

CUSC Panel

Friday 26 August 2022

Online via Teams

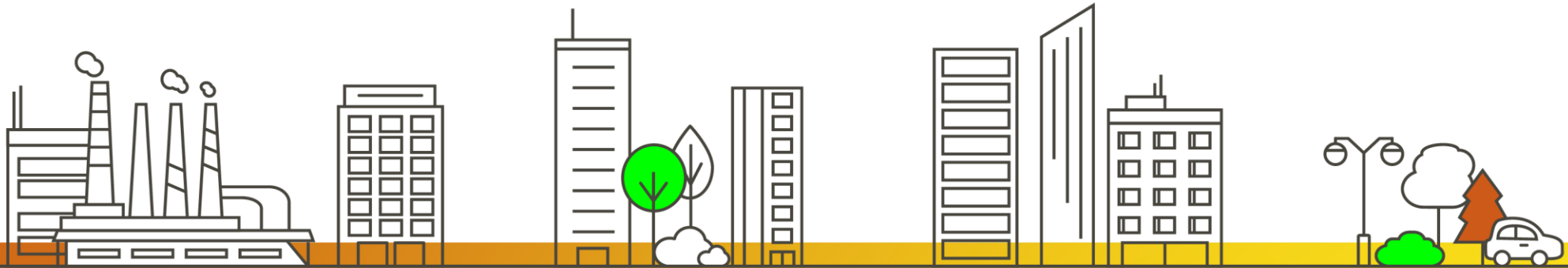
WELCOME



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Approval of Panel Minutes

Approval of Panel Minutes from the
Meeting held 29 July 2022



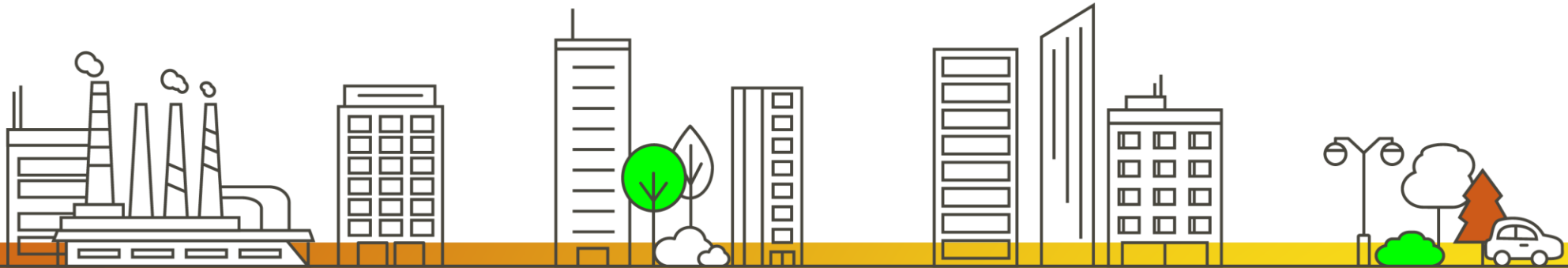
Actions Log

Review of the actions log



Chair's Update

An update from the Chair about ongoing relevant work, discussions etc.



Authority Decisions (as at 22 August 2022)



Decisions Received since last Panel meeting

- ☐ **CMP395** (Decision approving Urgency on 19 August 2022)
- ☐ **CMP396** (Decision not approving Urgency on 19 August 2022)

Decisions Pending

- ☐ **CMP292** (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)
- ☐ **CMP298** (Expected decision date of 30 November 2022)
- ☐ **CMP328** (Expected decision date of 30 November 2022 - The Final Modification Report for the associated STC change (CM078) was issued to Ofgem on 7 June 2022)
- ☐ **CMP361/362** (Expected decision date TBC – impact assessment consultation is planned to be issued by end of August 2022)
- ☐ **CMP388** (Expected decision date of 30 September 2022)
- ☐ **CMP389** (Expected decision date of 30 September 2022)
- ☐ **CMP390** (Expected decision date of 3 February 2023)

Received Final Modification Reports since last Panel Meeting

- ☐ **CMP288** (Final Modification Report received 10 August 2022)

New modifications submitted

None this month





In Flight Modification Updates

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

Request to change modification timeline

CMP392	Workgroup Report issued to Panel	DFMR issued to Panel	FMR issued to Ofgem
Previous timeline	19 January 2023	16 March 2023	5 April 2023
New timeline	16 February 2023	20 April 2023	11 May 2023

Rationale: Next Workgroup scheduled for 5 September 2022 has been postponed as CMP395 was granted Urgency and CMP392 is "Medium" in the prioritisation stack. Next Workgroup will be on 6 October 2022.

