

# CUSC Panel

**Friday 28 May 2021**

**Online Meeting via Teams**

# WELCOME

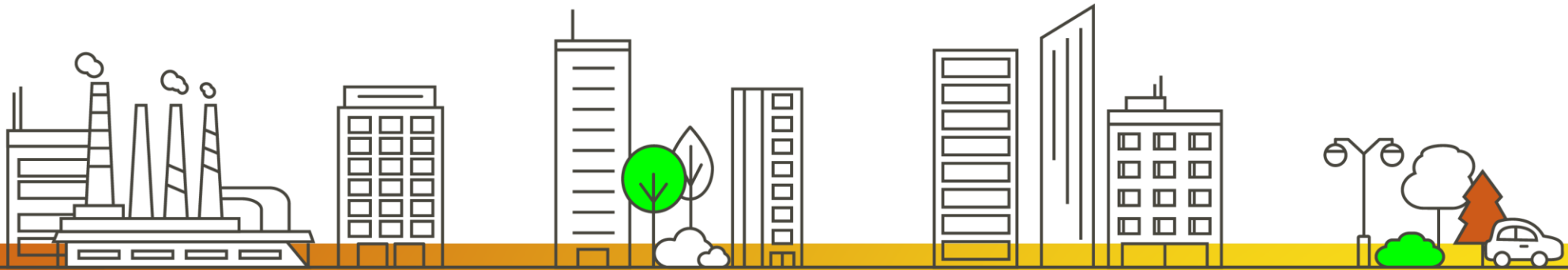


nationalgridESO



# Approval of Panel Minutes

**Approval of Panel Minutes from the  
Meetings held 22 and 26 March 2021, 16,  
21 and 30 April 2021, 10 and 14 May  
2021**



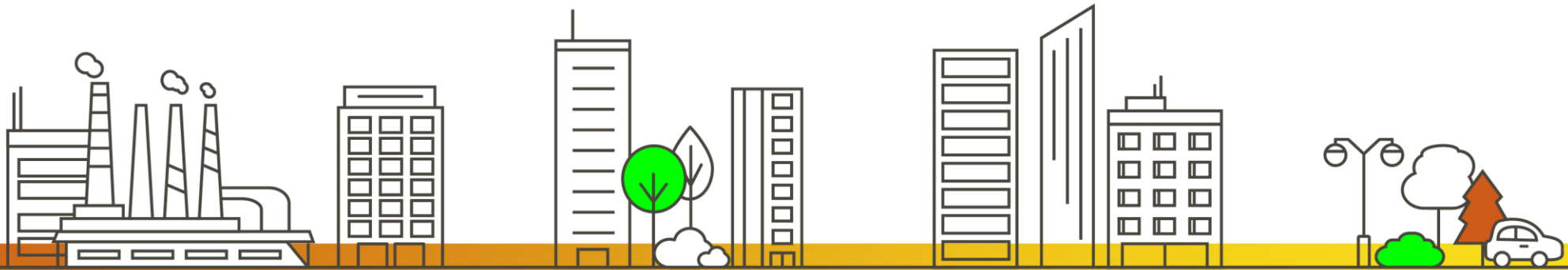
# Actions Log

## Review of the actions log



# Chair's Update

An update from the Chair about ongoing relevant work, discussions etc.



# Authority Decisions



## Decisions Received since last Panel meeting

- ☐ CMP344 (Decision to send-back received 5 May 2021)

## Decisions Pending

- ☐ CMP300 (was due 17 May 2021), CMP373 (due on or before 21 May 2021), CMP280 (due 27 May 2021), CMP292 (due 30 June 2021), CMP335/336 (due 27 August 2021), CMP343/340 (due 27 August 2021)

## Received Final Modification Reports since last Panel Meeting

- ☐ None

# New modifications submitted

**CMP374:** 'Extending contestability for  
Transmission Connections'

**Andy Pace – on behalf of Energikontor**



# Critical Friend Feedback – CMP374

Code Administrator comments	Amendments made by the Proposer
<p>Clarified who the Proposer is</p> <p>Added Timeline</p> <p>Added justification for amalgamation with CMP330</p> <p>Provided background information on CMP330</p> <p>Defined acronyms and general formatting/typographical changes</p>	<p>Proposer accepted all amendments made by the Code Administrator</p>



# CMP374 – Amalgamate with CMP330?

**CUSC 8.19.2 to 8.19.4** are relevant:

- Amalgamation is Panel's decision (**CUSC 8.19.2(a)**) in this case (as CMP374 has not been raised by Ofgem) – *Ofgem can issue a notice to the Panel Secretary under **CUSC 8.14.3** instructing this not to be amalgamated*
- The test that Panel need to apply when considering whether or not to amalgamate is set out in **CUSC 8.19.3** *“where the subject-matter of such CUSC Modification Proposals is sufficiently proximate to justify amalgamation on the grounds of efficiency and/or where such CUSC Modification Proposals are logically dependent on each other”*
- Once amalgamated, this will be treated as a “single CUSC Modification proposal” (**CUSC 8.19.4**)

