

## Governance Standing Group (GSG)

### Minutes and Actions Arising from Meeting Held on 24 February 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
Steven Eyre	SE	EDF Energy
Esther Sutton	ES	E.ON UK
Kathryn Coffin	KC	ELEXON - part meeting via teleconference
Abid Sheikh	AS	Ofgem Representative - via teleconference
Robert Longden	RL	Mainstream Renewable Power

#### Apologies:

Merel Van der Neut	MK	Centrica
Kolfschoten		
Peter Bolitho	PB	E.ON UK
Stuart Cotten	SC	Drax Power Limited

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

468. Apologies were received from Merel Van der Neut Kolfschoten, Peter Bolitho, and Stuart Cotten.
469. Esther Sutton confirmed that she was standing in for Peter Bolitho.

#### 2 Approval of Minutes

470. The minutes from the meeting held on 19<sup>th</sup> January 2011 were approved subject to the comments received by GG at the meeting. 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

471. **Minute 427:** Publish the GSG minutes from the 25 November 2010 meeting on the National Grid website.  
**Action: Complete**
472. **Minute 285:** Add review of Initial Written Assessment costing to the GSG agenda for February 2011. **Agenda item 5.**
473. **Minute 385.** Private and confidential responses legal advice. BV presented to the GSG members text to be inserted on the front page of the Workgroup/ Code Administrator consultation making it clear that responses will be published on the National Grid website unless the response is marked

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“Private & Confidential”. The text also states that the response will be shared with the Authority in full but not shared with CUSC Modifications Panel or the industry and may therefore not influence the debate to the same extent as a non confidential response.

474. GSG members suggested that within the text an extra sentence should be included to state that the Code Administrator would contact the respondent to discover the extent of the confidentiality and whether it was the whole response that the respondent felt was confidential or whether part of the response could be shared with CUSC Modifications Panel and the industry, which could influence the debate. GG suggested that a Self-governance CUSC Modification may be an option in order for the matter to be clarified in the CUSC. AT advised that this was not a significant issue and there had only been approximately one example of this situation occurring in the last two years, therefore it was not entirely appropriate to raise a CUSC Modification at this stage. ES suggested capturing this issue in the KPIs, in the form of a clause relating to why the Authority decision may be counter to the Panel recommendation.
475. BVe suggested some wording in order to make the text clearer and SE suggested that the onus should be on the respondent to make it clear on the confidentiality of their response. It was agreed that BV would revise the text and email GSG members asking for approval via email.

**Action: BV to circulate revised text for a period of one week for approval from GSG members**

476. **Minute 439 & 465:** Code Administrator to send revised legal text to the GSG and ex Code Governance Review Workgroup members.
477. SL confirmed that an email had been sent to GSG members and the ex Code Governance Review Workgroup members on the 22<sup>nd</sup> February attaching (i) the draft Sections 8 and 11 compared to the 31<sup>st</sup> January 2011 baseline; (ii) the Ofgem comments, annotated by National Grid; and (iii) a spreadsheet containing housekeeping changes for both Sections 8 and 11 which were discussed at the January GSG meeting.
478. SL informed GSG members that in order to raise this as a CUSC Modification Proposal for the March Panel comments should be sent back to SL by the close of play on Wednesday 9<sup>th</sup> March 2011.
479. **Minute 449:** EC to develop the KPIs further and also seek wider feedback from the (UNC)Joint Office and (BSC)ELEXON. **Agenda item 6.**
480. **Minute 450:** AT to update the CUSC Modifications Panel with the progress on the KPIs.

**Action: Complete – update given to the Panel at the January meeting**

481. **Minute 457:** AT to circulate a summary of the consultation responses received to the protocol for appointment of independent CUSC Modifications Panel Chairman to GSG members.

**Action: Complete**

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482. **Minutes 461:** AT to present a Recommendation paper to the January CUSC Modifications Panel summarising the responses and GSG consultation for the appointment of independent CUSC Modifications Panel Chairman.

**Action: Complete**

483. GG confirmed that the CUSC Modifications Panel accepted the recommendation of the GSG which recommended to the Panel the appointment of a selection advisor and also the creation of a Panel subcommittee to aid in candidate selection. The subcommittee would consist of two Panel members plus the existing Panel Chairman and a National Grid Code Administrator representative.

484. **Minute 462:** GSG to consider the process for appointing a Deputy Chair. **Agenda item 4.**

485. **Minute 466:** Code Administrator to produce an annotated version of the TOR for the February GSG meeting. **Agenda item 8.**

### 4 Process for Deputy Chair

486. At the January GSG meeting GG asked if the GSG could consider the process for appointing a Deputy Chairman for the CUSC Modifications Panel, should the Chair resign or be unavailable for a meeting.

