

Headline Report – 26 January 2022

Connection and Use of System Code (CUSC) Panel

The CUSC Panel Headline Report is produced after every CUSC Panel and aims to provide an overview of the key decisions made. Minutes for this meeting will be published separately.

Approval of Panel Minutes

The meeting minutes from the CUSC Panel on 17 December 2021 and the Special Panels on 6 and 12 January (as well as the minutes from CUSC Panel on 26 January 2022) will be presented for approval at the CUSC Panel on 25 February 2022.

Prioritisation Stack

For each Modification in the prioritisation stack, Panel have determined if the Priority is “High”, “Medium to High”, “Medium”, “Low to “Medium” or Low”. Panel continue to review the prioritisation stack on a monthly basis and every quarter hold a more in-depth review (ahead of this review, Proposers will be asked to provide updated justification against the prioritisation criteria). This next in-depth review was planned to be carried out at our January 2022 Panel. However, no updated justification was provided by Proposers ahead of this meeting and no movements in the current Prioritisation Stack, which can be found [here](#).

New Modifications

1 new Modification Proposal was presented for consideration.

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

CMP382 seeks to ensure that the use of “charging year” and “Working Day” in Section 14 is replaced and aligned with the already defined “Financial Year” and “Business Day”.

Panel agreed that **CMP382** should follow self-governance route and proceed to Code Administrator Consultation. Code Administrator Consultation will be issued on 3 February 2022 and will close 5pm on 24 February 2022.

CMP382 documentation can be located via the following link:

<https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/cmp382-amend>

New / Pending Authority Decisions

Ofgem provided an update on Modifications that are currently awaiting their decision or have been decided upon since CUSC Panel on 17 December 2021.

Decisions since last CUSC Panel

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

Awaiting Decisions

Ofgem did provide an update at Panel on the Modifications awaiting decision. However, since 4 May 2021 Ofgem have published a table that provides the expected decision date, or date they intend to publish an impact assessment or consultation, for code modifications/proposals that are with them for decision. This was last updated on 9 December 2021 and is published [here](#). The CUSC position is summarised below:

Modification	What this seeks to achieve	Expected Decision Date
CMP335/336 and CMP343/340	Proposes the methodology for Transmission Demand Residual charges to be applied only to 'Final Demand' on a 'Site' basis, as well as how to treat negative locational charges and the application of any charging bands.; CMP335/336 looks at the Transmission Demand Residual billing and consequential changes	Expected final decision date for CMP343, CMP340, CMP335 and CMP336 Modifications was 27 August 2021; however Ofgem confirmed at CUSC Panel on 27 August 2021 that this date would not be met. At CUSC Panel on 26 January 2022, Ofgem confirmed that no they are seeking to make their final decision by end March 2022.
CMP292	Introduces a cut-off date for changes to the Charging Methodologies	CMP292 has an expected decision date of TBC in 2022 (previously 30 June 2021 and latterly 30 September 2021) as Ofgem consider this to be low priority. Ofgem's latest expected decision dates table (published on 9 December 2021) confirms that there is currently no firm date for a decision.
CMP371	Seeks to update CUSC Section 8 such that it is possible, under one CUSC Modification Proposal, to change CUSC provisions relating to Connection Charges, and Use of System Charging Methodologies alongside non-charging provision.	Ofgem decision was anticipated 29 September 2021 and then 19 November 2021 and now 28 February 2022 (according to Ofgem's latest expected decision dates table published on 9 December 2021 and as confirmed at Panel on 26 January 2022).
CMP308	Seeks to modify the CUSC to better align GB market arrangements with	On 8 December 2021, Ofgem advised that they were consulting on their minded-to