# CMP374 (and CMP330) Proposed Timeline

Milestone	Date	Milestone	Date
Modification presented to Panel	28 May 2021	Code Administrator Consultation (15 working days)	27 August 2021 to 20 September 2021
Workgroup Nominations (10 Working days)	28 May 2021 – 14 June 2021	Draft Final Modification Report (DFMR) issued to Special Panel	23 September 2021
CMP330/CMP374 Workgroup Meeting 1 (Discuss CMP374 solution and agree Workgroup Consultation questions)	18 June 2021	Special Panel undertake DFMR recommendation vote (5 working days)	1 October 2021
Workgroup meeting 2 (Finalise Consultation)	29 June 2021	Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	4 October 2021
Workgroup Consultation	5 July 2021 –26 July 2021	Final Modification Report issued to Ofgem	12 October 2021
Workgroup Meetings post consultation (review CMP374 Workgroup Consultation responses, finalise solution, hold Votes)	5 August 2021 and 11 August 2021	Ofgem Decision	TBC
Workgroup Report issued to Panel	19 August 2021	Implementation Date	1 April 2022
Workgroup Report presented to Panel	27 August 2021	<b>NOTE: 8 previous Workgroups for CMP330</b>	

# CMP374 – the asks of Panel

- **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 Workgroup
- **AGREE** that this Modification should be amalgamated with CMP330
- **AGREE** Workgroup Terms of Reference
- **NOTE** that there appear not to be any impacts on the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the CUSC
- **NOTE** the proposed timeline
  - Note we recommend 10 working days to seek further nominations



# In Flight Modification Updates

**Review of all CUSC Modifications with  
current status, next steps and any Panel  
recommendations**



# Dashboard – CUSC (as at 20 May 2021)

Category	Dec	Jan	Feb	Mar	Apr	May
New Modifications	3	3	4	3	6	1
In-flight Modifications (includes those on hold but not New Modifications)	51	51	50	53	36	42
Modifications issued for Workgroup consultation	0	2 (CMP357, CMP330)	2 (CMP326, CMP328)	0	2 (CMP308, CMP373)	0
Modifications issued for Code Administrator Consultation	3 (CMP344, CMP354, CMP355/CMP356)	1 (CMP357)	1 (CMP360)	1 (CMP367)	2 (CMP326), CMP365)	4 (CMP373, CMP371, CMP370, CMP372?)
Workgroups held	2	5	4	5	7	6 (CMP328 on 25 May, CMP368/369 on 26 May)
Authority Decisions	4 (CMP353, CMP333, CMP317/327 and CMP339)	3 (CMP355/356, CMP357 and CMP351)	0	2 (CMP360, CMP367)	0	2 (CMP344, CMP300?)
Implementations	3 (CMP334 on 14 Dec, CMP352 on 17 Dec, CMP342 on 23 Dec)	0	1 (CMP351)	0	18 (CMP281, 306, 317/327, 319, 320, 324/325, 333, 339, 346, 347, 349, 353, 354, 355/356, 357, 360, 366, 367)	0
Modifications Withdrawn	0	3 (CMP307, CMP309 and CMP310)	0	0	0	0
Modifications on Hold	5	5 (CMP271, 276, 305, 309, 310)	3 (CMP271, 276, 305)	3 (CMP271, 276, 305)	3 (CMP271, 276, 305)	3 (CMP271, 276, 305)
Workgroups postponed	0	1 (CMP328 from 12 Jan to 10 Feb)	0	0	1 (CMP298 – was 7 Apr)	0

# In flight Modifications – the asks of Panel

## **CMP326**

**VOTE** whether or not  
to recommend  
implementation

## **CMP365**

**VOTE** whether or not  
to recommend  
implementation

## **CMP344**

**AGREE** next steps  
following Ofgem  
send-back letter of 5  
May 2021

## **CMP368/369**

**AGREE** with the  
proposed changes to  
the Workgroup Terms  
of Reference

# CMP344 – Governance Rules for Send-Backs and Panel Asks

8.23.12 If the **Authority** determines that the **CUSC Modification Report** is such that the **Authority** cannot properly form an opinion on the **CUSC Modification Proposal** and any **Workgroup Alternative CUSC Modification(s)**, or where the **CUSC Modification Proposal** and/or any **Workgroup Alternative CUSC Modification(s)** constitutes an **EBGL Amendment** where the **Authority** requires an amendment to **CUSC Modification Proposal** and/or any **Workgroup Alternative CUSC Modification(s)** in order to approve it, it may issue a direction to the **CUSC Modifications Panel**:

- (a) specifying the additional steps (including drafting or amending existing drafting associated with the **CUSC Modification Proposal** and any **Workgroup Alternative CUSC Modification(s)**), revision (including revision to the timetable), analysis or information that it requires in order to form such an opinion; and
- (b) requiring the **CUSC Modification Report** to be revised and to be re-submitted.

