

# CUSC Panel

**Friday 27 August 2021**

**Online Meeting via Teams**

# WELCOME



**nationalgrid**ESO

# Hybrid Working

Rob Marshall, ESO



# Hybrid working

## Facilities

We are upgrading the capabilities of our conference suite in Faraday House to better facilitate hybrid meetings – With some people meeting in person and others joining remotely

- New audio connections are being installed and calibrated
- All our meeting rooms will be equipped with cameras at the front of the room
- Rooms will be available with capacities of 6-16 people

## Timelines

Currently ESO continues to have social distancing measures in place within its offices. These are anticipated to be reduced/removed in September as part of a phased return to the office for our people.

# Approval of Panel Minutes

Approval of Panel Minutes from the  
Meetings held 30 July 2021 and 6  
August 2021



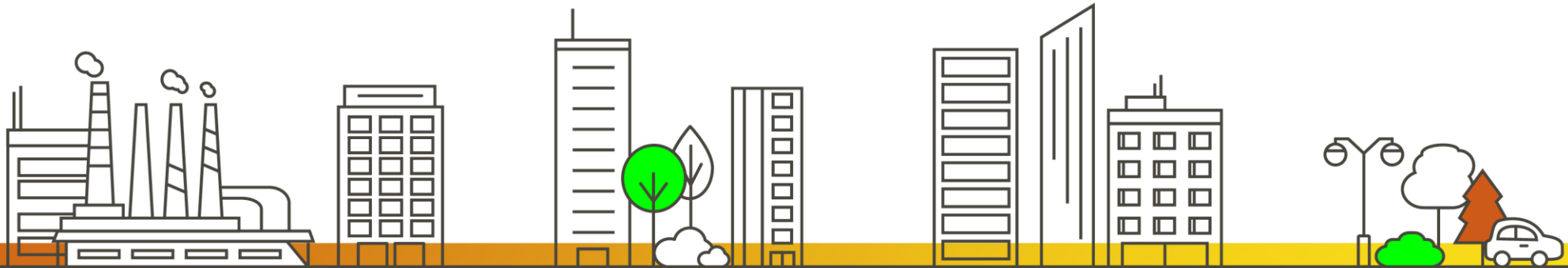
# Actions Log

## Review of the actions log



# Chair's Update

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



# Authority Decisions (as at 19 August 2021)



## Decisions Received since last Panel meeting

- ☐ **CMP326 (Decision was received 10 August 2021 approving the Original proposal - implementation date is 1 December 2022)**

## Decisions Pending

- ☐ **CMP335/336 (due 27 August 2021), CMP343/340 (due 27 August 2021), CMP292 (decision expected 30 September 2021), CMP371 (decision expected end September 2021)**

## Received Final Modification Reports since last Panel Meeting

- ☐ **CMP370 (received 13 August 2021)**



# New modifications submitted

**CMP378:** 'Market-wide Half-Hourly  
Settlement (MHHS) Implementation and  
Governance Arrangements'

**Abid Sheikh – Ofgem (on behalf of Proposer – Rachel  
Clark)**



# Critical Friend Feedback – CMP378

| Code Administrator comments   | Amendments made by the Proposer  |
|---|--|
| <p>Added potential timeline to meet implementation date</p> <p>Proposed shortening the overview and suggested words to set out the defect</p> <p>Questioned if this particular change would be positive against CUSC Standard Objective (b)</p> <p>Proposed minor changes to Legal Text</p> <p>Proposed governance route needs to be justified</p> <p>Make clearer that the obligation is also on Code Admin as well as ESO</p> <p>Defined acronyms</p> | <p>All proposed amendments accepted by Proposer. However, Proposer has added further clarity on why this particular change meets CUSC Standard Objective (b)</p> <ul style="list-style-type: none"><li>- Proposed governance route needs to be justified not addressed yet</li><li>- Make clearer that the obligation is also on Code Admin as well as ESO not addressed yet</li></ul> |

# Electricity Settlement Reform SCR: Authority Led CUSC modification - CMP378 (27 August 2021)



**Anna Stacey/Abid Sheikh**

On 11 August 2021 we published our [Decision on MHHS Implementation and Governance Arrangements](#)

On 12 August 2021 we published an [Update - Electricity Settlement Reform Significant Code Review: Authority-Led Code Modification Proposals | Ofgem](#)

**Purpose:** Place an obligation on NGESO and the CUSC Code Administrator to comply with Market-wide Half-Hourly Settlement (MHHS) implementation provisions that will apply to them as set out in Section C12 of the BSC

