

**Minutes and Actions Arising from Meeting  
Held on 24<sup>th</sup> March 2011**

**Present:**

Garth Graham	GG	Chairman, SSE
Bali Virk	BV	Technical Secretary
Emma Clark	EC	National Grid Electricity Transmission
Alex Thomason	AT	National Grid Electricity Transmission
Steven Lam	SL	National Grid Electricity Transmission
Barbara Vest	BVe	Association of Electricity Producers - via Teleconference
Steven Eyre	SE	EDF Energy - via teleconference
Peter Bolitho	PB	E.ON UK
Abid Sheikh	AS	Ofgem Representative - via teleconference, part meeting
Stuart Cotten	SC	Drax Power Limited

**Apologies:**

Kathryn Coffin	KC	ELEXON
Merel Van der Neut Kolschoten	MK	Centrica
Robert Longden	RL	Mainstream Renewable Power

**All presentations and supporting papers given at this GSG meeting can be found at:**  
<http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/workingstandinggroups/gsg/>

**1 Apologies for Absence & Introductions**

511. Apologies were received from Merel Van der Neut Kolschoten, Kathryn Coffin and Robert Longden.

**2 Approval of Minutes**

512. The minutes from the meeting held on 24<sup>th</sup> February 2011 were approved subject to the comments received by GG, KC and AS. The minutes will be published on the National Grid website shortly.

**Action: NGET to publish minutes on the National Grid website**

**3 Review of Actions**

513. **Minute 470:** Publish the GSG minutes from the 19<sup>th</sup> January 2011 meeting on the National Grid website.

**Action: Complete**

514. **Minute 275:** BV to circulate the revised Private and Confidential text for a period of one week for approval from GSG members via email. The final version to be implemented in the Code Administrator reports.

**Action: Complete**

515. BV informed GSG members that comments had been received from RL. BV presented the final revised text for approval from the GSG members which incorporated RL comments for approval. It was agreed that the revised text will be inserted into the Code Administrator reports.

## Governance Standing Group (GSG)

516. **Minute 491:** Review of Initial Written Assessment Costing, GG to update paper and circulate to GSG members.

**Action: Complete**

517. GG informed members that the Initial Written Assessment Costing Paper had been updated to reflect the rewording that was discussed at the February GSG meeting. The Code Administrator agreed to incorporate the costing in the Code Administrator Initial Written Assessment template.

518. **Minute 505:** Proposer Ownership, EC to seek wider feedback from the (UNC) Joint Office and (BSC) ELEXON Code Administrators on current process and to produce a time line for the proposed ownership process and the urgent CUSC Modification process. **Agenda item 4.**

519. **Minute 506:** BV to confirm to GSG members change of April meeting being postponed to 5<sup>th</sup> May 2011.

**Action: Complete**

### **4 Proposer Ownership**

520. EC recapped on the action of Proposer Ownership and reminded members that this had arisen from the Code Administration Code of Practice (CACOP) Principle 6.

521. EC recapped on the main suggested changes for the current CUSC provision:

- Proposer controls details of their Proposal
- Proposer may “vary” their proposal prior to industry consultation
- After consultation and before final determination by the Panel the Proposer may request a variation from the Panel

522. EC presented to the GSG members a presentation detailing the current process for Proposer Ownership within the UNC and BSC.

523. GSG members debated the current UNC and BSC model of varying a modification up to the Code Administrator consultation phase. GSG members discussed in depth the BSC model and agreed that this worked well.

524. PB stated that it would be more desirable if there was the option to change the proposal throughout the process and that the consultation phase would allow the ability to obtain the view of the parties on the CUSC Modification proposal itself. PB added that Proposer Ownership should only allow for minor tweaks.

525. GG commented that within the Proposer Ownership process there should be a time limit on when the Proposer can change their proposal so that the Workgroup could conclude its work. GG also stated that the Proposer should continue to have ownership of their proposal throughout the Workgroup assessment phase, as it currently occurs within the BSC, and then when it came to the Workgroup vote the Workgroup Chair would give the Proposer the opportunity to make any final changes to the proposal prior to the Workgroup vote.

