CUSC Panel

Friday 24 February 2023

Microsoft Teams

WELCOME

ESO

Approval of Panel Minutes

Approval of Panel Minutes from the Meetings held
16 December 2022 and 27 January 2023

Review of Actions within Action Log

Chair’s Update

Authority Decisions and Update (as at 16 February 2023)

Decisions Received since last Panel meeting

- **CMP328** (On 14 February 2023, Ofgem sent back the CMP328 Final Modification Report for further work and directed CUSC Panel to revise and resubmit the CMP328 Final Modification Report. Note that the Final Modification Report for the associated STC change (CM078) was issued to Ofgem on 7 June 2022)

Decisions Pending

- **CMP286/CMP287** (Expected decision date 30 September 2023)
- **CMP288** (Expected decision date of 28 February 2023)
- **CMP292** (Expected decision date of 31 October 2023)
- **CMP298** (Expected decision date of 28 February 2023 - The Final Modification Report for the associated STC change (CM080) was issued to Ofgem on 11 October 2022)
- **CMP384** (Expected decision date TBC)

Received Final Modification Reports since last Panel Meeting

- **CMP344** (Final Modification Report received 8 February 2023 - Expected decision date TBC)

New Modifications Submitted

CMP410: Payment Timescales for Monthly Payments

Nick George

Critical Friend Feedback – CMP410

Code Administrator comments	Amendments made by the Proposer
Added timeline Added definitions Minor wording changes	Proposer accepted all amendments made by the Code Administrator

Background

- ESO are implementing a new billing system (known as STAR)
- First charge type to be billed from STAR will be AAHEDC in February 2023 (for billing period Oct-Dec 2022)
- TNUoS Demand will follow from 1 April 2023 to coincide with TDR changes, and further charges will follow later in 2023/24
- As part of this project, we have ensured robust business continuity arrangements are in place, but have identified a risk with the wording of the payment due date for monthly invoices in CUSC which we would like to fix

CUSC 6.6.1 – invoicing and payment

- Summary of CUSC 6.6.1:
  - Recurrent monthly charges (TNUoS + Connection charges), STTEC and LDTEC shall be invoiced by 15th day of the month for which the charges relate
  - Payment is due by:
    - If invoiced on 1st day of a month, the 15th day of the same month
    - If invoiced after 1st day of a month, the 15th day of the following month
- In practice invoices are issued on 1st day of month. They cannot be issued earlier because it would cause VAT issues.
- However, if there was a delay in billing of a day (or more), due date goes back a whole month
- Payment receipts are required to make monthly payments to TOs, OFTOs and other parties
- Propose change such that payment is due on later of (i) 15th day of the month; or (ii) 14 days from dispatch of invoice.
- This would align with STC Section E paragraph 4.3 (later of 16th day or 15 days from dispatch of invoice) allowing for existing 1 day lag between payments.

CMP410 – the asks of Panel

- **AGREE** that this Modification meets the Self-Governance Criteria (Panel decision) rather than Standard Governance (Ofgem 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

Timeline for CMP410 – Proposed Timeline – *Code Administrator Consultation*

Milestone	Date
Modification presented to Panel	24 February 2023
Code Administrator Consultation (15 working days)	28 February 2023 to 21 March 2023 (5pm)
Draft Self Governance Modification Report issued to Panel (5 working days)	23 March 2023
Panel undertake Draft Self Governance Modification Report determination vote	31 March 2023
Final Self Governance Modification Report issued to Panel to check votes recorded correctly	4 April 2023 to 13 April 2023 (5pm)
Appeals Window (15 working days)	14 April 2023 to 9 May 2023 (5pm)
Implementation Date (5 working days after closure of Appeals Window if no Appeals received)	16 May 2023

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.**

New Modifications Submitted

CMP411: Introduction of Anticipatory Investment (AI) within the Section 14 charging methodologies

Nitin Prajapati

Critical Friend Feedback – CMP411

Code Administrator comments	Amendments made by the Proposer
Added timeline Sought clarity on implementation approach Minor wording changes	Proposer accepted amendments made by the Code Administrator

Background

- When offshore generators share the same offshore transmission assets and connect at different times, Anticipatory Investment (AI) is made by the initial generator under a develop build scenario.

- With the current charging regime, the initial offshore generator may be liable for TNUoS charges associated with both the AI and non-AI costs prior to the subsequent generator connecting.

