



## CUSC Panel

Friday 23 August 2024

Online Meeting via Teams

# WELCOME



# Approval of Panel Minutes

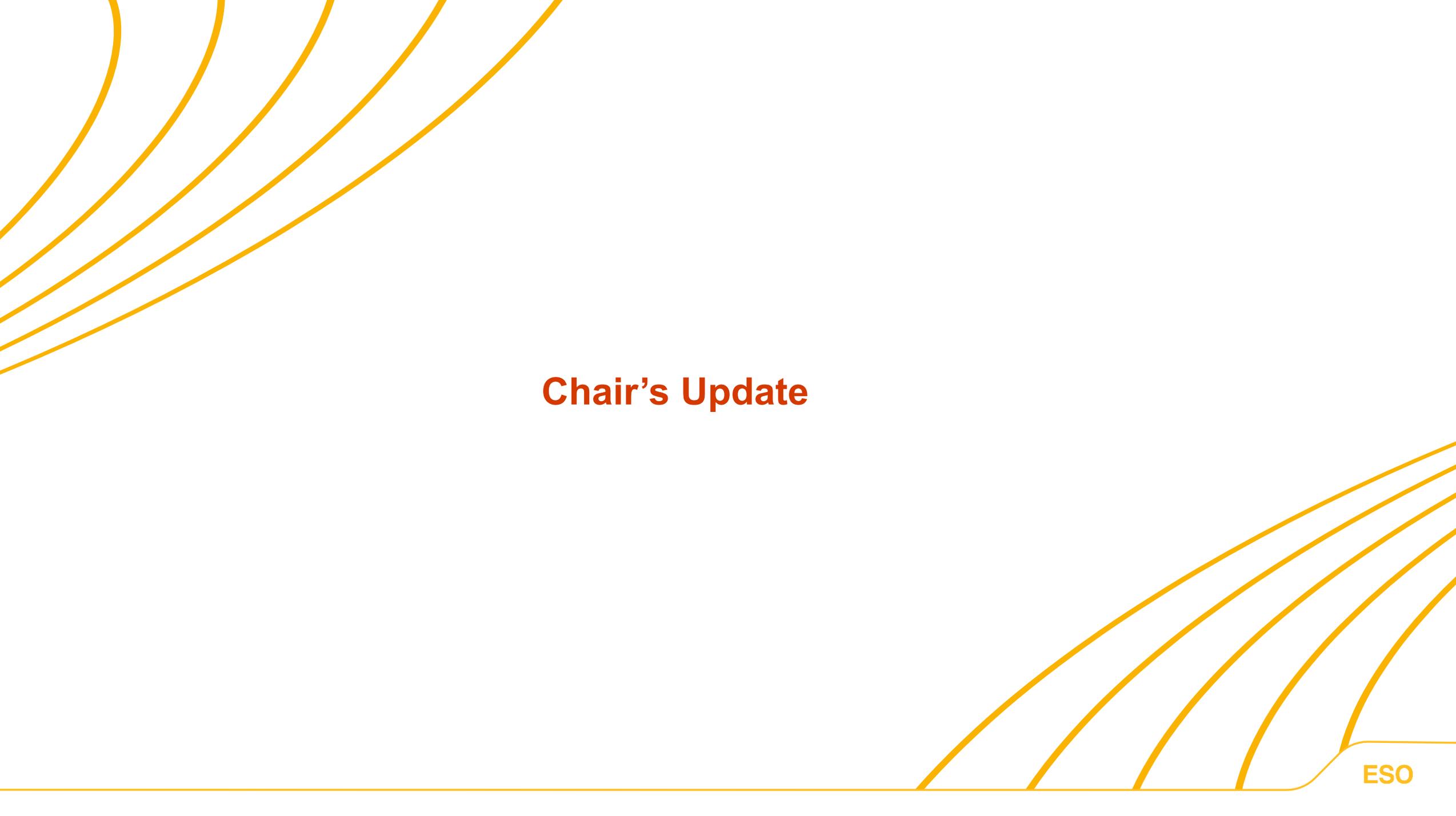
Approval of Panel Minutes from the Meeting held

