

Public

CUSC Panel

Friday 28 February 2025

Online Meeting via Teams

Public

WELCOME

Purpose of Panel & Duties of Panel Members

The **Panel** shall be the standing body to carry out the **functions** referred to in CUSC – Section 8 CUSC Modification (8.3.3)

The **Panel** shall endeavour at all time to operate:

- In an **efficient, economical and expeditious manner**, taking account of the complexity, importance and urgency of particular CUSC Modification Proposals; and
- With a view to ensuring that the CUSC facilitates **achievement of the Applicable CUSC Objectives**.

Duties of Panel Members & Alternates (8.3.4)

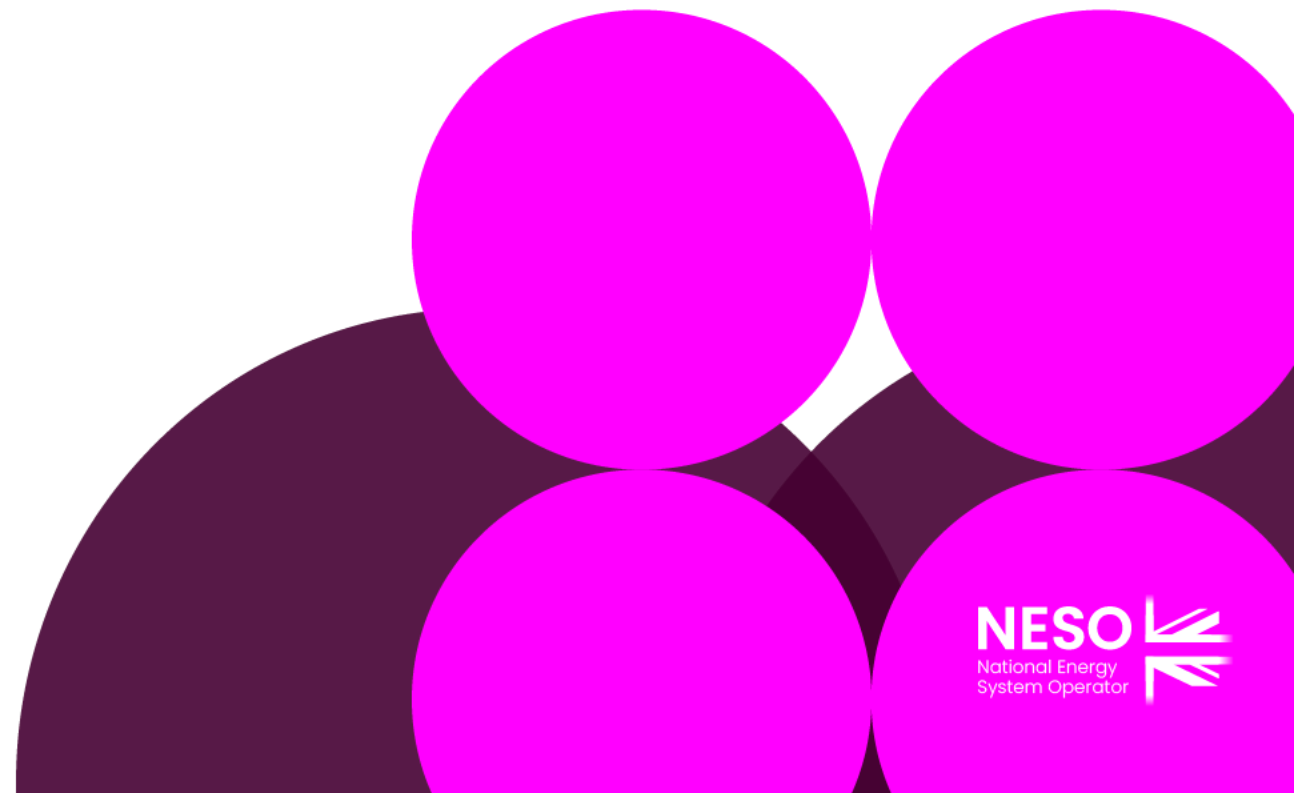
1. Shall act **impartially** and in accordance with the requirements of the **CUSC**; and
2. Shall not have any **conflicts of interest**.

