

Governance Standing Group (GSG)

Minutes and Actions Arising from Meeting Held on 27 May 2010

Present:

Garth Graham	GG	Chairperson, SSE
Bali Virk	BV	Technical Secretary
Emma Clark	EC	National Grid Electricity Transmission
Steve Lam	SL	National Grid Electricity Transmission
Adam Richardson	AR	ELEXON
Robert Longden	RL	Wind Energy
Peter Bolitho	PB	EON
Stuart Cotten	SC	Drax Power Limited

Apologies:

Merel Van der Neut Kolfshoten	MK	Centrica
Barbara Vest	BVe	Association of Electricity Producers
Kathryn Coffin	KC	ELEXON
Alex Thomason	AT	National Grid Electricity Transmission

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

255. Apologies were received from Merel Van der Neut Kolfshoten, Barbara Vest, Kathryn Coffin and Alex Thomason.
256. AR, SL, EC were welcomed to the GSG meeting by the group.

2 Approval of Minutes

257. The minutes from the meeting held on 25 March 2010 were approved and will be published on the National Grid website shortly.

Action: BV to publish minutes on the National Grid website

3 Review of Actions

258. **Minute 220:** GSG to consider issues associated with the applicability and relevance of analysis undertaken during the process before a decision is made. **Review after conclusion of CAP179 Working Group.**
259. **Minute 227:** Publish GSG minutes from the March meeting on the National Grid website. **Action complete.**
260. **Minute 238:** NGET to circulate CAP181 Initial Written Assessment (IWA) to CUSC Amendments Panel for the April meeting. **Action complete.** GG confirmed that the CAP181 IWA was well received by the CUSC Panel, and the Panel decided that industry participation costs should be incorporated which should reflect the standard rate for a Senior Power System Engineer which equates to £505 per day. The charge out rates can be found in the charging area of the National Grid
<http://www.nationalgrid.com/NR/rdonlyres/B757A2EA-CEEA-4A37-B9CA-91A0F0C68C5F/40465/UoSCI6R0Final.pdf>

261. **Minute 240:** AT to review revised Working Group Terms of Reference with Hedd Roberts. **Update to be provided at the next GSG meeting.**
262. **Minute 241:** BV to add standard Working Group Terms of Reference to the April CUSC Amendments Panel Agenda. **Action complete.**
263. **Minute 243:** NGET to seek Ofgem's view on WGAAAs in the decision making process. **Update to provided at the next GSG meeting.**
264. **Minute 247:** NGET to contact the organisation who submitted the CAP170 private and confidential response – See agenda item 5.
265. **Minute 248:** BV to place private and confidential responses as an agenda item for the April 2010 meeting. **Action complete.**
266. **Minute 249:** NGET to remind Ofgem about post-implementation response. **Update to provided at the next GSG meeting.**
267. **Minute 252:** NGET to write to CUSC parties to inform them of NGET's intent to use the "Consent to Modify" process to rectify the paragraph numbering in section 8 of the CUSC. **Action complete.**

BV informed the group that no responses were received from CUSC Parties in respect of using the "Consent to Modify" process. BV confirmed a letter from National Grid was sent to the Authority on the 29 April requesting this and a Ofgem decision was received on 10 May approving the proposed changes.

A discussion was held within the group about the "Consent to Modify" process and members requested further clarification as to why this approach was taken as there were concerns that this process could be used for important changes without following the Amendments process. BV informed members that this request was taken forward at a request of some of the GSG members to correct the paragraph numbering in Section 8 of the CUSC, which appeared to have gone awry following the insertion of legal text to implement CUSC amendments CAP175 and CAP176. BV confirmed that this approach was discussed with GSG members and approval was received from the CUSC Amendments Panel.

4 Implementation of Code Governance review final proposals

268. GG updated the GSG about the discussions held at the CUSC Amendments Panel on 21 May 2010 regarding the proposed timescales for the implementation of the Final Proposals and three options were explored
 - Industry workshop and then straight to Company consultation
 - Industry workshop and Working Group meetings with "special " CUSC meetings
 - Industry workshop and Working Group and the standard CUSC Panel meetings

The GSG discussed their concerns with the proposed implementation date, GG explained that National Grid have written to Ofgem (on behalf of the Panel) expressing the CUSC Amendment Panel concerns regarding the proposed implementation date of October 2010. [Post meeting note: Ofgem have published the statutory consultation on the Licence changes which state an implementation date of the end of December, which would allow the CUSC

Governance Standing Group (GSG)

Amendment Proposals to go to the Working Group phase]. The GSG concurred with the Panel's concerns regarding the October timescale.