526. SC stated that once the Workgroup consultation is complete, the Proposer should only be concerned with the accuracy of the legal text; the only

## Governance Standing Group (GSG)

changes should be to ensure that the legal text reflects the proposed solution, and not to modify the mechanics of the solution. EC noted that Principle 6 in the CACOP refers to the ability to amend the solution only. EC confirmed that the defect that is being addressed in the proposal must not change.

527. GG agreed that the Proposer should have ownership of their proposal throughout the process and that during the Workgroup assessment prior to the Workgroup vote, the Workgroup Chair would ask the Proposer if there was anything else that they would like to change. The proposal would then proceed through to the Code Administrator consultation.
528. The GSG members debated in detail the three options presented to the group in the form of a flowchart and agreed that option 1 was the current process and option 2 was the hybrid model of what was in the BSC . GSG members discussed an option 4 which would allow minor changes to the legal text after the Code Administrator Consultation had been completed. GG proposed that if a change to the legal text was requested by the Proposer post Code Administrator Consultation, the change would have to be agreed by the Panel first, which may direct it back to the Workgroup for discussion.
529. SC stated that if the legal text was changed, after a consultation had closed, the respondents views could also change from the original response and revised legal text would need to be re consulted on. SC added that changes perceived by the Workgroup or Panel as being minor could be construed as being significant changes by industry parties.
530. AT commented that the legal text should represent the proposal and any changes to this should only be typographical change.
531. SE stated within the Proposer Ownership phase a cut off point would need to be agreed for when alternatives and changes can be raised.
532. The GSG members agreed that within the model of Proposer Ownership, it should include the concept that the Proposer should control their modification and not the Workgroup (who would 'own' any alternatives) and that the legal text can only be changed if of a typographical nature but that the revised legal text would then need to be re consulted on. It was noted that having the legal text available at the earliest opportunity would aid efficiency with regard to this.
533. EC agreed to talk to ELEXON regarding the BSC Proposer Ownership process and to draft a process for the CUSC and bring to the May GSG meeting for members to review.

**Action: EC to draft a CUSC Modification Proposal for discussion at the GSG meeting**

### **5 Review the validity and rejection of new CUSC Modification Proposals**

534. AT circulated a summary paper on the current CUSC provisions regarding the validity and rejection of new CUSC Modifications Proposals. AT explained that under the Terms of Reference the GSG was tasked to consider this.

## Governance Standing Group (GSG)

535. AT explained that currently the CUSC Code Administrator can reject a CUSC Modification Proposal if the CUSC Modification proposal form is not filled in correctly and also if a non CUSC Party has submitted the proposal.
536. AT explained that the caveats are set out within the CUSC provisions. AT also highlighted that currently there was no mechanism to submit an informal CUSC Modification proposal.
537. AT also informed GSG members that if a large amount of CUSC Modifications were submitted to the CUSC Code Administrator, the CUSC Panel would be asked to prioritise which proposal would need to be dealt with first.
538. The GSG also discussed the rules for Amalgamation. An example of when this was last used was CUSC Amendment Proposals CAP100 and CAP101, and AT confirmed that proposal Amalgamation was rarely used.
539. AT asked GG and BVe (as CUSC Panel members) if they had the right tools to deal with an influx of CUSC Modifications raised. They both agreed that if an Urgent Modification and three other CUSC Modifications were submitted, then the Urgent CUSC Modification would take precedence and the CUSC Modification Panel would then prioritise the other proposals.
540. AT informed the GSG that the paper circulated summarised the current CUSC provisions.
541. GG thanked AT on behalf the GSG for the summary and agreed to update the CUSC Panel at the March CUSC Panel meeting and will update GSG members at the meeting in May with their discussions.

**Action: AT to circulate the Paper to the CUSC Modifications Panel and GG to provide an update at the CUSC Modifications Panel meeting**

## 6 Standing Groups

542. AT explained that under the Terms of Reference for the GSG the group had been tasked to look at the role of the Standing Groups going forward including the ability to undertake consultations on draft CUSC Modification Proposals to obtain industry opinion prior to raising a CUSC Modification Proposal.
543. AT reminded GSG members that the current provisions for Standing Group can be found in the CUSC provision 8.21.1.
544. GSG members discussed the process within the BSC and the UNC which both have issues groups. This gives the opportunity for industry members to bring an issue to the table and the issues group would help develop the proposal with a solution. This process would facilitate a modification being developed with other industry members.
545. AT explained that if a CUSC Modification identified a defect in the CUSC but there was no proposed solution, it would warrant the progression to a Workgroup.