Shall not be representative of, and shall act without undue regard to the particular interests of the persons or body of persons by whom he/she was appointed as Panel Member and any Related Person from time to time.

Approval of Panel Minutes

Approval of Panel Minutes from the Meeting held on:

- 29 November 2024
- 13 December 2024
- 20 December 2024
- 10 January 2025

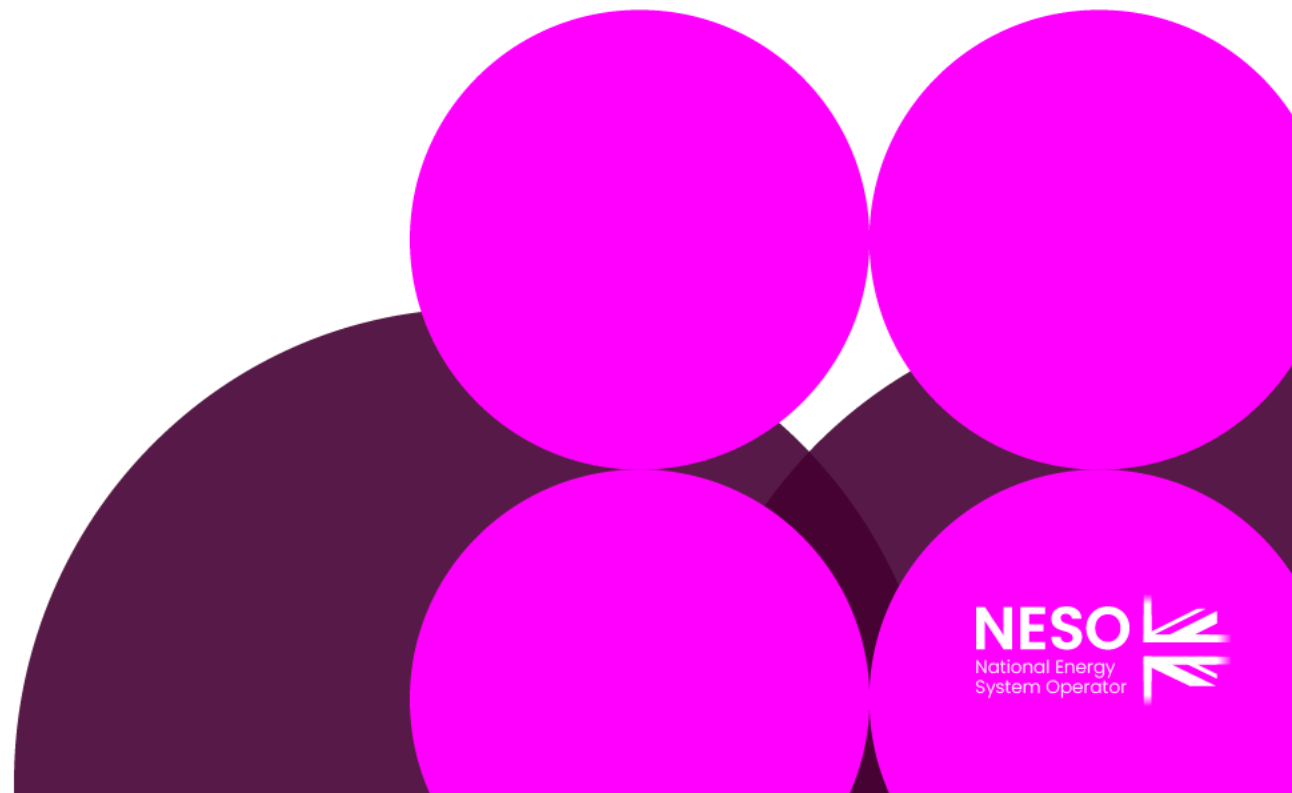


Action Log

Two ongoing actions remain open :

- Action 182
- Action 185

Chair's Update



Authority Decisions and Update (as at 20 February 2025)

Decisions Received since last Panel Meeting

Modification	Decisions	Implementation Date
CMP448: Introducing a Progression Commitment Fee to the Gate 2 Connections Queue	On 20 February 2025 the Authority granted request for Urgency	N/A

