

**Minutes and Actions Arising from Meeting
Held on 26 February 2010**

Present:

Garth Graham	GG	Chairperson, SSE
Bali Virk	BV	Technical Secretary
Alex Thomason	AT	National Grid Electricity Transmission
Bushra Akhtar	BA	National Grid Electricity Transmission
Kathryn Coffin	KC	ELEXON
Merel Van der Neut Kolfshoten	MK	Centrica
Stuart Cotten (via teleconference)	SC	Drax Power Limited

Apologies:

Barbara Vest	BVe	Association of Electricity Producers
Peter Bolitho	PB	EON
Robert Longden	RL	Wind Energy

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

205. Apologies were received from Barbara Vest, Peter Bolitho and Robert Longden.

2 Approval of Minutes

206. The minutes from the meeting held on 28 January 2010 were approved, subject to amendments discussed at the meeting. The revised minutes will be published on the National Grid website shortly.

Action: BV to publish minutes on the National Grid website

3 Review of Actions

207. **Minute 184 – BV to send a thank you email to Tony Dicicco on behalf of the GSG to thank him for his contribution to the GSG.**
Action: Complete

208. The GSG members discussed the membership for this group and it was recognised that new members could be sought. A request was made from GSG members that GG ask the CUSC Amendments Panel Members if they would like to become a GSG member.

Action: GG to ask CUSC Amendments Panel members regarding membership for the GSG

209. **Minute 185 – GG to ask Ofgem for representation at the GSG meetings.** GG confirmed that this request was made at the CUSC Amendments Panel meeting on 29 January 2010 and the Ofgem representative said that they would confirm back to the GSG.

Action: GG/AT to ask Ofgem representative at the CUSC Amendments Panel for an update

210. **Minute 180 – NGET to produce an Initial written assessment (IWA) for a complex CUSC Amendment Proposal.** AT informed the GSG that she was currently working on an IWA for CAP179 and was using the template developed by the Code Administrators' Working Group, which AT considered to be comprehensive. GSG members discussed the potential benefits of an IWA, for example, in planning the route an Amendment Proposal might follow and the timescales associated with it. KC noted that within the BSC process, an IWA is useful for considering the impacts on ELEXON and the industry in terms of resources (e.g. how progression activities interact with existing workload). During the IWA phase, ELEXON puts together a proposed progression plan (including provisional meeting dates for any working group), an internal 'progression team' (e.g. a Lead Analyst, working group chair, technical expert and legal advisor) and suggested Terms of Reference before the Panel first discusses the change. Because ELEXON cannot raise changes in its own right, the IWA is also a way of documenting a 'plain English' understanding of the change (and any related background information), which then evolves throughout subsequent reports. KC noted that ELEXON would still do all this behind the scenes even if an IWA was not a BSC requirement. However, the BSC Panel finds it useful in deciding how to progress a change. AT noted that the IWA process appeared to be quite resource intensive, particularly where more than one would be required in any given month, however it was recognised that this may reduce over time as those required to produce an IWA became accustomed to the process.
211. It was suggested that not all Amendment Proposals would require an IWA. AT noted that if the requirement to produce an IWA was introduced to the CUSC, then not producing one for every proposal would require some sort of waiver or criteria for deselection. GG suggested that the Amendments Panel Chairman could be responsible for deciding whether an IWA were produced. KC noted that the BSC does not specify the format of an IWA. Although an IWA is produced for each change, for minor housekeeping amendments this could be a very short document. The GSG agreed for AT to produce IWAs for CAP179 (Prevention of Timing out of Authority decisions on Amendment Proposals) and CAP181 (Consequential changes related to Grid Code Amendment A/10 (compliance)).
- Action: AT to produce and circulate CAP179 and CAP181 initial written assessments for the March GSG meeting**
212. GG confirmed that he will provide an update to the February CUSC Amendments Panel that the GSG will report back to the April 2010 Panel meeting with a recommendation as to whether we should progress IWAs within the CUSC.
- Action: GG to update the CUSC Amendments Panel in February and April 2010**
213. **Minute 192 – AT to speak to Hedd Roberts regarding the Transmission Access voting process.**
- Action: AT to update the GSG at the March meeting**
214. **Minute 199 – AT to make changes to the Terms of Reference to incorporate comments made.** AT circulated an updated draft Working

