

CUSC Panel Minutes: 28 May 2021

CUSC Panel Minutes: Meeting Number 277

Date: 28/05/2021 **Location:** Microsoft Teams

Start: 10:00am **End:** 2:00pm

Participants

Attendee	Initials	Company
Trisha McAuley	TM	Independent Panel Chair
Paul Mullen	PM	Code Administrator, National Grid Electricity System Operator
Ren Walker	RW	Technical Secretary, Code Administrator, National Grid Electricity System Operator
Jon Wisdom	JW	National Grid Electricity System Operator
Joseph Dunn	JD	Users' Panel Member
Paul Jones	PJ	Users' Panel Member
Paul Mott	PMO	Users' Panel Member
Nadir Hafeez	NH	Authority Representative
Andy Pace	AP	Users' Panel Member & Proposer of CMP374
Mark Duffield	MD	Users' Panel Member
Cem Suleyman	CS	Users' Panel Member
Garth Graham	GG	Users' Panel Member
Andrew Enzor	AE	Users' Panel Member (Alternate)
Jeremy Caplin	JC	BSC Representative (Observer)

Ian Ascroft	IA	National Grid Electricity System Operator – Observer
Tom Steward	TS	Proposer of CMP344 (Agenda item 7)
Sinead Quinn	SQ	Authority Representative (Agenda item 19)
Apologies	Initials	Company
Grace March	GM	Users' Panel Member

1. Introductions and Apologies for Absence

10902. Apologies were received from Grace March. Andrew Enzor attended as the Alternate.

2. Approval of minutes from previous meetings

10903. The meeting minutes from the CUSC Panels and Special CUSC Panels held on 22 and 26 March 2021, 16, 21 and 30 April 2021, 10 and 14 May 2021 were approved by the Panel.

3. Action log

10904. The CUSC Panel reviewed the open actions from the meeting held on 30 April 2021, which can be found on the Actions Log.

4. Chair update

10905. TM had no further updates for the Panel.

5. Authority decisions

10906. NH advised the Panel that the Ofgem website will be undergoing construction and therefore Ofgem will be unable to publish decisions for a period of time in June 2021. NH stated that the actual dates are yet to be confirmed, but once known, these will be shared with Panels and Industry. **ACTION**

10907. NH confirmed that Ofgem will still continue to work on modifications and any decisions expected in the period that the website is down will be published afterwards. GG noted that all decisions (including historic ones) need to be held on the Ofgem website so could Ofgem ensure that everything is still accessible to stakeholders. NH confirmed he would feed this concern back to colleagues. **ACTION**

10908. NH stated that the following decisions have been published since the Panel held on 30 April 2021:

- [CMP344](#) 'Clarification of Transmission Licensee revenue recovery and the treatment of revenue adjustments in the charging methodology' On 5 May 2021, Ofgem sent this back as the Final Modification Report lacks clarity.
- [CMP373](#) 'Deferral of BSUoS billing error adjustment'. Authority decision received on 23 April 2021 to approve request for urgency. On 24 May 2021, Ofgem approved CMP373, with an implementation date of 1 October 2021.

Awaiting Decisions

10909. NH did provide an update at Panel on the Modifications awaiting decision. However, on 25 May 2021, Ofgem had already 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 [here](#) and the CUSC position is summarised below:

Modification	Decision Date
CMP335/336 and CMP343/340	Consultation on CMP343 to be published 10 May 2021. Expected decision dates for all these Modifications is 27 August 2021.
CMP300	4 June 2021 (<i>Post Meeting Note: this has been delayed but expected shortly</i>)
CMP280	8 June 2021 (<i>Post Meeting Note: now 30 June 2021</i>)
CMP292	30 June 2021

6. New modifications

CMP374 'Extending contestability for Transmission Connections'

10910. AP (acting in the capacity of Proposer of CMP374) delivered a presentation on CMP374 to the CUSC Panel. AP explained that CMP374 seeks to allow new connectees to construct transmission assets to facilitate their connection to the wider transmission network.

10911. AP noted that following the Workgroup Consultation and Workgroup discussions for [CMP330](#) 'Allowing new Transmission Connected parties to build Connection Assets greater than 2km in length' which seeks to amend the definition of Connection Assets in section 14 of the CUSC to allow cable and overhead line lengths over 2km to be contestable where agreed between the Transmission Owner and the User, the Original solution for CMP330 was amended. Following legal and CUSC Panel advice, the new solution proposed was out of scope of the original CMP330 defect and as such, advice was given that a new proposal should be raised to widen the defect and allow the modification to progress.