Decisions Pending

Modification	Final Modification Report Received	Expected Decision Date
CMP315 'TNUoS Review of the expansion constant and the elements of the transmission system charged for' and CMP375 'Enduring Expansion Constant & Expansion Factor Review'	07/02/2024	TBC (previously 07/02/2025)
CMP330&CMP374 'Allowing new Transmission Connected parties to build Connection Assets greater than 2km in length and Extending contestability for Transmission Connections'	10/08/2023	TBC Subject to CMP414 send back
CMP397 'Consequential changes required to CUSC Exhibits B and D to reflect CMP316 (Co-Located Generation Sites)'	12/06/2024	TBC (previously 24/01/2025)
CMP403 'Introducing Competitively Appointed Transmission Owners & Transmission Service Providers (Section 14)'	11/06/2024	By end of February (previously 17/02/2025)
CMP404 'Introducing Competitively Appointed Transmission Owners & Transmission Service Providers (Section 11)'	11/06/2024	By end of February (previously 17/02/2025)
CMP436 'Update CUSC arrangements to replace the Electricity Arbitration Association with the London Court of International Arbitration (LCIA) (Non-Charging)'	07/08/2024	By end of February (previously 12/02/2025)
Continued...		

Authority Decisions and Update (as at 20 February 2025)

Decisions Pending

Modification	Final Modification Report Received	Expected Decision Date
<u>CMP437</u> 'Update CUSC arrangements to replace the Electricity Arbitration Association with the London Court of International Arbitration (LCIA) (Charging)'	07/08/2024	By end of February (previously 12/02/2025)
<u>CMP434</u> 'Implementing Connections Reform'	20/12/2024	Q2 2025
<u>CMP435</u> 'Application of Gate 2 Criteria to existing contracted background'	20/12/2024	Q2 2025
<u>CMP441</u> 'Reducing the credit risk of supplying non-embedded hydrogen Electrolysers'	23/12/2024	18/04/2025

Received Final Modification Reports since last Panel Meeting

Modification	Final Modification Report Received	Expected Decision Date
<u>CMP443</u> Removing references to "Fax" or "Facsimile" within the CUSC	11/02/2025	TBC

The Authority's publication on decisions can be found on their website below:

<https://www.ofgem.gov.uk/publications/code-modificationmodification-proposals-ofgem-decision-expected-publication-dates-timetable>

