

# CUSC Panel

**Friday 26 August 2022**

**Online via Teams**

# WELCOME

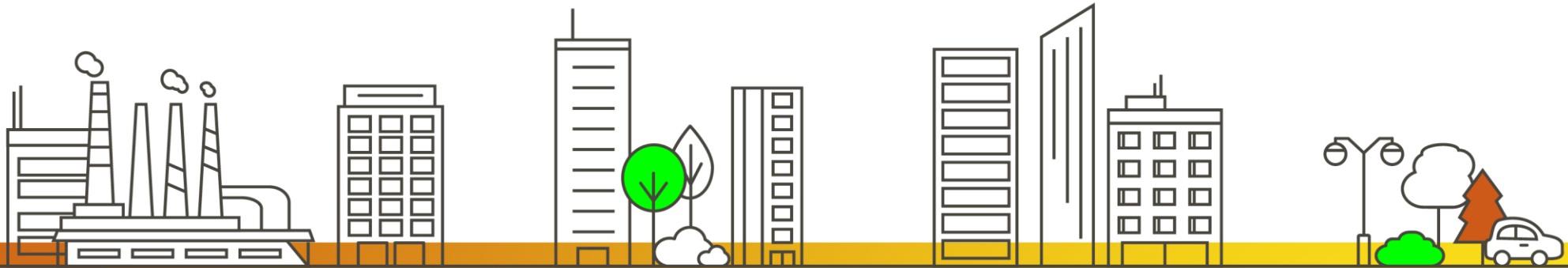


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# Approval of Panel Minutes

Approval of Panel Minutes from the  
Meeting held 29 July 2022



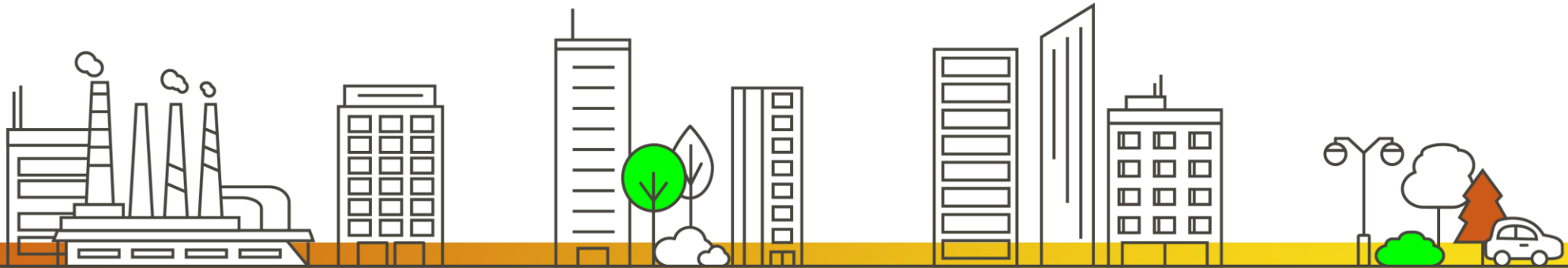
# Actions Log

## Review of the actions log



# Chair's Update

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



# Authority Decisions (as at 18 August 2022)



## Decisions Received since last Panel meeting

- ☐ None

## Decisions Pending

- ☐ **CMP292** (Expected decision date of TBC in 2022 (previously 30 June 2021 and latterly 30 September 2021) as Ofgem still consider this to be low priority)
- ☐ **CMP298** (Expected decision date of 30 November 2022)
- ☐ **CMP328** (Expected decision date of 30 November 2022 - The Final Modification Report for the associated STC change (CM078) was issued to Ofgem on 7 June 2022)
- ☐ **CMP361/362** (Expected decision date TBC – impact assessment consultation is planned to be issued by end of August 2022)
- ☐ **CMP388** (Expected decision date of 30 September 2022)
- ☐ **CMP389** (Expected decision date of 30 September 2022)
- ☐ **CMP390** (Expected decision date of 3 February 2023)