10912. A Panel member questioned if the proposed implementation date of 1 April 2022 is still required for this modification if the solution has changed. AP confirmed that CMP374 is not tied to a 1 April 2022 implementation. It was agreed that the Workgroup would review the timetable for CMP374 and present back to the June Panel. **ACTION**

10913. PM advised the Panel that AP is seeking amalgamation of CMP374 and CMP330. PM advised the Panel that the CUSC Governance rules CUSC 8.19.2 to 8.19.4 state 'Amalgamation is Panel's decision (CUSC 8.19.2)(a) in this case (as CMP374 has not been raised by Ofgem) – Ofgem can issue a notice to the Panel Secretary under CUSC 8.14.3 instructing this not to be amalgamated'. The test that Panel need to apply when considering whether or not to amalgamate is set out in CUSC 8.19.3 "where the subject-matter of such CUSC Modification Proposals is sufficiently proximate to justify amalgamation on the grounds of efficiency and/or where such CUSC Modification Proposals are logically dependent on each other". Once amalgamated, this will be treated as a "single CUSC Modification proposal" (CUSC 8.19.4).

10914. The CUSC Panel unanimously agreed that CMP374 should follow standard governance route and proceed to Workgroup. The Panel also agreed to amalgamate CMP374 and CMP330. The Panel reviewed the Terms of Reference for CMP330 and agreed that no further terms were required for the amalgamated CMP330/CMP374 Workgroup.

7. In Flight Modification Updates

10915. PM talked the Panel through the progression of the in-flight modifications. The in-flight modifications can be found within the CUSC Panel papers pack on the National Grid ESO website via the following link:

<https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/meetings/cusc-panel-meeting-3>

10916. JD noted that from looking at the 12 month cross-code modification tracker, there has clearly been a high volume of work delivered. JD provided the Code Administrator with some advice, that whilst it is clear there's more opportunity for work to be delivered, it is important that a steady volume of work is delivered going forward.

10917. GG noted that it is important to use this data to show what Code Admin, Panel and Industry have achieved over the past year or so. PM agreed to do this.

[CMP344 'Clarification of Transmission Licensee revenue recovery and the treatment of revenue adjustments in the charging methodology'](#)

10918. PM advised the Panel that following the Ofgem decision to send back CMP344, the Proposer of the modification (TS) was attending the Panel to present their thoughts on next steps.

10919. In the CMP344 send back letter, Ofgem stated the following:

- It is not clear from the FMR which OFTO costs the Proposal applies to;
- It is not clear from the legal text which OFTO costs the Proposal applies to;
- There is no quantitative information regarding how the change impacts each set of network users; and
- Ofgem also suggested that CMP344 might be better addressed through the Offshore Transmission Network Review. TS argued that CMP344 does not appear to be within the scope of the Offshore Transmission Network Review and Panel agreed that this needs to be clarified by Ofgem at the start of the reconvened CMP344 Workgroup to address Ofgem's concerns. NH confirmed that there would be Ofgem representation.

10920. The Panel held a discussion on the next steps for addressing the send-back. The Panel agreed that the Workgroup should reconvene to address the points raised in the send back letter and amendments made to the Final Modification Report before it is re-submitted to Ofgem.

10921. It was also agreed that, should the legal text be amended, another Code Administrator Consultation will need to be held.

8. Discussions on Prioritisation

10922. The Panel reviewed the Prioritisation Stack. This can be found via the following link:

<https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/meetings/cusc-panel-meeting-3>

10923. The Panel reviewed the following modifications and their position on the Prioritisation Stack:

Modification	Comments	Position in Prioritisation Stack
CMP330/CMP374	May 2021 Panel agreed that this should be amalgamated with CMP330 and its position to remain unchanged with the prioritisation stack.	Medium to High
CMP344	Panel noted that Ofgem have requested the Final Modification Report to be updated and returned to them as soon as possible. Some Panel members argued that this should be High in the prioritisation stack as this is where CMP344 was placed previously; however other Panel members noted that CMP344 had a time constraint before. Overall, Panel agreed for this to be Medium to High priority and believed that 2 Workgroups would be needed, which are anticipated to start from ~ July 2021.	Medium to High

9. Workgroup Reports

10924. No Workgroup Reports were presented to Panel.

10. Draft Final Modification Reports

CMP326 Introducing a ‘Turbine Availability Factor’ for use in Frequency Response Capacity Calculation for Power Park Modules (PPMs)

10925. PM delivered a presentation on CMP326 to the CUSC Panel. PM advised that CMP326 seeks to introduce a cap on the MW element in the Holding Payment calculation to reflect reduced capability to ramp from de-loaded positions – this will be dependent on proportion of turbines available.

10926. CMP326 requires changes to CUSC 4.1.3.9, and so impacts on the European Electricity Balancing Guideline (EBGL) Article 18 Terms and Conditions. The required system functionality will be introduced for minimal cost as part of the build/scope for the replacement of the Ancillary Services Business (ASB) system (expected to be completed ~ September 2022).