### **Benefits:**

- MHHS will send accurate signals to suppliers about the cost of serving their customers throughout each day
- Will incentivise suppliers to offer new tariffs and products that encourage more flexible use of electricity
- Net benefits for consumers of £1.6bn-£4.5bn (2021-2045)
- Key enabler for Net Zero
- Also more competition and innovation in the market



## Proposed Legal Text:

### 8.2.3 Market-wide Half-Hourly Settlement Implementation

**The Company** shall (and shall ensure that the **Code Administrator** shall) comply with the obligations expressed to apply to **The Company** (either specifically or generally as a category of participant) under section C12 (Market-wide Half Hourly Settlement Implementation) of the **Balancing and Settlement Code**.

NB. Slight differences from our published text – formatting of defined terms in bold, correcting a minor typo

12 August 2021: Modification proposal submitted under Authority-led SCR procedure

27 August 2021 (today): present CMP 378 to CUSC Panel

31 August 2021 – 14 September 2021: Consultation

16 September 2021: draft Final Modification Report

24 September 2021: CUSC Panel meeting – Panel vote on recommendation

12 October 2021: Target date for Authority decision

**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.**

## Timeline for CMP378 – Proposed Timeline (*Standard-Governance with Code Administrator Consultation*)

| Milestone   | Date                                | Milestone   | Date  |
|---|-------------------------------------|---|---|
| Modification presented to Panel                           | 27 August 2021                      | Final Modification Report issued to Panel to check votes recorded correctly (1 working day) | 24 September 2021   |
| Code Administrator Consultation (10 working days)         | 31 August 2021 to 14 September 2021 | Final Modification Report issued to Ofgem   | 28 September 2021   |
| Draft Final Modification Report (DFMR) issued to Panel    | 16 September 2021                   | Ofgem Decision  | By no later than 12 October 2021  |
| Panel undertake DFMR recommendation vote (5 working days) | 24 September 2021                   | Implementation Date   | 3 working days after Ofgem decision / 15 October 2021 if decision received by 12 October 2021 |

# CMP378 – the asks of Panel

- **NOTE** that this Modification will follow the **AUTHORITY LED SCR MODIFICATION** process as set out in CUSC 8.17B
- **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



# CUSC Self-Governance Criteria

## “Self-Governance Criteria”

a **CUSC Modification Proposal** that, if implemented,

(a) is unlikely to have a material effect on:

(i) existing or future electricity consumers; and

(ii) competition in the generation, distribution, or supply of electricity or any commercial activities connected with the generation, distribution or supply of electricity; and

(iii) the operation of the **National Electricity Transmission System**; and

(iv) matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; and

(v) the **CUSC**'s governance procedures or the **CUSC**'s modification procedures, and

(b) is unlikely to discriminate between different classes of **CUSC Parties**;

c) other than where the modification meets the **Fast Track Criteria** will not constitute an **EBGL Amendment**.



# In Flight Modification Updates

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

# Dashboard – CUSC (as at 19 August 2021)

| Category   | Mar                         | Apr   | May                                       | Jun   | Jul                          | Aug   |
|--|-----------------------------|---|---|---|------------------------------|---|
| New Modifications  | 3                           | 6   | 1   | 1   | 2                            | 1   |
| In-flight Modifications (includes those on hold but not New Modifications) | 53                          | 36  | 42  | 43  | 43                           | 44  |
| Modifications issued for Workgroup consultation                            | 0                           | 2 <i>(CMP308, CMP373)</i>   | 0   | 1 <i>(CMP368/369)</i>   | 0                            | 1 <i>(CMP298)</i>   |
| Modifications issued for Code Administrator Consultation                   | 1 <i>(CMP367)</i>           | 2 <i>(CMP326), CMP365)</i>  | 4 <i>(CMP373, CMP371, CMP370, CMP372)</i> | 0   | 1 <i>(CMP370 on 13 Jul)</i>  | 3 <i>(CMP308 , CMP377), CMP368/369)</i>   |
| Workgroups held  | 5                           | 7   | 8   | 8   | 9                            | 4 <i>(CMP328 25 Aug, CMP374/330 26 Aug planned)</i>                             |
| Authority Decisions  | 2 <i>(CMP360, CMP367)</i>   | 0   | 2 <i>(CMP344, CMP373)</i>                 | 1 <i>(CMP280)</i>   | 2 <i>(CMP300 and CMP365)</i> | 1 <i>(CMP326)</i> . Note that CMP335/336 and CMP340/343 expected 27 August 2021 |
| Implementations  | 0                           | 18 <i>(CMP281, 306, 317/327, 319, 320, 324/325, 333, 339, 346, 347, 349, 353, 354, 355/356, 357, 360, 366, 367)</i> | 0   | 0   | 1 <i>(CMP365)</i>            | 1 <i>(CMP372)</i>   |
| Modifications Withdrawn  | 0                           | 0   | 0   | 0   | 0                            | 0   |
| Modifications on Hold  | 3 <i>(CMP271, 276, 305)</i> | 3 <i>(CMP271, 276, 305)</i>   | 3 <i>(CMP271, 276, 305)</i>               | 3 <i>(CMP271, 276, 305)</i>   | 3 <i>(CMP271, 276, 305)</i>  | 3 <i>(CMP271, 276, 305)</i>   |
| Workgroups postponed   | 0                           | 1 <i>(CMP298 – was 7 Apr)</i>   | 0   | 3 <i>(CMP298 – was 7 Jun, CMP363/364 was 11 Jun, CMP328 was 30 Jun)</i> | 0                            | 0   |