269. GG explained to the GSG that this meeting would be used to review Ofgem's Code Governance Review Final Proposals Licence Drafting Consultation Appendix 5: proposed changes to licence conditions – consolidated mark-up which was circulated on the 6th May 2010 (this version was circulated to people who attended the Ofgem Workshops which were held on 23rd April and 29th April 2010 and placed on the Ofgem website). This exercise would be used to identify the issues arising from the draft Licence changes that might be addressed by future CUSC Amendment Proposals (that would need to be raised by National Grid).
270. The GSG carried out a page turn exercise of the draft Licence changes and agreed which paragraphs would need a CUSC change and these can be found in appendix A which are attached with the minutes.
271. GG highlighted that a significant change would be the incorporation of the Charging Methodologies into the CUSC.
272. The GSG discussed their concerns with the implementation of the Charging Methodology within the CUSC, and the matter of the 28 day veto process discussed at the May CUSC Amendment Panel was noted. JD joined by telephone conference to discuss this and confirmed that the 28 day veto would not form part of the CUSC amendments process for Charging Proposals.
273. JD advised the GSG that the VETO process should only apply to live Charging Methodology proposals at the time of implementation of the Licence changes and that the VETO will drop away for proposals after the implementation of the Code Governance Review.

GG queried with JD if this implies that the CUSC will therefore not need to be changed with regards to paragraph 4 under Condition C5 of the Final Proposals Licence drafting of 6th May. JD agreed and will confirm further details via email after discussing with lawyer.

Action: Ofgem to confirm VETO process only to be applied to live Charging Methodology proposals

274. GG agreed to produce a list of the paragraphs in the Licence that may need a CUSC change and circulate this to the group for comment, which were to be received to GG by 11 June and then the final version to be sent to the industry on 14 June 2010.

Action: All – comments back to GG and BV to forward email to industry

275. It was also agreed by the GSG with the approval of AR that within the email to the industry regarding the proposed changes of the CUSC, that details of the Industry Workshop to be held on 23rd June at Elexon Offices would be included so interested parties can register their interest.
276. The group also asked if Elexon and National Grid could pencil in a date for GSG members and CUSC Panel members to be briefed on charging related matters to inform attendees so that they could be mindful of this when considering charging related governance matters in the future. The GSG also offered to assist National Grid in drafting any Licence related Amendment Proposal(s) prior to being raised (which is expected to occur shortly after the planned Industry Workshop on 23rd June). Details of these meetings / dates can be found below (paragraph 281).

Action: BV to write to GSG/CUSC Panel members with potential Working Group Meeting dates

5 Private & Confidential Responses

277. BV confirmed that this action originally came from the CUSC Panel following a “private and confidential” response being received in response to the CAP170 Company Consultation. At the last GSG meeting the group requested that BV contact the company who had submitted this response if the whole response or some element of the response was confidential. The company confirmed that they submit all their responses in this manner so they would not want any of the response disclosed.
278. The GSG debated this further and agreed that at least the company name should be published. The group asked if NGET would investigate this further by looking at any restrictions imposed by the 1989 Electricity Act and to see if there was a clause within in this, that would not allow NGET to publish the company name.

Action: NGET to get a view from Legal, with regards to publishing a summary of the response, publish the company name, and is this impediment in the CUSC or the Electricity Act

6 Agenda items taken from the GSG Terms of Reference

279. The group decided to carry forward the following items to the meeting to be held in July.
- Review the validity and reject of new Amendment Proposals
 - Review the role of Standing Group going forward
 - General review of the CUSC governance Section 8

7 Any Other Business

280. GG informed the GSG that the Commercial Balancing Services Group have now met twice and currently this group sits outside the CUSC. GG confirmed that the CUSC Amendments Panel asked for the GSG Terms of Reference be updated to include a review of Commercial Balancing Service Group governance. The GSG agreed with this.

Action: To update the GSG Terms of Reference and publish on the National Grid website

8 Next Meeting

281. The following GSG meetings have been scheduled :

24 June – 1.00pm – “Introduction to Charging” this session will be run by Pat Hynes. This session is open to GSG and CUSC Amendments Panel members.

28 June – GSG meeting to consider the outcome from the 23 June industry workshop and assist National Grid with drafting the governance CUSC Amendment Proposals

Governance Standing Group (GSG)

1 July – GSG meeting to finalise the governance CUSC Amendment Proposals ready for submission on the 2nd July for the special CUSC Amendments Panel Meeting to be held on 9 July 2010

CUSC Governance Working Group meetings - Please hold these dates provisionally (this is to be confirmed by the CUSC Panel at the special meeting to be held on 9 July 2010, if we are to proceed to Working Group)

14 July – 1st Working Group meeting to be held in Warwick

Date in July to be confirmed – 2nd Working Group meeting

20 August – 3rd Working Group meeting to be in Warwick