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Group Terms of Reference which reflected the GSG's discussion on voting at the January GSG meeting. The GSG members discussed the Working Group Terms of Reference in great detail and worked through the draft, making changes to the document. The debate is recorded in the minutes below. It was noted that the CUSC holds precedence over the Working Group Terms of Reference, in the event that any discrepancies exist between the two.

Action: AT to circulate the updated draft Working Group Terms of Reference to GSG members

Post-meeting note: A change marked version of the draft Terms of Reference, as amended during the GSG meeting can be found at:

<http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/workingstandinggroups/gsg/>

215. The GSG members debated whether a Working Group Alternative Amendment (WGAA) should be compared to both the original Amendment Proposal and the CUSC baseline, when assessing the WGAA against the Applicable CUSC Objectives. It was agreed by the members to make it clear within paragraph 6 of the Terms of Reference that a Working Group Alternative Amendment would be compared with the original Amendment Proposal OR the current version of the CUSC, in line with the existing provision within section 11 of the CUSC. This point was also clarified within paragraph 7.
216. It was noted that the obligation within paragraph 8 of the Working Group Terms of Reference was not a CUSC obligation. Following different interpretations of this paragraph, the text was amended to try and clarify the intention that a Working Group should put forward the fewest Working Group Alternative Amendments possible. Paragraph 11 was updated to include Working Group Consultation Alternative Requests (WGCAR) and to reflect that the Working Group should consider whether a WGCAR better facilitates the Applicable CUSC Objectives than the CUSC baseline, in line with the CUSC provisions in paragraph 8.17.15.
217. The GSG discussed the provisions within CUSC paragraph 8.17.15, regarding the assessment by a Working Group of a WGCAR, at some length. It was noted that the assessment requirement set out within 8.17.15 (which require a group to take forward a WGCAR as a WGAA if a majority of members, or the chair, believe it is better than the baseline) appeared to be at odds with the provisions in other parts of the CUSC. E.g.:
- Paragraph 8.17.13 (which sets out the detail which must be included in a WGCAR) implies an assessment against the baseline, the original proposal, and any draft WGAA's);
 - Paragraph 8.17.1 (which sets out the role of a Working Group) requires a group to assess if any WGAA is better than the original proposal, but does not require that WGAA to be better than the baseline; and
 - The definition of a WGAA in Section 11, which defines a WGAA as an alternative which is believed by a majority of group members, or the chair, to be better than either the baseline OR the original.
- It was suggested that changes could be proposed to this section of the CUSC to clarify the assessments which should be made when a Working Group considers a WGCAR. Three potential options for the assessment of a WGCAR against the Applicable CUSC Objectives were discussed:

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- a) Assess the WGCAR against the CUSC baseline only (no CUSC change required)
 - b) Assess the WGCAR against the CUSC baseline OR the Amendment Proposal (change required to 8.17.15)
 - c) Assess the WGCAR against the Amendment Proposal only (change required to 8.17.15).
218. The GSG members held differing views as to which of these options is the most appropriate and discussed the impact that each option could have due to the subjectivity involved. For example, the outcome of the assessment in each case may differ depending on whether each Working Group member considers that the original Amendment Proposal better facilitates the Applicable CUSC Objectives than the CUSC baseline. The GSG agreed that further consideration of these issues was required and that they should be discussed again at the March GSG meeting. KC offered to circulate her thoughts on the options after the meeting to aid the group's consideration prior to March's GSG meeting.

**Actions: BV to add to the GSG Agenda for March 2010
KC to circulate a note on impact of different assessment options**

219. **Minute 202 – BA to amend the Amendment Proposal to reflect the changes discussed at the January GSG meeting and circulate to the GSG.** BA circulated the redraft of the Amendment Proposal (Amendments to the CUSC Governance Process) to GSG and thanked members for their comments. BA informed members that this Amendment Proposal had been submitted to the CUSC Panel Secretary and will be discussed at the Amendments Panel meeting on 26 February 2010.

