

CUSC Panel

25 October 2019

Faraday House, Gallows Hill, Warwick

WebEx details

Telephone: 020 7108 6317

Access code: 591 046 907

Welcome

A high-angle, nighttime photograph of a city street. The street is illuminated by warm, yellow streetlights, and several pedestrians are visible walking along the sidewalks. On the left, a large, multi-story brick building with many windows is visible. On the right, a modern, light-colored building with a grid-like facade is prominent. In the background, the iconic Gherkin building (30 St Mary Axe) is brightly lit and stands out against the dark sky. Other skyscrapers are visible in the distance, their lights reflecting on the city's architecture.

Housekeeping

- Fire alarms
- Facilities
- Red Lanyards



Introductions / Apologies for Absence

Apologies

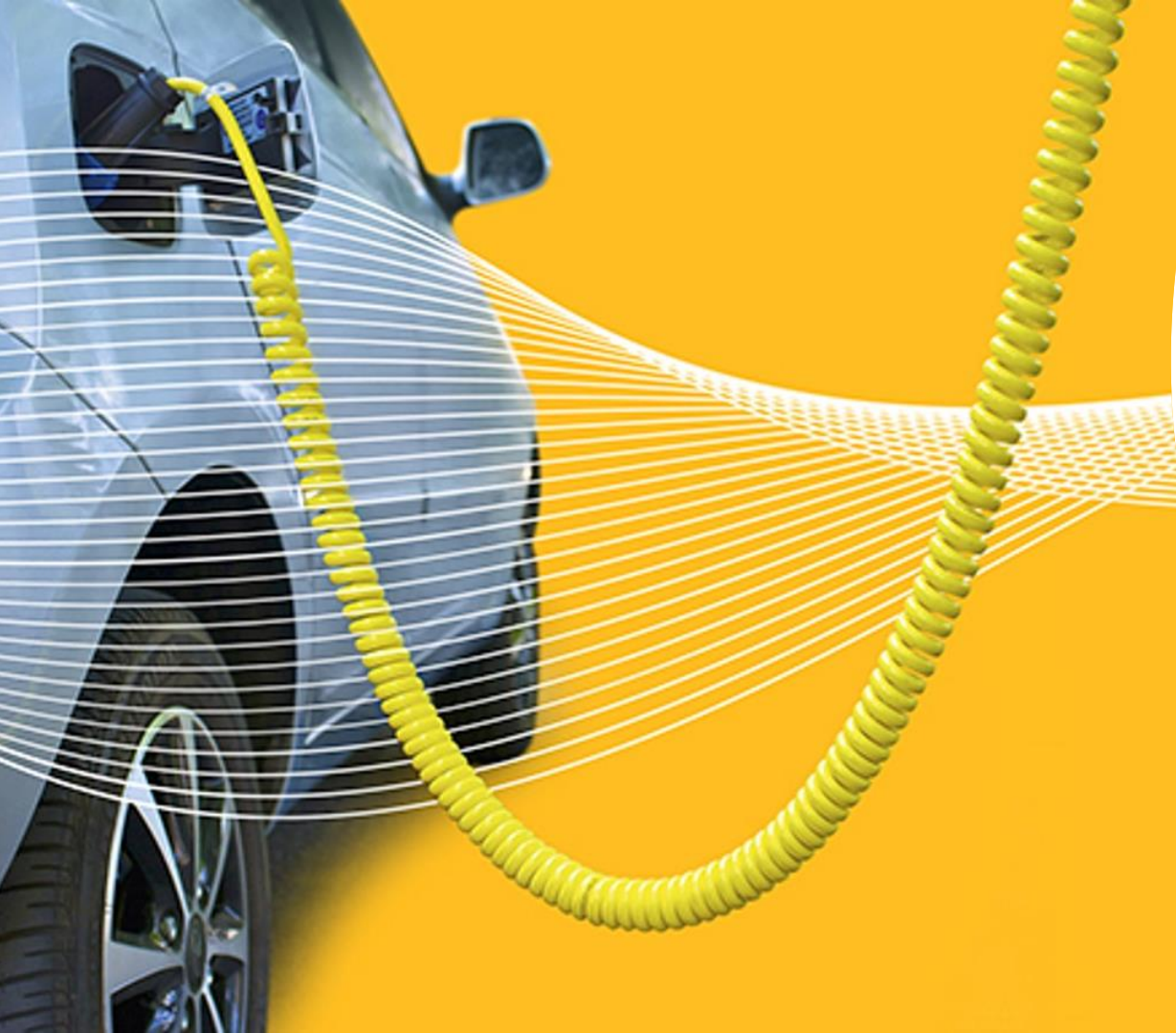
- Grace Smith

Alternate

- Andrew Enzor for Grace Smith

Observers

- Damian Clough
- Nisar Ahmed

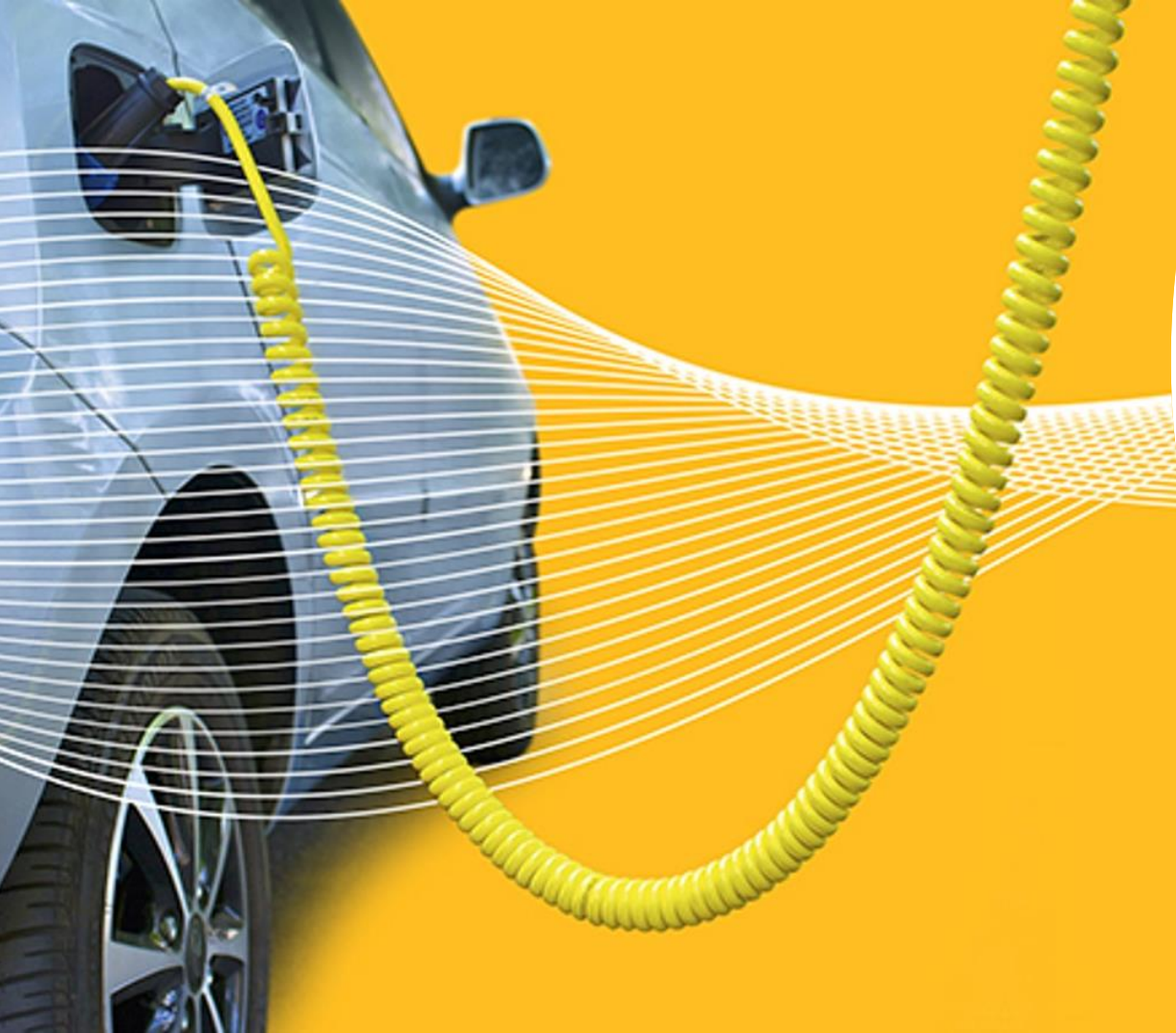


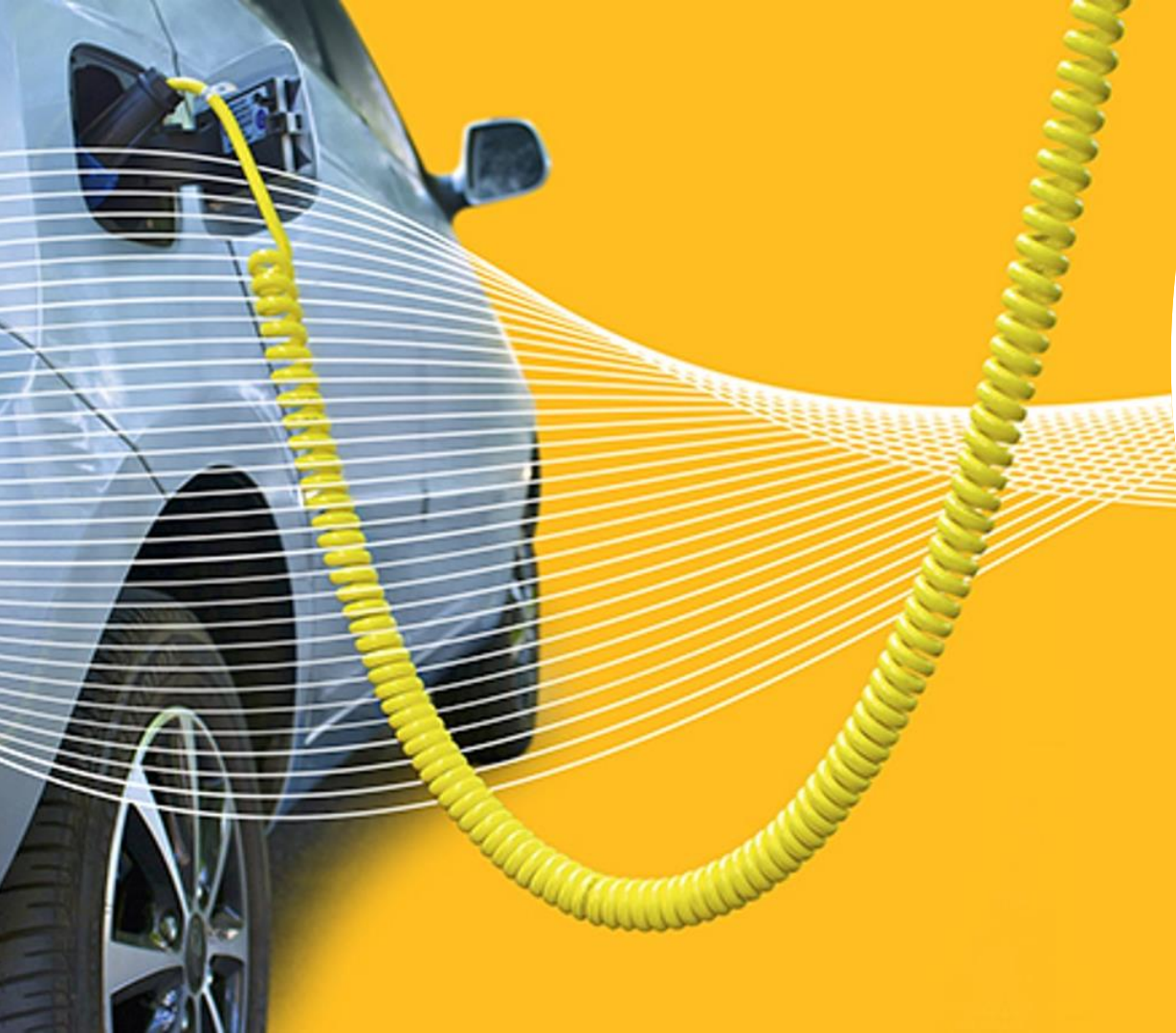
Panel Minutes 30 August 2019, 12 September 2019 and 27 September 2019

Review of Actions within Actions Log



Chair's Update





Authority Decisions

- **CMP292**
- **CMP295**
- **CMP318**
- **CMP280/281**
- **CMP319**

New Modifications



CMP323 - Updating the CUSC governance process to ensure we capture the EBGL change process for Article 18 T and Cs

Simon Sheridan

25 October 2019

CUSC Panel



Proposer Recommended Governance Route

The Proposer recommends that this modification follows the standard governance route and proceed to Code Administrator Consultation.

Recommended Timeline

Code Administrator Consultation Report issued to the Industry	11 October 2019
Draft Final Modification Report presented to Panel	21 November 2019
Modification Panel decision	29 November 2019
Final Modification Report issued to the Authority	13 December 2019
Decision implemented in CUSC	4 April 2020

Panel Decision

Does the Panel agree that:

- This is a standard governance modification; and
- This modification should proceed to Code Administrator Consultation.