10927. The implementation Date is 1 December 2022 - this will allow the ESO to further engage with PPMs and wider industry (via the Wind Advisory Group) in order to develop efficient, proportionate and cost-effective arrangements for response capability reporting and resolve current data accuracy issues. PM stated that if and when CMP326 is approved by the Authority, the CUSC Panel will (every 2 months thereafter) receive updates on progress to ensure that CMP326 remains on course to meet 1 December 2022 implementation date.

10928. PM stated that the Workgroup concluded unanimously that the Original better facilitated the Applicable Objective (a) than the Baseline (the current CUSC). The CUSC Panel on 26 March 2021 unanimously agreed that the Workgroup had met its Terms of Reference and could proceed to Code Administrator Consultation.

10929. PM confirmed that one response was received to the Code Administration consultation which was held 6 April 2021 to 6 May 2021. The Respondent supported the CMP326 change and noted that CMP326 better facilitates Applicable Objective (a). This is because the proposed change will ensure that the Holding Payments made by the ESO in respect of

Frequency Response for Power Park Modules (PPM) will be fully reflective of the true response capability and level of service the site in fact provides. The respondent also stated that there were no further EBGL interactions to add to those previously stated.

10930. The Panel discussed how CMP326 meets EBGL objective a - *Fostering effective competition, non-discrimination and transparency in balancing markets*. GG noted that it was important in order to avoid a possible discrimination (which would be in conflict with the objectives and aims of EBGL), that the ESO ensures that it takes active steps to apply the CMP326 principle in the same way to all other providers of all other frequency related services / products. Other Panel members noted that CMP326 was raised to bring the treatment of Power Park Modules into line with that of other providers, whose Holding Payments are already scaled back if the availability of the plant is curtailed. **(Post Meeting Note: This conversation has been reflected in the CMP326 Final Modification Report)**
10931. The CUSC Panel held their recommendation vote on CMP326. The Panel unanimously recommended this should be implemented. The Final Modification Report will be issued to Ofgem on 10 June 2021. **(Post meeting note: CMP326 Final Modification Report was submitted to Ofgem on 10 June 2021).**

CMP365 Improvements to CUSC Governance Arrangements

10932. PM delivered a presentation on CMP365. PM advised the Panel that CMP365 is based upon the principles of Grid Code [GC0131 'Quick Wins'](#). The aim is to incorporate a smoother and more efficient process for code modifications that will allow for the best use of industry time.
10933. At the March 2021 Panel meeting, the CUSC Panel unanimously agreed that CMP365 should follow standard governance route and proceed to Code Administrator Consultation. The Code Administrator Consultation was issued on 12 April 2021 and closed 5pm on 4 May 2021 with 2 responses received.
10934. PM advised the Panel that one respondent agreed that CMP365 better facilitated applicable CUSC Non-Charging Objective d. The other respondent agreed that CMP365 better facilitated applicable CUSC Non-Charging Objectives a and d apart from the changes proposed on Quoracy and Assessment of Alternatives.
10935. One respondent noted that this change is identical in principle to those developed with the help of an industry workgroup and approved by Ofgem for application to the Grid Code under modification GC0131.
10936. The other respondent made specific comments on Quoracy and Assessment of Alternatives. On Quoracy, the respondent noted that this is not an issue for CUSC and a lack of quoracy indicates a more underlying issue with the Workgroup. The Proposer has since discussed with the respondent and re-iterated that the limited membership Workgroup is a “last resort” option. On the Assessment of Alternatives, the respondent was concerned that this could potentially limit change options. The Proposer has since discussed with the respondent and noted that this change seeks alignment across Codes and the Licence and believes this change will allow more rounded discussions.
10937. The CUSC Panel held their recommendation vote on CMP365. The Panel unanimously recommended this should be implemented. The Final Modification Report will be issued to Ofgem on 10 June 2021. **(Post Meeting Note: CMP365 Final Modification Report was submitted to Ofgem on 10 June 2021).**

11. Standing Groups

Transmission Charging Methodology Forum (TCMF)

10938. JW advised the Panel that TCMF was held on 6 May 2021. The presentation slides and minutes from the meeting can be found via the following link:

<https://www.nationalgrideso.com/transmission-charging-methodology-forum-and-cusc-issues-steering-group>

The next TCMF meeting will be held on 3 June 2021.

Joint European Stakeholder Group (JESG)

10939. GG advised that the JESG meeting was held on 11 May 2021. The meeting papers can be found via the following link:

<https://www.nationalgrideso.com/industry-information/codes/european-network-codes-old/meetings/jesg-meeting-11-may-2021>

The next JESG meeting will be held on 8 June 2021.

Governance Standing Group

10940. No further updates.

EU Codes

10941. No further updates for Panel.

12. Update on other Industry Codes

10942. No further updates for the Panel.

13. Relevant Interruptions Claim Report

10943. There were no further updates.

14. Governance

Which milestones can only be changed with Urgency?