Workgroups Remaining: 5

Ask of Panel: Agree revised timeline?

Discussions on Prioritisation

- **AGREE** where New Modifications that need Workgroups are placed in the prioritisation stack
- **AGREE** where CMP396 is 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

CMP316 – TNUoS Charging Methodology for Co-located Generation

Paul Mullen (on behalf of Jennie Groome)

CMP316: TNUoS Arrangements for Co-located Generation Sites

Overview: Generation sites which comprise multiple technology types within one Power Station are termed “co-located”. This modification will develop a cost-reflective approach to allow the CUSC charging methodology to accommodate the growing number of such sites.

Key points to note to the Panel

- Concerns were raised in the Workgroup regarding the Original Proposal, that it pro-rates Transmission Entry Capacity (TEC) across all elements of the tariff and therefore does not stay true the intention of the differing wider tariff calculations to reflect different times of operation. Also that the Original Proposal would understate the level of output where the station TEC is less than total installed capacity, or overstate it in the unlikely situation where the station TEC is higher than total installed capacity. A Workgroup Alternative has been raised to address this perceived issue.
- If CMP316 is approved, it is potentially necessary to also change three Exhibits to the CUSC which will be raised by the ESO through a new consequential modification, which is planned to be raised in September 2022 with a proposed straight-to-Code Administrator Consultation timeline.
 - The three Exhibits to potentially be changed are: CUSC Exhibit B Connection Application (BCAs); Exhibit D BEGA Application; and Exhibit I Modification Application.

CMP316 Workgroup Alternative CUSC Modification – WACM1

- The Peak liability is pro-rated using Peak Installed TEC
- The Not Shared Year Round is pro-rated using the Annual Load Factor (ALF) to give a scaled Not Shared Year Round liability
- ‘Scaled’ generic ALFs should be used to scale pro-rated TEC for the Shared Year Round charge

CMP316 Workgroup Vote

- 1 out of 5 voting members voted that the Original better facilitated the applicable objectives than the baseline.
- 4 out of 5 voting members voted that WACM1 better facilitated the applicable objectives than the baseline.

Terms of Reference

- The Workgroup conclude that they have met their Terms of Reference and the references can be located below:

Workgroup Term of Reference	Location in Workgroup Report (to be completed at Workgroup Report stage)
Consider EBR implications	Interactions section
Consider if 'utilise different fuels' extends to wind, solar, marine and storage and if so, how?	Workgroup Considerations
Consider how 'not of the same technology' works in the context of generation technologies which use different fuel in the same plant, such as biomass/coal, oil/gas, diesel to start/other fuel, storage/runoff	Workgroup Considerations
Consider how the solution would work in the context of LDTEC, STEC and TEC Transfer	Workgroup Considerations
Consider how 'the predominant ALF' can be determined without metered data	Workgroup Considerations
Consider the practicalities of metered data in negative TNUoS charging zones	Workgroup Considerations
Consider whether the background conditions need to change, and the potential consequences of not changing the inputs to the background conditions when calculating the tariffs.	Workgroup Considerations
Consider how the solution would work in the context of LDTEC, STEC and TEC Transfer	Workgroup Considerations

CMP316 Next Steps

Milestone	Date
Code Administrator Consultation (15 working days)	4 October 2022 to 25 October 2022 (<i>issue same time as Code Administrator Consultation for consequential Modification</i>)
Draft Final Modification Report issued to Panel	17 November 2022
Draft Final Modification Report presented to Panel	25 November 2022
Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	29 November 2022
Submission of Final Modification Report to Ofgem	7 December 2022
Ofgem decision date	TBC
Implementation Date	1 April 2024

CMP316 – 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

Workgroup Reports

CMP384 – Apply adjustments for inflation to manifest error thresholds using Indexation