CMP325: Rezoning – CMP324 Expansion

Harriet Harmon
25 October 2019
CUSC Panel



Critical Friend Feedback: CMP325

Code Administrator comments	Amendments made by the Proposer
<p>Defined acronyms</p> <p>Updated Code Administrator's contact details</p>	<p>Proposer accepted all changes and resubmitted</p>

Proposer Recommended Governance Route

The Proposer recommends that this Modification follows the standard governance route and proceed to Workgroup.

Timeline will be agreed at 1st workgroup meeting.

Proposer believes this modification should be amalgamated by the Panel with CMP324 such that CMP324 and CMP325 can be assessed together in one Workgroup.

Panel Decision

Does the Panel agree that:

- This is a standard governance modification;
- This modification should proceed to Workgroup; and
- Modification should be amalgamated by the Panel with CMP324 such that CMP324 and CMP325 can be assessed together in one Workgroup.

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

Eleanor Horn

25 October 2019

CUSC Panel



Critical Friend Feedback: CMP326

Code Administrator comments				Amendments made by the Proposer
Housekeeping	amendments	(Font	and	All amendments accepted by Proposer
formatting)				

Proposer Recommended Governance Route

The Proposer recommends that this Modification follows the standard governance route and proceed to Workgroup.

Timeline will be agreed at 1st workgroup meeting.

Panel Decision

Does the Panel agree that:

- This is a standard governance modification; and
- This modification should proceed to Workgroup.

In Flight Modification Updates

Dashboard – CUSC (as at 17 October 2019)

Category	Jul	Aug	Sep	Oct	Nov	Dec
New Modifications	2	0	4	2		
In-flight Modifications*	30	29	29	33		
Modifications issued for workgroup consultation	0	0	1 (CMP320)	1 (CMP311)		
Modifications issued for Code Administrator Consultation	4 (CMP 280/1, 292,295, 319)	0	2 (CMP303 and CMP306)	1 (CMP281)		
Workgroups held	6	2	5	5		
Authority Decisions	1 (CMP285)	1 (CMP314)	0	0		
Implementations	1 (CMP285)	1 (CMP313)	0	0		
Modifications on Hold	6	6	6	6		
Workgroups postponed due to quoracy issues	1 (CMP300)	1 (CMP300)	0	0		

* Includes those on hold

CUSC Workgroups for next 3 months (as at 17 October 2019)

Completed	Booked in	To be booked	New Mods	No more WGs expected	
CUSC	October	November	December	January	Further Comments
CMP317	02/10/2019	4 or 5 Nov	x	x	
CMP324 / CMP325		x	x	x	CMP325 to be amalgamated with CMP324 (subject to October Panel decision)
CMP315	15/10/2019	19/11/2019	x	x	
CMP311		w/c 11/11	x		Meeting in November to discuss workgroup responses and vote
CMP308	01/10/2019	x			
CMP316		w/c 25/11		x	Next meeting to be held towards the end of November
CMP320	08/10/2019	08/11/2019			Meeting in November to carry out workgroup vote
CMP304			x?		Move to December?
CMP291				x?	Move to January?
CMP287					On hold: Proposer assessing how to proceed
CMP286					On hold: Proposer assessing how to proceed
CMP288/289			x?		Move to December?
CMP298	04/10/2019		09/12/2019		Workgroup meeting to finalise the workgroup consultation will be w/c 28 October 2019.
CMP300		w/c 4/11?			Workgroup report to be finalised and Workgroup Vote to be held - meeting early November
CMP323			?		To be confirmed at October Panel if Workgroup needed
CMP326			?		To be confirmed at October Panel if Workgroup needed

Grid Code Workgroups for next 3 months (as at 17 October 2019)

Completed	Booked in	To be booked	New Mods	No more WGs expected	
GRID CODE	October	November	December	January	Further Comments
GC0127/128	11/10/2019				
GC0096					
GC0132		w/c 11/11			
GC0131		07/11/2019	x		
GC0130	01/10/2019	06/11/2019			
GC0109	16/10/2019		x	x	
GC107/113	09/10/2019	27/11/2019			Meeting in November to carry out workgroup vote
GC0117				x?	Move to January
GC0105	02/10/2019				
GC0103				x?	Meeting in January at earliest
GC0133			?		To be confirmed at October Panel if Workgroup needed
GC0134			?		To be confirmed at October Panel if Workgroup needed

Discussions on Prioritisation



Break



nationalgridESO

Draft Final Modification Report

CMP303 - Improving local circuit charge cost-reflectivity



CMP303 Background

- CMP303 was raised by EDF Energy in July 2018. CUSC Panel decided that this Modification should proceed to Workgroup and be submitted to the Authority for decision.
- CMP303 Modification seeks to make part of the TNUoS charge more cost-reflective through removal of additional costs from local circuit expansion factors that are incurred beyond the connected, or to-be-connected, generation developers' need.
- Draft Final Modification Report has previously been presented to Panel. On 11 June 2019, Ofgem directed that the Final Modification report is revised and resubmitted to take into account the concerns addressed in the decision letter namely that the Workgroup had not undertaken sufficient analysis and the legal text was not sufficiently robust.
- Workgroup met to address these concerns on 29 August 2019 which is detailed in the report.