    - This results in the initial generator paying higher TNUoS charges, which disincentivises AI and creates a barrier for offshore coordination.

- Ofgem have published a decision on Anticipatory Investment and Implementation of Policy changes to address this barrier and confirm how AI will be shared between offshore generators and consumers.

- This modification seeks to make changes to CUSC section 14 (charging methodologies) to implement Ofgem's policy decision on AI and the mechanism for the recovery of AI costs.

Proposed Changes (1)

- Ofgem's decision will introduce an early-stage assessment process for project incurring AI expenditure, which would split the capital cost associated with offshore assets utilised by the offshore generators into an AI and non-AI value.
- It is proposed the non-AI value is recovered from the initial generator utilising the current methodology.
- The AI value will then be recovered (applying the same methodology) from the subsequent generator over the Tender Revenue Stream (TRS) period at the point they connect to the National Electricity Transmission System (NETS).

Recovery of the AI Cost Gap

- The AI Cost Gap is the AI element of the offshore generator TNUoS tariff in the period between the shared asset transfer to the OFTO and the point when the subsequent generator(s) will start using the shared assets and paying TNUoS charges.
    - *During this period a portion of the 'AI' costs will be payable to the OFTO because the costs of the infrastructure form part of the asset value, but cannot be recovered from the subsequent generator(s) as they are not connected to the NETS yet. The difference between what is payable to the OFTO and cannot be recovered from the subsequent generator is referred to as the 'AI Cost Gap'.*

Proposed Changes (2)

Recovery of the AI Cost Gap

- The subsequent generator(s) will accrue liability of costs associated with the 'AI Cost Gap' between assets being transferred to an OFTO and the connection of the subsequent generator(s) to the NETS.
- During this period, the 'AI Cost Gap' value will be recovered by demand customers via the Transmission Demand Residual (TDR) element of TNUoS.
- Once the subsequent generator(s) connects they will repay the total accrued 'AI Cost Gap' value (taking into consideration inflation) already previously met by demand customers.
    - It is proposed this will be achieved via the application of a £/kw value either as part of the relevant local charge or in addition thereto but in either case this solution will ensure demand customers are paid back in full.
- The proposed solution is consistent with Ofgem's current policy decision on AI. Should there be changes in policy it is the Proposers intent to modify the solution accordingly.

CMP411 – 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** Workgroup Terms of Reference

- **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

Timeline for CMP411 – Proposed Timeline - *Workgroup*

Milestone	Date	Milestone	Date
Modification presented to Panel	24 February 2023	Code Administrator Consultation (15 working days)	29 August 2023 to 19 September 2023
Workgroup Nominations (15 Working Days)	27 February 2023 to 20 March 2023 (5pm)	Draft Final Modification Report (DFMR) issued to Panel (5 working days)	21 September 2023
Workgroups 1 – 3 – process and mod understanding including scope, agree timeline and terms of reference (Workgroup 1) and step through terms of reference, analysis and develop Workgroup Consultation (Workgroups 2 and 3)	3 April 2023, 24 April 2023 and 16 May 2023	Panel undertake DFMR recommendation vote	29 September 2023
Workgroup Consultation (15 working days)	30 May 2023 to 20 June 2023 (5pm)	Final Modification Report issued to Panel to check votes recorded correctly	3 October 2023
Workgroups 4 - 6 – review Workgroup Consultation responses, finalise solution(s) and legal text (including alternatives), finalise Workgroup Report and ensure Terms of reference met, hold Workgroup Vote	3 July 2023, 24 July 2023 and 11 August 2023	Final Modification Report issued to Ofgem	11 October 2023
Workgroup report issued to Panel (5 working days)	17 August 2023	Ofgem decision	Requested by 31 March 2024
Panel sign off that Workgroup Report has met its Terms of Reference	25 August 2023	Implementation Date	1 April 2025

New Modifications Submitted

CMP412: CMP398 Consequential Charging Modification

Garth Graham

Critical Friend Feedback – CMP412

Code Administrator comments	Amendments made by the Proposer
Added timeline Minor wording changes Proposed that Legal Text is just an Annex	Proposer accepted all amendments made by the Code Administrator apart from proposed addition to implementation approach (“to appoint a claims committee to assess (CAPEX) claims and consider the (OPEX) allowance”) as this is not relevant to CMP412

- As part of its GC0156 proposal the ESO is proposing that for existing and future sites which do not have a contract, between the CUSC Party and the ESO, for Restoration Services (which the ESO has indicated is the vast majority of sites) will have an obligation (applied retrospectively) to have 72 hours resilience onsite for their plant & apparatus (plus Comms).
- SSE Generation raised CMP398 in September 2022 to incorporate a cost recovery mechanism in CUSC for costs arising from the GC0156 proposal for non contracted parties.