8.23.13 If a **CUSC Modification Report** is to be revised and re-submitted in accordance with a direction issued pursuant to Paragraph 8.23.12, it shall be re-submitted as soon after the **Authority's** direction as is appropriate, (and in the case of an **EBGL Amendment** within 2 months), taking into account the complexity, importance and urgency of the **CUSC Modification Proposal** and any **Workgroup Alternative CUSC Modification(s)**. The **CUSC Modifications Panel** shall decide on the level of analysis and consultation required in order to comply with the **Authority's** direction and shall agree an appropriate timetable for meeting its obligations. Once the **CUSC Modification Report** is revised, the **CUSC Modifications Panel** shall carry out its **CUSC Modifications Panel Recommendation Vote** again in respect of the revised **CUSC Modification Report** and re-submit it to the **Authority** in compliance with Paragraphs 8.23.4 to 8.23.6.

Panel to agree next steps following send-back on 5 May 2021:

**NOTE** that Ofgem are asking the Final Modification Report and Legal Text to be updated

**AGREE** whether or not this needs to be assessed by a Workgroup

**AGREE** Workgroup's Terms of Reference (if Panel determine a Workgroup is needed)

**AGREE** whether or not (following the assessment by the Workgroup) a Code Administrator Consultation is needed to be run before it is re-presented to Panel for Recommendation Vote

# CMP368/369 – Terms of Reference

Workgroup Term of Reference	Location in Workgroup Report (to be completed at Workgroup Report stage)	<p><b>AGREE</b> with the updates (shown in <b>red text</b>) proposed to the Terms of Reference by the CMP368/369 Workgroup on 19 May 2021?</p>
a) Consider EBGL implications		
b) Consider ESO's proposed Definition changes and consequential <del>charging</del> changes and whether this aligns with the Authority's decision on 17 December 2020, <del>(as upheld by the Competition Markets Authority decision on 30 March 2021).</del> <b>and the Limiting Regulation.</b>		
c) Consider the transparency of compliance with Regulation 838/2010 (the Limiting Regulation)		



# Discussions on Prioritisation

- AGREE prioritisation for CMP344
- AGREE where New Modifications that need Workgroups are placed in the prioritisation stack
- AGREE any movements in the current prioritisation stack .

# Prioritisation Principles

Section 8: 8.19.1.(e) makes the following provision for the Panel and states “Having regard to the complexity, importance and urgency of particular CUSC Modification Proposals, the CUSC Modifications Panel may determine the priority of CUSC Modification Proposals and may (subject to any objection from the Authority taking into account all those issues) adjust the priority of the relevant CUSC Modification Proposal accordingly”

Complexity	The modification is viewed as being resource intensive and will most likely require a higher than average number of workgroups to conclude the process. Additionally the modification defect is viewed to have implications for many different areas of the energy market which need to be taken into consideration throughout the process.
Importance	The perceived value & risk associated with the proposed modification. The value / risk could be considered from a number of different perspectives i.e. financial / regulatory / licence obligations both directly for customer and end consumers more generally.
Urgency	A modification which requires speedy consideration within the code governance process, both complexity and importance should be factors considered in evaluating urgency as well as the timescales for implementation within the respective code.

# BREAK





# Workgroup Reports

**None this month**



# Draft Final Modification Reports

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

**Paul Mullen**

## CMP326 Background

- CMP326 seeks to introduce a cap on the MW element in the Holding Payment calculation to reflect reduced capability to ramp from de-loaded positions – this will be dependent on proportion of turbines available.
- CMP326 has been assessed by a Workgroup and will require Authority decision (Standard Governance).
- CMP326 requires changes to CUSC 4.1.3.9, and so impacts on the European Electricity Balancing Guideline (EBGL) Article 18 Terms and Conditions.
- The required system functionality will be introduced for minimal cost as part of the build/scope for the replacement of the Ancillary Services Business (ASB) system (expected to be completed ~ September 2022).
- Implementation Date is 1 December 2022 - this will allow the ESO to further engage with PPMs and wider industry (via the Wind Advisory Group) in order to develop efficient, proportionate and cost-effective arrangements for response capability reporting and resolve current data accuracy issues. **If and when CMP326 is approved by the Authority, the CUSC Panel will (every 2 months thereafter) receive updates on progress to ensure that CMP326 remains on course to meet 1 December 2022 Implementation Date**

