

Headline Report – 25 March 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 25 February 2022 and the Special Panel 10 March 2022 were approved at the CUSC Panel meeting on 25 March 2022. These will be uploaded to our website.

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 will be carried out at our April 2022 Panel.

At March 2022 Panel, there were no discussions on the current Prioritisation Stack.

The latest prioritisation stack can be found [here](#).

New Modifications

1 new Modification was presented to Panel this month.

CMP385 ‘Improvements to Securities and Liabilities provisions within CUSC’

CUSC Section 15 is need of a review and the Energy Networks Association have identified a number of issues that may have an impact on securities and liabilities for Generators and Demand Users

The Panel met on 25 March 2022 and raised concerns predominantly on the scope of the issue and invited the Proposer (under CUSC 8.19.2) to further develop CMP385 before presenting this and/or additional Modifications to a subsequent meeting of the CUSC Panel.

CMP385 documentation can be located via the following link:

<https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/cmp385>

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 25 February 2022.

Decisions since last CUSC Panel

Modification	What this seeks to achieve	Decision
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	Ofgem approved CMP343 WACM2 on 10 March 2022. WACM2 has four bands for transmission-connected final demand, and floors the forward-looking charge at £0 in negative locational TNUoS charging zones. The Authority has also approved the related Modifications - namely CMP340 Original, CMP335 Original and CMP336 WACM1 (As per the Original but introduce an annual September review to confirm the new transmission connection site is in the correct band and reallocate if required). To be implemented 1 April 2023.

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 30 March 2022 and is published [here](#). The CUSC position is summarised below:

Modification	What this seeks to achieve	Expected Decision Date
CMP292	Introduces a cut-off date for changes to the Charging Methodologies	Expected decision date of TBC in 2022 (previously 30 June 2021 and latterly 30 September 2021) as Ofgem still consider this to be low priority.
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 is now anticipated 3 May 2022 (formerly 31 March 2022) as confirmed at Panel on 25 March 2022.
CMP308	Seeks to modify the CUSC to better align GB market arrangements with those prevalent within other EU member states by removing BSUoS charges from Generation.	Ofgem advised at CUSC Panel on 25 March 2022 that they would be seeking to make a decision on 1 April 2022.

<p>CMP368/369</p>	<p>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.</p>	<p>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 10 February 2022) confirms that there is currently no firm date for a decision.</p>
<p>CMP377</p>	<p>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.</p>	<p>Ofgem advised at CUSC Panel on 25 March 2022 that they would be seeking to make a decision on 31 March 2022</p>
<p>CMP328</p>	<p>Seeks to put in place an appropriate process to be utilised when any connection triggers a Distribution impact assessment.</p>	<p>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 10 February 2022) confirms that there is currently no firm date for a decision.</p>
<p>CMP383</p>	<p>To enable the ESO to recover the costs deferred under CMP381, a licence change is required. This will not be in place for 1 April 2022. Therefore, CMP383 seeks to change the recovery of CMP381 costs, to when the new licence comes into effect until 31 March 2023.</p>	<p>Ofgem advised at CUSC Panel on 25 March 2022 that they would be seeking to make a decision later on 25 March 2022 or 28 March 2022 – Post Meeting Note: Decision was received after business hours on 25 March 2022. Will be implemented 3 May 2022.</p>
<p>CMP300</p>	<p>Seeks to improve the cost reflectivity of the Response Energy Payment (“REP”) for Balancing Mechanism Units (“BMUs”) with</p>	<p>Ofgem advised at CUSC Panel on 25 March 2022 that they would be seeking to make a decision on 13 May 2022.</p>

	low or negative marginal costs, as a consequence of having a Contract for Difference (“CfD”)	
CMP361/CMP362	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 (CMP361) and to facilitate the implementation of BSUoS Reform by introducing and updating required definitions into CUSC section 11 from CMP308 and CMP361 (CMP362)	Final Modification Report was sent to Ofgem on 8 March 2022. Ofgem aware that industry would like any decision on CMP308 alongside the decision on CMP361/362. However, they will seek to make the decision on CMP308 ahead of CMP361/362 if timings don't work and at Panel on 25 March 2022 confirmed that CMP308 decision will be 1 April 2022 and CMP361/362 decision will be 24 June 2022.

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

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.

CUSC Panel on 25 March 2022 recommended unanimously that all options better facilitated the CUSC Objectives than the current CUSC and there was a strong preference (8 out of 9 votes) for WACM3 (deemed acceptance by the ESO and no re-work fee). Final Modification Report to be issued to Ofgem 6 April 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>

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".

CUSC Panel on 25 March 2022 unanimously voted for the Original solution to be implemented. Appeals Window will be opened on 6 April 2022 and will close 5pm on 29 April 2022. If no appeals are received, this will be implemented into CUSC on 9 May 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>

Workgroup Reports

No Workgroup Reports presented to Panel this month.

Other

CMP386 'Creating a TNUoS generation classification for storage' & CMP387 'Removing generation charges from storage operators who provide contracted stability services'

CMP386 proposes to introduce a new generation classification for battery storage and pumped storage which, in the view of the Proposer, reflects the value that storage assets in generation constrained areas provide to transmission licensees. **CMP387** seeks to create a new generation classification for storage, and to exempt storage operators contracted to provide stability services from Transmission Network Use of System (TNUoS) charges

Proposer submitted CMP386 and CMP387 on 9 March 2022 and the Code Administrator were content that this met the requirements of CUSC 8.16.4. On 11 March 2022, the Code Administrator notified industry that this had been raised and assigned Modification Numbers CMP386 and CMP387. However, the Proposer formally notified Code Administrator on 17 March 2022 that they wish to withdraw.

CUSC 8.16.10 defines the process for withdrawal and industry were notified on 17 March 2022 and had until 5pm on 24 March 2022 to express their wish to become the new Proposer. As no-one expressed a wish to become the new Proposer by 5pm on 24 March 2022, CUSC Panel, on 25 March 2022, were asked under CUSC 8.16.10(b) to agree to the withdrawal of CMP386 and CMP387 - Panel agreed.

Questions or feedback?

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