



CONSULTATION DOCUMENT VOLUME 1

CUSC Amendment Proposal CAP180 Amendment to the CUSC Governance Process

*The purpose of this document is to
consult on Amendment Proposal CAP180
with CUSC Parties and other interested
industry members*

Amendment Ref	CAP180
Issue	1.0
Date of Issue	5 th March 2010
Prepared by	National Grid

**Please note responses to this consultation are due by 5pm on
29th March 2010 to cusc.team@uk.ngrid.com**

I DOCUMENT CONTROL

a National Grid Document Control

Version	Date	Author	Change Reference
1.0	05/03/2010	National Grid	Version for publication

b Distribution

Name	Organisation
The Gas and Electricity Markets Authority	Ofgem
CUSC Parties	Various
Panel Members	Various
National Grid Industry Information Website	

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1.0 SUMMARY AND RECOMMENDATIONS

Executive Summary

- 1.1 CAP180 'Amendment to the CUSC Governance Process' is a proposal which seeks to address a suite of issues relating to the CUSC governance process discussed at the Governance and Standing Group (GSG) meeting on 29th October 2009. Following the development of solutions with the GSG, the final Amendment Proposal was presented to the Amendments Panel on 26th February 2010. Due to the extensive development of the proposed solutions at the GSG, it was recommended that the Amendment Proposal proceed directly to wider consultation by The Company.
- 1.2 CAP180 seeks to change two areas of the CUSC with the aim of improving participation of non-CUSC Parties at Working Group meetings and improving the management and fair treatment of observers at these meetings.
- 1.3 CAP180 proposes the following CUSC changes to improve provisions for non-CUSC parties by:-
 - I. Extending the right to raise a Working Group Consultation Alternative Request to Balancing and Settlement Code (BSC) Parties and the National Consumer Council (NCC).
 - II. Extending the right to BSC parties and the NCC to nominate themselves to become a Working Group member.
- 1.4 The following elements of CAP180 seek to amend the CUSC in order to improve the management and fair treatment of observers attending Working Group meetings through:-
 - III. Removing a Working Group member's right to invite an observer to a Working Group meeting.
 - IV. Removing a Working Group member's right to invite an observer to speak at a Working Group meeting.
 - V. Adding provisions to enable observers to be removed by the chairman when causing disruption at a Working Group meeting.

Amendments Panel's View

- 1.5 At the February Panel meeting the Amendments Panel agreed that CAP180 should proceed directly to wider consultation by the Company for a period of three weeks.

National Grid's View

- 1.6 As Proposer, National Grid supports implementation of CAP180 on the basis that it better facilitates the Applicable CUSC Objectives by promoting equality in treatment of CUSC and non-CUSC Parties as well as providing the Chairman greater provisions to better facilitate their meeting.

2.0 PURPOSE AND INTRODUCTION

- 2.1 This is a consultation document issued by National Grid under the rules and procedures specified in the Connection and Use of System Code (CUSC) as designated by the Secretary of State.
- 2.2 Further to the submission of Amendment Proposal CAP180, this document seeks views from industry members relating to the Amendment Proposal.
- 2.3 CAP180 was proposed by National Grid and submitted to the CUSC Amendments Panel for consideration at their meeting on 26th February 2010. Due to the extensive development of the proposals at the GSG the Amendments Panel determined that CAP180 was appropriate to proceed to wider industry consultation by National Grid.
- 2.4 Representations received in response to this consultation document will be included in National Grid's Amendment Report that will be furnished to the Authority for their decision.
- 2.5 This consultation document has been prepared in accordance with the terms of the CUSC. An electronic copy can be found on the National Grid website, at www.nationalgrid.com/uk/Electricity/Codes/. This document invites views on CAP180 and the **closing date for responses is 5pm on the 29th March 2010.**

3.0 PROPOSED AMENDMENT

- 3.1 CAP180 aims to address two key issues; firstly, to improve access and participation of non-CUSC Parties to Consultations and Working Group Meetings and secondly; improve the process in the CUSC for managing observers at Working Group Meetings.
- 3.2 The proposal was originally discussed in the Governance Standing Group (GSG) meeting on 29th October 2009 and followed up on 26th November 2009 and 28th January 2010. The agreed Amendment was presented to the Amendments Panel on 26th February 2010.
- 3.3 The Amendment proposes changes to five areas of the CUSC:-

I. Extending the right to raise a Working Group Consultation Alternative Request to Balancing and Settlement Code (BSC) Parties and the National Consumer Council (NCC).