12 July and 26 July 2024



# Action Log





## Chair's Update

# Authority Decisions and Update (as of 15 August 2024)



Modification	Decision
<a href="#">CMP396</a> 'Re-introduction Of BSUoS on Interconnector Lead Parties'	The Authority made the decision to reject CMP396 on 19 July 2024

## Decisions Pending

Modification	FMR Received	Expected Decision Date
<a href="#">CMP315</a> 'TNUoS Review of the expansion constant and the elements of the transmission system charged for' and <a href="#">CMP375</a> 'Enduring Expansion Constant & Expansion Factor Review'	07/02/2024	30/09/2024
<a href="#">CMP316</a> TNUoS Arrangements for Co-located Generation Sites	12/06/2024	TBC
<a href="#">CMP330&amp;CMP374</a> 'Allowing new Transmission Connected parties to build Connection Assets greater than 2km in length and Extending contestability for Transmission Connections'	10/08/2023	TBC (Previously 08/07/2024)
<a href="#">CMP393</a> Using Imports and Exports to Calculate Annual Load Factor for Electricity Storage	17/06/2024	TBC
<a href="#">CMP397</a> Consequential changes required to CUSC Exhibits B and D to reflect CMP316 (Co-Located Generation Sites)	12/06/2024	TBC
<a href="#">CMP403</a> Introducing Competitively Appointed Transmission Owners & Transmission Service Providers (Section 14)	11/06/2024	TBC
<a href="#">CMP404</a> Introducing Competitively Appointed Transmission Owners & Transmission Service Providers (Section 11)	11/06/2024	TBC
<a href="#">CMP408</a> 'Allowing consideration of a different notice period for BSUoS tariff settings'	13/10/2023	09/09/2024
<a href="#">CMP415</a> 'Amending the Fixed Price Period from 6 to 12 months'	13/10/2023	09/09/2024

## Received Final Modification Reports since last Panel Meeting

Modification	FMR received	Expected Decision Date
<a href="#">CMP436</a> Amendments to Scaling Factors used for Year Round TNUoS Charges	07/08/2024	TBC
<a href="#">CMP437</a> Update CUSC arrangements to replace the Electricity Arbitration Association with the London Court of International Arbitration (LCIA) (Charging)	07/08/2024	TBC

The Authority's publication on decisions can be found on their website below:

<https://www.ofgem.gov.uk/publications/code-modificationmodification-proposals-ofgem-decision-expected-publication-dates-timetable>

# **CMP439: Removal of Bilateral Embedded Generator Agreement (BEGA) Obligation for a Sub 100MW Generator**

**Nick Sillito, Peakgen**



# Critical Friend Feedback – CMP439

## Code Administrator comments

Suggested minor typographical and formatting changes.

Amended Timeline

Capitalised defined terms.

Amended NGESO to ESO.

Added Interaction with Grid Code.

Expanded acronyms within the document.

Added acronyms to the table.

## Amendments made by the Proposer

Proposer accepted all amendments made by the Code Administrator

## Overview of the CMP439 Proposal

Requiring a sub 100MW licenced Embedded Generator to hold a BEGA before it can participate in the Balancing Mechanism is a barrier to entry and reduces competition. The BEGA is not relevant to this class of generation.

Removal of this obligation as proposed in this modification will increase competition and simplify the administrative process.

The Proposer expects there to be a Low impact on Embedded Generators and has recommended that this modification be treated as Standard Governance modification to proceed to Code Administrator Consultation as:

- The proposal has full legal text and has no impact on industry participant's systems.
- Removing the need for a licenced sub 100MW Embedded Generator to hold a BEGA before participating in the Balancing Mechanism, does not impact the Generator's obligations.

The modification has interactions with [GC0117: Improving transparency and consistency of access arrangements across GB by the creation of a pan-GB commonality of Power Station requirements](#), which is currently under consideration by the Authority.

The Grid Code modification seeks to vary Grid Code definitions of Small, Medium and Large Power Stations and could vary the obligations on certain Power Stations. Potentially requiring smaller Power Stations to participate in the Balancing Mechanism.