487. GSG debated scenarios when a Deputy Chair would be needed to attend a CUSC Modifications Panel meeting, concluding that there were three such scenarios:

- the Chair is permanently unavailable, having resigned (or died);
- the Chair is temporarily unavailable, but has notified the Panel of his absence, e.g. annual leave;
- the Chair is temporarily unavailable, but has not provided prior notice, for example, being stuck in transit to a Panel meeting or unexpected illness.

488. BV gave a presentation to the GSG members detailing the current CUSC provision 8.7.1 which states:

The **Panel Chairman** shall preside at every meeting of the **CUSC Modifications Panel** at which he is present. If he is unable to be present at a meeting, he may appoint an alternate (who shall be a senior employee of **The Company**) to act as the **Panel Chairman**, who may or may not be a **Panel Member**. If neither the **Panel Chairman** nor his alternate is present at the meeting within half an hour of the time appointed for holding the meeting, the **Panel Members** present may appoint one of their number to be the chairman of the meeting.

489. It was noted that a National Grid Senior Manager was currently on standby should the Chair be unable to attend a meeting and that the current process worked well. BVe asked if the CUSC provision could be amended to delete the text shown in brackets in the extract above; after a further debate the GSG members agreed for this provision to be left as it is. GSG members were comfortable that the three scenarios identified above would be covered by the existing CUSC provisions.

490. The GSG also briefly discussed the process for Deputy Chair for BSC and the UNC. It was noted that the BSC has two members independent of industry on the Panel, and that the BSC Panel Chairman may appoint one of these as Deputy Chair after consulting with the Authority. Within the UNC the Deputy Chair is appointed by the Transporters.

### **5 Review of Initial Written Assessment Costing**

491. GG provided some background on this item and ran through the paper that he had compiled. This was in response to previous discussions on the Initial Written Assessment that is compiled by the Code Administrator and how potential industry costs associated with progressing the CUSC Modification Proposal could be recorded. The paper identified three different types of CUSC Modification Proposals (Self-governance, Standard and Significant Code Review directed). By using a pre-agreed charging rate as set out in National Grid's Statement of Use of System Charges, GG compiled a model of indicative costs within the paper which the group looked at.
492. When discussing the costs, AS queried what costs it referred to and GG advised that it was related to industry costs only and that this was clarified in a footnote within the paper. GG pointed out that the costs and effort associated with a Significant Code Review (SCR) were listed separately as, despite an SCR being dealt with through the standard CUSC Modification process, it would, given the nature of the SCR change, require more work and therefore would incur higher industry costs. AS challenged this point and expressed a concern that by highlighting a SCR-directed modification proposal separately in the costings, it could be misleading in that it indicates that an SCR –directed modification proposal automatically has high associated costs and also fails to recognise that SCR-directed modification proposals go through the standard CUSC modification process. AT suggested that it could be reworded to 'Complex Standard CUSC Modification' in order to point out that the standard process is followed, whilst recognising the differences that an SCR –directed modification proposal has from a 'normal' CUSC Modification. AS noted the suggested re-wording.

**Action: GG to update paper and circulate to group.**

### **6 Revised KPIs**

493. EC presented the KPIs that had been updated following comments in the previous GSG meeting. BVe suggested, in light of the earlier discussion (473-475), a KPI for Private and Confidential responses to Consultations. GG agreed that this may be useful. AT suggested that if Private and Confidential responses had been received then a footnote could be inserted to advise that the figure in the table included a certain number of confidential responses. The group agreed that this was sufficient.
494. The GSG was happy with the revised KPIs and EC advised that they would be presented to the CUSC Panel on 25<sup>th</sup> February and reviewed by the Panel.

