

## Headline Report – 24 June 2022

### Connection and Use of System Code (CUSC) Panel

The CUSC Panel Headline Report is produced after every 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 Panel meetings on 29 April 2022, 27 May 2022 and 30 May 2022 were approved and these will be uploaded to our website.

### New Modifications

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The following new Modification Proposals were presented to the Panel:

#### **CMP393 'Using Imports and Exports to Calculate Annual Load Factor for Electricity Storage'**

Seeks to alter the definition of Annual Load Factor with respect to electricity storage\*, taking into account imports as well as exports.

*\*Here, 'electricity storage' refers to all storage that has booked Transmission Entry Capacity (i.e. pumped and battery).*

The Panel unanimously agreed that **CMP393** should follow the standard governance route and proceed to a Workgroup.

**CMP393** documentation can be found [here](#)

#### **CMP394 'Removing Generation Charges from Electricity Storage Operators in Positive TNUoS Zones'**

Seeks to exempt electricity storage\* assets in positive Transmission Network Use of System zones from payment of generation charges.

*\*Here, 'electricity storage' refers to all storage that has booked Transmission Entry Capacity (i.e. pumped and battery).*

The Panel unanimously agreed that **CMP394** should follow the standard governance route and proceed to a Workgroup and be held initially on the same day as **CMP393**.

**CMP394** documentation can be found [here](#)

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## 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 27 May 2022.

### Decisions since last CUSC Panel

Modification	What this seeks to achieve	Decision
<b>CMP300</b>	Seeks to improve the cost reflectivity of the Response Energy Payment (“REP”) for Balancing Mechanism Units (“BMUs”) with low or negative marginal costs, as a consequence of having a Contract for Difference (“CfD”)	Decision received 24 June 2022 approving CMP300 WACM1, which allows fuelled CfD Balancing Mechanism Units a one-off choice to either set the Response Energy Payment (REP) they face at zero or, alternatively, set the REP at the prevailing Market Index Price. To be implemented on 8 July 2022.
<b>CMP371</b>	Allow Proposers to raise one CUSC Modification Proposal to seek changes to both charging and non-charging provisions within CUSC	Rejected 10 June 2022 as Ofgem decided that CUSC would less closely align with the ESO’s obligations under their Electricity Transmission Licence if CMP371 is implemented.
<b>CMP391</b>	Seeks to ensure there is a definition of “Charges for Physical Assets Required for Connection” which reflects the Limiting Regulation, in light of the conclusions in the Judgment (re: the judicial review proceedings) that was handed down on 11 April 2022 about what is required to achieve compliance.	Decision received 31 May 2022 approving CMP391 Original. Implemented 1 June 2022.
<b>CMP392</b>	Transparency and legal certainty as to the calculation of TNUoS in conformance with the Limiting Regulation	Ofgem (on 7 June 2022) decided that CMP392 should not be progressed on an urgent basis

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

Modification	What this seeks to achieve	Expected Decision Date
<b>CMP292</b>	Introducing a Section 8 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.
<b>CMP298</b>	Process for aggregated assessment of Distributed Generators that impact (or may impact) on the National Electricity Transmission System.	Decision expected 30 November 2022 in accordance with Ofgem's latest published expected decision dates table. Associated STC Modification (CM080) to be presented to July 2022 STC Panel for recommendation vote.
<b>CMP328</b>	Establish the process when any connection triggers a Distribution impact assessment.	Decision expected 30 November 2022 in accordance with Ofgem's latest published expected decision dates table. The Final Modification Report for the associated STC change (CM078) was issued to Ofgem on 7 June 2022.
<b>CMP361/CMP362</b>	Introduce an ex-ante fixed volumetric BSUoS tariff set over a total fix and notice period of 14 months (CMP361) and introduce and update required definitions into CUSC section 11 from CMP308 and CMP361 (CMP362)	Final Modification Report was sent to Ofgem on 8 March 2022. Ofgem's latest expected decision dates table (as at 22 June 2022) indicates a decision date of 26 August 2022 (minded to decision consultation to be raised ahead of this)

## 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 is planned to be carried out at our July 2022 Panel.

At June 2022 Panel, the CUSC Panel discussed the prioritisation of the following Modifications:

