where the gaps are, respondents welcomed ESO publishing data but noted that interested parties still need to engage with DNOs to understand the options. Also, for the data to be really useful to stakeholders, it needs to show the capacity available. The Workgroup considered this in their discussions post Workgroup Consultation and the results of this are set out in the “When will this change take place - Implementation approach” section.
- There were some points raised on possible interactions with the Access and Forward-Looking Charges SCR proposals, the need for a review of connection securities for Distributed Generation and there were concerns expressed on how “Large” generation in Scotland is treated. These are all out of scope of CMP298.

CMP298 Workgroup Vote 14 January 2022

- The Workgroup concluded unanimously that the Original and WACM1 better facilitated the CUSC Objectives than the Baseline and concluded by majority that WACM2 and WACM3 better facilitated the CUSC Objectives than the Baseline.

Option		Number of voters that voted this option as better than the Baseline	
Original		10	
WACM1		10	
WACM2		9	
WACM3		9	

- 8 Workgroup Members voted that WACM3 was the best option with 1 vote cast for each of the Original and WACM1

CMP298 Workgroup Terms of Reference

Workgroup Term of Reference	Location in Workgroup Report
a) Consider EBR implications	"Interactions"
b) Consider generation connection Types A, B, C, D and storage	"Other Workgroup discussion points not in scope of CMP298" - Consideration of generation connection Types A, B, C, D"
c) Review the existing trial Appendix G documents	"Workgroup Considerations"
d) Ensuring transparency around future changes to Appendix G	"Workgroup Considerations"
e) Consider consumer and customer impacts	"What is the impact of this change?"
f) Cross code impacts including the consideration of suitable pass through fees	"Interactions" – "Implications on STC"
g) Consider work carried out in 2017 by the ENA Open Networks SOW focus group along with current SO/TO interfaces	"Workgroup Considerations"
h) Consider responses to User Commitment (CMP192) Open Letter by National Grid	"Other Workgroup discussion points not in scope of CMP298" – "Changes to User Commitment"
i) Consider existing SOW process within the CUSC	"Workgroup Considerations"
j) Clarification on the process and timescales	"Workgroup Considerations"

CMP298 Next Steps

Milestone	Date
Code Administrator Consultation (15 working days)	31 January 2022 to 5pm on 21 February 2022
Draft Final Modification Report issued to Panel	17 March 2022
Draft Final Modification Report presented to Panel	25 March 2022
Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	29 March 2022
Submission of Final Modification Report to Ofgem	6 April 2022
Implementation Date	10 working days after Authority Decision. However, there will be a 24 month transition period to allow existing Appendix G contracts to be transferred to the new Transmission Impact Assessment arrangements.

CMP298 - 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

CMP361 & CMP362 'BSUoS Reform: Introduction of an ex ante fixed BSUoS tariff & Consequential Definition Updates'

Paul Mullen

CMP361 & CMP362 Background

- CMP361 seeks to introduce an ex ante fixed volumetric BSUoS tariff set over a total fixed and notice period of 15 months. This will deliver the recommendations of the Second BSUoS Task Force.
- CMP362 facilitates the implementation of BSUoS Reform by introducing and updating required definitions into CUSC section 11 from CMP308 and CMP361.
- CMP361 & CMP362 has been assessed by a Workgroup and will require Authority decision (Standard Governance).
- Implementation date is 1 April 2023.

CMP361 & CMP362 Workgroup Consultation Responses Summary

- The Workgroup held their consultation between 1 September – 24 September 2021 and received 16 non-confidential responses and 1 confidential response.
- Most respondents were supportive of the proposal and/or some of the alternatives mentioned.
- **Implementation timescales:** Some respondents voiced that industry needs sufficient time to factor in the change before it's implemented. Some Workgroup members highlighted that a longer notice period would provide more certainty of future tariffs and more accurate charges for customers.
- **Residual Cashflow Reallocation Cashflow issues:** One respondent believed that any RCRC issues should be addressed now. The Workgroup discussed this further and agreed that RCRC is material to BSUoS and therefore would need to be aligned with the reformed BSUoS. It was also noted that only liable Parties would be involved with this.
- **BSUoS Fund:** Some consultation respondents were supportive of more exploration of options without a BSUoS Fund. The Workgroup questioned if all cost options had been fully explored.
- **BSUoS Fund collection time:** There was some support for the BSUoS Fund being built up over two financial years. There was also some support for it to be built up over more than two years, e.g. five.
- **Length of notice and fixed Periods:** Mixed views. The Workgroup noted that respondents gave more support for a longer notice period, than the Original solution.
- **Probability of tariff reset:** Respondents had mixed views on what the appropriate probability level would be, with P99 being the most popular.
- **Respondents were supportive of CMP362.** Workgroup members noted that CMP361 provides the benefits and CMP362 makes it happen, so the modifications do not work if they are not both implemented together.

CMP361 & CMP362 Workgroup Alternative CUSC Modifications

- 7 Workgroup Alternative CUSC Modifications (WACMs) were brought forward by the Workgroup for CMP361.
- 6 WACMs were brought forward for CMP362. The option which has a BSUoS Fund collected over 5 years uses the Original CMP362 solution.