- CMP398 Workgroup has been progressing its assessment of the proposal
- In discussions with the ESO it has become clear that a small change to Section 14 (BSUoS) will be required to ensure that any validated costs arising via the CMP398 solution are recovered, as happens today with black start costs, via BSUoS.
- This arise from new Electricity System Operator licence which simplified content and no longer features the former content of SLC G4.5 so there is no longer a definition of black start costs within it that could be utilised in terms of recovering CMP398 / GC0156 associated amounts via BSUoS.
- It has thus become necessary to raise this Section 14 CUSC modification proposal (CMP412) to accompany CMP398.

- Modify the definition of BSCd in CUSC Section 14.31.8, Balancing Services Use of System Acronym Definitions.
- Currently, entry for BSCd says “As defined in the Transmission Licence”, with a reference to footnote 1, which until recently said see SLC G4.5, but currently says “Current electricity transmission network price control starting 2021 (RIIO-T2) licence drafting being updated”.

- Proposed new legal text for CMP412:

- “The total costs associated with the provision of System Restoration, formerly known as Black Start, including procuring, testing, warming, utilisation, capital contributions and payments for Feasibility Studies costs. This item also includes the costs of any validated claims made for costs of GC0156 resilience at Users’ sites in accordance with CMP398”.

- **(a) Positive** - By ensuring that validated costs incurred by CUSC Parties who are obligated by the Grid Code (but do not have a relevant contract with the ESO) to undertake activities required for ESRS are able to recover their bona fide costs and that these costs can, in turn, be recovered via BSUoS (as occurs now with other black start related costs) this will facilitate effective competition in the generation and supply of electricity
- **(b) Positive** - This will ensure that validated costs associated with ESRS are recoverable via BSUoS (as occurs now with other black start related costs).

- **(c) Positive -** This change updates the methodology to reflect the developments in the Transmission Licensees' transmission business as regards implementing and complying with ESRS.
- (**d) Positive** - The provisions of the Electricity Regulation as they relate to black start3 cost recovery by generators will be facilitated by this change.
- (**e) Positive -** It will bring the charging methodology up to date to reflect the recent Transmission Licence changes pertaining to ESRS.

- Align with GC0156 and CMP398 in terms of timetable and implementation.

CMP412 – 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 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 - Code Administrator Consultation to be issued at same time as CMP398

Timeline for CMP412 – Proposed Timeline – *Code Administrator Consultation*

Milestone	Date
Modification presented to Panel	24 February 2023
Code Administrator Consultation (20 working days)	4 April 2023 to 5 May 2023 (5pm)
Draft Final Modification Report (DFMR) issued to Panel (5 working days)	18 May 2023
Panel undertake DFMR recommendation vote	26 May 2023
Final Modification Report issued to Panel to check votes recorded correctly	30 May 2023
Final Modification Report issued to Ofgem	7 June 2023
Ofgem decision	TBC
Implementation Date	10 working days after Ofgem decision

BREAK

Inflight Modification Updates

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

Request to change modification timeline

CMP376	Workgroup Report issued to Panel	DFMR issued to Panel	FMR issued to Ofgem
Previous timeline	16 February 2023	23 March 2023	12 April 2023
New timeline	23 March 2023	18 May 2023	7 June 2023

Rationale: Penultimate Workgroup was held 8 February 2023 with Workgroup Vote planned for 7 March 2023 (was 15 February 2023 but outstanding issues on some of the Workgroup Alternatives. Workgroup Report now planned to be presented to March 2023 (rather than February 2023 Panel) - February 2023 Panel will be asked to agree to revised timeline.

Workgroups Remaining: 1

Ask of Panel: Agree revised timeline?