Ren Walker

Key points to note to the Panel

- On 8 February 2022, Scottish Power Renewables raised urgent CUSC Modification CMP384. Panel, by majority recommended that CMP384 should be treated as urgent and on 11 February 2022 Ofgem rejected the request for urgency.
- CMP384 seeks to ensure that fixed manifest error thresholds stated within the CUSC account for inflation and are better aligned with current TNUoS tariffs to which they relate.
- CMP384 Workgroup Consultation was held between 17 June – 08 July 2022 and received 4 non – confidential responses and no alternatives were raised. Key points from the consultation are as follows:
 - Respondents believed that CMP384 Original proposal better facilitates applicable objectives (a), (b), (c) and (e)
 - The majority of respondents supported the implementation approach for CMP384.
 - All respondents supported the new manifest error thresholds and the effect they will have on Users being just below/above the threshold
 - All respondents agreed there should not be a different threshold and or timings for reconciliation of a credit v charge.

Solution(s) and Workgroup Vote

Solution/summary of solutions:

- No WACM's for CMP384 – Original solution only.
 - CMP384 Original solution: Applying RPI to the manifest error thresholds covered in CUSC Sections 14.17.34 until 31 March 2021, to reflect a revised threshold value in 2020/21 real terms. Then indexing it to the Transmission Owner Price Index (TOPI) thereafter.

Summary of Workgroup Vote:

- 6 out of 6 voting members voted that the Original better facilitated the applicable objectives than the baseline

Terms of Reference

- The Workgroup conclude that they have met their Terms of Reference and the references can be located below:

Workgroup Term of Reference	Location in Workgroup Report (to be completed at Workgroup Report stage)
a) Consider EBR implications	Pages 3 and 12
b) Consider if there are alternative approaches	Pages 3, 7, 8 and 9
c) Consider how these alternative approaches may cause disproportionate impacts on different parties now an issue has been identified	Pages 7 to 9
d) If a decision is received after April 2022's reconciliation (of generator 2021/22 charges), consider whether it is still reasonable to apply this for relevant Users during 2021/22 using the approach applied with GB ECM-05.	Pages 5 and 9
e) Have there have been any instances of a manifest error since GB ECM-05 was introduced in 2006?	Page 6
f) Consider what constitutes as an error	Pages 5 and 6

CMP384 Next Steps

Milestone	Date
Code Administrator Consultation (15 working days)	30 August 2022 – 20 September 2022
Draft Final Modification Report issued to Panel	22 September 2022
Draft Final Modification Report presented to Panel	30 September 2022
Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	04 October 2022
Submission of Final Modification Report to Ofgem	12 October 2022
Ofgem decision date	By 31 January 2023
Implementation Date	01 April 2023


CMP384 - the asks of Panel

- **AGREE** that the Workgroup have met their Terms of Reference
- **AGREE** that CMP384 can proceed to Code Administrator Consultation
- **NOTE** that CMP384 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

None this month



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 – Karen Thompson-Lilley

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)

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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 diagonally from the bottom left towards the right side of the frame.

Horizon Scan

(February, May, August, November)

CUSC Horizon Scan

Topic	Anticipated Date for Modification(s) to be raised	Comments
Transmission Demand Residual Boundaries Review	~ September 2022	To be discussed at September TCMF
Offshore Co-ordination	October 2022	Could be up to 7 CUSC Modifications
Early Competition	~ November 2022	Grid Code Modification to be raised in September 2022
Electricity System Restoration	Late Autumn 2022/early Winter 2023	GC0156 and sub-groups progressing with GC0156 Workgroup Consultation planned for November 2022. Considering when best to raise related CUSC (and STC) Modifications.

TNUoS Taskforces ongoing; Timings for Energy Codes Review/Future System Operator Modifications, Market Wide Half Hourly Settlement Reform Modifications and Access and Forward Looking SCR Modifications to be confirmed.

Need to understand if any further Winter Readiness Modifications will be raised by industry.



Forward Plan Update/Customer Journey)

(January, March, May, July, September, November)

AOB

1. *Energy Code Governance Reform Update (NH)*
2. *Publication of updated Urgency Criteria Guidance (NH)*

Next Panel Meeting

10am on 30 September 2022 via Teams

Papers Day – 22 September 2022

**Modification Proposals to be submitted
by – 15 September 2022**

TCMF – 8 September 2022

Close



Trisha McAuley

Independent Chair, CUSC Panel

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