

## Proposed changes to the GSG Governance Amendment Proposal

No.	Current Working Group Position	New National Grid Suggested Position	Rationale for New National Grid Position
1	Extend the right to raise a WG Consultation Alternative Request (WGCAR) to any legitimate interested parties.	Extend the right to raise a WG Consultation Alternative Request to Balancing and Settlements Code (BSC) Parties and National Consumer Council (NCC) representatives.	<p>We agree that there should be consistency across parties who can raise an Amendment Proposal and those who can raise a WGCAR, hence our proposal to extend the existing provisions.</p> <p>However, on reflection, we do not consider that extending the right to raise a WGCAR to any "legitimate interested party" is proportionate for a number of reasons:</p> <ul style="list-style-type: none"> <li>- The CUSC is a contract between National Grid and CUSC Users. While BSC parties and the National Consumer Council may be deemed to have a "legitimate" interest in the CUSC, other parties may not. Further extending the right to raise a WGCAR could result in a non-code party raising something which they would not be impacted by.</li> <li>- Any WGCAR raised would have an impact on resource as it would have to be evaluated by the WG, which could cause delay in the Amendment Proposal being progressed.</li> <li>- From a drafting perspective, there are difficulties with defining a "legitimate interested party" without including a list of organisations or individuals which has the danger of excluding someone.</li> <li>- If a party not represented by the CUSC, BSC or NCC felt sufficiently strongly about raising a WGCAR they could do so through any of these groups.</li> </ul>

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II	<p>Create the right for all interested parties to nominate themselves to be a Working Group member as opposed to requiring a nomination through a CUSC Party.</p>	<p>Extend the right for CUSC, BSC and NCC parties to nominate themselves to be a Working Group member.</p> <p>In addition, reorder the first two elements of this proposal, such that the Amendment Proposal will better reflect the amendments processes.</p>	<ul style="list-style-type: none"> <li>- National Grid feels that there are already provisions in the CUSC for a non-CUSC party to be nominated by a CUSC party without the need for the nominee to represent the party it is being nominated by. Specifically, National Grid is happy to nominate an individual who would be free to express its views impartially, as National Grid will always have its own representative to present its views at a Working Group, in accordance with 8.17.3 of the CUSC.</li> <li>- With the existing rights being extended to BSC parties and NCC representatives, any individual falling outside of this definition would have a greater selection of parties to approach to request a nomination.</li> <li>- As discussed at the GSG, it could also be made clear in the Working Group Terms of Reference who an individual has been nominated by and who s/he represents.</li> </ul>
III	<p>Clarify the existing CUSC provision in paragraph 8.6.5 on voting rights of alternates. This will help to clarify how an alternate should vote when they cast a vote which is transferred from the Panel Member they are representing.</p>	<p>Refer back to Amendments Panel for further consideration</p>	<ul style="list-style-type: none"> <li>- Following consultation with our legal team, National Grid has concerns with amending the CUSC further to dictate how a Panel Member should vote. The CUSC is clear that a Panel Member should vote impartially against the applicable CUSC objectives.</li> <li>- Discussions were held at the Amendments Panel regarding best practice in the area of Panel voting. Panel Members reviewed the guidance provided to the BSC Panel which states that "it is completely inappropriate for an alternate to agree in advance with the appointing Panel Member about how the alternate will vote on an issue". However, since that discussion and the subsequent GSG meeting, we have reviewed the UNC Modification Rules which state that where a Member is acting as an alternate to a Voting Member and therefore has two votes, the alternate "shall not be required [...] to exercise all of the votes which that member is entitled to exercise in the same way" which appears to be at odds with the BSC guidance which formed the basis for the CUSC proposal.</li> </ul>

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			<ul style="list-style-type: none"> <li>- We therefore propose to refer this matter back to the Amendments Panel, as the UNC provisions were not included during the original discussion on best practice.</li> </ul>
IV	Amend the CUSC to enable only a Working Group Chairman to invite a Working Group observer to speak, from both Working Group members and the Chairman having the right to invite an observer to speak.	No change to the current position of the Amendment Proposal.	National Grid supports this element of the Amendment Proposal.
V	Extend the right for all interested parties to nominate themselves to observe at a Working Group meeting.	No Amendment to the CUSC is required to address this.	<ul style="list-style-type: none"> <li>- National Grid feels that the CUSC in its current form already meets the objective that is trying to be achieved by this part of the proposal. The list of parties which are able to send a representative to attend a Working Group meeting includes CUSC and BSC Parties and the National Consumer Council. In addition, the Working Group Chairman or any Working Group member can invite anyone to observe at a meeting. Anyone else not covered by this list who wished to attend could put a request to the chair.</li> <li>- Unlike the process for appointing a Working Group member, the existing CUSC provisions do not require a "vetting" process to restrict the attendance of Working Group observers. However, 8.17.9 allows the Working Group to adopt its own working procedures, which could be used to restrict attendance of observers should practical requirements necessitate this.</li> </ul>