# CMP326 Workgroup Consultation Responses Summary

- Workgroup Consultation held between 1 February 2021 and 22 February 2021 with 4 responses (none of which were confidential). All respondents supported the change. However:
- Some respondents noted the mismatch between the response capability data that windfarms hold versus that of the Power Available (PA) signal and how this may result in windfarms either not being instructed for Frequency Response or the potential for reduced Holding Payments being made using PA signals. Another respondent added that a regular reporting process should be put in place about Providers' ongoing Power Available signal performance so that they can react in advance and be able to work on improving accuracy. Although the data accuracy issues are not strictly within the scope of this change, the majority of respondents agreed that these need to be addressed prior to implementation to ensure the expected increased cost savings are realised. Some respondents noted the ongoing work to resolve these issues and the Proposer, in their response, proposed delaying the Implementation Date to December 2022 with a final check that the issues have been resolved before the new functionality is switched on.
- One respondent argued that this change should also be applied to other ancillary services such as Firm Frequency Response to allow Power Park Modules to engage with that market. The respondent recognised this is not within the scope of CMP326; however, there could be merit for a future modification to address this.
- No Workgroup Alternatives raised

# CMP326 Workgroup Vote – took place 11 March 2021

The Workgroup concluded unanimously that the Original better facilitated the Applicable Objective (a) than the Baseline (the current CUSC).

## CMP326 Workgroup Report – Panel Decision

The CUSC Panel on 26 March 2021 unanimously agreed that the Workgroup had met its Terms of Reference and could proceed to Code Administrator Consultation - this ran from 6 April 2021 to 5pm on 6 May 2021.

## CMP326 Code Administrator Consultation Summary

- 1 response, which was from the Proposer
  - Respondent supported the CMP326 change and noted that CMP326 better facilitates Applicable Objective (a). This is because the proposed change will ensure that the Holding Payments made by the ESO in respect of Frequency Response for Power Park Modules (PPM) will be fully reflective of the true response capability and level of service the site in fact provides.
  - Respondent also stated that there were no further EBGL interactions to add to those previously stated.



# CMP326 Timeline

Milestone	Date
Draft Final Modification Report (DFMR) issued to Panel	20 May 2021
Panel undertake DFMR recommendation vote	28 May 2021
Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	1 June 2021
Final Modification Report issued to Ofgem	9 June 2021
Ofgem decision	TBC
Implementation Date	1 December 2022

# CMP326 the asks of Panel

- **NOTE** that this Modification does impact the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the CUSC?
- Do you have any comments as to whether or not the proposed changes concur with the EBGL Article 3 Objectives?
- **VOTE** whether or not to recommend implementation
  - *Does the CMP326 Original proposal better facilitate the objectives than the current CUSC arrangements?*
- **NOTE** next steps

# EBGL Article 3 Objectives

**For reference, the Electricity Balancing Guideline (EBGL) Article 3 (Objectives and regulatory aspects) are:**

1. This Regulation aims at:
  - (a) Fostering effective competition, non-discrimination and transparency in balancing markets;
  - (b) enhancing efficiency of balancing as well as efficiency of national balancing markets;
  - (c) integrating balancing markets and promoting the possibilities for exchanges of balancing services while contributing to operational security;
  - (d) contributing to the efficient long-term operation and development of the electricity transmission system and electricity sector while facilitating the efficient and consistent functioning of day-ahead, intraday and balancing markets;
  - (e) ensuring that the procurement of balancing services is fair, objective, transparent and market-based, avoids undue barriers to entry for new entrants, fosters the liquidity of balancing markets while preventing undue market distortions;
  - (f) facilitating the participation of demand response including aggregation facilities and energy storage while ensuring they compete with other balancing services at a level playing field and, where necessary, act independently when serving a single demand facility;
  - (g) facilitating the participation of renewable energy sources and supporting the achievement of any target specified in an enactment for the share of energy from renewable sources.



# Draft Final Modification Reports

**CMP365 - Improvements to CUSC Governance  
Arrangements**

**Paul Mullen**

## CMP365 Background

- CMP365 is based upon the principles of Grid Code GC0131 'Quick Wins'. The aim is to incorporate a smoother and more efficient process for code modifications that will allow for the best use of industry time.
- March 2021 CUSC Panel unanimously agreed that CMP365 should follow standard governance route and proceed to Code Administrator Consultation.
- The Code Administrator Consultation was issued on 12 April 2021 and closed 5pm on 4 May 2021 with 2 responses received.