4 Review of Governance Standing Group Terms of Reference

220. GG ran through a review of each of the items listed under the Scope and Objectives within the GSG Terms of Reference. An update is detailed below.
- Review of CUSC Urgent process within section 8 and supporting guidance for the Panel and industry. **Status: complete**
 - Review of the new CUSC Amendment Process introduced by CAP160 in light of the Transmission Access amendments. **Status: complete**
 - Support the CUSC Amendments Panel in relation to Ofgem's Industry Code Governance review. **Status: complete, pending Ofgem's next steps**
 - Review process for dealing with private and confidential responses. **Status: outstanding.**
- Actions: AT to check National Grid Legal's interpretation of CUSC para 8.22: can confidential responses be passed to Panel Members?
AT to confirm National Grid's custom and practice and compare with ELEXON**
- Review the current CUSC provisions for Working Group membership and nomination process. **Status: complete, pending CAP180 outcome**

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- Review of current practices to ensure good industry practice, linked with supporting Ofgem's development of Code of Practice in the Code Administrators Working Group. **Status: park, pending Ofgem's CoP/CAWG consultation**
- Review the process of CUSC and charging methodology interaction in light of the Transmission Access amendments. **Status: park, pending Ofgem's Code Governance Review Final Proposals.** In particular it was noted that Ofgem's proposals for Governance of Charging Methodologies would have an impact in this area.
- Review the process for determining implementation dates and the transition process. **Status: complete**
- Consider and make recommendations regarding the relevance and operation of post implementation evaluations. **Status: outstanding.** GG clarified that this item refers to Ofgem undertaking post-implementation evaluations for Authority code modification decisions and that this should involve setting the criteria for evaluation well in advance. The GSG considered it and/or the Amendments Panel may be able to help in this work and agreed that it should be raised at the next Amendments Panel meeting.

Action: GG to ask Ofgem at February Amendments Panel meeting what it is doing to evaluate code decisions

- Consider the issues associated with the applicability and relevance of analysis undertaken during the process before a decision is made by the Authority. **Status: outstanding, some aspects are covered by CAP179.** The origins of this issue were unclear, although it was felt that it may have been raised by BVe.

Action: GG to check who raised this issue at next GSG meeting

- Review the validity and rejection of New Amendment Proposals, including the option of the CUSC Panel being able to refer a proposal to a Standing Group to understand/define the issue further. The ability for the Panel to manage new Amendments Proposals with existing workload. **Status: outstanding.**
- Review the role of Standing Groups going forward including the ability to undertake Consultations on draft proposals to obtain industry opinion prior to raising an Amendment. **Status: outstanding.**
- General review of the governance section of the CUSC to identify areas which will aid efficiency and transparency, e.g. replacing existing Progress Report and Amendment Register and clarify Section 8. **Status: Outstanding.**

221. GG will update the CUSC Amendments Panel with the progress made to date within the scope of work. It was agreed that a working copy of the Terms of Reference for GSG members could be updated with the latest status of the objectives, but that the scope and objectives section on the published version would remain unchanged.

Action: GG to update CUSC Amendments Panel on 26 February 2010

Action: BV to update "working copy" of GSG Terms of Reference

222. AT noted that, unlike the standard Working Group Terms of Reference, the GSG Terms of Reference do not state who each member is representing. AT

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asked GSG whether they thought it would be useful to have each member's representation listed to provide clarity to the industry. GSG members agreed to this.

Action: BV to update the GSG terms of Reference with members' representation

5 Any Other Business

223. AT informed the GSG members that this was Bushra Akhtar's last meeting as she was leaving National Grid in March 2010.

6 Next Meeting

224. The next GSG meeting will be held at 10.00am on **25 March 2010** at National Grid House, Warwick Technology Park, Gallows Hill, Warwick, CV34 6DA.