## Timeline for CMP439 – Proposed Timeline – Code Administrator Consultation

Milestone	Date
Modification presented to Panel	23 August 2024
Code Administrator Consultation (20 Business Days)	28 August 2024 to 25 September 2024
Draft Final Modification Report (DFMR) issued to Panel (5 Business Days)	17 October 2024
Panel undertake DFMR recommendation vote	25 October 2024
Final Modification Report issued to Panel to check votes recorded correctly	29 October 2024 – 05 November 2024
Final Modification Report issued to Ofgem	07 November 2024
Ofgem decision	TBC (Proposer had requested 01 November 2024)
Implementation Date	10 Business Days after the Authority Decision (Proposer had requested 01 December 2024)

# CMP439 – the asks of Panel

- **AGREE** that this Modification has a clearly defined defect, scope and solution
- **AGREE** that this Modification should follow Standard Governance (Ofgem decision) rather than the Self-Governance Criteria (Panel decision)
- **AGREE** that this Modification should proceed to Code Administrator Consultation
- **NOTE** that there appear not to be any impacts on the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the CUSC
- **NOTE** the proposed timeline, noting that the timeline does not align with the Proposer's initial request



# Inflight Modification Updates

Claire Goult, Code Administrator

# CMP414: CMP330/CMP374 Consequential Modification Timeline Update

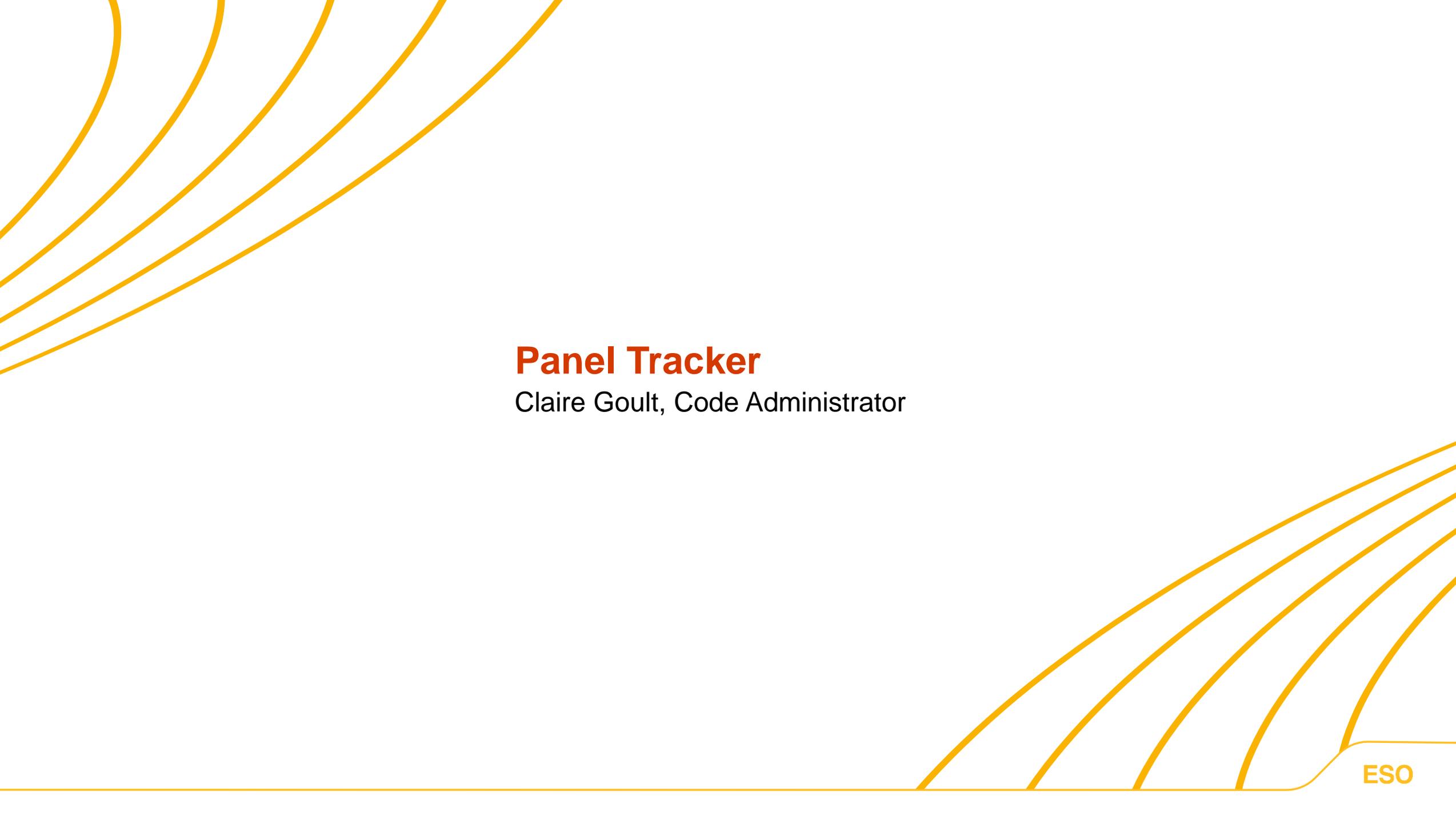
	Send Back Report issued to Panel	Second DFMR issued to Panel	Second FMR issued to Ofgem	Implementation Date
New timeline	18 September 2025	20 November 2025	10 December 2025	TBC