## Received Final Modification Reports since last Panel Meeting

- ☐ **CMP288** (Final Modification Report received 10 August 2022)

# New modifications submitted

**None this month**





# In Flight Modification Updates

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



# Discussions on Prioritisation

- **AGREE** where New Modifications that need Workgroups are placed in the prioritisation stack
- **CARRY OUT** deep-dive assessment of all Modifications that sit within the 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

## CMP316 – TNUoS Charging Methodology for Co-located Generation

**Paul Mullen (on behalf of Jennie Groome)**



## CMP316: TNUoS Arrangements for Co-located Generation Sites

**Overview:** Generation sites which comprise multiple technology types within one Power Station are termed “co-located”. This modification will develop a cost-reflective approach to allow the CUSC charging methodology to accommodate the growing number of such sites.

## Key points to note to the Panel

- Concerns were raised in the Workgroup regarding the Original Proposal, that it pro-rates Transmission Entry Capacity (TEC) across all elements of the tariff and therefore does not stay true the intention of the differing wider tariff calculations to reflect different times of operation. Also that the Original Proposal would understate the level of output where the station TEC is less than total installed capacity, or overstate it in the unlikely situation where the station TEC is higher than total installed capacity. A Workgroup Alternative has been raised to address this perceived issue.
- If CMP316 is approved, it is potentially necessary to also change three Exhibits to the CUSC which will be raised by the ESO through a new consequential modification, which is planned to be raised in September 2022 with a proposed straight-to-Code Administrator Consultation timeline.
  - The three Exhibits to potentially be changed are: CUSC Exhibit B Connection Application (BCAs); Exhibit D BEGA Application; and Exhibit I Modification Application.

# CMP316 Workgroup Alternative CUSC Modification – WACM1

- The Peak liability is pro-rated using Peak Installed TEC
- The Not Shared Year Round is pro-rated using the Annual Load Factor (ALF) to give a scaled Not Shared Year Round liability
- ‘Scaled’ generic ALFs should be used to scale pro-rated TEC for the Shared Year Round charge

## CMP316 Workgroup Vote

- 1 out of 5 voting members voted that the Original better facilitated the applicable objectives than the baseline.
- 4 out of 5 voting members voted that WACM1 better facilitated the applicable objectives than the baseline.

# Terms of Reference

- The Workgroup conclude that they have met their Terms of Reference and the references can be located below:

Workgroup Term of Reference	Location in Workgroup Report (to be completed at Workgroup Report stage)
Consider EBR implications	Interactions section
Consider if 'utilise different fuels' extends to wind, solar, marine and storage and if so, how?	Workgroup Considerations
Consider how 'not of the same technology' works in the context of generation technologies which use different fuel in the same plant, such as biomass/coal, oil/gas, diesel to start/other fuel, storage/runoff	Workgroup Considerations
Consider how the solution would work in the context of LDTEC, STEC and TEC Transfer	Workgroup Considerations
Consider how 'the predominant ALF' can be determined without metered data	Workgroup Considerations
Consider the practicalities of metered data in negative TNUoS charging zones	Workgroup Considerations
Consider whether the background conditions need to change, and the potential consequences of not changing the inputs to the background conditions when calculating the tariffs.	Workgroup Considerations
Consider how the solution would work in the context of LDTEC, STEC and TEC Transfer	Workgroup Considerations



# CMP316 Next Steps

Milestone	Date
Code Administrator Consultation (15 working days)	4 October 2022 to 25 October 2022 ( <i>issue same time as Code Administrator Consultation for consequential Modification</i> )
Draft Final Modification Report issued to Panel	17 November 2022
Draft Final Modification Report presented to Panel	25 November 2022
Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	29 November 2022
Submission of Final Modification Report to Ofgem	7 December 2022
Ofgem decision date	TBC
Implementation Date	1 April 2024

# CMP316 – the asks of Panel

- **AGREE** that the Workgroup have met their Terms of Reference
- **AGREE** that this Modification can proceed to Code Administrator Consultation
- **NOTE** that this Modification does not impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the CUSC?
- **NOTE** the ongoing timeline

