

Headline Report – 18 December 2020

Connection and Use of System Code (CUSC) Panel

The CUSC Panel Headline Report is produced after every CUSC Panel and aims to provide an overview of the key decisions made. Minutes for this meeting will be published separately.

Approval of Panel Minutes

The meeting minutes from the CUSC Panel on 24 November 2020 and 27 November 2020¹ were approved at the CUSC Panel meeting on 18 December 2020. These will be uploaded to our website.

Prioritisation Stack

Between 29 May 2020 Panel and June 2020 Panel, all the Proposers with in-flight Modifications provided updated justification against each of the Prioritisation Criteria – namely Complexity, Importance and Urgency. The June Panel carefully considered the views of the Proposers. For each Modification, Panel determined if the Priority was High, Medium to High, Medium, Low to Medium or Low. This exercise was repeated between 25 September 2020 Panel and October 2020 Panel and October 2020 Panel reviewed the Prioritisation Stack.

At December Panel, the Panel agreed to move CMP308 from “Low” to “High” following publication of Ofgem’s conclusions on the 2nd BSUoS Taskforce. Workgroups on CMP308 will re-start in January 2021.

The full discussions on each Modification can be found [here](#).

The Prioritisation Stack will continue to be reviewed on a monthly basis.

Proposers continue to have the opportunity to feed their views into these discussions. Additionally, on a quarterly basis, Proposers will be asked to provide updated justification against the prioritisation criteria - this will be requested from Proposers at the start of January 2021 in readiness for assessment at January 2021’s Panel.

New Modifications

2 new Modification Proposals were presented for consideration.

CMP355 ‘Updating the Indexation methodology used in TNUoS and Transmission Connection Asset charges for RIIO2 and CMP356 ‘Definition changes for CMP355’

¹ Subject to comments from Panel members being incorporated

Currently, Section 14 of CUSC uses the Retail Price Index (RPI) as the measure for index-linking various parts of the charging methodologies. With the RIIO2 Final Decision from Ofgem, the RPI measure of indexation has been replaced and so the CUSC needs to be revised accordingly to use the correct measure for setting TNUoS and Transmission Connection Asset (TCA) charges. CMP355 specifically seeks to change the relevant parts of Section 14 so that references to RPI are revised to the indexation method as set out in the transmission licence. CMP356 has been raised to support CMP355 by changing Section 11 to add supporting definitions.

On 17 December 2020, National Grid ESO raised CMP355 and CMP356. The Proposer sent a request to the CUSC Panel Secretary for these modifications to be treated as urgent. The CUSC Panel on 18 December 2020 considered CMP355 and CMP356 and the associated request for urgency. The unanimous view of the CUSC Panel is that **CMP355 and CMP356 do meet** Ofgem's Urgency criteria and **should** both be treated as Urgent CUSC Modification Proposals.

CMP355/CMP356 documentation can be located via the following link:

<https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/cmp355-cmp356>

The joint Code Administrator Consultation for CMP355 and CMP356 will be issued on 22 December 2020 subject to Ofgem agreeing that this can be progressed on an Urgent timeline by 5pm on 21 December 2020.

New / Pending Authority Decision/

Ofgem provided an update on Modifications that are currently awaiting their decision or have been decided upon since the last CUSC Panel on 27 November 2020:

- On the TCR decisions, which Ofgem are prioritising, Ofgem provided the following update:

Modification	Decision Date / Anticipated Decision Date
CMP334	Decision received 30 November 2020, CMP334 was implemented 14 December 2020 but will not become effective without the other Transmission Demand Residual Modifications (CMP335/336 and CMP343/340), which have a 1 April 2022 implementation date and are still being considered by Ofgem.
CMP333	Decision received 3 December 2020 – the CMP333 Original Proposal will be implemented on 1 April 2021.
CMP317/327 and CMP339	Decision received 17 December 2020 - the CMP327/317 and CMP339 Original Proposals will be implemented on 1 April 2021.
CMP335/336 and CMP343/340	Decision expected spring 2021 – an impact assessment will be carried out and a consultation on this will be run in January 2021 ahead of decision (expected in the spring of 2021).

- Update on **CMP280** was provided on 2 October 2020. Ofgem will consider whether or not CMP280 is needed after they have decided on the other Transmission Demand Residual Modifications but do not expect to make a decision on CMP280 in the near future.
- Ofgem confirmed that, on 16 December 2020, they rejected the Self-Governance Appeal for **CMP342**. This will now be implemented on 23 December 2020.

- **CMP292** decision was expected 20 September 2019; however this remains de-prioritised due to Ofgem's focus on the TCR modifications.
- **CMP351** was issued to Ofgem for decision on 9 December 2020 with the Proposer seeking implementation by 15 February 2021.

In flight Modifications

Please refer to latest Modification Tracker for an update on each in flight Modification. This is published monthly at <https://www.nationalgrideso.com/industry-information/codes> and will be published on 7th of the following month or the next working day thereafter.

Draft Final Modification Reports

CMP300 'Cost reflective Response Energy Payment for Generators with low or negative marginal costs'

CMP300 seeks to improve the cost reflectivity of the Response Energy Payment (REP) as the current construction of the REP is not reflective of the costs or avoided cost of energy production for generators. It will achieve this by ensuring all BM Units with low or negative marginal costs, as a consequence of having a CfD FiT, are subject to the same REP methodology.

Changes were proposed to the legal text as part of the responses to the Code Administrator Consultation run from 9 November 2020 to 9 December 2020. The CUSC Panel considered these changes and by majority agreed that these changes were minor rather than typographical. In accordance with CUSC 8.23.4², the CUSC Panel directed the CMP300 Workgroup to review these changes. If the CMP300 Workgroup unanimously agree that these changes are minor, then the Draft Final Modification Report will be presented for recommendation vote at a Special Panel already scheduled for 8 January 2021.

CMP300 documentation can be located via the following link:

<https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/cmp300-cost>

Workgroup Reports

None presented at this Panel

Questions or feedback?

Code Administrator Representative: Paul Mullen, *Code Administrator*

Panel Secretary: Ren Walker, *Code Administrator*

Email: cusc.team@nationalgrideso.com

² CUSC 8.23.4(ii) if the change required is not considered to be a typographical error then the CUSC Modifications Panel may direct the Workgroup to review the change. If the Workgroup unanimously agree that the change is minor the CUSC Modifications Panel may instruct the Code Administrator to make the appropriate change and the Panel Chairman will undertake the CUSC Modifications Panel Recommendation Vote otherwise the Code Administrator shall issue the CUSC Modification Proposal for further Code Administrator consultation after which the Panel Chairman will undertake the CUSC Modifications Panel Recommendation Vote.