**Rationale:** On 08 July 2024 Ofgem sent back the CMP414 Final Modification Report for further work and directed Panel to revise and resubmit the CMP414 Final Modification Report.

The above timeline is based on:

- the estimated time needed to complete the additional analysis required to answer the Send back deficiencies
- the assumption that a Workgroup Consultation and Code Administrator Consultation will be required due to the volume of Send back deficiencies
- Workgroup nominations going out to industry as well as the pre-existing CMP330/CMP374 Workgroup members, with 8 Workgroup meetings ahead of submitting the Second DFMR to the CUSC Panel
- the 'Medium to Low' position on the Prioritisation Stack

**Ask of Panel:** Agree revised timeline



# Panel Tracker

Claire Goult, Code Administrator



# Draft Final Modification Report

**CMP430: Adjustments to TNUoS Charging from 2025 to support the Market Wide Half Hourly Settlement (MHHS) Programme**

Claire Goult

# Solution

ESO propose to amend CUSC Section 14 to maintain the current charging methodologies and segment customers by the new MHHS data items. The proposed solution would mean that sites would be segmented between the two methodologies for Charging purposes, using the new MHHS Design Data items – i.e., Domestic and Connection Type Indicators, once they have been migrated. Connection Type Indicator is defined under [Industry Standing Data \(ISD\): MHHS Entities Data Items](#) as ISD Entity ID M2.

The proposal is to align the CUSC to the relevant BSC Sections and definitions to state that:

- Pre MHHS migration, a site will be charged under the existing arrangements; and
- Post MHHS migration, a site will be charged based on logic derived from the Connection Type Indicator and Domestic Premises Indicator