Request to change modification timeline

CMP392	Workgroup Report issued to Panel	DFMR issued to Panel	FMR issued to Ofgem
Previous timeline	16 February 2023	20 April 2023	3 May 2023
New timeline	22 June 2023	17 August 2023	8 September 2023

Rationale: ESO's "Calculation of the Generator TNUoS Adjustment Tariff for the purposes of the Limiting Regulation – Guidance for 2023/24" was published 2 February 2023. Workgroup held 17 February 2023 to discuss the differences between the Guidance and the proposed CMP392 Original. Workgroup Consultation will be run from 24 March 2023 to 25 April 2023. Timeline has been extended to allow the Proposer to review his Original based on ESO's Guidance.

Workgroups Remaining: 2

Ask of Panel: Agree revised timeline?

Authority Send Back

CMP328: Connections Triggering Distribution Impact Assessment

Paul Mullen

CMP328 Authority Send-Back

On 14 February 2023, Ofgem sent back the CMP328 Final Modification Report for further work and directed CUSC Panel to revise and resubmit the CMP328 Final Modification Report

In respect of the Original Proposal, and WACM2:

1. The request for a Distribution Impact Assessment (Exhibit Z) contains typographical errors as well as terms which are not defined within Section 11 of CUSC;
2. The Distribution Impact Assessment is proposed to be defined as, "*A contract in the form or substantially in the form set out in Exhibit AA to the CUSC produced by a Distribution System Owner detailing the effect of potential connection to the NETS on the Distribution System Owner's Distribution System.*" It is, however unclear to us that Exhibit AA is in contract form, as it appears to be a list of provisions that (under this Proposal) a contract issued by the DNO should include;
3. The contract that the DNO issues on receipt of a request from NGESO should be pre-signed by the relevant DNO. It is unclear to us who the counterparty to that DNO contract is intended to be, and:
    a. If it is intended for NGESO to be the counterparty to that contract, we are currently unclear as to how NGESO's liability for the costs of any DNO works is established, and where (or whether) a liability to reimburse NGESO for such costs is conferred to the connecting User; and
    b. If it is intended for the connecting User to be the counterparty to that contract, we are unclear on whether the intention is also to establish that User's liability for any DNO costs through that contract. If it is, we believe that further information is required in the FMR as to the extent to which it is appropriate to enshrine within CUSC (rather than a distribution-based code such as the DCUSA), matters relating to DNO costs payable by parties to DNO contracts.
4. Exhibit AA requests that the DNO return a contract setting out inter alia, details of Construction Works and a Construction Programme. These terms carry a transmission-specific definition under Section 11 of CUSC, and those definitions are not proposed to be amended under this CMP328. It is unclear to us whether a DNO can set out 'Construction Works' if the definition of 'Construction Works' relates solely to development of the transmission system.

In respect of WACM1:

1. The definition of "Third Party Works" proposed stipulates that such works are, "required" by NGESO. It is unclear to us in what circumstances NGESO itself would require that the distribution network is reinforced or otherwise developed prior to energising a transmission-connected site.

CMP328 Authority Send-Back – Governance Rules

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 14 February 2023:

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

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.

Ofgem clarification on CMP328/DCP392

- *In our view, CMP328 and DCP392 are approaching different issues (i.e., a lack of tailored impact assessment arrangements for transmission connections triggering an impact on the distribution system vs the apportionment of the cost of such works).*
- *We acknowledge that should CMP328 be approved once the FMR is re-submitted to us, this will change the baseline arrangements against which DCP392 will be assessed (i.e., if CMP328 is approved then DCP392 may need to be reconsidered to reflect that DNO works undertaken in response to an impact from a transmission connection would no longer go through the Third Party Works process). However, given that both CMP328 and DCP392 are still with us for decision and CMP328 is awaiting re-submission, we cannot comment on specifically what any consequences will be.*
- *When we have an adequate FMR for CMP328 on the basis of which we can make a decision, we will be sure to give due consideration to any interaction with DCP392.*

Workgroup Report

None

Draft Final Modification Report

CMP379: Determining TNUoS demand zones for transmission connected demand at sites with multiple Distribution Network Operators (DNOs)

Paul Mullen

Solution and Code Administrator Consultation

Solution/summary of solutions:

- CMP379 Original seeks to update Section 14 of the CUSC to clarify how TNUoS demand zones and therefore TNUoS demand tariffs and charges should be determined for transmission-connected demand users who connect at the boundaries of multiple DNO areas. Following Workgroup discussions, the Proposer decided to amend their original solution and use the average methodology approach (average of the zonal prices be used for each DNO zone).