Modification	What this seeks to achieve	Panel Comments	Position in Prioritisation Stack
<b>CMP392</b>	Transparency and legal certainty as to the calculation of TNUoS in conformance with the Limiting Regulation	Panel prioritised CMP392 as Medium noting there is a potential compliance risk but some Panel Members argued that materiality is low and therefore on balance agreed a "Medium" priority.	Medium
<b>CMP393</b>	Seeks to alter the definition of Annual Load Factor with respect to electricity storage, taking into account imports as well as exports	Panel agreed that CMP393 will be placed as “Medium” in the prioritisation stack as although there could be a high materiality and complexity (given the analysis required), some Panel Members noted it may be prudent to wait for	Medium

		the TNUoS Taskforce to meet and agree high-level principles. On balance, Panel agreed a "Medium" priority.	
<b>CMP394</b>	Seeks to exempt electricity storage* assets in positive Transmission Network Use of System zones from payment of generation charges	Panel agreed that CMP394 will be placed as "Medium" in the prioritisation stack as although there could be a high materiality and complexity (given the analysis required), some Panel Members noted it may be prudent to wait for the TNUoS Taskforce to meet and agree high-level principles. On balance, Panel agreed a "Medium" priority.	Medium

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

## In flight Modifications

The next Modification Tracker will be published on 7 July 2022.

## Draft Final Modification Reports

The following Draft Final Modification Reports were presented to the Panel:

### **CMP388 'Transmission Demand Residual (TDR) minor clarifications'**

Ofgem's recent decisions on CUSC modifications CMP335/336 and CMP340/343 contained several small changes/clarifications that would be beneficial in addition to some identified by the ESO. This proposal seeks to implement these clarifications.

Draft Final Modification Report was presented to June 2022 Panel for recommendation vote and Panel unanimously recommended this to be implemented. Final Modification Report to be sent to Ofgem 6 July 2022.

**CMP388** documentation can be found [here](#)

### **CMP389 'Transmission Demand Residual (TDR) band boundaries updates'**

**CMP389** seeks to implement changes related to band boundaries as stated in paragraph 3.12 of Ofgem's recent decision on CUSC modification CMP343.

Draft Final Modification Report was presented to June 2022 Panel for recommendation vote and Panel unanimously recommended this to be implemented. Final Modification Report to be sent to Ofgem 6 July 2022.

**CMP389** documentation can be found [here](#)

**CMP390 ‘Updating application forms to enable disclosure of information to government for purposes of the National Security and Investment (NSI) Act 2021’**

The National Security and Investment (NSI) Act 2021 enables Government to scrutinise the acquisition of rights in entities and assets and intervene where there is a risk to national security. This modification seeks to amend the CUSC application forms to recognise and provide consent to ESO sharing information about the applicant with Government enabling BEIS to carry out any initial national security checks in line with the NSI Act and identify any issues at an early opportunity.

Draft Final Modification Report was presented to June 2022 Panel for recommendation vote and Panel unanimously recommended this to be implemented. Final Modification Report to be sent to Ofgem 6 July 2022.

CMP390 documentation can be found [here](#)

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## Workgroup Reports

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The following Workgroup Reports were presented to the Panel:

**CMP288 ‘Explicit charging arrangements for customer delays and backfeeds’**

CMP288 seeks to recover additional costs incurred by Transmission Owners and TNUoS liable parties as a result of Transmission Owners completing transmission works earlier than the contracted Completion Date or the party connecting initiating a delay to the contracted Completion Date.

The Panel agreed that the Terms of Reference have been met and agreed for **CMP288** to proceed to Code Administrator Consultation. The Code Administrator Consultation was published on the 27 June 2022 and this will close at 5pm on 18 July 2022.

CMP288 documentation can be found [here](#)

## Other

**CMP289 ‘Consequential change to support the introduction of explicit charging arrangements for customer delays and backfeeds via CMP288’**

Proposer formally notified the Code Administrator on 26 May 2022 that they wish to withdraw as no solution needed for CMP289 following the deliberations on CMP288. Industry were notified on the same day and had until 5pm on 6 June 2022 to express their wish to become the new Proposer. As no-one expressed a wish to become the new Proposer by 5pm on 6 June 2022, Panel, on 24 June 2022, were asked under CUSC 8.16.10(b) to agree to the withdrawal of CMP289 - Panel agreed.

CMP289 documentation can be found [here](#)

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## Questions or feedback?

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