# In flight Modifications (Revised Timelines) – the asks of Panel

## **CMP330/374**

June 2021 Panel agreed that Workgroup Report will be presented to September 2021 Panel rather than August 2021 Panel to allow sufficient scrutiny ahead of 2nd Workgroup Consultation. However, Workgroup are still firming up the solution with next Workgroup on 26 August 2021 and therefore Workgroup Report will not be presented at September Panel. August 2021 Panel to **AGREE** to a further delay to December 2021.

## **CMP365 and CMP372**

**NOTE** that CMP365 Original was implemented on 30 July 2021 and CMP372 Original was implemented on 3 August 2021

# CMP330 & CMP374 Proposed Timeline as at 12 August 2021

| Milestone  | Date  | Milestone  | Date   |
|--|---|--|--|
| Modification presented to Panel  | 28 May 2021   | Code Administrator Consultation (15 working days)  | 21 December 2021 – 24 January 2022 (20 day consultation) |
| Workgroup Nominations (10 Working days)  | 28 May 2021 – 14 June 2021                                    | Draft Final Modification Report (DFMR) issued to Panel                                       | 17 February 2022   |
| CMP330/CMP374 Workgroup Meeting 1 (Discuss CMP374 solution and any potential alternatives & review legal text)                                       | 18 June 2021  | Panel undertake DFMR recommendation vote (5 working days)                                    | 25 February 2022   |
| Workgroup meetings (Agree solution & Workgroup Consultation Questions & Finalise legal text) & Workgroup Meeting 3 (Finalise Workgroup Consultation) | 26 August 2021<br>w/c 20 September 2021<br>w/c 4 October 2021 | Final Modification Report issued to Panel to check votes recorded correctly (5 working days) | 28 February 2022   |
| Workgroup Consultation   | 11 October 2021 – 1 November 2021                             | Final Modification Report issued to Ofgem  | 9 March 2022   |
| Workgroup Meetings post consultation (review CMP374 Workgroup Consultation responses, finalise solution, hold Votes)                                 | w/c 8 November 2021 & w/c 22 November 2021                    | Ofgem Decision   | TBC  |
| Workgroup Report issued to Panel   | 9 December 2021   | Implementation Date  | TBC  |
| Workgroup Report presented to Panel  | 17 December 2021  | NOTE: 8 previous Workgroups for CMP330   |  |

Date changes highlighted in yellow



# Discussions on Prioritisation

- **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

**Paul Mullen**




# Draft Final Modification Reports

**None this month**

**Paul Mullen**





# **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**

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# Relevant Interruptions Claim Report

(January, April, July, October)

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# Governance

## CUSC Panel Elections Update

**Paul Mullen**

# What's happening next:

| Date                                   | Milestone  |
|--|--|
| Thursday 1st July 2021                 | Invitations will be sent out to CUSC Schedule 1 Users to nominate candidates to stand for election.      |
| Friday 23rd July 2021                  | Nomination Forms to be returned no later than 5.00pm   |
| Monday 9th August 2021                 | List of candidates and voting papers to be circulated, or we will announce the outcome of the Elections. |
| Tuesday 31st August 2021               | Voting papers to be returned no later than 5pm.  |
| Wednesday 15th September 2021          | Election results will be announced.  |
| 1st October 2021 – 30th September 2023 | Newly elected Panel Members and Panel Alternate Members will take up office.                             |

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# Horizon Scan

(February, May, August, November)