# Code Administrator Consultation Responses

## Summary of Code Administrator Consultation Responses :

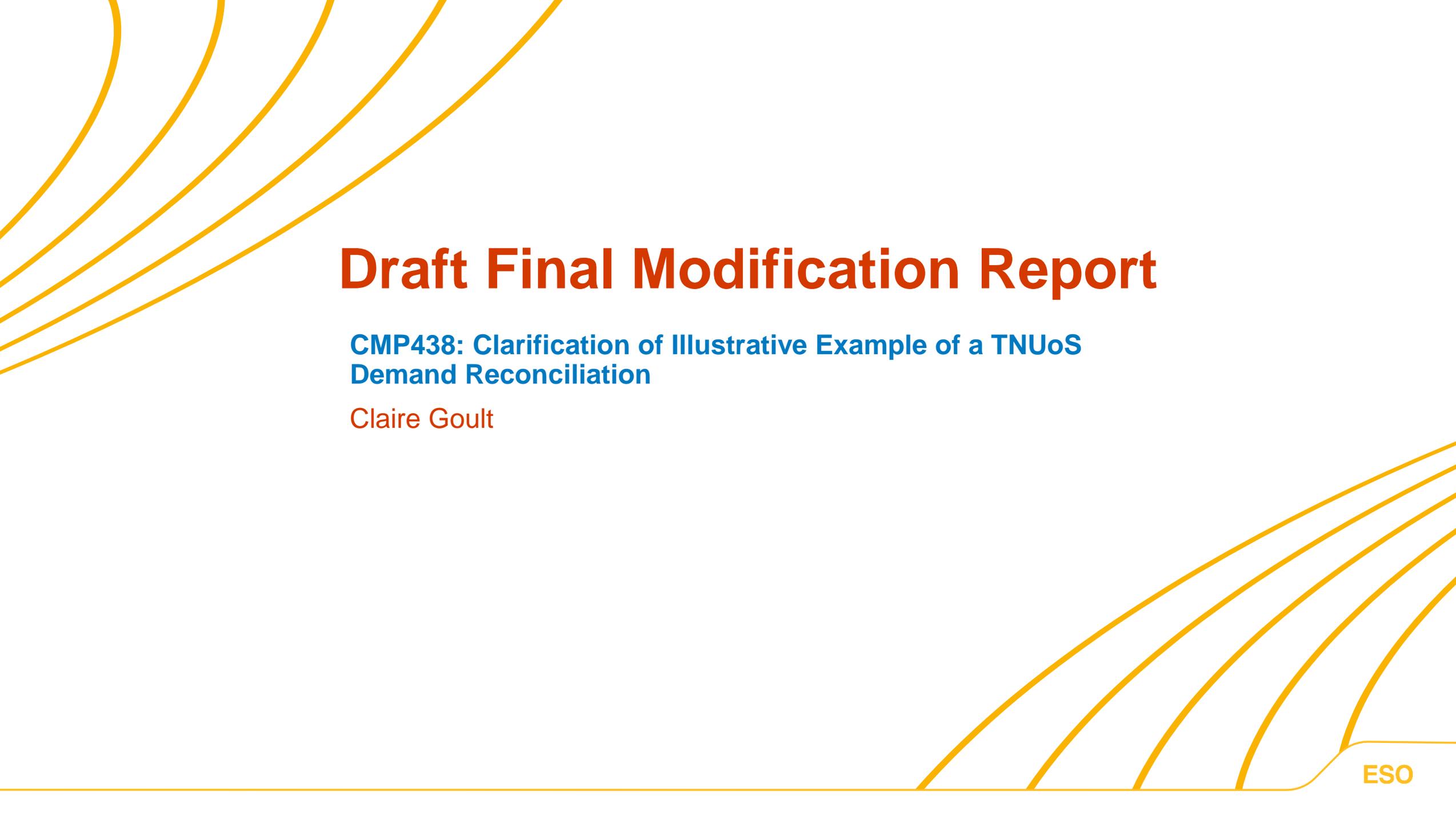
- Code Administrator Consultation was run from 31 July 2024 to 12 August 2024 and received 4 non-confidential responses. Key points were:
- 2 respondents believed that objective (a), (b), (e) better facilitated the CUSC Objectives, 1 respondent agreed that Objectives (a) and (e) were better than the baseline and 1 respondent felt that objectives (a), (b), (c) and (d) were neutral, adding objective (e) was mildly negative.
- All respondents supported the implementation approach and 3 of the 4 respondents preferred the Original Solution. The fourth advising they had no preference.
- No legal text issues identified.