### **7. Proposer Ownership**

495. EC gave a presentation to GSG members detailing the Code Administration Code of Practice (CACOP) Principle 6.

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496. EC highlighted the main suggested changes for the CUSC:
- Proposer controls details of their proposal
  - Proposer may “vary” their proposal prior to industry Consultation
  - After consultation and before final determination by the Panel, Proposer may request a variation from the Panel
497. RL expressed his concern that the Proposer may vary their proposal after industry consultation. RL stated the Workgroup does a lot of work and it is a concern that the Proposer may then modify their proposal, which can then differ from the agreed Workgroup position.
498. AT explained that currently under the UNC a request for a variation can be made. The UNC Panel would then consider the proposal and if they agree to the variation of the proposal, it can then be sent back to consultation, depending on the materiality of the variation, as perceived by the Panel.
499. GG stated that currently within the BSC, the Workgroup Chair will ask the Proposer if they want to change anything before the Workgroup makes its final recommendation (after the industry consultation) and after this no change can then be made.
500. The GSG discussed a model (where no Workgroup is established) that would allow the Proposer to request a change to the legal text after the Code Administrator consultation phase as detailed below:
- a) CUSC Modification raised
  - b) Panel agree for industry consultation
  - b) Out to industry consultation (with legal text)
  - e) Proposer – can request to vary (min 5 working day) to Code Administrator
  - f) Panel receive the request
    - Code Administrator view
    - Considers is Proposer’s change material, what’s the impact(s)
  - g) CUSC Modifications Panel can accept Proposer’s request to vary and send back straight to second (industry) Code Administrator consultation
    - or**
    - Send to Workgroup
    - or**
    - Accepts request to vary, votes on Modification Proposal, (needs to get legal text revised)
    - or**
    - Rejects request to vary, votes on Modification Proposal (based on ‘original’ legal text)
501. KC stated that the current BSC process was more flexible than the UNC, in that the Proposer can make any changes to the solution as long as it still addresses the original issue or defect. In order to do this they do not need to fill in “a request to vary form” or seek the Panel’s permission, as the Workgroup for P247 (which introduced Proposer ownership in the BSC) felt this would be unnecessary bureaucracy. The solution changes are instead captured in the Workgroup’s consultation document and report, along with an explanation of the changes and where the views of the Proposer and Workgroup diverge. If the Workgroup believes that Proposer is deliberately frustrating the process, the Workgroup can go the BSC Panel to get the

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modification withdrawn. KC also confirmed that the solution can only be varied up to the point that the Workgroup makes its final recommendation; once in the Report Phase the modification cannot be changed as this would potentially invalidate the Workgroup's assessment and recommendation. The Proposer can vary their solution after the Workgroup's consultation, but if the variation is significant the Workgroup would seek a timetable extension from the Panel in order to re consult on the amended solution.

502. GG stated that if the Proposer changed the Modification it would need to be made clear in the Modification Report why it had been changed.
503. P247 was the Modification Proposal which introduced Proposer ownership in the BSC.
504. EC also asked GSG Members for their thoughts on an issue that arose from CAP179, in that the Chair of the Workgroup can make the decision on what to progress, with regard to Workgroup Alternative CUSC Modifications (WACMs). EC advised that consideration had been given to including this point within the Proposer Ownership proposal. The group agreed that if required, this should be raised separately to Proposer Ownership.
505. BVe queried the issue of legal text and when this could be changed. AT advised that this issue was being considered following recent problems (with the Code Governance Review related Modifications) that have occurred as a result of not being able to change the legal text and that this would be linked in as part of Proposer Ownership.
506. GSG members asked if EC could speak to the Code Administrator for the UNC to look into this further and also to produce a time line for the process and also for the urgent modification process.

**Action: EC to bring findings to the GSG March meeting and to produce a time line for the proposed ownership process**

### 8 Any Other Business

507. BV asked GSG members if they were in agreement to move the GSG meeting on the 28<sup>th</sup> April 2011 to the 5<sup>th</sup> May 2011 as this would align the GSG meeting with the CUSC Panel on the 6<sup>th</sup> May 2011.

**Action: Agreed, BV to notify all GSG members change of date**

508. SE referred to a letter sent out by Patrick Hynes, Electricity Charging and Access Manager for National Grid on 16<sup>th</sup> February 2011. SE felt that the letter implied that the Self-governance regime does not allow for Workgroups, in reference to changes for Section 11 of the CUSC. AT clarified that this was not the intention and that Workgroups are permitted for Self-governance CUSC Modifications.
509. **Terms of Reference:** The group were provided with an annotated version of the TOR following an action from the previous meeting. GG noted that it may be sensible not to allocate work to the May or June GSG meetings to allow the GSG to be used as a Workgroup to consider CUSC Modification Proposals, such as the one currently being developed on Proposer Ownership.

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510. AT ran through the list of objectives in the TOR and the group agreed which items should be discussed at the next meeting.

### **9 Next Meeting**

511. The next GSG meeting will be held on **24 March 2011** at 10.00am at National Grid House in Warwick. At this meeting the following will be discussed:

- Review of the outstanding actions from February 2011 minutes
- Further review of Proposer Ownership
- Review the validity and rejection of new CUSC Modification Proposals and discuss the ability for the Panel to manage new CUSC Modification Proposals with existing workload
  - Action: AT to circulate email detailing provisions for managing a high workload**
- Review role of Standing Groups