

Workgroup Consultation

CMP431: Adjustments to TNUoS Charging from 2025 to support the Market Half Hourly Settlement (MHHS) Programme (Non-Charging)

Overview: This modification looks to amend the CUSC Section 3 'Use of System' and Section 11 'Interpretations and Definitions' to rectify defects relating to demand locational Transmission Network Use of System (TNUoS) charging that will become apparent during the Migration Phase of the Market Wide Half Hourly Settlement (MHHS) Programme, taking place between April 2025 and October 2026.

Modification process & timetable



Have 5 minutes? Read our [Executive summary](#)

Have 40 minutes? Read the full [Workgroup Consultation](#)

Have 120 minutes? Read the full Workgroup Consultation and Annexes.

Status summary: The Workgroup are seeking your views on the work completed to date to form the final solution(s) to the issue raised.

This modification is expected to have a: High impact Suppliers, Embedded Generators, Transmission connected Demand, ESO

Governance route Urgent modification to proceed under a timetable agreed by the Authority (with an Authority decision).

Who can I talk to about the change?	Proposer: Neil Dewar Neil.dewar@nationalgrideso.com 07749 576 710	Code Administrator Chair: Deborah Spencer deborah.spencer@nationalgrideso.com 07752 466421

How do I respond? Send your response proforma to cusc.team@nationalgrideso.com by **5pm on 24 April 2024**

Contents

Contents	2
Executive summary	3
What is the issue?	4
Why change?	4
What is the solution?	6
Proposer’s solution.....	6
Workgroup considerations	6
Draft legal text	9
What is the impact of this change?	9
Proposer’s assessment against Code Objectives	9
When will this change take place?	10
Implementation date	10
Date decision required by	10
Implementation approach	10
Interactions	11
How to respond	11
Standard Workgroup consultation questions	11
Specific Workgroup consultation questions	11
Acronyms, key terms and reference material	12
Reference material	12
Annexes	12

Executive summary

This modification looks to amend the Connection and Use of System Code (CUSC) Section 3 'Use of System' and Section 11 'Interpretations and Definitions' to rectify defects relating to demand locational Transmission Network Use of System (TNUoS) charging that will become apparent during the migration phase of the Market Wide Half Hourly Settlement (MHHS) Programme, taking place between April 2025 and October 2026.

What is the issue?

At the completion of the MHHS Programme all Meter Point Administrator Numbers (MPANs) will have moved from legacy arrangements and will be settled on a 30-minute basis, regardless of how a site is metered.

Double charging can occur when the settlement characteristics of a site cause it to move between the different TNUoS demand locational methodologies at certain points in the Charging Year. Despite being settled Half Hourly (HH), the CUSC states that Measurement Classes F and G are treated as Non-Half Hourly (NHH) for TNUoS charging purposes.

Measurement Class as a data item will no longer exist in the new MHHS Target Operating Model (TOM) and the revised Consumption Component Class (CCC) will not replicate Measurement Class attributes. Therefore the information in the current [P0210](#)¹ (TUoS File HH/NHH Split) cannot be maintained in the same way. Under the MHHS design, the method of populating Measurement Class into the P0210 is being amended to reflect the new MHHS arrangements.

What is the solution and when will it come into effect?

Proposer's solution: The changes proposed under this modification will ensure that Section 3 and Section 11 of CUSC are consistent with the anticipated new clauses and definitions required to enact CMP430 and MHHS Programme code drafting. Feedback on the approach and subsequent changes will be sought from the Workgroup.

Implementation date: 01 April 2025 to ensure that the change is implemented prior to the start of MHHS Migration to ensure that data for both migrated and non-migrated MPANs are included in the P0210.

What is the impact if this change is made?

CMP431 introduces new Terms and Definitions in CUSC that are used to facilitate changes within Section 14 for CMP430.

Interactions

[CMP430](#)² has been raised at the same time as [CMP431](#) and there is a co-dependency on both Modifications being approved at the same time.

¹ <https://www.elexon.co.uk/documents/bsc-codes/business-definition-documents/sva-data-catalogue-volume-1-2/>

² <https://www.nationalgrideso.com/industry-information/codes/cusc/modifications/cmp430-adjustments-tnuos-charging-2025-support-market-wide-half-hourly-settlement-mhhs-programme>

These Modifications interact with the Balancing and Settlement Code (BSC) in both the existing legal text and revised legal text being prepared as part of the MHHS Programme. Under MHHS Programme governance, legal text is being drafted to give effect to the MHHS baselined design. This includes BSC text drafting which will be baselined by MHHS Milestone M6 (23 August 2024) and will be part of a suite of Authority-led Significant Code Review (SCR) Modifications delivered by MHHS Milestone M8 (07 March 2025).

