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CUSC Panel 28 February 2025

CUSC Panel Minutes

Date: 28/02/2025 **Location:** Microsoft Teams

Start: 10:00 AM **End:** 12:55 PM

Participants

Attendee	Initials	Representing
Trisha McAuley	TM	Independent Panel Chair
Catia Gomes	CG	Panel Secretary, Code Administrator
Tametha Meek	TMe	Panel Technical Secretary, Code Administrator
Andrew Enzor	AE	Users' Panel Member
Garth Graham	GG	Users' Panel Member
Joe Colebrook	JC	Users' Panel Member
Joe Dunn	JD	Users' Panel Member
Lauren Jauss	LJ	Users' Panel Member Alternate
Mark Duffield	MD	Users' Panel Member Alternate
Paul Jones	PJ	Users' Panel Member
Andy Pace	AP	Consumers' Panel Member
Daniel Arrowsmith	DA	NESO Panel Member
Nadir Hafeez	NH	Authority Representative
Rashmi Radhakrishnan	RR	Elexon Observer

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Apologies

Attendee	Initials	Representing
Binoy Dharsi	BD	Users' Panel Member
Kyran Hanks	KH	Users' Panel Member
Ren Walker	RW	Panel Technical Secretary (Code Administrator)

Presenters

Attendee	Initials	Representing
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1. Introductions, Apologies and Declarations of Interest

12707. Apologies were received from Ren Walker, Binoy Dharsi and Kyran Hanks.

12708. No declarations of interest were received.

2. Minutes from previous meeting

12709. The meeting minutes from the CUSC Panel held on 13 December 2024 and 20 December 2024 were approved.

12710. The meeting minutes from the CUSC Panel held on 29 November 2024 and 10 January required further amendments suggested by DA. The Panel Chair agreed for those minutes to be amended and recirculated to Panel for approval.

3. Review of actions log

12711. The CUSC Panel reviewed the open actions from the meeting held on 13 December 2024, which can be found on the Actions Log.

4. Chair's update

12712. There were no updates from the Chair.

5. Authority Decisions

12713. NH provided an update on Modifications that have been decided upon, together with those currently awaiting their decision.

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Decisions since last CUSC Panel

12714. NH confirmed there have been no Authority decisions on CUSC Modifications since the last CUSC Panel.

Awaiting Decisions

Modification	FMR submitted	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 March (previously 17/02/2025)
CMP404 'Introducing Competitively Appointed Transmission Owners & Transmission Service Providers (Section 11)'	11/06/2024	By end of March (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 March (previously 12/02/2025)
CMP437 'Update CUSC arrangements to replace the Electricity Arbitration Association with the London Court of International Arbitration (LCIA) (Charging)'	07/08/2024	By end of March (previously 12/02/2025)
CMP434 'Implementing Connections Reform'	20/12/2024	Q2 2025
CMP435 'Application of Gate 2 Criteria to existing contracted background'	20/12/2024	Q2 2025
CMP441 'Reducing the credit risk of supplying non-embedded hydrogen Electrolysers'	23/12/2024	18/04/2025
CMP443 'Removing references to "Fax" or "Facsimile" within the CUSC '	11/02/2025	TBC

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Other Updates

12715. There were no further updates for the Panel.

6. New modifications

12716. The following new modifications were presented to the Panel:

CMP449: Rectifications to pending 01 April 2025 implementation legal text

12717. CG delivered a presentation on CMP449 which aims to correct legal text errors in modifications which have been approved by the Authority ([CMP411](#), [CMP424](#) and [CMP430](#)) which are due to be implemented on 01 April 2025.

12718. CG further explained that CMP424 legal text amendments were required as directed by the Authority in their [decision letter](#). The Authority believed that the current drafting had replaced 'total demand level' with 'Generation Plant Type', which is not defined in Section 11 'Interpretation and Definitions' of the CUSC. The Authority suggested the legal text would benefit from some clarification.

12719. Some Panel Members suggested that it would be useful to have a slide or log to track any further actions required which have been noted within Authority Decision letters on CUSC Modifications.