10944. PM confirmed that of the 32 modifications raised between 1 April 2020 and 30 April 2021, 12 had been raised as Urgent.

10945. PM noted that Panel have raised concerns with the number of requests for Urgency and stated that Code Admin share these concerns. PM advised that it would be good to share which of the timescales within the Modification process can only be changed by Urgency and presented a table showing the process step, the standard timescales and where any timing requirements are set out. PM concluded that although there are standard timescales for Workgroup Nominations (15 Working Days) and Workgroup Report (5 clear Working Days ahead of the Panel it is being presented to), it is in the gift of the Panel to reduce these timescales without the need for Urgency. PM added that this now will be included in Panel packs where there are Urgent Modifications to assist Panel deliberations and will also share with Proposers who are considering raising Urgent Modifications. The Panel thanked PM for reviewing the process and presenting the findings back to Panel.

15. Horizon Scan

10946. PM presented the Horizon Scan to Panel. NH noted that the Energy Codes Review was missing from the Horizon Scan. PM took an action to update this on the Horizon Scan.
ACTION

16. Forward Plan Update

Code Administrator Deliverables 2021

10947. PM advised the Panel that last week, the Code Administrator published the [annual report](#), which provides a look-back on the year just gone, and includes detailed insights into its activities. PM stated that alongside its report, it also published a forward-looking document, where it summarises its deliverables for the coming year. This has been developed based on the feedback it received in its Code Administrator survey, Markets week webinars, and the continuous feedback it seeks at forums, Workgroups, Panels and CACoP. PM presented these deliverables, which are set out in the Panel slides. The CUSC Panel had no further comments on the deliverables for 2021/2022.

17. AOB

General Discussion on Covid-19

10948. The Panel noted that with current restrictions expected to be removed in the coming weeks that a discussion on meeting arrangements (specifically the balance of face to face vs virtual meetings) would be prudent. The intention is to discuss this at July 2021 Panel as prudent to allow a period of adjustment to get used to the new ways of working. ***(Post Meeting Note: With the date for removal of all current restrictions being delayed to 19 July 2021, it may be better to delay this discussion to August 2021)***

Market-wide Half-hourly Settlement: Implementation and Governance Arrangements

10949. SQ from Ofgem delivered a presentation on Market-Wide Half-Hourly Settlement: Implementation and Governance Arrangements. SQ provided an overview of what the current consultation (that closes 25 June 2021) outlines and noted that as this is an industry led programme, it is important to get industry views. The full presentation slides can be found via the following link:

<https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/meetings/cusc-panel-meeting-3>

10950. SQ talked through the changes required to the Codes, particularly the CUSC. SQ noted a clause will need to be added to the CUSC to ensure that the ESO comply with and operate in accordance with the governance and management of implementation of Market-Wide Half-Hourly Settlement implementation. JW questioned why such an obligation was required as the ESO are already required, under their licence, to comply with Ofgem SCRs and the ESO are already a party to the BSC. SQ agreed to share these concerns with her legal team and would reply to Panel **ACTION**

10951. SQ also explained that the CUSC Panel will also be required to ensure that the ESO comply with these obligations. The Chair noted that Panel is not an enforcement body and although SQ suggested that Panel's role would be a watching brief rather than a hands on role, the Panel requested clarity on what is required of them. SQ agreed to share these concerns with her legal team and would reply to Panel **ACTION**

Code Administrator Survey

10952. NH advised the Panel that Savanta have started the Code Administrator Survey and have published a letter to enable industry the opportunity to participate in the survey.

Markets Forum Event 22 June 2021

10953. PM advised the Panel that follow up sessions to the March 2021 Markets Event week will be held on 22 June 2021. PM stated that the opportunity to register for these sessions will be available shortly.

Enhancing the quality of the Legal Text

10954. PM advised the Panel that there has been an internal workstream focusing on enhancing the quality of legal text. PM stated that both the ESO and Ofgem have been informed of the ongoing work to ensure consistency across all codes. PM confirmed that a further update will be presented at the June Panel.

CUSC Elections

10955. PM highlighted that the CUSC Panel Elections process is due to start from 1 July 2021. PM stated that the Code Admin team are already preparing the relevant steps to start the elections and the CUSC Schedule 1 will be sent out at the end of w/c 7 June 2021 for CUSC Schedule 1 Users to in particular check the Voting Group (Parent Company and Voting Sub-Group) (***Post Meeting Note: issued to industry 11 June 2021 requesting CUSC Schedule 1 parties to advise of any amendments by 5pm on 18 June 2021***). A further update will be provided at the June Panel.

The next CUSC Panel meeting will be held on Friday 25 June 2021 via Microsoft Teams.