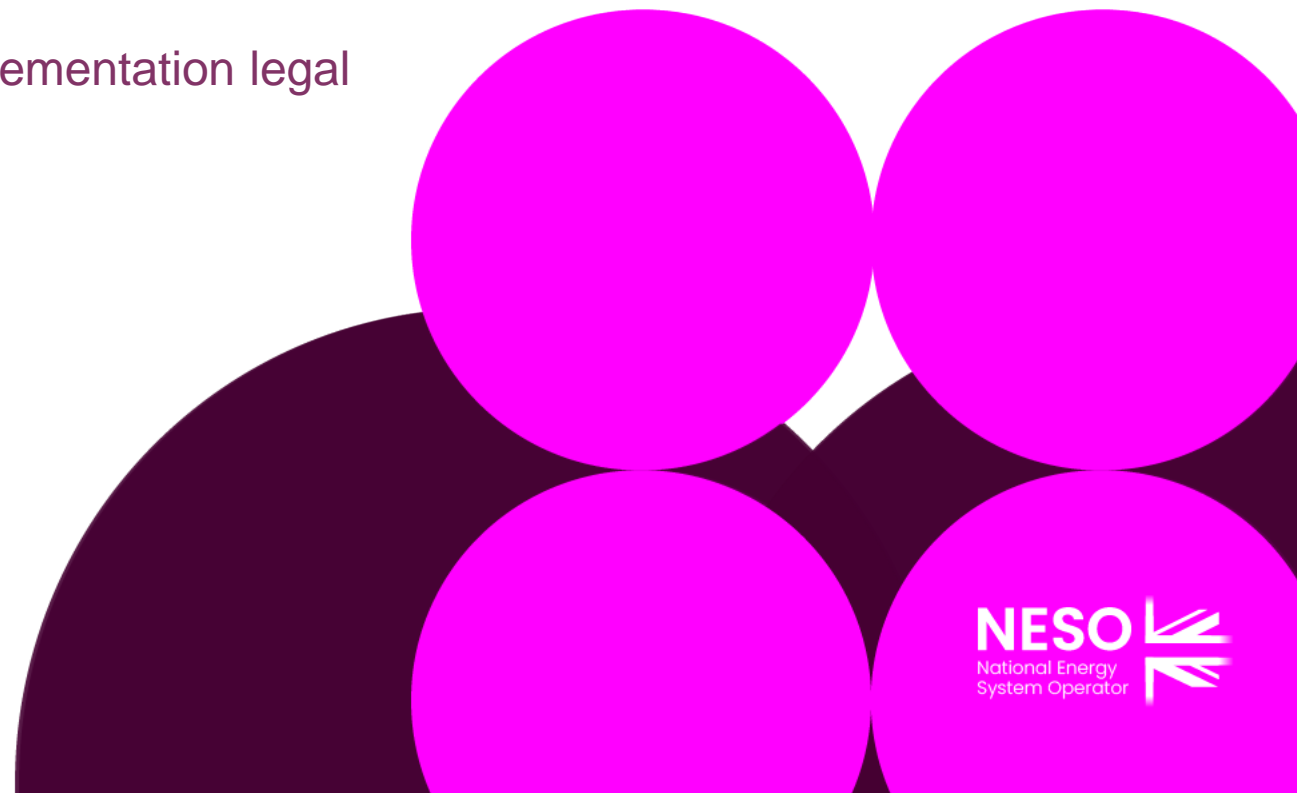
New Modifications

- CMP449: Rectifications to pending 01 April 2025 implementation legal text
- CMP450: CMP418 consequential modification

New Modification

CMP449: Rectifications to pending 01 April 2025 implementation legal text

Catia Gomes, NESO



CMP449 Critical Friend Feedback

Code Administrator comments	Amendments made by the Proposer
<ul style="list-style-type: none">• Modification process changed from Self-Governance to Fast-Track Self-Governance to meet the 01 April 2025 implementation.• Tested all attached links to confirm they are functional and included additional links where the modification is referenced.• Formatted the document in places.• Added comments for clarification on Legal Text to be annexed.• Removal of CMP408 legal text amendments as numbering rectifies itself once added to latest baseline.• Removal of CMP392 legal text amendments as NESO legal advised it should remain as drafted.	<p>Proposer accepted all amendments made by the Code Administrator.</p>

It is intended that this modification will rectify the legal text errors highlighted by the Authority and NESO.

Please see below table of proposed changes

Modification	Why is the change needed?
<u>CMP424</u>	<p>The Proposer has provided amended wording which deals with the Authority’s request to rectify the current drafting in 14.15.7 due to be implemented which will now read:</p> <p>14.15.7 Scaling factors for different generation plant types are applied on their aggregated capacity for both Peak Security and <u>Year Round</u> backgrounds. The scaling is either Fixed or Variable (depending on the total demand level <u>gGeneration pPlant tType as referenced in the table below</u>) and based on in line with the factors used in the Security Standard, for example as shown in the table below which are referenced in the same table.</p> <ul style="list-style-type: none">• Further pending implementation wording amendments required are:<ul style="list-style-type: none">• the word ‘the’ is missing between the words ‘in SQSS’;• the words ‘ACS (Average Cold Spell)’, will be updated to ‘ACS (the Annual Average Cold Spell Conditions)’ as defined in Section 11

It is intended that this modification will rectify the legal text errors highlighted by the Authority and NESO.

Please see below table of proposed changes

Modification	Why is the change needed?
<u>CMP411</u>	The new pending implementation wording has been renumbered from 14.15.170 to 14.15.156 and subclauses 14.15.170.1 – 14.15.170.8 to 14.15.170.1 – 14.15.170.8 and cross references updated to reflect the new numbering.
<u>CMP430</u>	Clause 14.17.41 in the approved legal text begins with ‘ <i>14.25 Reconciliation.....</i> ’. This is amended to make clear to ‘ <i>Paragraph 14.25 (Reconciliation of Demand Related Transmission Network Use of System Charges)</i> ’