12720. TMe explained the Code Administrators process when decision letters are received from the Authority. All Authority decisions are applied to an Implementation Tracker which includes any directions deriving from those decisions received and then monitored.

12721. TM was content with the Code Administrator's procedure and recommended that this approach is continued.

12722. The Panel agreed unanimously that CMP449 should follow the Fast Track Self Governance Route and proceed to an Appeals Window. **(Post Meeting Note: The Appeals Window opened 03 March – 24 March 2025).**

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

12723. CG delivered a presentation on CMP450 which seeks to introduce the definition of Dynamic Reactive Compensation Equipment (DRCE) in CUSC Section 11, aligning the definition to that included in the Grid Code.

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12724. The Panel agreed unanimously that CMP450 should follow the Standard Governance Route and proceed to Code Administrator Consultation. **(Post meeting note: The Code Administrator Consultation opened on 03 March – 24 March 2025).**

7. In flight modification updates

12725. CG talked the Panel through the progression of the in-flight modifications. The in-flight modifications can be found within the CUSC Panel papers pack via the following link: [Modification Tracker](#)

CMP316: TNUoS Arrangements for Co-located Generation Sites

12726. CG updated the Panel informing them that the CMP316 send back had now been allocated a Chair and Technical Secretary and that a new timeline would be presented at the Special CUSC Panel on 10 March.

12727. CG also advised that a new Proposer was being sought for WACM1 as the previous Proposer of this WACM1 now works for NESO. The view of some Panel members was that WACMs are owned by the Workgroup and therefore a new Proposer was not required. TM questioned the governance rules regarding WACM ownership and if clear guidance could be provided to the Panel.

12728. CG stated that, as Code Administrator, the view was that a new Proposer would be required for the WACM. However, she agreed to take an action to provide clarification around the governance rules on this and report back to the CUSC Panel. **ACTION**

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

12729. The Panel approved the new timeline as submitted within the Panel Papers.

The next Modification Tracker will be published on 07 March.

8. Workgroup Reports

12730. No Workgroup Reports were presented to the Panel.

9. Draft Final Modification Reports

12731. CG presented the following Draft Final Modification Report to the Panel:

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

12732. CG presented the Second Draft Final Modification Report for CMP418 to the Panel, which aims to socialise DRCE costs through wider TNUoS charges. Instead of the current system where offshore wind farm generators both (i) provide upfront capital costs for the DRCE before transferring to OFTO and (ii) cover the cost of DRCE via the offshore local circuit tariff for the lifetime of the project.

12733. CG advised the Panel that the Second Code Administrator Consultation had ran from 29 January to 19 February 2025 and received 4 responses. The key points from this consultation were:

- Three respondents believed that 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 that 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 with it, noting issues with Generator windfalls.

12734. CG highlighted that no legal text concerns were raised as part of the Code Administrator Consultation and that the ask from Panel to agree legal text changes on the slide was an error.

12735. Ahead of the Panel carrying out their recommendation vote, JC highlighted the response which disagreed with the analysis. JC believed the Authority would need to be mindful of two different points of view when making their decision.

12736. The Panel recommended, by majority, that the Proposer's solution better facilitates the CUSC Applicable Objectives. The Final Modification Report will be sent to Ofgem on 11 March. ***(Post Meeting note: The Final Modification Report was submitted to the Authority on 11 March 2025).***

10. Discussion on Prioritisation

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12737. The Panel discussed the prioritisation and agreed to bring forward the quarterly prioritisation deep dive from April to March.

12738. JC raised their concerns with CMP417 which is currently medium priority. He explained that securities are being frozen until March 2026 and that, if this modification is not implemented before that freeze ended, this could cause serious impacts on projects and. Industry have expressed their views on prioritising this modification as high.

12739. DA understands that there will be urgent mods that will be coming to an end which will free up more resource.

12740. GG agreed to explain the Panel's reasoning for bringing the deep dive prioritisation forward at the TCMF where the Panel will be looking for the fourth, fifth and sixth next modifications in line.