- No Workgroup Alternative CUSC Modifications

- No responses to the Code Administrator Consultation ran from 4 January 2023 to 1 February 2023

CMP379 - the asks of Panel

- **NOTE** that this Modification does not impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the CUSC?

- **VOTE** whether or not to recommend implementation
  - *Does the CMP379 Original proposal better facilitate the objectives than the current CUSC arrangements?*

- **NOTE** next steps

CMP379 – Next Steps

Milestone	Date
Draft Final Modification Report presented to Panel	24 February 2023
Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	28 February 2023
Submission of Final Modification Report to Ofgem	8 March 2023
Ofgem decision date	TBC – requested by 30 September 2023
Implementation Date	1 April 2024

EBR Article 3 Objectives

For reference, the Electricity Balancing Regulation (EBR) 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.

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 – Claire Huxley

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

Updates on Other Industry Codes

Grid Code

STC

SQSS

DCUSA

BSC

Relevant Interruptions Claim Report

(January, April, July, October)

Governance

None

Horizon Scan

(February, May, August, November)

Horizon Scan – Part 1

Codes Affected	Legislative, Regulatory or Industry Change Overview	Published Content	Key Contact	Proposed Modifications Expected	Within 1 Year	Within 2 Years	Within 5 Years
Grid Code, CUSC, and STC	The Offshore Coordination Project has been set up by the ESO with support from Ofgem and the Department for Business, Energy & Industrial Strategy. Offshore wind has been identified as a critical technology in achieving net zero greenhouse gas emissions by 2050. In order to help realise this target, a step-change in both the speed and scale of deployment of offshore wind is required.	ESO Offshore Coordination Project Page	box.OffshoreCoord@nationalgridESO.com	From Feb-23			
Grid Code and Dcode	Digitalised Whole System Technical Code (dWSTC) will include 3 key workstreams; Alignment, Simplification & Rationalisation; Training and Guidance and the Digitalisation of Grid Code. Code Simplification & Rationalisation work will look at redrafting the Grid Code Operating Code No.2 (OC2) section as a trial and develop an updated replacement for OC2 achieving the same objectives but in a simpler way without unnecessary detail or legalese and removing outdated requirements.	dWSTC webpage	box.WholeSystemCode@nationalgrideso.com	Apr-23			
Grid Code (CUSC for fax instructions)	The Balancing Programme was established to develop the balancing capabilities that the Electricity National Control Centre needs to deliver reliable and secure system operation, facilitate competition everywhere and meet the ESO's ambition for net-zero carbon operability. The following elements are expected to start to land from January BSC Issues Group (relating to Optimisers giving instruction recommendations); Storage and Batteries (MDV and MDP) and the use of Faxes to instruct.	Balancing Programme website		Apr-23			

Horizon Scan – Part 2

Codes Affected	Legislative, Regulatory or Industry Change Overview	Published Content	Key Contact	Proposed Modifications Expected	Within 1 Year	Within 2 Years	Within 5 Years
CUSC	One of the key activities within Ofgem's 2021/22 Forward Work Programme is to implement Market-wide Half-Hourly Settlement (MHHS) reform. Market-wide Half-Hourly Settlement (MHHS) is a key enabler of the flexibility to support the transition to Net Zero. The MHHS Programme will contribute to a more cost-effective electricity system, encouraging more flexible use of energy and helping consumers lower their bills.	MHHS webpage		Apr-23			
CUSC	The Transmission Network Use of System ("TNUoS") Task Force was established by Ofgem and the ESO (National Grid Electricity System Operator) in 2022. It is made up of a diverse group of participants to ensure balanced representation across different interests and roles within the industry. The key focus of the Task Force is to look at the issues of predictability and cost-reflectivity in current transmission charging arrangements, whilst considering the balance of and inherent trade-off between these two elements. The Task Force is currently paused (as Ofgem letter Nov-22). To maintain momentum of the Task Force work, the ESO have been asked to build on the work undertaken by the Task Force during the interim period. The output of this work will then be taken back to the Task Force to support discussion and its progression when it resumes.	TNUoS Task Force Charging Futures Page	Chargingfutures@nationalgrideso.com	Aug-23			

Code Administrator Update

None

Any Other Business

None

Next Panel Meeting

10am on 31 March 2023 (via Teams)

Papers Day – 23 March 2023

Modification Proposals to be submitted by – 16 March 2023

TCMF – 9 March 2023

Close

Trisha McAuley

Independent Chair, CUSC Panel