CMP449 Proposed Timeline

Milestone	Date
Panel decision <i>Unanimous Panel agreement is needed for this to be implemented; otherwise Panel will agree a different governance route</i>	28 February 2025
Appeals Window (15 business days)	03 March 2025 to 5pm on 24 March 2025
Implementation Date (5 business days after closure of Appeals Window if no Appeals received)	01 April 2025

CMP449 Asks of Panel

- **AGREE** that this Modification has a clearly defined defect, scope and solution
- **AGREE** that this Modification should follow Fast Track Self-Governance Criteria (Panel decision, which must be unanimous)
- **NOTE** the proposed timeline and that this Modification will be implemented upon conclusion of the Appeals window (if no objections are received from industry)

CUSC Fast Track Criteria

“Fast Track Criteria”

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

(a) would meet the **Self-Governance Criteria**; and

(b) is properly a housekeeping modification required as a result of some error or factual change, including but not limited to:

(i) updating names or addresses listed in the **CUSC**;

(ii) correcting any minor typographical errors;

(iii) correcting formatting and consistency errors, such as paragraph numbering; or

(iv) updating out of date references to other documents or paragraphs .

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 Modification

CMP450: Introducing the definition of Dynamic Reactive Compensation Equipment (DRCE) in the CUSC

Presented by Catia Gomes on behalf of the Proposer:
Giulia Licocci, Ocean Winds

CMP450 Critical Friend Feedback

Code Administrator comments	Amendments made by the Proposer
<p>Clarification on Assessment against the Applicable CUSC Objectives</p> <p>Updates to the ‘interactions’ section of the proposal form</p>	<p>Proposer accepted all amendments made by the Code Administrator</p>

CMP450 Proposed Solution

This modification has been raised consequential to [CMP418: Refine the allocation of Dynamic Reactive Compensation Equipment \(DRCE\) costs at OFTO transfer](#)

It proposes to add the definition of Dynamic Reactive Compensation Equipment to the CUSC, as defined in the Grid Code.

The definition in the Grid Code is as follows:

Plant and **Apparatus** capable of injecting or absorbing **Reactive Power** in a controlled manner which includes but is not limited to Synchronous Compensators, Static Var Compensators (SVC), or STATCOM devices.

CMP450 Proposed Timeline

Milestone	Date
Modification presented to Panel	28 February 2025
Code Administrator Consultation (15 business days)	03 March to 24 March 2025
Draft Final Modification Report (DFMR) issued to Panel (5 business days)	24 April 2025
Panel undertake DFMR recommendation vote	02 May 2025
Final Modification Report issued to Panel to check votes recorded correctly	06 May 2025
Final Modification Report issued to Ofgem	14 May 2025
Ofgem decision	TBC
Implementation Date	TBC (in line with CMP418 implementation)

CMP450 Asks of Panel

- **AGREE** that this Modification has a clearly defined defect, scope and solution
- **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

Inflight Modification Updates

- CMP316: TNUoS Arrangements for Co-located Generation Sites - Send Back Update
- CMP344: Clarification of Transmission Licensee revenue recovery and the treatment of revenue adjustments in the Charging Methodology -Timeline

CMP316: TNUoS Arrangements for Co-located Generation Sites Authority Send - Back Update

In the Special CUSC Panel on 14 February 2025, Panel members agreed that CMP316 should be high priority and be progressed alongside the current Urgency modifications.

In light of this change, a new Chair has been allocated to progress the modification.

The Chair is having conversations with the Proposer of the Original Solution and looking for a new Proposer for WACM1 and will be presenting a timeline for Panel agreement at the Special Panel on 10 March 2025.

CMP344: Clarification of Transmission Licensee revenue recovery and the treatment of revenue adjustments in the Charging Methodology Timeline Update

	Workgroup Report issued to Panel	DFMR issued to Panel	FMR issued to Ofgem	Decision Date	Implementation Date
Previous timeline	30 July 2024	24 April 2025	14 May 2025	30 September 2025	01 April 2026
New timeline	30 July 2024	15 May 2025	04 June 2025	TBC	10 Working Days after Authority decision

Rationale: The timeframe between the consultation period and Panel Papers day does not provide enough opportunity for a thorough review of potential responses and creating the DFMR.

