



Rob Marshall
Acting Independent Chair
CUSC Panel

Nadir Hafeez
Ofgem
By email

27 October 2023

Dear Nadir

Connection and Use of System Code (CUSC) Modification Panel Request for Urgency and Recommended Timetable for **CMP425: Billing Demand Transmission Residual by Site**.

On 24 October 2023, Nissan Motor Manufacturing (UK) Limited (NMUK) raised **CMP425**. The Proposer sent a request to the CUSC Panel Secretary for this modification to be treated as urgent.

CMP425 overview:

The current charging of the Transmission Residuals is done by the Lead Party of a BMU. This means multiple customers at one transmission connection point who choose different Suppliers get multiple charges, discouraging competition in supply and leading to undue discrimination between different system users.

All documentation for this modification can be located via the following link:

<https://www.nationalgrideso.com/industry-information/codes/cusc/modifications/cmp425-billing-demand-transmission-residual-site>

The CUSC Modifications Panel ("the Panel") on 27 October 2023 considered **CMP425** and the associated request for urgency. This letter sets out the views of the Panel on the request for urgent treatment and the procedure and timetable that the Panel recommends.

The Proposer set out their rationale for Urgency against Ofgem's Urgency criteria (a) which is as follows:

a) A significant commercial impact on parties, consumers or other stakeholder(s).

Nissan and AESC UK are asking that the modification be treated as urgent. Our investments decisions are not yet finalised and transmission charges are now on the critical path. Our senior management teams therefore would ideally like to see this issue resolved before finalising their plans. As Ofgem is aware, Nissan and AESC UK had thought that the IDNO route would address our concerns, but Ofgem has been helpful in indicating that they were not comfortable that an IDNO is appropriate for a TO connected site. This has therefore become an urgent issue for these manufactures seeking to invest in

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the UK. This is therefore an imminent issue to Nissan and AESC UK with a significant commercial impact on our business plans.

An accelerated timetable is unlikely to provide the comfort required to the negotiating parties, either with Workgroups or if progressing straight to Code Administrator Consultation. While we recognise that implementing the modification could come at a later date, the urgency of this modification is in the decision and understanding the direction of travel from relevant stakeholders, i.e. the Authority, CUSC Panel and industry parties (through consultation responses).

Ideally, the modification would be progress as Urgent Straight to Code Administrator Consultation, as this would enable the views of industry parties to be publicly available by 15 November.

Panel Consideration of the Request for Urgency

The Panel considered the request for urgency with reference to [Ofgem Guidance on Code Modification Urgency Criteria](#). The majority view of the Panel is that **CMP425 does meet** Ofgem's Urgency criteria¹. Therefore, the recommendation of the Panel is that **CMP425 should** be treated as an Urgent CUSC Modification Proposal.

Panel members set out their rationale behind this decision:

- Panel recognised and agreed with the Proposer's justification for urgency against Ofgem's criteria (a).
- Panel also recognised that whilst it is not clear whether the defect is a genuine defect in the Code away from the intention of the Transmission Demand Residual, or evidence that the ESO is not billing in accordance with the Code, the material impact to the proposer is significant. If the ESO is billing in breach of the Code, an Authority decision is needed as soon as possible to allow them to make corrections to the billing process.
- One Panel member disagreed that CMP425 didn't meet the Ofgem criteria and explained that this because the scale of the impact is not clear in the proposal and there is no analysis to justify this. Whilst noting that there is an impact to the users mentioned, but the wider impact isn't clear in the proposal.

Procedure and Timetable

The Panel discussed an appropriate timetable for **CMP425** in the instance that urgency is granted.

¹ Ofgem's current view is that an urgent modification should be linked to an imminent issue or a current issue that if not urgently addressed may cause:

- a) A significant commercial impact on parties, consumers or other stakeholder(s); or
- b) A significant impact on the safety and security of the electricity and/or gas systems; or
- c) A party to be in breach of any relevant legal requirements.

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The Panel agreed that **CMP425** subject to Ofgem's decision on Urgency should follow the attached Code Administrator's proposed timetable (Appendix 1 **Urgent recommendation**). In Appendix 2 of this letter, the Code Administrator has also provided the timeline if this follows standard timescales with the assumption that Panel prioritise this high in the prioritisation stack.

Panel noted that if urgency is required, there would be;

- A Workgroup Consultation period of less than 15 working days
- Code Administrator Consultation period of less than 15 working days;
- There would be less than 5 clear working days between publication of the Draft Final Modification Report and Panel's recommendation; and
- There would be less than 5 clear working days for Panel to check that their Recommendation Vote had been recorded correctly

Under CUSC Section 8.24.4 we are now consulting the Authority as to whether this Modification is an Urgent CUSC Modification Proposal.

Please do not hesitate to contact me if you have any questions on this letter or the proposed process and timetable. I look forward to receiving your response

Yours sincerely



Rob Marshall
Acting Independent Chair of the CUSC Panel

Appendix 1– Urgent Timeline

Modification Stage	Date
Modification presented to Panel	27 October 2023
Workgroup Nominations	27 October 2023 to 06 November 2023
Ofgem decision on Urgency	02 November 2023
Workgroup 1	07 November 2023
Workgroup 2	09 November 2023
Workgroup Consultation (3 working days)	10 November 2023 to 15 November 2023
Workgroup 3	17 November 2023
Workgroup 4	21 November 2023
Workgroup report issued to Panel	22 November 2023
Panel sign off that Workgroup Report has met its Terms of Reference	24 November 2023
Code Administrator Consultation (3 working days)	24 November 2023 to 29 November 2023

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Draft Final Modification Report issued to Panel and Industry	04 December 2023
Draft Final Modification Report presented to Panel / Panel Recommendation Vote	06 December 2023 (by 12pm)
Final Modification Report issued to Panel to check votes recorded correctly	06 December 2023 (by 2pm)
Submit Final Modification Report to Authority	06 December 2023 (by 4pm)
Authority Decision	TBC
Date of Implementation	01 April 2025

Appendix 2 – Standard Timeline

Modification Stage	Date
Modification presented to Panel	27 October 2023
Workgroup Nominations	27 October 2023 to 21 November 2023
Workgroup 1	08 December 2023
Workgroup 2	16 January 2024
Workgroup 3	06 February 2024
Workgroup Consultation (15 working days)	09 February 2024 to 01 March 2024
Workgroup 4	13 March 2024
Workgroup 5	10 April 2024
Workgroup report issued to Panel	18 April 2024
Panel sign off that Workgroup Report has met its Terms of Reference	26 April 2024
Code Administrator Consultation (15 working days)	30 April 2024 to 21 May 2024
Draft Final Modification Report issued to Panel and Industry	20 June 2024
Draft Final Modification Report presented to Panel / Panel Recommendation Vote	28 June 2024
Final Modification Report issued to Panel to check votes recorded correctly	01 July 2024 to 08 July 2024
Submit Final Modification Report to Authority	09 July 2024
Authority Decision	By 30 September 2024
Date of Implementation	01 April 2025

Appendix 3 – Panel Urgency Vote

See separate attachment