11. Standing Groups

Transmission Charging Methodology Forum (TCMF)

12741. DA informed the Panel that the TCMF scheduled for 06 February was cancelled.

The next TCMF meeting will be held on 06 March.

12. European Updates

Joint European Stakeholder Group (JESG)

12742. GG confirmed that the JESG meeting was held on 11 February. The meeting materials can be found via the following link: [Joint European Stakeholder Group](#)

The next JESG meeting will be held on 11 March.

13. Update on other Industry Codes

12743. The Panel papers and Headline Report for the following meetings can be found at the below links:

- 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](#)

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14. Relevant Interruptions Claim Report

12744. No further updates for the Panel.

15. Governance

12745. No further updates for the Panel.

16. Horizon Scan

12746. CG presented the Horizon Scan to the Panel and mentioned that there were no changes.

12747. GG noted that Ofgem expects to publish its consultation on a preliminary Strategic Direction Statement (SDS) and accompanying governance changes in the coming weeks.

12748. GG added that the Energy Code Reform project had hit another milestone. On 29 January 2025, the Secretary of State designated the majority of codes and certain central systems as ‘qualifying’ for the purposes of Schedule 12 of the Energy Act 2023. Schedule 12 of the Energy Act provides Ofgem with transitional powers for the purpose of establishing the new governance framework, which allows Ofgem to modify licence conditions, energy codes and contracts.

12749. One Panel member queried whether expectations of Panel members arising from the Strategic Direction Statement could be circulated once the consultation is opened.

12750. NH confirmed that the Code Governance Reform Team will provide Workshops. A test run of the SDS will be published in the spring/early summer which will not have any legal effect but will be a ‘test run’ for industry to take account of and get used to working towards putting reservations in place.

12751. TM emphasised that, as the ECR programme was now gathering momentum, it was important that the Panel was up to speed on transitional arrangements. TM asked that Ofgem provide an update to the Panel at a suitable date in the near future. **ACTION**

17. Code Administrator Update

12752. CG advised that there will be updates to the Final Modification Report template, following feedback from industry and some learnings from Authority decisions. The additional questions, as highlighted in green below, will be applied to the Reports.

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Current Final Modification Report Template	New Final Modification Report Template
Contents	Contents
Exec Summary	Exec Summary
What is the issue? <ul style="list-style-type: none"> Why change 	What is the issue? <ul style="list-style-type: none"> What is the defect this modification is addressing? Why change?
What is the Solution <ul style="list-style-type: none"> Proposer's Original Solution 	Workgroup Discussion <ul style="list-style-type: none"> 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 <ul style="list-style-type: none"> Consideration of the Proposer's solution Workgroup Consultation Summary Consideration of other options 	What is the Solution <ul style="list-style-type: none"> Proposer's Original Solution Workgroup Alternative Solutions Legal text
What is the impact of this change <ul style="list-style-type: none"> Proposer's assessment against Code Objectives Workgroup Vote Code Administrator Consultation Summary Panel Recommendation/ Determination Vote 	What is the impact of this change <ul style="list-style-type: none"> Proposed solutions assessment against Code Objectives Workgroup Vote Code Administrator Consultation Summary Panel Recommendation/ Determination Vote
When will this change take place? <ul style="list-style-type: none"> Implementation date Date decision required by Implementation approach 	When will this change take place? <ul style="list-style-type: none"> Implementation date Date decision required by Implementation approach
Interactions	Interactions
Acronyms, key terms and reference material	Acronyms, key terms and reference material

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12753. The CUSC Panel supports the changes proposed.

18. Any Other Business (AOB)

12754. The Chair confirmed that there was no other business.

19. Close

12755. The Chair thanked the Panel for their time and contribution and brought the meeting to a close.

The next CUSC Panel meeting will be held on 28 March on Microsoft Teams.

New Modification Proposals to be submitted by 13 March.

CUSC Panel Papers Day is 20 March.