# CMP365 Code Administrator Consultation responses summary

Question	Summary
Do you believe that the CMP365 Original Proposal better facilitates the Applicable CUSC Objectives?	<p>One respondent agreed that CMP365 better facilitated applicable objective d.</p> <p>The other respondent agreed that CMP365 better facilitated applicable objectives a and d apart from the changes proposed on Quoracy and Assessment of Alternatives.</p>
Do you support the proposed implementation approach?	<p>One respondent supported the implementation approach.</p> <p>The other respondent noted that this was shown as “N/A” in the Code Administrator Consultation.</p>



# CMP365 Code Administrator Consultation responses summary

Question	Summary
Do you have any other comments?	<p>One respondent noted that this change is identical in principle to those developed with the help of an industry workgroup and approved by Ofgem for application to the Grid Code under modification GC0131.</p> <p>The other respondent made specific comments on Quoracy and Assessment of Alternatives.</p> <ul style="list-style-type: none"><li>• On Quoracy, the respondent noted that this is not an issue for CUSC and a lack of quoracy indicates a more underlying issue with the Workgroup. The Proposer has since discussed with the respondent and re-iterated that the limited membership Workgroup is a “last resort” option;</li><li>• On the Assessment of Alternatives, the respondent was concerned that this could potentially limit change options. The Proposer has since discussed with the respondent and noted that this change seeks alignment across Codes and the Licence and believes this change will allow more rounded discussions.</li></ul>
Legal Text issues raised?	None
EBGL issues raised?	None

# CMP365 Timeline

Milestone	Date
Draft Final Modification Report (DFMR) issued to Panel	20 May 2021
Panel undertake DFMR recommendation vote	28 May 2021
Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	2 June 2021
Final Modification Report issued to Ofgem	10 June 2021
Ofgem decision	TBC
Implementation Date	10 working days after Authority decision

# CMP365 - the asks of Panel

- **NOTE** that this Modification does not impact the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the CUSC?
- **VOTE** whether or not to recommend implementation
  - *Does the CMP365 Original proposal better facilitate the objectives than the current CUSC arrangements?*
- **NOTE** next steps

# **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 – Jon Wisdom**

# 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**

# Update on Other Industry Codes

**Grid Code**

**STC**

**SQSS**

**DCUSA**

**BSC**





# Relevant Interruptions Claim Report

(January, April, July, October)

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# Governance

**Which milestones can only be changed with Urgency?**

**Paul Mullen**

# What can only be changed by Urgency

Milestone	Standard Timescale	Referenced in CUSC Section 8	Referenced in CACOP V5.1	Referenced in Terms of Reference	Comments
<b>Workgroup Nominations</b>	15 working days	No	No	No	15WD appears to be industry practice but nothing preventing Panel agreeing to a shorter period without the need for Urgency
<b>Workgroup Consultation</b>	15 working days	Yes – 8.20.7 and 8.20.8(d)	Yes - Principle 10 ( <i>Standard 15 Business Days</i> )	Yes	CACOP Principle 10 states a standard 15 business days. In theory, Panel under 8.20.7 and 8.20.8(d) can set a shorter period (as part of the Terms of Reference; however the standard Terms of Reference states 15 WD) without the need for Urgency
<b>Workgroup Report to Panel</b>	5 working days	No	No	No	Panel can agree to a shorter period without the need for Urgency.
<b>Code Administrator Consultation</b>	15 working days (1 month if EBGL)	Yes – 8.22.2	Yes - Principle 10 ( <i>Standard 15 Business Days</i> )	No	CACOP Principle 10 states a standard 15 business days. 1 month if EBGL.
<b>DFMR to Panel</b>	5 working days	Yes – 8.23.3	No	No	Must be 5WD notice (8.23.3)
<b>FMR to Panel to check Votes</b>	5 working days	Yes – 8.23.5	No	No	Must be 5WD notice (8.23.5)

Code Admin Conclusion: We can reduce the “standard” Workgroup Nominations and Workgroup Report to Panel without the need for Urgency. Do Panel have any thoughts on this?

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# Horizon Scan

(February, May, August, November)

# CUSC Horizon Scan - May 2021

To be added w/c 24 May 2021

# Forward Plan Update/Customer Journey)

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

(Critical Friend Quarterly Update in Panel Pack – January, April, July and October. To be discussed at Panel – January and July)

- **Code Administrator Deliverables 2021 – Paul Mullen**



# Code Administrator Deliverables 2021

# Annual Report 2020-21 and Deliverables for 2021-22

Last week we published our [annual report](#), which provides a look-back on the year just gone, and includes detailed insights into our activities.

Alongside our report, we also published a forward-looking document, where we summarise our deliverables for the coming year. We have developed this based on the feedback we received in our Code Administrator survey, Markets week webinars, and the continuous feedback we seek at forums, Workgroups, Panels and CACoP.