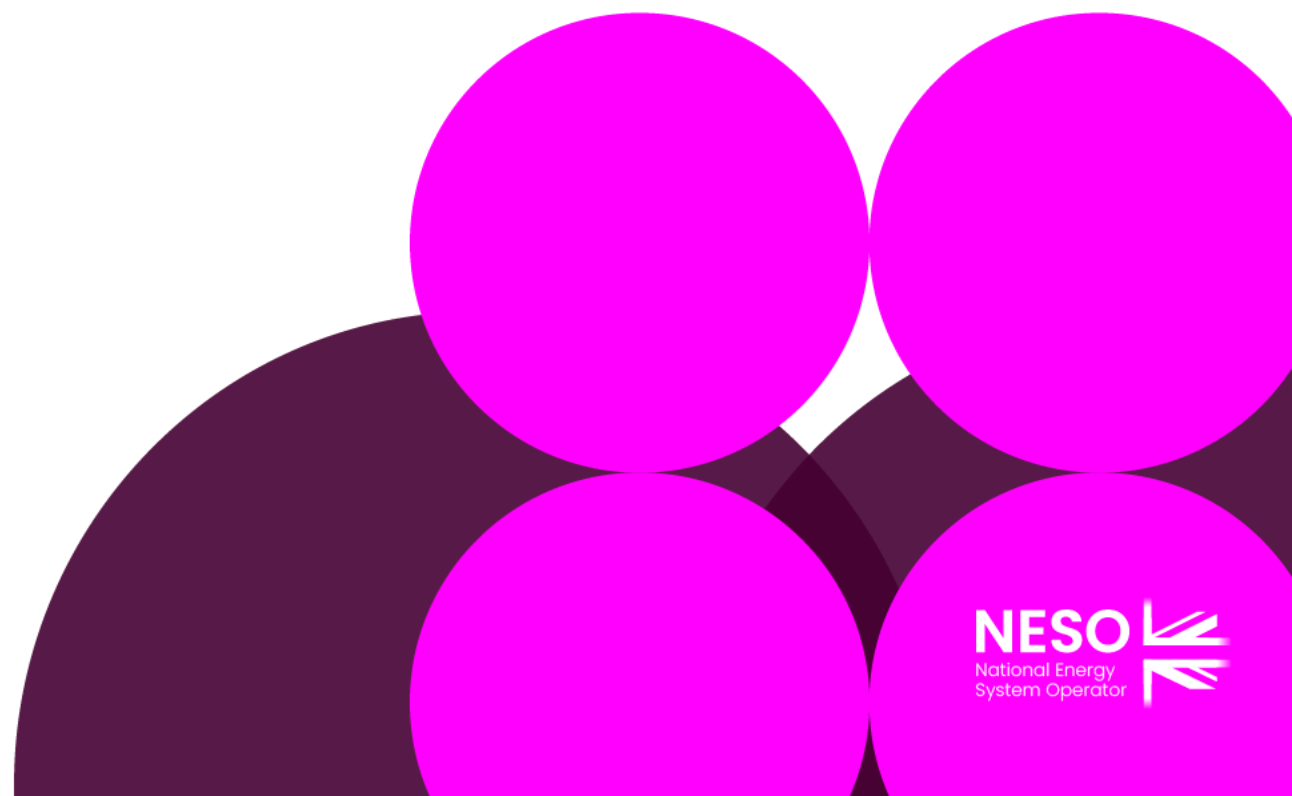
The reason for change to the implementation date: The Workgroup agreed that implementation does not have to be timed for a 01 April date and noted that the definition of “Transmission Demand Residual” was only due be implemented on 01 April 2023, and so at the time the April start date was chosen to align with this. The previous April implementation date is a hangover from this.