## Governance Standing Group (GSG)

546. GG stated that a Standing Group within the CUSC allows industry members to take forward an issue and the Chair ensures that everybody is allowed to speak and is treated fairly.
547. AT commented that the CUSC Standing Group process is robust and noted, by way of example, that the Balancing Services Standing Group (BSSG) and GSG do allow for issues to be discussed and these forums are then flagged through to the CUSC Modifications Panel. AT stated the Cross Codes Forum which is a joint forum between the BSC, Grid Code and CUSC also gives industry members the opportunity to raise any issues.
548. AT gave an example of Credit Arrangement and where this would fit in as it did not fit in the forum of the BSSG. AT advised that the Code Administrator would direct this to the CUSC Modifications Panel and they would decide which current Standing Group this would best fit, or establish a new Standing Group (if appropriate). SL highlighted this example is when the Code Administrator would become the critical friend and would ensure that the issue was addressed by the appropriate forum.
549. SC stated that currently there was no transparent process for parties to follow, should they wish to raise an issue within the CUSC. The Code Administrator took an action to publish how a party can raise an issue for the CUSC Modification Panel to review.

**Action: Code Administrator to consider a process for how a new issue would be raised, and for the issue to be considered by the CUSC Modifications Panel , if the party was unsure which Standing Group the issue should be discussed at**

### 7. Code Modification Urgency Criteria

550. AS informed GSG members that Ofgem have published a consultation open letter on 'Code Modification Urgency Criteria'. The document was published on the 11<sup>th</sup> March 2011 and the closing date for responses is 26<sup>th</sup> April 2011. AS informed GSG members as a result of the Code of Practice being introduced across the BSC, UNC and CUSC, there may be circumstances where a modification proposal may be urgent and the modification process/timescale may be revised to take this into account.
551. The open letter highlights the reasons for publishing new guidance for code modification urgency criteria on the Ofgem website, to make the process clearer and transparent.
552. GG stated that he welcomed the revision to the Urgency Criteria, but had one concern that if a party came forward with an urgency modification when they could have addressed the defect sooner, there should be some sort of caveat to ensure that parties are not trying to rush modifications through. SC gave an example of CAP168 when this occurred.
553. GG agreed to draft a GSG response to the Ofgem consultation for agreement by GSG members via email.

**Action: GG to circulate a draft a response to Ofgem on the consultation on Code Modification Urgency Criteria for agreement by GSG members via email by 26<sup>th</sup> April 2011.**

### 8 Any Other Business

554. **Update on the Protocol for appointment of Independent CUSC Panel Chair:** AT confirmed that a CUSC Modifications Panel sub committee had been established. The sub committee consists of two CUSC Panel representatives, Barbara Vest and Garth Graham, Code Administrator representative Alex Thomason and the current NGET appointed CUSC Modifications Panel Chair Alison Kay. AT confirmed that National Grid HR have identified two candidates for the Selection Adviser, Korn Ferry and Whitehead Mann. The National Grid HR representative is drafting a job advert, and AT will send the advert through to the sub committee to review with detailed breakdown of the recruitment costs.

A further progress update will be given at the GSG meeting in May 2011.

555. **Project Transmit:** GG informed the GSG that attendees of the Transmission Charging Methodology Forum were informed of two letters that had been published on the Project TransmiT website.
556. GG brought to the GSG group's attention the letter detailing the next steps regarding connection issues and provided an update on the electricity user commitment proposal. GG reminded the GSG that there may be a possibility of a Significant Code Review (SCR) if User Commitment did not proceed in a timely manner.
557. AS was unable to comment on this as he was not at the TCMF meeting.

### 9 Next Meeting

558. The next GSG meeting will be held on **5<sup>th</sup> May 2011** at 10.00am at National Grid House in Warwick. At this meeting the following will be discussed:
- Review of the outstanding actions from March 2011 minutes
  - Workgroup meeting 1 for CMP195 – Code Governance Review post implementation clarifications