# Code Admin Deliverables for 2021-22

- **Upskilling and recruitment**
  - Recruiting RII02 FTE in 2021
  - Ongoing training in skills such as chairing Workgroups and Plain English writing
- **Collaboration**
  - Co-creation throughout the year, to discuss your views on strategic challenges
  - Ongoing collaboration in workgroups, forums and Panels
- **Better sight of cross-code impacts**
  - Improved horizon scanning
  - Work so far on this has been well-received

# Code Admin Deliverables for 2021-22

- **Diversity and Equality**
  - Support removal of gendered language in codes
  - Continue to meet accessibility standards of reporting – Plain English content
- **Rationalisation**
  - Support removal of redundant content from codes ahead of digital transformation
- **Digital transformation**
  - Support the digitalisation of the Grid Code



Feedback / Questions?





# **Market-wide Half-hourly Settlement: Implementation and Governance Arrangements**

**Sinead Quinn - Ofgem**



# Market-wide Half-hourly Settlement: Implementation and Governance Arrangements



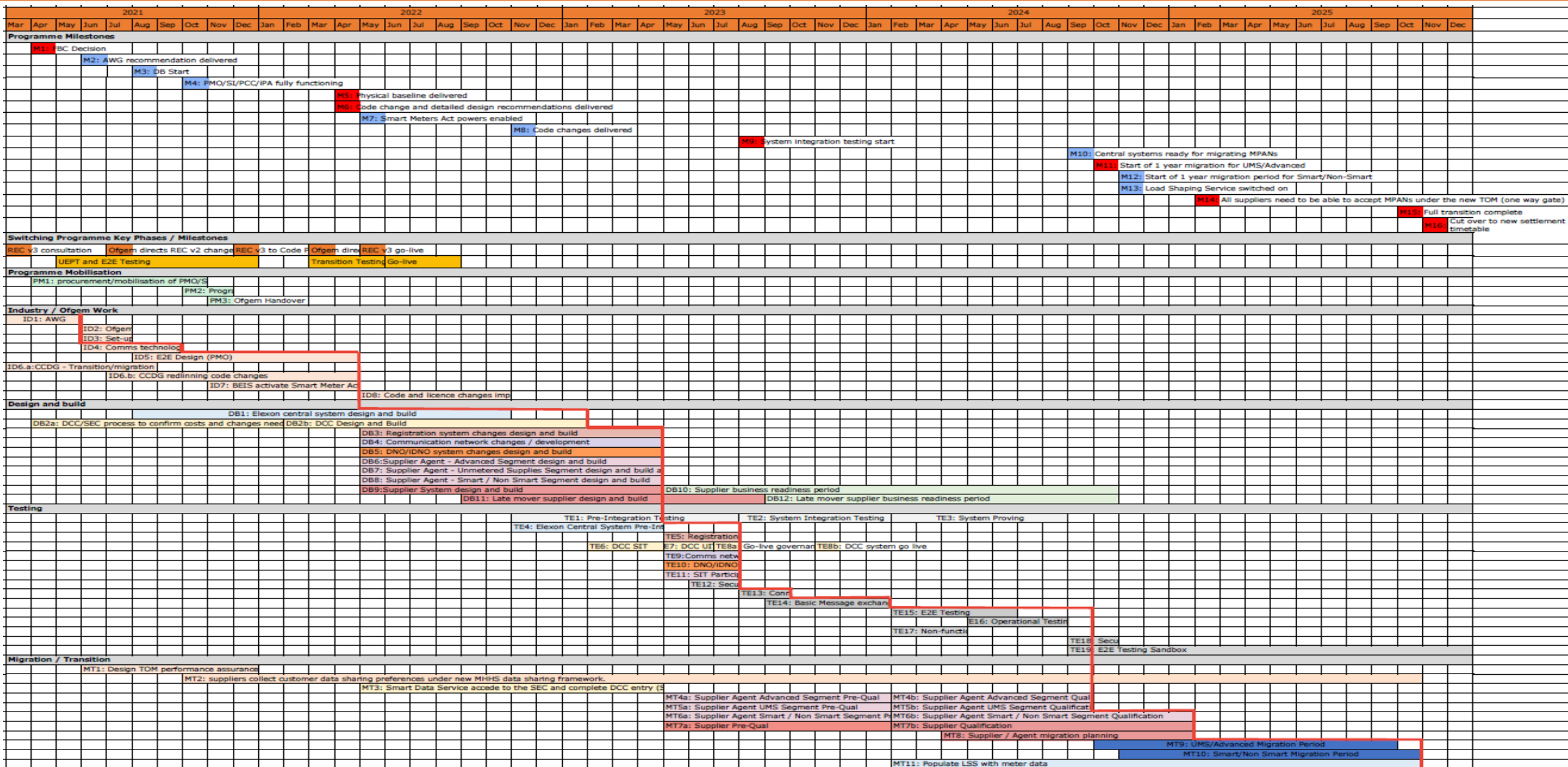
**Settlement Reform team**

We published our decision on Market-wide Half-hourly Settlement (MHHS) - 20 April 2021:

- Transition over 4 years 6 months to October 2025
- Estimated consumer benefits £1.6bn - £4.5bn to 2045
- Elexon as SRO for implementation

BSC modification P413 (20 April 2021) – Elexon’s MHHS implementation role and implementation cost recovery

**Consultation on implementation and governance arrangements for MHHS (23 April 2021)** - for the MHHS transition (follows MHHS Programme Implementation principles consultation (Jan 2021)).



### Key milestones in the baseline transition timetable:

- Physical build and detailed design code changes – delivered April 2022
- Design and build phase – May 2022 to May 2023
- Testing phase – May 2023 to September 2024
- Qualification phase (including pre-qualification) – May 2023 to Jan 2025
- Migration phase – October 2024 to October 2025

## The consultation sets out our proposals on:

- Obligations on parties – draft set of proposed code obligations
- Governance structure – proposed Governance Framework
- Independent Programme Assurance – proposed assurance principles
- Ofgem's role - proposed thresholds for future intervention

**Consultation closes 25 June 2021**

Decision on consultation (final implementation arrangements)  
– Summer/Autumn 2021

### **SCR process – Option 3**

- Obligations on parties – present code changes for panel recommendation – expected September 2021
- Make code changes – decision following panel recommendation
- Handover to Elexon to lead implementation – expected October 2021

Future substantive code changes (CCDG) - tbc

### Proposed draft code obligations on different programme parties:

- Elexon (SRO and programme manager and programme participant) – powers and obligations to discharge central programme functions
- Suppliers, distributors and supplier agents (programme participants) – to act in accordance with programme governance, planning and documentation
- DCC (provider of smart meter comms systems) – to comply with MHHS obligations
- Code bodies (SEC, DCUSA, REC, CUSC) – to act in accordance with programme governance, planning and documentation

NB. Where any of the above rely on 3<sup>rd</sup> parties to help meet their obligations, they will be obligated to secure those parties' cooperation

Our draft code proposals include a change to the CUSC, to bind NGESO Ltd into the obligations set out in the BSC.

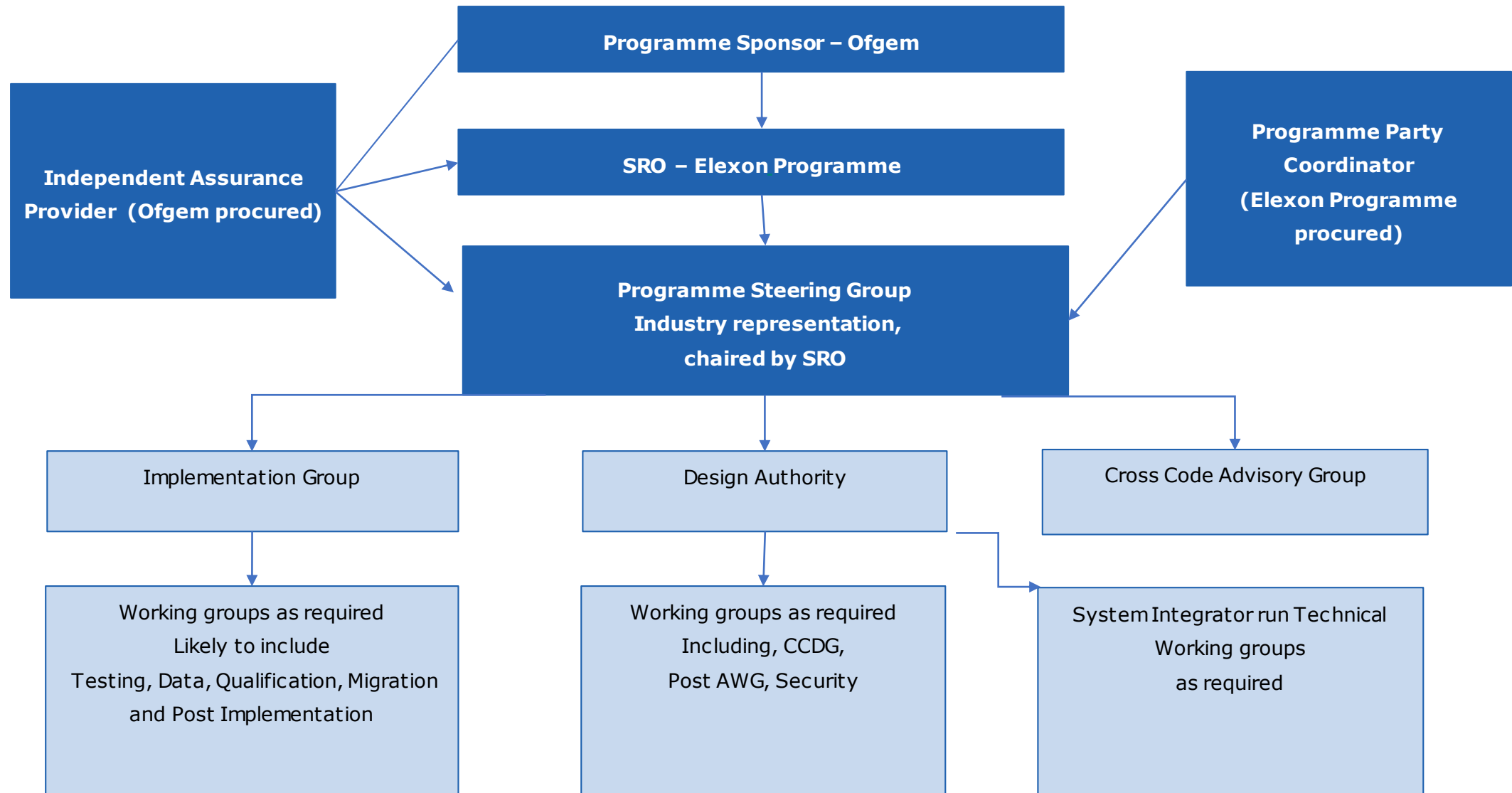
- We propose to add a new Clause into the CUSC (Clause 8.2.3) to ensure that NGESO Ltd comply with, and operate in accordance with, the governance and management of MHHS implementation.
- The CUSC Panel will also be required to ensure that NGESO Ltd shall comply with these obligations.
- Once in place, NGESO Ltd will then be bound by the obligations set out either specifically for NGESO Ltd, or generically as a category of participant under Section C12 of the BSC.