Specifically, CMP430 and CMP431 have an interaction with Balancing and Settlement Code (BSC) [Annex X-1 General Glossary](#)³, [Annex X-2 Technical Glossary](#)⁴ and [Annex S-3 Supplier Volume Allocation Rules for MHHS Metering Systems](#)⁵. All links for these documents show the latest BSC draft legal text.

What is the issue?

Background

Within the CUSC there are two mechanisms for demand locational TNUoS Charging. NHH transmission charges are based on the total volume consumed between 4pm and 7pm over the course of the year, while HH transmission charges are based on the consumer's average demand during the three 'Triad' periods between November and February. The demand locational element of TNUoS is expected to be £112m for Charging Year 24/25.⁶

Modification Proposal [CMP266](#) was approved by Ofgem on 20 December 2016. This Modification afforded protection from the risk of double charging for sites that were in Measurement Classes F and G. There was an expected end date on this proposal of 1st April 2020 under the expectation that a decision would have been made to introduce HH Settlement for Profile Classes 1-4, removing the issue of TNUoS Charging for Elective HH Settled meters. In 2019, Ofgem approved [CMP318](#) further extending the protection to 31 March 2023, with an anticipation that MHHS Programme would remove the barriers. This was further extended as a result of [CMP401](#) being approved in 2023, now linking the protection of MPANs in Measurement Classes F and G, to a MHHS Programme MHHS Milestone (M15 – End of Migration Period).

MHHS Programme Timeline

In April 2021, Ofgem published their [MHHS Decision and Full Business Case](#)⁷ with [associated transition timetable](#). This however, was subject to a Re-Plan within the fully

³ https://www.mhhsprogramme.co.uk/api/documentlibrary/Background%20Programme%20Context/MHHS-DEL2035-Section_X-1_v115.4_MHHS_BSC_PAF_Merged_Redlined.pdf

⁴ https://www.mhhsprogramme.co.uk/api/documentlibrary/Background%20Programme%20Context/MHHS-DEL2036-Section_X-2_MHHS_v54.7.pdf

⁵ https://www.mhhsprogramme.co.uk/api/documentlibrary/Background%20Programme%20Context/MHHS-DEL1348-Section_S-3_v0.9.pdf

⁶ <https://www.nationalgrideso.com/document/301731/download> (T22 - Row 25)

⁷ https://www.ofgem.gov.uk/sites/default/files/docs/2021/04/mhhs_full_business_case_final_version_for_publication_20.04.01.pdf

mobilised MHHS Programme which resulted in a new timetable [approved by Ofgem in June 2023](#)⁸. The Programme is due to be completed by December 2026.

The MHHS Programme is split into different Milestones with the Supplier Migration of MPANs due to take place between April 2025 and October 2026. During this period, Suppliers will move approximately 33m MPANs from legacy systems to a new MHHS TOM.

MHHS Design interactions with the CUSC

The ESO uses demand data from central settlement processes to calculate and charge demand locational TNUoS. Some of the data reported is based on Measurement Class.

In 2021, as part of Ofgem's MHHS Decision and Full Business Case⁷, Measurement Classes were removed from the future MHHS design specification and were to be replaced by revised CCC identifiers. (Paragraph 3.10 – p25)

- Between April and June 2023, ESO Revenue and IT colleagues worked with the Elexon design team to develop the specification for the replacement Measurement Class with data items that would make up the revised CCC.
- By the end of this period, it was established that there would not be an exact replication of data items and as a result sites cannot be segmented in the current way for TNUoS charging and the risk of double charging (a site being charged under two different methodologies within one Charging Year) during the Migration phase remains.
- This was escalated both internally and externally for the 2nd half of the year, and guidance was sought from Ofgem on the best governance route for any modifications. This was provided in January 2024 and a decision was taken to de-couple the CUSC legal text changes from the MHHS Programme

What are the resulting Defect(s) in CUSC

At the completion of the MHHS Programme all MPANs will have moved from legacy arrangements and will be settled on a 30-minute basis, regardless of how a site is metered.