This proposal was raised in response to the issue that non-CUSC parties are not currently able to raise a Working Group Consultation Alternative Request (WGCAR). According to paragraph 8.17.13 of the CUSC, only a CUSC Party is able to request a WGCAR. A WGCAR is a request for a further Working Group Alternative Amendment to be raised as an alternative to the original Amendment Proposal or any other Working Group Alternative Amendments. The request results from a Working Group Consultation process.

By extending this provision to BSC Parties and the NCC, this proposal is not only providing these parties the right to raise a WGCAR but also any additional non-CUSC parties a wider range of parties to choose from to submit a WGCAR through.

II. Extending the right to BSC Parties and the NCC to nominate themselves to become a Working Group member.

Currently the Amendments Panel can only select someone to join a Working Group if they have been nominated by a CUSC Party. In some instances there may be parties who have an interest in an Amendment Proposal and wish to join a Working Group but are unable to do so because they cannot or do not wish to obtain the necessary nomination by another CUSC Party.

This Amendment Proposal looks to extend the right to nominate Working Group members to BSC Parties and the NCC.

Proposals I and II both aim to provide consistency with the existing provisions in the CUSC, whereby CUSC and BSC Parties and the NCC are able to raise Amendment Proposals to the CUSC.

The remainder of the proposals seeks to improve the process for managing observers attending Working Group meetings.

III. Remove a Working Group member's right to invite an observer to a Working Group meeting.

According to CUSC section 8.17.9 the Working Group is open to attendance by any CUSC Party, BSC Party and the NCC and 'any person' invited by the chairman or member of the Working Group. Removing the right for Working Group members to invite 'any person' and leaving invitations to the chairman would promote equality in the process of selecting observers as the chairman is impartial so would be better placed in deciding which observers to invite. This would also give greater control to the chairman to manage the meeting.

IV. Removing a Working Group member's right to invite an observer to speak at a Working Group meeting.

CUSC section 18.17.9 has provisions to enable both the chairman and members of a Working Group to invite an observer to speak at a meeting. This part of the Amendment Proposal will bring about a change that will only allow the chairman of a Working Group to invite an observer to speak. As the chairman is impartial it is felt that they would be better placed in making this decision as well as providing the chairman with greater control to better manage and facilitate the meeting. This amendment aims to facilitate efficiencies in the amendment process and align this with current best practice.

V. Add provisions to enable observers to be removed by the chairman when causing disruption at a Working Group meeting.

8.17.6 provides rights to the Amendments Panel to replace any member of the Working Group if they are unable to fulfil their function, are being disruptive or frustrating the work of the Working Group. Currently there are no similar provisions in the CUSC for observers. This proposal aims to provide similar rights to a chairman to remove an observer if they are disruptive or frustrating the work of a Working Group.

4.0 ASSESSMENT AGAINST APPLICABLE CUSC OBJECTIVES

Proposed Amendment

- 4.1 The Proposer considers that CAP180 would better facilitate the following Applicable CUSC Objectives:

(a) the efficient discharge by the licensee of the obligations imposed upon it under the Act and by this licence;

Proposals III, IV and V will aid the efficient discharge by the licensee of its obligations by providing greater control for the chairman to manage and facilitate a Working Group meeting.

In addition, all elements of this Amendment Proposal would better facilitate the licence objective not to discriminate between classes of users.