CMP303 – 2nd Code Administrator Consultation

- 2nd Code Administrator Consultation from 25 September 2019 to 2 October 2019 and 4 responses received:
 - Three out of the four respondents agreed with the implementation approach.
 - No changes to the legal text proposed as part of Second Code Administrator Consultation.

CMP303 – Next Steps

The Panel is now invited to Vote on CMP303 against the Applicable CUSC Objectives (Charging):

(a) That compliance with the use of system charging methodology facilitates effective competition in the generation and supply of electricity and (so far as is consistent therewith) facilitates competition in the sale, distribution and purchase of electricity;

(b) That compliance with the use of system charging methodology results in charges which reflect, as far as is reasonably practicable, the costs (excluding any payments between transmission licensees which are made under and accordance with the STC) incurred by transmission licensees in their transmission businesses and which are compatible with standard licence condition C26 requirements of a connect and manage connection);

(c) That, so far as is consistent with sub-paragraphs (a) and (b), the use of system charging methodology, as far as is reasonably practicable, properly takes account of the developments in transmission licensees' transmission businesses;

(d) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency. These are defined within the National Grid Electricity Transmission plc Licence under Standard Condition C10, paragraph 1*; and

(e) Promoting efficiency in the implementation and administration of the CUSC arrangements.

*Objective (d) refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).

CMP303 – Next Steps

- **Recommendation Vote**
- **Final Modification Report to be issued**
- **Timetable below:**

Stage gate	Date
Circulation of Final Modification Report for Panel review ahead of submission to Authority (5 Working Days)	17 October 2019
Final Modification Report submitted to Authority for decision	1 November 2019
Anticipated Decision from Authority	8 December 2019
Implementation date	1 April 2020

Draft Final Modification Report

**CMP306 - Align
annual connection
charge rate of return
at CUSC 14.3.21 to
price control cost of
capital**



CMP306 Background

- CMP306 was raised by Northern Powergrid and was submitted to the CUSC Panel for their consideration on 28 September 2018.
 - The CUSC Panel decided that this modification should follow the standard route by forming a Workgroup and the modification being submitted to the Authority for decision.
- CMP306 seeks to amend section 14.3.21 of CUSC by changing the annual connection charge rate of return from a set 6% [*plus a margin of 1.5% in the case of Modern Equivalent Asset (MEA) linked assets*] for to the % set for the price control cost of capital value in a given year thus enabling the rate of return to be cost reflective, particularly as cost of capital has become cheaper in recent years
- 4 Workgroup Meetings held:
 - No Workgroup Alternative Code Modifications raised
 - 6 Workgroup Consultation Responses received
 - Workgroup unanimously voted for the Original Solution over the Baseline

CMP306 –Code Administrator Consultation

- Code Administrator Consultation from 11 September 2019 to 2 October 2019 and 3 responses received.
 - Respondents unanimously agreed that CMP306 better facilitated the Applicable CUSC Objectives. Additional comments of note were:
 - Recognition from Proposer that due to required changes to the ESO billing system that this can't be implemented by 1 April 2020; however disappointed that this is the case;
 - NGET proposed that the Implementation Date should be 1 October 2020 as annual indicative TO connection charge setting commences from 1 October with a request for connection charge setting information from National Grid ESO; and
 - NGET also expected to see the required STC Modification Proposal being progressed in the same timescales as CMP306.
- No changes to the legal text proposed as part of Code Administrator Consultation.

CMP306 – Next Steps

The Panel is now invited to Vote on CMP306 against the Applicable CUSC Objectives (Charging):

(a) That compliance with the use of system charging methodology facilitates effective competition in the generation and supply of electricity and (so far as is consistent therewith) facilitates competition in the sale, distribution and purchase of electricity;

(b) That compliance with the use of system charging methodology results in charges which reflect, as far as is reasonably practicable, the costs (excluding any payments between transmission licensees which are made under and accordance with the STC) incurred by transmission licensees in their transmission businesses and which are compatible with standard licence condition C26 requirements of a connect and manage connection);

(c) That, so far as is consistent with sub-paragraphs (a) and (b), the use of system charging methodology, as far as is reasonably practicable, properly takes account of the developments in transmission licensees' transmission businesses;

(d) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency. These are defined within the National Grid Electricity Transmission plc Licence under Standard Condition C10, paragraph 1*; and

(e) Promoting efficiency in the implementation and administration of the CUSC arrangements.