The CUSC sets out different charging methodologies for Demand Locational charges:

- Chargeable Demand Locational Capacity ('Triad'):
 - the average of the Supplier Balancing Mechanism (BM) Unit's **HH** metered gross demand during the Triad (£/kW)
- Chargeable Energy Capacity ('4pm-7pm peak'):
 - the Supplier BM Unit's **NHH** metered energy consumption over the period 16:00 hrs to 19:00 hrs inclusive every day over the Financial Year (p/kWh)
- Chargeable Embedded Export Capacity:
 - the average of the Supplier BM Unit's **HH** metered embedded export during the Triad

⁸ <https://www.ofgem.gov.uk/publications/decision-market-wide-half-hourly-settlement-change-request-cr022-mhhs-programme-replan>

The CUSC does not define segmentation between HH and NHH using Measurement Class. However, Measurement Classes are used to describe data in different fields provided in the TUoS Report, or P0210⁹. Measurement Classes are only referred to in CUSC (F and G) to describe special arrangements that are in place up to MHHS Milestone 15 (05 October 2026) to reduce the risk of a site being charged under both Triad and 4pm-7pm peak methodologies within the same Charging Year ('double charging').

Double charging can occur when the settlement characteristics of a site cause it to move between the different demand locational methodologies at certain points in the Charging Year. Despite being settled HH, the CUSC states that Measurement Classes F and G are treated as NHH.

Measurement Class as a data item will not exist in its current format in the new MHHS TOM and the CCC replacement is not identical and therefore cannot replicate the information the P0210 (TUoS File HH/NHH Split).

Why change?

Impact on Charging Arrangements

There are three different elements to the defect. Without any action:

- a. Demand data cannot be segmented in a way that maintains the same application of TNUoS charging for all sites once they have been migrated to the new MHHS arrangements.
- b. The risk of double charging MPANs increases during MHHS Migration (April-25 to October-26) as sites move from legacy arrangements to the new MHHS arrangements.
- c. Some definitions or terminology within the CUSC may be inconsistent with any solution introduced under this Modification and MHHS baselined design.

As a result, CUSC changes need to be considered to try to limit the potential impact from Charging Year 2025.

What is the solution?

Proposer's solution

The changes proposed under this modification will ensure that Section 3 and Section 11 are consistent with the anticipated new clauses and definitions required to enact CMP430 and MHHS Programme code drafting. Feedback on the approach and subsequent changes will be sought from the Workgroup.

This proposal would address defect (c) highlighted in the section above but is co-dependent on the CMP430 which will address defects (a) and (b).

Workgroup considerations

The Workgroup convened 7 times to discuss the perceived issue, detail the scope of the proposed defect, devise potential solutions, and assess the proposal in terms of the Applicable Code Objectives.

⁹ <https://www.elexon.co.uk/documents/bsc-codes/business-definition-documents/sva-data-catalogue-volume-1-2/>

The proposer outlined their intent to introduce new definitions to the CUSC and associate with the BSC. This was driven by the requirement to ensure a solution compatible with [Change Request 32 \(CR32\)](#)¹⁰ approved by the MHHS Programme in December 2023. CR32 describes how data will be aggregated and provided to the ESO once a site is migrated to MHHS arrangements, using logic based on data items introduced under MHHS.

Under MHHS Programme governance, legal text is being drafted to give effect to the MHHS baselined design. This includes BSC text drafting which will be baselined by MHHS Milestone M6 (23 August 2024) and will be part of a suite of Authority-led Significant Code Review (SCR) Modifications delivered by MHHS Milestone M8 (07 March 2025). The latest view of BSC draft text can be found on the [MHHS Programme website](#).

The timetable for progression of this Modification and CMP431 is set out in the Urgency decision, granted by Ofgem (see Annex 3). This requires an Authority decision on CMP430 and CMP431 well in advance of the scheduled decision on the MHHS SCR Modifications.

The proposer expanded by explaining that they were planning to introduce four new terms and definitions to the CUSC which could be used to facilitate changes to CMP430, namely:

- Connection Type Indicator
- Domestic Premises Indicator
- Measurement Class for non-MHHS Metering Systems (uses existing definition of Measurement Class)
- Measurement Class for MHHS Metering Systems (this Measurement Class is only required for the purpose of creating the TUoS Report and is derived using the Connection Type Indicator and Domestic Premises Indicator)

Consideration of the proposer's solution

The proposer presented 3 approaches on how the new terms and definitions could be introduced and the Workgroup discussed each.