	those prevalent within other EU member states by removing BSUoS charges from Generation.	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 launched the consultation to gather industry views. The consultation closed 19 January 2022 and at CUSC Panel on 26 January 2022, Ofgem advised they would be looking to make a decision on CMP308 by end February 2022.
CMP368/369	CMP368 seeks to give effect to the Authority determination within the CMP317/327 decision published on the 17 December 2020 to amend the definition of Assets Required for Connection, create new definitions of 'GB Generation Output' and define Generator charges for use in the Limiting Regulation range calculation. To facilitate the change, CMP369 proposes to update the legal text relating to 'Generation Output' detailed in the tariff setting methodology within Section 14.14.5 and the Ex-Post Reconciliation within Section 14.17.37 of the CUSC to align with the updated definitions introduced by CMP368.	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 and no further update was provided at Panel on 26 January 2022.
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 and general housekeeping.	Final Modification Report was sent to Ofgem 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 and no further update was provided at Panel on 26 January 2022.
CMP328	Seeks to put in place an appropriate process to be utilised when any connection triggers a Distribution impact assessment.	The Final Modification Report was sent to Ofgem on 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 (expected to be raised to STC's March 2022 Panel). Ofgem's latest expected decision dates table (published on 9 December 2021) confirms that there is currently no firm date for a decision.

In flight Modifications

Please refer to latest Modification Tracker for an update on each in flight Modification. This is published monthly at <https://www.nationalgrideso.com/industry-information/codes> and will be published on 7th of the following month or the next working day thereafter.

Draft Final Modification Reports

CMP361/CMP362 ‘BSUoS Reform: Introduction of an ex ante fixed BSUoS tariff (CMP361) and Consequential Definition Updates (CMP362)’

CMP361 seeks to introduce an ex ante fixed volumetric BSUoS tariff set over a total fix and notice period of 14 months. This tariff would be split with a different price for the summer and winter periods. This will deliver the recommendations of the Second BSUoS Task Force Modification. CMP362 introduces and updates required definitions into CUSC section 11 from CMP308 and CMP361.

A Panel Member proposed the following changes to the legal text:

Proposed Change	Which CMP361 solutions does this apply to
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 forecasted revenue collected from Final Reconciliation (RF) BSUoS Charges, pursuant to Paragraph 14.31.4.	Original, WACM1, 2, 5, 6 and 7
14.30.7 - $IBSUoS FUND_t = BSUoS var_t - BWCF - fBSUoS TOT_t (fBSUoS EXT_t + fBSUoS INT_t) - IBSUoS FUND_{t-1}$	Original, WACM1, 2, 5, 6 and 7
14.30.24 the word "fixed" needs to be capitalised to "Fixed"	All solutions

January 2022 Panel discussed the above legal text changes and agreed that the changes to CUSC 14.30.5 and 14.30.24 were typographical. However, Panel agreed that the change to CUSC 14.30.7 needs to be consulted on and Panel agreed to run a 5 working day Code Administrator Consultation (from 3 February 2022 to 10 February 2022) ahead of the Draft Final Modification Report being re-presented to February 2022 CUSC Panel.

CMP361/CMP362 documentation can be found via the following link:

<https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/cmp361-cmp362>

CMP380 ‘Making the CUSC Gender Neutral’

CMP380 seeks to remove any gender specific references or terminology within the CUSC.

Prior to Panel’s vote as to whether or not to implement **CMP380**, the Panel discussed the suggested change to the CUSC Section 7.3.3 (a)¹ raised as part of the Code Administrator Consultation. Panel did not consider this change to be necessary as the clause already considers both the plural and singular. Panel then undertook their vote and agreed unanimously that **CMP380** better facilitated the CUSC objectives than the current CUSC. Appeals Window will run from 9 February 2022 to 5pm 2 March 2022 and if no appeals are received in this window, this will be implemented into CUSC on 9 March 2022.

CMP380 documentation can be located via the following link:

<https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/cmp380-making-cusc>

Workgroup Reports

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

The current Statement of Works process can be inefficient and time-consuming where there are concurrent multiple 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.

January 2022 Panel agreed that the Workgroup had met its Terms of Reference. The Code Administrator Consultation will be issued on 31 January 2022 and will close 5pm on 21 February 2022.

CMP298 documentation can be located via the following link:

<https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/cmp298-updating>

Questions or feedback?

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¹ A respondent suggested that for ease of reading, 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”