CMP361 solution	Alternative name	Notice Period	Fixed Period	P level	BSUoS Fund?	BSUoS Fund recovery period	Corresponding CMP362 solution
Original		3 months	12 months		Yes	2 years	362 Original
WACM1	12N 3F	12 months	3 months	P99	Yes	2 years	362 WACM 1
WACM2	9N 6F	9 months	6 months	P99	Yes	2 years	362 WACM 2
WACM3	9N 6F, No BSUoS Fund	9 months	6 months	P99	No	N/A	362 WACM 3
WACM4	12N 3F, No BSUoS Fund	12 months	3 months	P99	No	N/A	362 WACM 4
WACM5	5-year BSUoS Fund Recovery	3 months	12 months	P99	Yes	5 years	362 Original
WACM6	9N 6F, P90, BSUoS Fund cap	9 months	6 months	P90	Yes	Capped at £25m per year	362 WACM 5
WACM7	12N 3F, P90, BSUoS Fund cap	12 months	3 months	P90	Yes	Capped at £25m per year	362 WACM 6

CMP361 & CMP362 Workgroup Vote

The Workgroup Vote took place on 3 November 2021 (CMP361) and 10 November 2021 (CMP362).

CMP361 - Assessment of the Original and WACM1 to WACM7 vs Baseline

The Workgroup concluded unanimously that the Original and WACM2 better facilitated the Applicable Objectives than the Baseline, and by majority concluded that WACMs 1, 3, 4, 5, 6 and 7 better facilitated the Applicable Objectives than the Baseline.

CMP362 - Assessment of the Original and WACM1 to WACM6 vs Baseline

The Workgroup concluded unanimously that the Original and WACMs 1, 2, 5 and 6 better facilitated the Applicable Objectives than the Baseline, and by majority concluded that WACMs 3 and 4 better facilitated the Applicable Objectives than the Baseline.

Workgroup Report was presented to November 2021 Panel and Panel unanimously agreed that CMP361/362 Workgroup has met its Terms of Reference.

Code Administrator Consultation Responses– Summary (CMP361)

- The majority of the respondents felt that all of the solutions better facilitated the applicable objectives. Support was shown for the Original, WACM1, WACM2, WACM3, WACM4, WACM5, WACM7. There was no specific mention to WACM6.
- The majority of respondents supported the implementation approach. Some respondents felt that these modifications should be implemented at the same time as CMP308.
- There was mixed support for each of the different options, with some preferences shown for longer notice periods for tariffs and some preferences shown for shorter periods. Some did not support the BSUoS Fund whilst others did.
- There were a couple of comments stating that they expect the ESO's BSUoS Forecasts to be accurate and monitored by Ofgem. Some noted that the solution should reduce the likelihood of tariffs being reset within the fixed period and that it should benefit consumers.
- One respondent raised that the solution should be simple given the amount of change currently affecting the industry. Another raised that CMP361 would require a change to include the new fixed BSUoS price in the price cap at the point of implementation.
- No legal text issues identified as part of Code Administrator Consultation but subsequently identified by a Panel Member.

Code Administrator Consultation Responses– Summary (CMP362)

- The majority of respondents felt that all of the solutions better facilitated the objectives. Some gave the same answer as for CMP361. Others felt like this was a purely enabling modification for CMP361. One highlighted the importance that the corresponding solution to CMP361 needs to be implemented to ensure this facilitates the objectives.
- The majority of respondents supported the implementation approach. Some respondents felt that these modifications should be implemented at the same time as CMP308.
- No legal text issues identified.

CMP361 Legal Text Changes – shown in red text

Proposed Change	Which CMP361 solutions does this apply to
<p>14.30.5 - The amount included to account for over or under recovery, described in Paragraph 14.30.4, is calculated by subtracting the forecast revenue collected via the Fixed BSUoS Price allocated to Total BSUoS Costs in Fixed Price Periods prior to Fixed Price Period t, from the latest forecast of Total BSUoS Costs, as calculated by applying the latest values to the formula in Paragraph 14.30.4, for those same Fixed Price Periods prior to Fixed Price Period t. This is inclusive of estimated revenue collected from Final Reconciliation (RF) BSUoS Charges, pursuant to Paragraph 14.31.4.</p>	Original, WACM1, 2, 5, 6 and 7
<p>14.30.7 - $IBSUoS FUND_t = BSUoS var_t - BWCF -$ $fBSUoS TOT_t$ ($fBSUoS EXT_t + fBSUoS INT_t$) $- IBSUoS FUND_{t-1}$</p>	Original, WACM1, 2, 5, 6 and 7
<p>14.30.24 the word “fixed” needs to be capitalised to “Fixed”</p>	All solutions

CMP361/362 Code Administrator Consultation – Legal Text Changes. What do the CUSC 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**.

