



CAPs175, 176 & 177: Urgency

CUSC Amendments Panel 25/09/09

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Overview

- **The Governance Standing Group (GSG) was tasked by the Panel to consider the urgent provisions within the CUSC**
- **The GSG reported back to the Panel on 31st July regarding:**
 - Best practice guidance
 - Guidance to the Panel for considering an urgent recommendation
 - Proposed changes to the CUSC
- **The proposed changes to the CUSC have now been prepared as:**
 - CAP175: Urgent Amendment Proposals - revisions to process
 - CAP176: Correction of errors contained in the provisions for post-implementation reviews for Urgent Amendment Proposals
 - CAP177: Removal of CUSC Amendments Panel's ability to raise Amendment Proposals

CAP175: Urgent Amendment Process – revisions to process

Overview

- CAP175 proposes to revise the treatment of recommendations for urgency
- The aim is to provide enhanced understanding, clarity and process specification

Defect

- Recent recommendations for urgency have severely tested the existing urgency provisions
- Lack of detail in the CUSC has led to differing expectations
- There is an inconsistency over who can raise Amendment Proposals and who can recommend on urgency

CAP175: Proposal & Assessment against Objectives

Proposal

- ◆ Extend who can recommend a proposal be treated as urgent
 - From only CUSC Parties to include BSC parties and National Consumer Council
- ◆ The Panel Chairman to determine the time available to make a decision
- ◆ Specific requirement to convene a meeting
- ◆ Specification of procedure should not all Panel Members be available
 - ◆ Or if it is not possible to contact an appropriate number of Panel Members
- ◆ Report to include CUSC Amendments Panel and Authority position on urgency

CAP175 better facilitates CUSC Applicable Objective (a) by:

- ◆ Improving the transparency and process through which recommendations for Urgent Amendment Proposals will be processed

CAP176: Correction of errors contained in the provisions for post-implementation reviews for Urgent Amendment Proposals

Overview

- CAP176 proposes to correct errors in CUSC sections 8.21.1.9 and 8.23.5 regarding post-implementation reviews for Urgent Amendment Proposals

Defect

- The existing provisions for post-implementation reviews make reference to Working Groups and/or Working Group Alternative Amendments
- The wording is not appropriate as recourse to a Working Group after implementation of an Urgent Amendment Proposal is not actually possible
- The errors in this wording have caused confusion over the interpretation of the clauses

Proposal

- This proposal seeks to apply appropriate provisions for the post-implementation review, by referring any review to a CUSC Standing Group

CAP176: Assessment against the applicable objectives

CAP176 better facilitates CUSC Applicable Objective (a) by:

- Clarifying the process for post-implementation review following implementation of Urgent Amendment Proposals or an amendment made in accordance with the Transmission Licence other than pursuant to the standard Amendment Procedures

CAP177: removal of CUSC Amendments Panel's ability to raise Amendment Proposals

Overview

- CAP177 proposes to remove the ability for the Panel to raise Amendment Proposals, as currently provided for in certain circumstances

Defect

- The existing provisions allow for the Panel to raise an Amendment Proposal following a post-implementation review after an amendment has been made:
 - Through an Urgent Amendment Proposal
 - In accordance with the Transmission Licence (other than pursuant to the standard Amendment Procedures)
- This would allow the Panel to both raise and recommend on a proposal

CAP177: Assessment against the applicable objectives

CAP177 better facilitates CUSC Applicable Objective (a) by:

- Ensuring that the Panel are not able to both raise and recommend on an Amendment Proposal

NOTE

- ◆ Ofgem's Role of Code Administrators consultation includes a proposal to allow code Panels to raise their own modification proposals which "improve the efficient administration of the arrangements"
- ◆ The consultation notes that GSG has discussed the issue and proposes to remove this ability from the CUSC but states that:
 - "we consider the CUSC panel should be placed on the same footing as the BSC and UNC panel in being able to raise proposals to improve the administration of the code, rather than relying upon National Grid."
- ◆ Ofgem intends to progress this proposal through the Code Administrators' Working Group

Recommendation

- The three Amendment Proposals have been developed based on the report prepared by the GSG
- Given the work already undertaken by the GSG, it is recommended that the proposals proceed directly to consultation by the Company
- If the Amendments Panel agrees to Company consultation, National Grid proposes to report back to the Panel meeting in November 2009