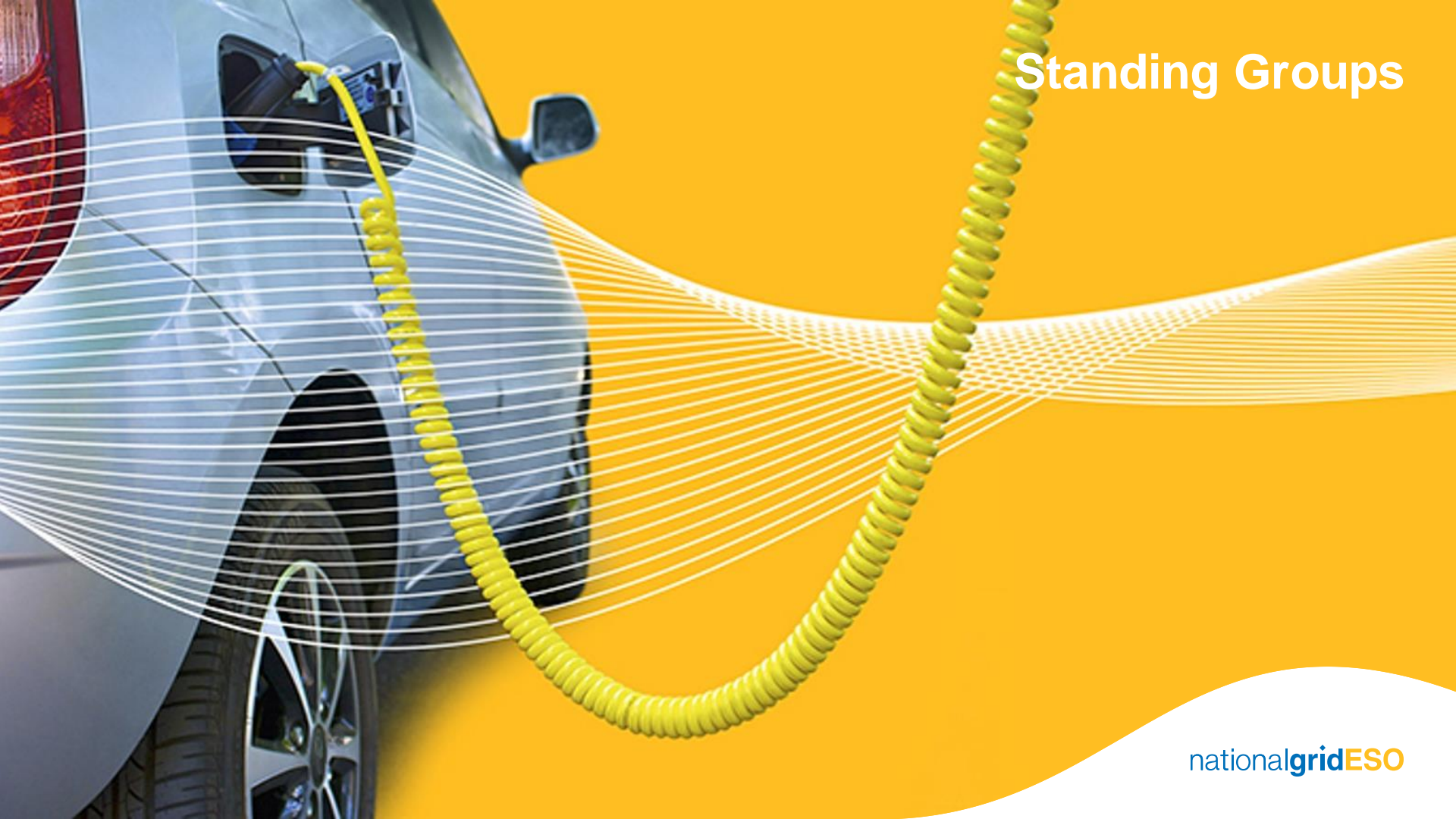
*Objective (d) refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).