(b) facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity,

Proposals I and II facilitate the above objective by aligning the treatment of BSC Parties and the NCC to CUSC Parties in raising a WGCAR and nominating themselves to be Working Group members. In addition for all remaining non-CUSC Parties that are not covered it provides a greater choice of parties to put forward a WGCAR or obtain a nomination to become a Working Group member.

5.0 PROPOSED IMPLEMENTATION

- 5.1 National Grid proposes that CAP180 should be implemented 10 Business Days after a decision by the Authority. In accordance with 8.19.10(b) views are invited on this proposed implementation date.

6.0 IMPACT ON THE CUSC

- 6.1 CAP180 requires amendment to section 8.17.3, 8.17.6, 8.17.9 and 8.17.13 of the CUSC.
- 6.2 The text required to give effect to the Amendment Proposal is contained as Annex 1 of this document.

7.0 IMPACT ON INDUSTRY DOCUMENTS

Impact on Core Industry Documents

- 7.1 CAP180 has no impact upon Core Industry Documents.

Impact on other Industry Documents

- 7.2 CAP180 has no impact upon other Industry Documents.

8.0 NATIONAL GRID VIEW

- 8.1 As proposer, National Grid supports implementation of CAP180 on the basis that it better facilitates the Applicable CUSC Objectives by improving the participation of non-CUSC parties to Consulations and Working Group meetings and improving the process for managing observers at these meetings.

9.0 VIEWS INVITED

- 9.1 National Grid is seeking the views of interested parties in relation to the issues raised by Amendment Proposal CAP180 and issues arising from the proposed timescale for implementation of CAP180.
- 9.2 Please send your responses to this consultation to National Grid by no later than 5pm on **29th March 2010**.
- 9.3 Please address all comments to the following e-mail address:
Cusc.Team@uk.ngrid.com

ANNEX 1 – PROPOSED LEGAL TEXT TO MODIFY THE CUSC

The proposed legal text to modify the CUSC is detailed below by:

- Inserting the coloured, underlined text
- Deleting the coloured, struck through text

Proposal No	CUSC Section	CUSC Paragraph
I	8.17.13	Any CUSC , BSC Party <u>or the National Consumer Council</u> may (subject to Paragraph 8.17.17) raise a WG Consultation Alternative Request in response to the Working Group Consultation Alternative Request . Such Working Group Consultation Alternative Request must include: (a) the information required by Paragraph 8.15.2 (which shall be read and construed so that any references therein to “amendment proposal” or “proposal” shall be read as “request” and any reference to “ Proposer ” shall be read as requester”); and (b) sufficient detail to enable consideration of the request including details as to how the request better facilitates the Applicable CUSC Objectives than the current version of the CUSC , than the Amendment Proposal and than any draft Working Group Alternative(s) .
II	8.17.3	8.17.1.3 A Working Group shall comprise at least five (5) persons (who may be Panel Members) selected by the Amendments Panel from those nominated by CUSC Parties , BSC Parties <u>or the National Consumer Council</u> for their relevant experience and/or expertise in the areas forming the subject-matter of the Amendment Proposal(s) to be considered by such Working Group (and the Amendments Panel shall ensure, as far as possible, that an appropriate cross-section of representation, experience and expertise is represented on such Working Group) provided that there shall always be at least one member representing The Company and if, and only if, the Amendments Panel is of the view that an Amendment Proposal is likely to have an impact on the STC , the Amendments Panel may invite the STC committee to appoint a representative to become a member of the Working Group . A representative of the Authority may attend any meeting of a Working Group as an observer and may speak at such meeting.
III and IV	8.17.9	Subject to the provisions of this Paragraph 8.17.9 and unless otherwise determined by the Amendments Panel , the Working Group shall develop and adopt its own internal working procedures for the conduct of its business and shall provide a copy of such procedures to the Panel Secretary in respect of each Amendment Proposal for which it is responsible. Unless the Amendments Panel otherwise determines, meetings of each Working Group shall be open to attendance by a representative of any CUSC Party , any BSC Party or the