# CMP430 – the asks of Panel

- **NOTE** that this Modification does not impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the CUSC?
- **VOTE** whether or not to recommend implementation
- **NOTE** next steps

# CMP430 Next Steps

Milestone	Date
Draft Final Modification Report presented to Panel	23 August 2024
Final Modification Report issued to Panel to check votes recorded correctly	23 August 2024 by 4pm
Submission of Final Modification Report to Ofgem	23 August 2024 by 5pm
Ofgem decision date	As this is a Charging modification the Proposer has requested by 30 September 2024
Implementation Date	01 April 2025



# Draft Final Modification Report

**CMP438: Clarification of Illustrative Example of a TNUoS  
Demand Reconciliation**

Claire Goult

# Solution

Updates are required to CUSC Section 14.25 to provide clarity and help Users understand how the TNUoS demand reconciliation process is performed, as follows:

- At the start of Section 14.25, where it illustrates the initial monthly billing during the charging year, an example has been added for TDR billing, which was missing previously (it only illustrated HH and NHH billing previously).
- Update to the paragraphs dealing with the TDR element of the initial demand reconciliation, so that it actually illustrates a reconciliation (i.e. by taking the difference in charge from latest site count data compared to that used for within-year billing).
- Inclusion of a statement that interest is applied to the TDR reconciliation amount in the initial demand reconciliation.
- Update to the paragraphs dealing with the final demand reconciliation, again so they illustrate the effect of a further update to TDR site count data.
- Corrections to a few items in the original text e.g:
  - the total in the last column of the first table in Section 14.25 was wrongly shown as £297,000 when it should have been £285,000.
  - the latest Embedded Export quantity in the initial demand reconciliation said 700kW in the text but 500kW was used in the formula.

## Code Administrator Consultation Responses

### Summary of Code Administrator Consultation Responses :

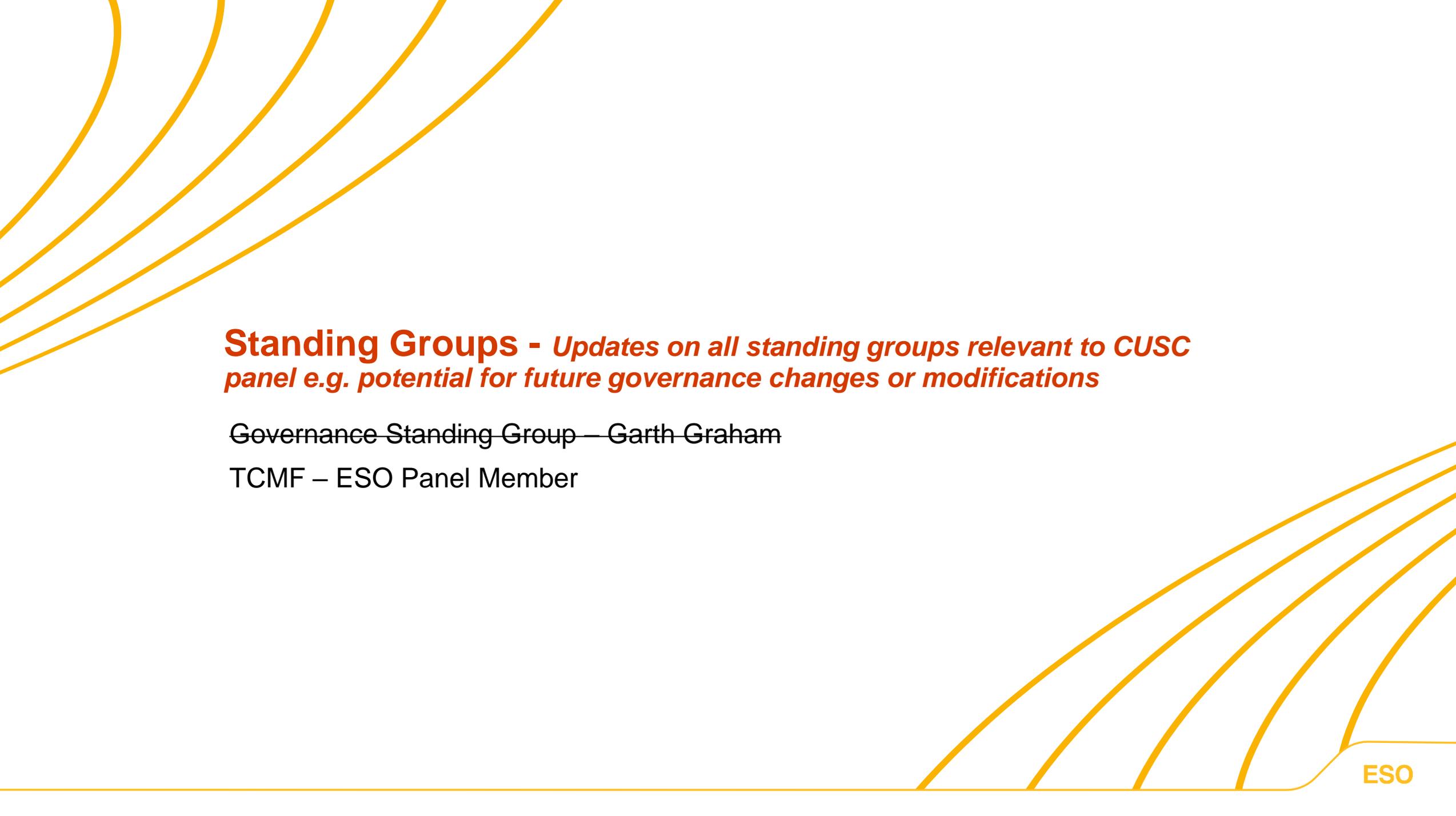
- Code Administrator Consultation was run from 09 July 2024 to 30 July 2024 and received 0 non-confidential responses and 0 confidential responses.