Workgroups Remaining: 1

Ask of Panel: Agree revised timeline

Panel Tracker

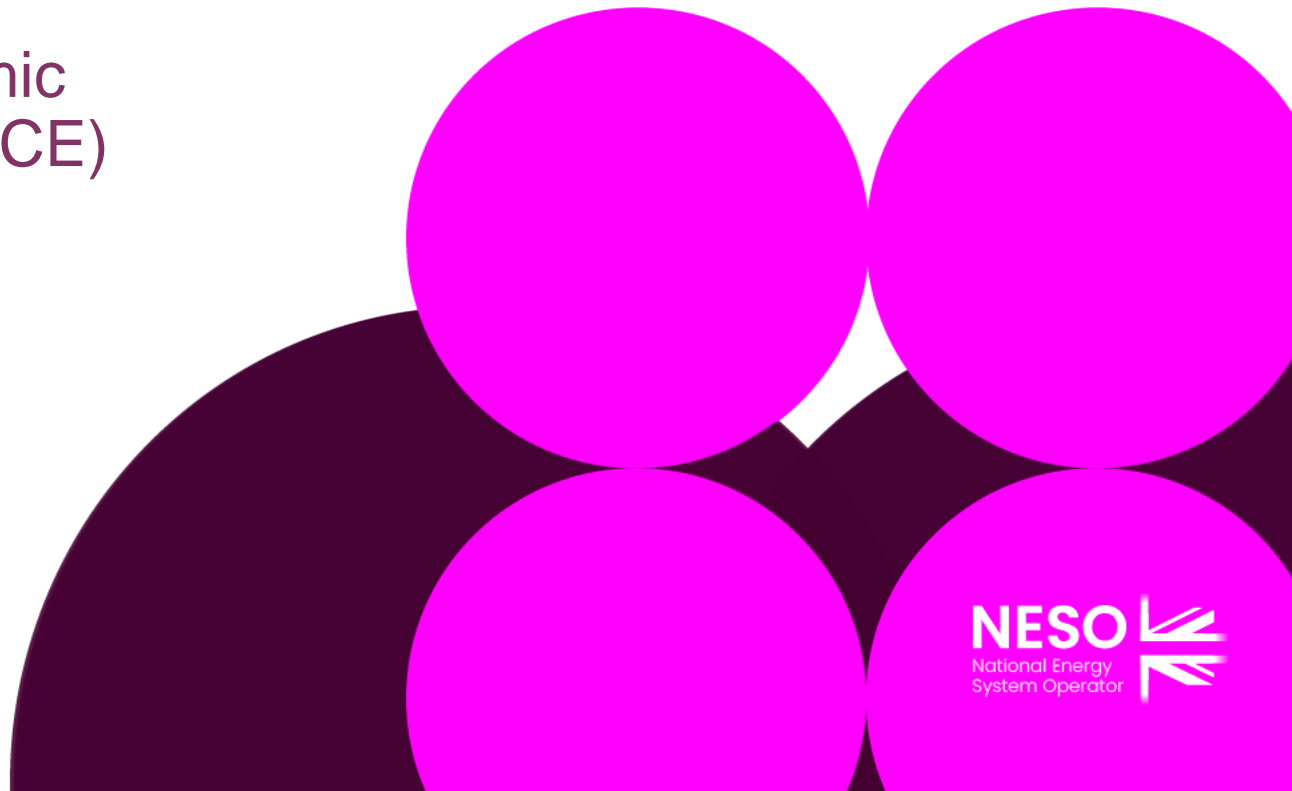
Catia Gomes, Code Administrator



Draft Final Modification Report

CMP418: Refine the allocation of Dynamic Reactive Compensation Equipment (DRCE) costs at OFTO transfer

Catia Gomes



Solution

Solution:

- CMP418 seeks to address the commercial imbalance between offshore and onshore generators by removing dynamic reactive compensation equipment (DRCE) costs from the Offshore Generator's TNUoS tariff.

Code Administrator Consultation Responses

Summary of Second Code Administrator Consultation Responses:

The Second Code Administrator Consultation was run from 29/01/2025 to 19/02/2025 and received 4 non-confidential responses. Key points were:

- Three respondents believed the Proposal better facilitated objective (a), one respondent believed it better facilitated objective (b), and two respondents believed it better facilitated objective (e). One respondent noted a negative impact on objectives (a), (b) and (e).
- Three respondents believed the deficiencies of the Send Back letter have been addressed but one respondent disagreed, noting that they felt that consumer impact and windfall benefit to Generators has not been addressed. They also advised that any cost increase to consumer bills should be avoided.
- Three respondents were supportive of the implementation approach, with one respondent disagreeing in it, noting issues with Generator windfalls.