CMP306 – Next Steps

- **Recommendation Vote**
- **Final Modification Report to be issued**
- **Timetable below:**

Stage gate	Date
Circulation of Final Modification Report for Panel review ahead of submission to Authority (5 Working Days)	17 October 2019
Final Modification Report submitted to Authority for decision	W/C 4 November 2019
Anticipated Decision from Authority	December 2019
Implementation date	1 April 2021

Standing Groups



European Updates

A high-angle, nighttime photograph of a city street in London. The street is illuminated by warm yellow streetlights, and many windows in the surrounding buildings are lit up. In the background, the Gherkin building is prominently lit up with a warm yellow light. The sky is dark, and the overall atmosphere is urban and vibrant.

Update on Other Industry Codes



Relevant Interruptions Claim Report

(March, June, September, December)

Governance

Ways of Working - Panel

Critical Friend Update



Ways of Working – Panel



Ways of Working

The purpose of creating a 'ways of working' is to provide a set of guidelines to be adopted by all members of the CUSC Modifications and Grid Code Review Panel (the "Panels").

- A detailed explanation of the roles and responsibilities for CUSC Modification Panel Members and Alternate Members are set out in the CUSC Governance Rules paragraph 8.3.4
- A detailed explanation of the roles and responsibilities for Grid Code Panel Members and Alternate Members are set out in the Grid Code Governance Rules specifically GR.9, GR.11, GR18, GR.19, GR.22 - GR.24

The below one page 'ways of working' is based on the principles of openness, respect, integrity and professionalism. It is designed to summarise the Governance Rules and set out how the Panel will work and collaborate with the shared goal of facilitating and overseeing the modification process in an open, transparent and impartial manner.

A copy of these 'ways of working' will be available on the our website.

Panel Ways of Working

Objective of Panel: Panels facilitate change to the respective Code by overseeing the modification process ensuring modifications and changes to the Codes are carried out in an efficient, economical and timely manner.

Areas of responsibility

For each modification proposal:

- Agreeing the route and timetable it should follow
- Assessing if a workgroup is required and setting the terms of reference
- Consideration of the Applicable Code Objectives set out in the Transmission License
- Recommendation to Ofgem / Decision where Ofgem decision not required
- Establishing Standing Groups
- Prioritisation (in flight and new modifications)

Success criteria

Timely progression of all modifications with a strong focus on quality inputs and outputs and all pertinent information set out clearly in Final Modification Reports to allow Ofgem to make informed decisions

Modifications being challenged by a wide audience with participation across all stakeholder groups and all views being taken into account within recommendations

Efficient development of changes that demonstrate value for money for consumers

What Panel do?

Strive to attend all meetings, or send apologies to allow an alternate to attend, having completed any preparation work

Remain impartial with appropriate challenge

Actively participate in discussions

Have the interests of the industry in mind at all times

Fulfil any responsibilities assigned

Address any conflicts of interest

Behaviour Charter

Listen quietly to and respect the views of others

Value Diversity

Make smart use of time

Contribute to good quality discussions and provide constructive challenge

Progress Code development with impartiality and for the benefit of the whole of the industry

Raise significant concerns/AOBs in advance

Sending apologies in advance

Roles and Responsibilities Introduction

Defining the roles and responsibilities within the modification process is important to ensure that everyone understands what is expected of them. This in turn will ensure everyone can work together effectively and efficiently, with no wasted time or duplication of effort.

The below guidelines for roles and responsibilities have broken the modification process down into different stage gates with different roles and responsibilities aligned to each stage gate, with the aim of clarifying who does what at each stage. This should guide all the stakeholders through the process from the proposer, to the workgroup, wider industry, the Panel and the Authority.

A copy of these 'ways of working' will be available on our website.

Roles and Responsibilities – Modification process: Proposal

Stage	Proposer	Workgroup (WG)	Industry and Consumer Representatives	Code Administrator (CA)	Panel	Ofgem “Authority”
Pre-modification	Engages with the CA and the industry via pre-modification forums	-	Discusses new potential modifications at pre-modification forums	Provides critical friend review of the modification to the Proposer	-	-
New Proposal	Identifies the issue that the change is looking to rectify, proposes solution and identifies who could be impacted and submits proposal to the CA	-	Reviews new proposal to consider impacts and nominating onto WG	Supports submission to Panel and notification to industry Sources industry parties to become WG members Presents outcome of critical friend review to Panel	Reviews the proposal considering the CUSC Objectives. Determines governance route, agrees Terms of Reference if WG required, agrees timeline and agrees prioritisation	Able to provide input