1. Link to BSC using the term "As per the Balancing and Settlement Code"

Effect - This would have had the effect of aligning the CUSC and BSC where there was either an existing definition (for current definition of Measurement Class) plus new definitions for Connection Type Indicator and Domestic Premises Indicator to be included as part of the future state of BSC legal text within, due to be approved by Ofgem as part of SCR powers in 2025.

Benefit - The benefit of this solution was that it was perceived by the Workgroup that this was the simplest approach and required limited legal text changes.

¹⁰<https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.mhhsprogramme.co.uk%2Fapi%2Fdocumentlibrary%2FChange%2520IAs%2FMHHS-DEL1615%2520CR032%2520-%2520Change%2520to%2520Interface%2520MHHS-IF-165%2520P0210%2520TUoS%2520Reporting%2520v2.3%255b2%255d%255b97%255d.docx&wdOrigin=BROWSELINK>

Risk - The risk of this approach was that it introduced a co-dependency between BSC and CUSC and if any future changes were required to one Code, an equal and opposite Modification would need to be raised against the other Code.

2. Link to BSCP707 – Appendix 1

Effect - For Connection Type Indicator and Domestic Premises Indicator this would have had the effect of introducing new CUSC terms by referencing the specific BSCP (Balancing and Settlement Code Procedure) BSCP707 Appendix 1 M2.

Benefit - The benefit of this solution was that there will be a defined BSC Procedure that these new terms could be associated with, and Users could confirm what attributes their Meters have and how they would be treated.

Risk - Similar to Approach 1, the risk of this approach was that it introduced a co-dependency between BSC and CUSC and if any future changes were required to one Code, an equal and opposite Modification would need to be raised against the other Code.

For Measurement Class there is going to be a revised term introduced to BSC to clarify the Pre and Post Migration states and how meters would be treated. The legal text articulated how each Measurement Class would be treated in the different arrangements.

Benefits and Risks were the same as Connection Type Indicator and Domestic Premises Indicator.

3. Introduce stand alone definitions to CUSC.

Effect - The effect of this approach would be that new Terms and definitions would be created within the CUSC.

Benefit - The benefit of this approach was that there is no co-dependency on another Code and this text would be specific to CUSC and removing the requirement for multiple Modification Proposals to fix a change in one Code.

Risk - The risk with this approach was that as there is increased legal text for Users to review it could be confusing and also subject to error in translation.

Overall WG View

The initial Workgroup preference was Approach 1 as it appeared simple and there was already precedent set within CUSC to facilitate this approach. The Proposer was asked to seek legal opinion on the viability of each of the above options and report back to the Workgroup.

The legal review concluded that approaches 1 and 2 were not viable as they were dependent on future legal text which has not been approved and is subject to change.

The Workgroup accepted these findings and agreed to proceed with Option 3 – Introducing standalone terms and definitions in the CUSC. However, there was an ask from the Workgroup for the Proposer to have a meeting with the MHHS Programme and Elexon to

ensure that there was continuity in understanding and the specifications for the new terms were accurate.

Following further feedback on the interactions with draft BSC legal text, the Workgroup were informed that all approaches (1-3), placed a contingency on BSC legal text which will not be approved before an Authority decision is due on this modification and CMP430. This would present a risk of a Send Back. Therefore, further work is needed on draft CUSC legal text which is not contingent on draft BSC provisions.

Draft legal text

Legal text will not be available to issue with the Workgroup Consultation, it will however, be issued along with the Code Administration Consultation.

What is the impact of this change?

Proposer's assessment against CUSC Non-Charging Objectives	
Relevant Objective	Identified impact
(a) The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;	Neutral No impact
(b) Facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity;	Positive This CUSC change, aligns with the MHHS Programme migration of MPANs, facilitating delivery according to the MHHS milestones. This should support Suppliers' migration in an orderly and timely manner. Consequently, it facilitates MHHS Programme consumer benefits such as more dynamic tariffs and increased competition from Suppliers migrating early in the migration window.
(c) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and	Neutral No impact
(d) Promoting efficiency in the implementation and administration of the CUSC arrangements.	Positive This solution addresses a defect in the CUSC, aligning CUSC and BSC definitions, providing transparency on how sites can be segmented using new, enduring MHHS Data Items.

	The solution is proposed to be enduring rather than following the same approach as the series of previous Modifications to address double charging issues with reference to Measurement Class which had end dates.
**The Electricity Regulation referred to in objective (d) is Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast) as it has effect immediately before IP completion day as read with the modifications set out in the SI 2020/1006.	