CMP418 Asks of Panel

- **AGREE** whether or not the proposed changes to the legal text are typographical
- **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
- **NOTE** next steps

CMP418 Next Steps

Milestone	Date
Final Modification Report issued to Panel to check votes recorded correctly (5 business days)	03 March 2025 to 10 March 2025
Submission of Final Modification Report to Ofgem	11 March 2025
Ofgem decision date	TBC
Implementation Date	01 April 2025

Discussions on Prioritisation

- AGREE where new Modifications that need Workgroups are placed in the prioritisation stack
- AGREE any movements in the current prioritisation stack

Standing Groups

Updates on all standing groups relevant to CUSC Panel e.g. potential for future governance changes or modifications

TCMF – NESO Panel Member

- Previous meeting – 06 February 2025 [Meeting materials and Headline Report](#)
- Next meeting – 06 March 2025

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
 - Previous meeting – 11 February 2025 [Meeting materials and Headline Report](#)
 - Next meeting – 11 March 2025

Updates on other industry codes

14 February 2025 Special STC [Panel Papers and Headline Report](#)

23 January 2025 SQSS [Panel Papers and Headline Report](#)

29 January 2025 STC [Panel Papers and Headline Report](#)

30 January 2025 Grid Code Review [Panel Papers and Headline Report](#)

Horizon Scan

(February, May, August, November)

Codes Affected	Legislative, Regulatory or Industry Change Overview	Published Content
Grid Code, CUSC and STC	<p>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 NESO's ambition for net-zero carbon operability. From BSC Issues Group: (relating to Optimisers giving instruction recommendations); Storage and Batteries (MDV and MDP) and the use of Faxes to instruct.</p> <p>GC0166 is ongoing to raise new Dynamic Parameters for BMU Storage Assets.</p> <p>The Final Modification Report for GC0175 was submitted to the Authority in February 2025; the associated CUSC modification has also been submitted, and the STCP modification is in progress.</p> <p>Discussions are ongoing with the Balancing Programme to ascertain further Code Change requirements.</p>	<p>Balancing Programme website</p>
Grid Code, CUSC, SQSS and STC	<p>The Offshore Coordination Project has been set up by NESO 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.</p> <p>Holistic Network Design work is ongoing, with monthly meetings occurring. Offshore Hybrid Assets work continues with Ofgem and DESNZ.</p> <p>NESO anticipate a minimum of 2 years for Code changes from the time of raising Code Modification Proposals.</p>	<p>NESO Offshore Coordination Project Page</p>

Code Administrator Update

- Report Template Refresh

Report Template Refresh

Following feedback from industry and some learnings from Authority decisions, we will be updating our report templates.

Current Final Modification Report Template	New Final Modification Report Template
Contents	Contents
Exec Summary	Exec Summary
What is the issue? • Why change	What is the issue? • What is the defect this modification is addressing? • Why change?
What is the Solution • Proposer's Original Solution	Workgroup Discussion • Workgroup Discussion ahead of the Workgroup Consultation • Workgroup Consultation Summary • Workgroup Discussion after the Workgroup Consultation • Terms of Reference Overview • Consideration of other options
Workgroup Discussion • Consideration of the Proposer's solution • Workgroup Consultation Summary • Consideration of other options	What is the Solution • Proposer's Original Solution • Workgroup Alternative Solutions • Legal text
What is the impact of this change • Proposer's assessment against Code Objectives • Workgroup Vote • Code Administrator Consultation Summary • Panel Recommendation/ Determination Vote	What is the impact of this change • Proposed solutions assessment against Code Objectives • Workgroup Vote • Code Administrator Consultation Summary • Panel Recommendation/ Determination Vote
When will this change take place? • Implementation date • Date decision required by • Implementation approach	When will this change take place? • Implementation date • Date decision required by • Implementation approach
Interactions	Interactions
Acronyms, key terms and reference material	Acronyms, key terms and reference material

Any other business

Activities ahead of the next Panel Meeting

Transmission Charging Methodologies Forum	06 March 2025
Special CUSC Panel Meeting (CMP444)	07 March 2025
Special CUSC Panel Meeting (CMP446)	10 March 2025
Modification Proposal Deadline for March Panel	13 March 2025
Papers Day	20 March 2025
Panel Meeting	28 March 2025 Teams

Close

Trisha McAuley
Independent Chair