Roles and Responsibilities – Modification process: Workgroup

Stage	Proposer		WG	Industry and Consumer Representatives	Code Administrator (CA)	Panel	Ofgem “Authority”
Workgroup (WG)	Discusses the problem and develops a solution for the original proposal and any alternative solutions identified by the workgroup			-	Chair and facilitate meetings and writes up WG discussions	-	May observe and participate
Legal Text	Drafts the solution in plain English for Original Proposal	Drafts the solution in plain English for alternative solutions	-	Support the workgroup and the proposer with the legal text to ensure the legal text is robust and complete.	-	-	
	ESO ultimately responsible for drafting final legal text. A legal text guidance document is available on our website						
WG consultation	Agrees the WG consultation document and proposes and reviews questions to ask the industry. Takes into consideration responses from WG Consultation			Responds to WG consultation	Facilitates WG consultation, summarises and feeds back responses to WG	Confirms a WG consultation is required (if not already decided)	-
WG Vote/Final WG Report	Vote on all solutions and review final report for submission to Panel			-	Holds vote, updates report and submits to panel 5 clear working days ahead of Panel	Review the workgroup report and terms of reference to approve proceeding to Code Administrator Consultation	Able to provide input

Roles and Responsibilities – Modification process: Post Workgroup

Stage	Proposer	WG	Industry and Consumer Representatives	Code Administrator (CA)	Panel	Ofgem “Authority”
Code Administrator Consultation (CAC)	-		Responds to consultation	Facilitates consultation and feedbacks responses		
Draft Final Modification Report (DFMR)	-		Reviews draft report to check for any errors in documentation	Produces draft report, with a summary of consultation responses and any proposed changes to legal text identified, and submits to Panel 5 clear working days ahead of Panel	Reviews the draft report ahead of Panel and be ready to vote at Panel (strives to submit votes ahead of Panel) If Self Governance, Panel approves or rejects; If Authority decision Panel makes a recommendation to Ofgem - approve or reject	-
Final Modification Report (FMR)	-		-	Adds Panel outcomes; voting into final report and submits to Panel for 5 clear working days to ensure votes correctly recorded If Self Governance, then opens 15 working day Appeals Window; if Authority Decision submits final report to Authority	Confirms accurate final report prior to publication	Provides progress updates at Panel and provides decision (where not Self Governance)

Other Modification Routes

Fast Track

- As per section 8.29 of the CUSC and GR.26 of the Grid Code Governance Rules, Fast Track modifications can be made where the Proposer believes the modification meets Fast Track criteria.
- Panel are required to unanimously approve fast track modifications.
- There is no Authority decision in the fast track governance route.

Significant Code Review

- During an SCR, Panel will be asked to consider whether a modification proposal falls within the scope of the SCR and will inform Ofgem of the assessment.
- The Authority will direct whether a modification falls within the scope of the SCR. In these instances the proposer must decide whether to withdraw or suspend the modification pending the outcome of the SCR.
- Within 28 days of the conclusion of an SCR, the Authority may either raise a modification or direct ESO to raise a modification enacting the outcomes of the SCR.

Other Modification Routes

Urgency

- Requests for modifications to be treated as urgent can be raised in accordance with section 8.24 of the CUSC and GR.23 of the Grid Code Governance Rules.
- For urgent modifications, dependent on the timescales requested by the proposer, the Panel Chair will determine when the Panel will meet - this may result in a Special CUSC/Grid Code Review Panel webex being arranged.
- At the Panel meeting, the Panel will be asked to vote, against the Authority's Urgency Criteria, on the urgency of the modification and agree the timetable.
- Following this vote the Panel Chair will write to the Authority with the Panel recommendation on urgency.

Critical Friend Update



Critical Friend Feedback

6 CUSC Modification Proposals received since Critical Friend Modification was implemented on 1 August 2019

- All 6 of these have had all critical friend checks undertaken on them
- For all 6 of these, required communications were sent to Independent Chair, Panel and industry within agreed timescales (i.e. on the next working day after Modification Proposal Submission Date)

General areas of feedback

- Restructured sections to make it easier for reader and defined acronyms; and
- Provided comments to Proposer on being clear on governance route and implementation

Feedback we will act on to further improve our service:

- Recognise we also need to ensure that Modification titles are clear and all contact details are included; and
- Simple process flows or tables may also help reader to understand proposal

Any thoughts from Panel so far?

- Are you seeing better quality Modification Proposals?



Horizon Scan

(May, August, September,
December)

CACoP Update

(February, April, June,
August, October, December)





Forward Plan Update (Customer Journey)

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



Next Panel Meeting

10am on 29 November 2019 at Faraday House, Warwick, CV346DA

Modification Proposals to be submitted by 14 November 2019 (*For December Panel, Modification Proposals need to be submitted by 28 November 2019*)

Papers Day – 21 November 2019

Note: Brexit Special Panel Webex (12 – 1pm) on 1 November 2019 in the event we leave with no deal

Close and Lunch