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 under 8.23.4(i). Then we carry out Recommendation Vote; or**
- **Agree the changes are not needed under 8.23.4(iii). Then we carry out Recommendation Vote; or**
- **Under 8.23.4(ii) Direct the Workgroup to review the changes or ask for a further Code Administrator Consultation to be issued**

CMP361 & CMP362 Timeline (if Panel agree changes to legal text are typographical or not required)

Milestone	Date
Panel undertake DFMR recommendation vote	26 January 2022
Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	28 January 2022
Final Modification Report issued to Ofgem	7 February 2022
Ofgem decision	TBC – <i>however, the DFMR states that “an Ofgem decision is required by February 2022 to allow effective implementation in ESO systems”</i>
Implementation Date	1 April 2023

CMP361 & CMP362 Timeline (if Panel agree that legal text changes are not typographical and are required)

Milestone	Date
2 nd Code Administrator Consultation	3 to 5pm on 10 February 2022
DFMR issued to Panel	17 February 2022
Panel undertake DFMR recommendation vote	25 February 2022
Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	28 February 2022
Final Modification Report issued to Ofgem	8 March 2022
Ofgem decision	TBC
Implementation Date	1 April 2023

CMP361 & CMP362 - the asks of Panel

- **AGREE** whether or not the proposed changes to the legal text to each of CUSC 14.30.5, 14.30.7 and 14.30.24 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 CMP361 Original proposal and/or WACMs 1 - 7 better facilitate the Charging objectives than the current CUSC arrangements?*
 - *Does the CMP362 Original proposal and/or WACMs 1 - 6 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.



Draft Final Modification Reports

CMP380 'Making the CUSC Gender Neutral'

Paul Mullen

CMP380 Background

- CMP380 seeks to remove any gender specific references or terminology within the CUSC
- CUSC Panel unanimously agreed that CMP380 should follow self-governance route and proceed straight to Code Administrator Consultation.
- Code Administrator Consultation was issued on the 3 December 2021 and closed on 7 January 2022 and received 4 non-confidential responses All were supportive of the change and implementation approach; however, there were changes proposed to the legal text by one respondent which were:
 - Section 7.3.3 (a) could read “*Where, in conducting an arbitration under this Section 7, an arbitrator or panel of arbitrators finds themselves ~~or itself~~ considering a Charging Dispute (whether or not forming part of an Other Dispute), they ~~or it~~ shall have no jurisdiction*” as the plural could indicate the arbitrators forming the panel and is used in that way in 7.4.3 “Any arbitrator or panel of arbitrators ... such issues as are referred to them”

The changes are shown in **red text** and will be discussed at CUSC Panel on 26 January 2022

- The same respondent noted that the Section 8.22.10 (c) was highlighted – ***note that the Code Administrator have confirmed that the red line around 8.22.10(c) will be removed from the final Legal Text***

CMP380 Code Administrator Consultation – Legal Text Changes. What do the CUSC 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

(iv) In the case of a modification that had been directed pursuant to CUSC 8.19.2(e) 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 the **CUSC Modifications Panel**, the **Code Administrator** and the **Proposer** 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 for changes that are not considered to be minor 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 by the **CUSC Modifications Panel**, 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 under 8.23.4(i). Then we carry out Recommendation Vote; or**
- **Agree the change is not needed under 8.23.4(v). Then we carry out Recommendation Vote; or**
- **Under 8.23.4(iv), Direct Code Admin and Proposer to review the change or Agree to run a 2nd Code Administrator Consultation (and agree how long this is to be run for) or Ask for a Workgroup to be formed. Then re—issue the Draft Final Modification Report to Panel for Recommendation Vote.**

CMP380 Timeline

Milestone	Date
Panel undertake Draft Self Governance Modification Report vote	26 January 2022
Final Self Governance Modification Report issued to Panel to check votes recorded correctly (5 working days)	1 February 2022
Appeals Window (15 working days)	9 February 2022 to 2 March 2022
Implementation Date (5 working days)	9 March 2022

CMP380 - the asks of Panel

- **AGREE** whether or not the proposed changes to the legal text (Section 7.3.3 (a)) 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 implement
 - *Does the CMP380 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 – Jenny Doherty

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 energy.

Governance

None this month

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. The lines vary in thickness and create a sense of movement and depth.

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

3 CUSC Modification Proposals received from 15 October 2021 to 11 January 2022 inclusive

- All 3 have had critical friend checks undertaken on them
- For 2 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;
- Note there have been 3 Grid Code Modification Proposals 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
- Ensuring that the defect/issue and the solution are not one and the same

Feedback we will act on to further improve our service:

- Ensure that the defect/issue and the solution are not one and the same
- Continue to work with Proposers to split the Original solution into clear components to avoid it being lost in the narrative

Any thoughts from Panel?

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

AOB

- 1. General discussion on impacts of coronavirus outbreak
(All)***
- 2. CACOP Results (Jennie Groome)***

Next Panel Meeting

10am on 25 February 2022 via Teams

Papers Day – 17 February 2022

**Modification Proposals to be submitted
by – 10 February 2022**

TCMF – 3 February 2022

Close



Trisha McAuley

Independent Chair, CUSC Panel

nationalgridESO