# CUSC Horizon Scan – August 2021

|  |        |   |   |  |   |   | 2022   |   |   |  |   |   |  |   |   |   |   |   | 2023 |   |   |   |   |   |   |   |   |   |   |   | 2024                |  |  |                           |  |  |                           |  |  |                           |  |  |                           |  |  |  |  |  |
|--|--------|---|---|--|---|---|--|---|---|--|---|---|--|---|---|---|---|---|------|---|---|---|---|---|---|---|---|---|---|---|---------------------|--|--|---------------------------|--|--|---------------------------|--|--|---------------------------|--|--|---------------------------|--|--|--|--|--|
|  | J      | A | S | O  | N | D | J  | F | M | A  | M | J | J  | A | S | O | N | D | J    | F | M | A | M | J | J | A | S | O | N | D | Possible Governance |  |  |                           |  |  |                           |  |  |                           |  |  |                           |  |  |  |  |  |
| <b>TNUoS</b> - Additional Clarity on which Demand Zone a Transmission Demand User falls within | Q3' 21 |   |   | Expect to raise Modification in September 2021 |   |   |  |   |   |  |   |   |  |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |                     |  |  | Workgroup: Ofgem decision |  |  |                           |  |  |                           |  |  |                           |  |  |  |  |  |
| <b>User Commitment</b> - MM3 notification of fixed attributable works (Cancellation Charges)   |        |   |   | Q4' 21   |   |   | Expect to raise Modification in October 2021                             |   |   |  |   |   |  |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |                     |  |  |                           |  |  | Workgroup: Ofgem decision |  |  |                           |  |  |                           |  |  |  |  |  |
| <b>Offshore Co-ordination</b>  |        |   |   | Q4' 21   |   |   | Still determining when these will be raised and numbers of modifications |   |   |  |   |   |  |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |                     |  |  |                           |  |  | Workgroup: Ofgem decision |  |  |                           |  |  |                           |  |  |  |  |  |
| <b>Early Competition</b>   |        |   |   | Q4' 21   |   |   | Still determining when these will be raised and numbers of modifications |   |   |  |   |   |  |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |                     |  |  |                           |  |  | Workgroup: Ofgem decision |  |  |                           |  |  |                           |  |  |  |  |  |
| <b>Access and Forward Looking Charges Significant Code Review</b>                              |        |   |   |  |   |   | Q1' 22   |   |   | Expect to raise Modifications Q1 2022                                    |   |   |  |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |                     |  |  |                           |  |  |                           |  |  | Workgroup: Ofgem decision |  |  |                           |  |  |  |  |  |
| <b>TNUoS</b> - Charging for Tertiary Connections   |        |   |   |  |   |   | Q1' 22   |   |   | Still determining when these will be raised and numbers of modifications |   |   |  |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |                     |  |  |                           |  |  |                           |  |  | Workgroup: Ofgem decision |  |  |                           |  |  |  |  |  |
| <b>TCR</b> - CMP324/325 Rezoning   |        |   |   |  |   |   |  |   |   | Q2' 22   |   |   | Still determining when this will be raised. Recognition that this is related to the Expansion Constant Review but Proposer believe it is prudent to only raise this change once the wider review of the Expansion Constant Modification (CMP375) is close to being finalised |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |                     |  |  |                           |  |  |                           |  |  |                           |  |  | Workgroup: Ofgem decision |  |  |  |  |  |
| <b>Market Wide Half Hourly Settlement Reform</b> - CUSC changes                                |        |   |   |  |   |   |  |   |   | Q2' 22   |   |   | Expect for Ofgem to direct the ESO to raise changes from April 2022 with the expectation that the changes will be delivered ~ October 2022   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |                     |  |  |                           |  |  |                           |  |  |                           |  |  | Workgroup: Ofgem decision |  |  |  |  |  |
| <b>Energy Codes Review</b> - CUSC changes  |        |   |   |  |   |   |  |   |   | Q2' 22   |   |   | Not currently clear when changes will be raised  |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |                     |  |  |                           |  |  |                           |  |  |                           |  |  | Workgroup: Ofgem decision |  |  |  |  |  |

Ask of Panel: Is there anything else you were expecting to see on this list?

# 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)

**None**

# AOB

- 1. General discussion on impacts of coronavirus outbreak (All)***
- 2. Plugged in Newsletter update following May Panel feedback (Laura Gordon)***

# Next Panel Meeting

**10am on 24 September 2021 via Teams**

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**Papers Day – 16 September 2021**

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**Modification Proposals to be submitted  
by 9 September 2021**

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**TCMF – 2 September 2021**

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# Close



**Trisha McAuley**

Independent Chair, CUSC Panel

national**grid**ESO