Proposer's assessment of the impact of the modification on the stakeholder / consumer benefit categories

Stakeholder / consumer benefit categories	Identified impact
Improved safety and reliability of the system	Neutral
Lower bills than would otherwise be the case	Neutral
Benefits for society as a whole	Neutral
Reduced environmental damage	Neutral
Improved quality of service	Neutral

Standard Workgroup consultation question: Do you believe that CMP431 Original proposal better facilitates the Applicable Objectives?

When will this change take place?

Implementation date

01 April 2025 to ensure that the change is implemented prior to the start of MHHS Migration. Both this and CMP430 Modification Proposals needs to be implemented on the same date due to co-dependencies.

Date decision required by

Decision required by 30 September 2024 to ensure compliance with CMP292 and not impact tariff setting and MHHS Programme

Implementation approach

Implement on 01 April 2025 at the start of the 2025/26 Charging Year.

Standard Workgroup consultation question: Do you support the implementation approach?

Interactions

- | | | | |
|--|---|---|--------------------------------|
| <input type="checkbox"/> Grid Code | <input checked="" type="checkbox"/> BSC | <input type="checkbox"/> STC | <input type="checkbox"/> SQSS |
| <input type="checkbox"/> European
Network Codes | <input type="checkbox"/> EBR Article 18
T&Cs ¹¹ | <input type="checkbox"/> Other
modifications | <input type="checkbox"/> Other |

Interactions with BSC legal text which is being drafted as part of the MHHS Programme process have been highlighted in earlier sections of this document. Although there are interactions, this modification will need to ensure the proposed CUSC legal text is operational without being contingent on draft BSC legal text. ESO and Elexon are continuing to work closely together to ensure consistency across industry codes.

How to respond

Standard Workgroup consultation questions

1. Do you believe that the Original Proposal and/or any potential alternatives better facilitate the Applicable Objectives?
2. Do you support the proposed implementation approach?
3. Do you have any other comments?
4. Do you wish to raise a Workgroup Consultation Alternative request for the Workgroup to consider?
5. Do you agree with the Workgroup's assessment that CMP431 does not impact the European Balancing Regulations (EBR) Article 18 terms and conditions held within the CUSC?
6. Do you have any comments on the impact of CMP431 on the EBR Objective?

Specific Workgroup consultation questions

7. Do you believe any additional definitions or changes to existing CUSC definitions are required as a result of CMP430 or CMP431?

The Workgroup is seeking the views of CUSC Users and other interested parties in relation to the issues noted in this document and specifically in response to the questions above.

Please send your response to cusc.team@nationalgrideso.com using the response proforma which can be found on the [CMP431 modification page](#).

In accordance with Governance Rules if you wish to raise a Workgroup Consultation Alternative Request, please fill in the form which you can find at the above link.

If you wish to submit a confidential response, mark the relevant box on your consultation proforma. Confidential responses will be disclosed to the Authority in full but, unless agreed otherwise, will not be shared with the Panel, Workgroup or the industry and may therefore not influence the debate to the same extent as a non-confidential response.

¹¹ If the modification has an impact on Article 18 T&Cs, it will need to follow the process set out in Article 18 of the Electricity Balancing Regulation (EBR – EU Regulation 2017/2195) – the main aspect of this is that the modification will need to be consulted on for 1 month in the Code Administrator Consultation phase. N.B. This will also satisfy the requirements of the NCER process.

Acronyms, key terms and reference material

Acronym / key term	Meaning
BSC	Balancing and Settlement Code
BSCP	Balancing and Settlement Code Procedure
BM	Balancing Mechanism
CCC	Consumption Component Class
CMP	CUSC Modification Proposal
CR	Change Request
CUSC	Connection and Use of System Code
EBR	Electricity Balancing Regulation
HH	Half Hourly
MHHS	Market-wide Half Hourly Settlement
MPANs	Meter Point Administrator Numbers
NHH	Non-Half Hourly
STC	System Operator Transmission Owner Code
SQSS	Security and Quality of Supply Standards
T&Cs	Terms and Conditions
TNUoS	Transmission Network Use of System
TOM	Target Operating Model

Reference material

- [MHHS Programme Website](#)
- [MHHS Re-Plan](#) (MHHS Milestones)

Annexes

Annex	Information
Annex 1	Proposal form
Annex 2	Terms of Reference
Annex 3	Urgency letters