# CMP438 - the asks of Panel

- **NOTE** that this Modification does not impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the CUSC?
- **VOTE** whether or not to implement
- **NOTE** next steps

# CMP438 – Next Steps

Milestone	Date
Draft Self Governance Modification Report presented to Panel	15 August 2024
Final Self Governance Modification Report issued to Panel to check votes recorded correctly (5 Business Days)	27 August 2024 – 03 September 2024
Appeals Window (15 Business Days)	04 September 2024 to 5pm on 25 September 2024
Implementation Date (5 Business Days after closure of Appeals Window)	02 October 2024



**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 – ESO Panel Member



**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

Next meeting – 10 September 2024

## Updates on other industry codes

25 July 2024 Grid Code Review [Panel Papers and Headline Report](#)

31 July 2024 STC [Panel Papers and Headline Report](#)

01 August SQSS [Panel Papers and Headline Report](#)

# Horizon Scan

(February, May, August, November)

Codes Affected	Legislative, Regulatory or Industry Change Overview	Published Content	Key Contact	Last Updated	Proposed Modifications expected	Within 1 Year	Within 2 Years	Within 5 Years
Grid Code, CUSC, SQSS and STC	<p>The Offshore Coordination Project has been set up by the ESO with support from Ofgem and the Department for Business, Energy &amp; Industrial Strategy.</p> <p>Offshore wind has been identified as a critical technology in achieving net zero greenhouse gas emissions by 2050. In order to help realise this target, a step-change in both the speed and scale of deployment of offshore wind is required.</p>	<a href="#">ESO Offshore Coordination Project Page</a>	<a href="mailto:Box.OffshoreCoord@nationalgridESO.com">Box.OffshoreCoord@nationalgridESO.com</a>	Aug- 24	Mar -24			
Grid Code, CUSC and STC	<p>Replacement of Fax Machines in the ESO Control Room Due to the phasing out of the copper wire technology which fax machines utilise, the ESO Control Room will be replacing the fax machines that are used between the ESO and Users for some interactions.</p> <p><b>One STC modification (CM099) has been raised; the appeals window opened on 01 August 2024 and will close on 21 August 2024, with implementation planned for 30 August 2024. Grid Code, CUSC and STCP Proposals are currently expected to be raised in September 2024.</b> <b>Aug-24; CM099 Replacement of Fax Machines mod is at advanced stage via self governance.</b></p>	<a href="#">CM099 modification page</a>		Aug- 23	Apr- 24			

# Activities ahead of the next Panel Meeting

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<b>Transmission Charging Methodologies Forum</b>	05 September 2024
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<b>Modification Proposal Deadline for September Panel</b>	12 September 2024
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<b>Papers Day</b>	19 September 2024
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<b>Panel Meeting</b>	27 September 2024 Teams
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**Close**



**Trisha McAuley OBE**

**Independent Chair, CUSC Panel**