Our draft proposals provide details of code obligations on various programme parties:

- Licensed parties (suppliers, distributors, DCC) have existing 'duty to cooperate' licence obligation in implementing a Significant Code Review (SCR)
- Detailed code obligations to complement the general licence duty
- Proposed licence change to Smart DCC licence will aim to ensure DCC meets its obligations under the BSC, even though it is not a BSC party, to ensure effective and timely MHHS implementation

# Governance Arrangements for MHHS implementation



Purpose of programme assurance to build trust amongst participants and in reliability of programme reporting and forecasting

- PSG, SRO and Ofgem will rely on IPA to assess and highlight if programme on track or where action required and by whom
- IPA also helps manage Elexon conflict of interest risks
- IPA complements parties' own assurance functions, will rely on parties' self-assessment when carrying out own assessments
- IPA to work with both central programme functions and programme parties, help identify risks before they become issues, gather and present evidence, engage actively and provide real-time reporting ahead of key milestones and decisions

Detailed assurance principles set out in consultation – comments welcome

## Seeking views on set criteria – see below - and specific thresholds that may cause Ofgem to intervene in MHHS Programme

- Proposed material or fundamental change to the TOM design baseline in our MHHS Decision
- Significant material proposed or forecast shift in costs or benefits
- Significant delays to planned implementation experienced or forecast compared to transition timetable in MHHS Decision
- Situation where a party or parties consider their interests treated less favourably, without good reason, than others
- Situation where stakeholder argues that design process not taking proper account of end consumers' interests or could materially impact consumers
- Significant governance changes are suggested based on an IPA assessment

Welcome further stakeholder engagement with Ofgem  
on our proposals

**To contact us, please email**  
**[halfhourlysettlement@ofgem.gov.uk](mailto:halfhourlysettlement@ofgem.gov.uk)**

**Our core purpose is to ensure that all consumers can get good value and service from the energy market. In support of this we favour market solutions where practical, incentive regulation for monopolies and an approach that seeks to enable innovation and beneficial change whilst protecting consumers.**

**We will ensure that Ofgem will operate as an efficient organisation, driven by skilled and empowered staff, that will act quickly, predictably and effectively in the consumer interest, based on independent and transparent insight into consumers' experiences and the operation of energy systems and markets.**

# AOB

## ***1. General discussion on impacts of coronavirus outbreak (ALL)***

# Next Panel Meeting

**10am on 25 June 2021 via Teams**

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**Papers Day – 17 June 2021**

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**Modification Proposals to be submitted  
by 10 June 2021**

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**TCMF – 3 June 2021**

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# Close



**Trisha McAuley**

Independent Chair, CUSC Panel

national**grid**ESO