# Workgroup Reports

**CMP384 – Apply adjustments for inflation to manifest error thresholds using Indexation**

**Ren Walker**

## Key points to note to the Panel

- On 8 February 2022, Scottish Power Renewables raised urgent CUSC Modification CMP384. Panel, by majority recommended that CMP384 should be treated as urgent and on 11 February 2022 Ofgem rejected the request for urgency.
- CMP384 seeks to ensure that fixed manifest error thresholds stated within the CUSC account for inflation and are better aligned with current TNUoS tariffs to which they relate.
- CMP384 Workgroup Consultation was held between 17 June – 08 July 2022 and received 4 non – confidential responses and no alternatives were raised. Key points from the consultation are as follows:
  - Respondents believed that CMP384 Original proposal better facilitates applicable objectives (a), (b), (c) and (e)
  - The majority of respondents supported the implementation approach for CMP384.
  - All respondents supported the new manifest error thresholds and the effect they will have on Users being just below/above the threshold
  - All respondents agreed there should not be a different threshold and or timings for reconciliation of a credit v charge.



# Solution(s) and Workgroup Vote

## **Solution/summary of solutions:**

- No WACM's for CMP384 – Original solution only.
  - CMP384 Original solution: Applying RPI to the manifest error thresholds covered in CUSC Sections 14.17.34 until 31 March 2021, to reflect a revised threshold value in 2020/21 real terms. Then indexing it to the Transmission Owner Price Index (TOPI) thereafter.

## **Summary of Workgroup Vote:**

- 6 out of 6 voting members voted that the Original better facilitated the applicable objectives than the baseline

# Terms of Reference

- The Workgroup conclude that they have met their Terms of Reference and the references can be located below:

Workgroup Term of Reference	Location in Workgroup Report (to be completed at Workgroup Report stage)
a) Consider EBR implications	Pages 3 and 12
b) Consider if there are alternative approaches	Pages 3, 7, 8 and 9
c) Consider how these alternative approaches may cause disproportionate impacts on different parties now an issue has been identified	Pages 7 to 9
d) If a decision is received after April 2022's reconciliation (of generator 2021/22 charges), consider whether it is still reasonable to apply this for relevant Users during 2021/22 using the approach applied with GB ECM-05.	Pages 5 and 9
e) Have there have been any instances of a manifest error since GB ECM-05 was introduced in 2006?	Page 6
f) Consider what constitutes as an error	Pages 5 and 6

# CMP384 Next Steps

Milestone	Date
Code Administrator Consultation (15 working days)	30 August 2022 – 20 September 2022
Draft Final Modification Report issued to Panel	22 September 2022
Draft Final Modification Report presented to Panel	30 September 2022
Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	04 October 2022
Submission of Final Modification Report to Ofgem	12 October 2022
Ofgem decision date	By 31 January 2023
Implementation Date	01 April 2023

# CMP384 - the asks of Panel

- **AGREE** that the Workgroup have met their Terms of Reference
- **AGREE** that CMP384 can proceed to Code Administrator Consultation
- **NOTE** that CMP384 does not impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the CUSC?
- **NOTE** the ongoing timeline





# Draft Final Modification Reports

**None this month**

# **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 – Karen Thompson-Lilley**



# 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)

The background features several thick, flowing yellow lines that sweep across the frame. Some lines are curved and loop around, while others are straight and parallel, creating a sense of movement and energy.

**Governance**  
**None this month**



# Horizon Scan

(February, May, August, November)





# Forward Plan Update/Customer Journey)

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

# AOB

1. *None this month*

# Next Panel Meeting

**10am on 30 September 2022 via Teams**

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**Papers Day – 22 September 2022**

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**Modification Proposals to be submitted  
by – 15 September 2022**

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**TCMF – 8 September 2022**

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**Close**



**Trisha McAuley**

**Independent Chair, CUSC Panel**

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