		<p>National Consumer Council and any person invited by the chairman or any other member of that Working Group, and the chairman of a Working Group or any other member of that Working Group may invite any such person to speak at such meetings.</p>
V	8.17.6	<p>The Amendments Panel may (but shall not be obliged to) replace any member of a Working Group appointed pursuant to Paragraph 8.17.3 at any time if such member is unwilling or unable for whatever reason to fulfil that function and/or is deliberately and persistently disrupting or frustrating the work of the Working Group. The chairman of a Working Group may (but shall not be obliged to) request any observer of a Working Group invited to attend a Working Group pursuant to paragraph 8.17.9 to leave the meeting of a Working Group and not to attend any further meetings of a Working Group at any time if such a member is deliberately and persistently disrupting or frustrating the work of a Working Group.</p>

ANNEX 2 – AMENDMENT PROPOSAL FORM

CUSC Amendment Proposal Form	CAP180
Title of Amendment Proposal:	
Amendments to the CUSC Governance Process.	
Description of the Proposed Amendment (<i>mandatory by proposer</i>):	
<p>This Amendment Proposal seeks to change two areas of the CUSC with the aim of improving participation of non-CUSC Parties at Working Group meetings and improving the management and fair treatment of observers at these meetings.</p>	
<p>Currently only a CUSC Party can raise a Working Group Consultation Alternative Request and nominate themselves to become a Working Group member. The following proposals aim to improve provisions for non-CUSC parties by:-</p>	
<p>I. Extending the right to raise a Working Group Consultation Alternative Request to Balancing and Settlement Code (BSC) Parties and the National Consumer Council (NCC).</p> <p>II. Extending the right to BSC parties and the NCC to nominate themselves to become a Working Group member.</p>	
<p>The following proposals seek to amend the CUSC in order to improve the management and fair treatment of observers attending Working Group meetings through:-</p>	
<p>III. Removing a Working Group member’s right to invite an observer to a Working Group meeting.</p> <p>IV. Removing a Working Group member’s right to invite an observer to speak at a Working Group meeting.</p> <p>V. Add provisions to enable observers to be removed by the chairman when causing disruption at a Working Group meeting.</p>	
Description of Issue or Defect that Proposed Amendment seeks to Address (<i>mandatory by proposer</i>):	
<p>The Proposed Amendment aims to address two key issues; firstly, to improve access and participation of non-CUSC Parties and secondly; improve the process in the CUSC for managing observers. The proposal was originally discussed in the Governance Standing Group (GSG) meeting on 29th October 2009 and followed up on 26th November 2009 and 28th January 2010. The discussion has been captured in the relevant minutes which can be found in the link below:-</p> <p>http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/workingstandinggroups/gsg/</p>	

II. Extending the right to raise a Working Group Consultation Alternative Request to Balancing and Settlement Code (BSC) Parties and the National Consumer Council.

This proposal was raised in response to the issue that non-CUSC parties are not currently able to raise a Working Group Consultation Alternative Request (WGCAR). According to paragraph 8.17.13 of the CUSC, only a CUSC Party is able to request a WGCAR. A WGCAR is a request for a further Working Group Alternative Amendment to be raised as an alternative to the original Amendment Proposal or any other Working Group Alternative Amendments. The request results from a Working Group Consultation process.

By extending this provision to BSC Parties and the NCC, this proposal is not only providing these parties the right to raise a WGCAR but also any additional non-CUSC parties a wider range of parties to choose from to submit a WGCAR through.

VI. Extending the right to BSC Parties and the NCC to nominate themselves to become a Working Group member.

Currently the Amendments Panel can only select someone to join a Working Group if they have been nominated by a CUSC Party. In some instances there may be parties who have an interest in an Amendment Proposal and wish to join a Working Group but are unable to do so because they cannot or do not wish to obtain the necessary nomination by another CUSC Party.

This Amendment Proposal looks to extend the right to nominate Working Group members to BSC Parties and the NCC.

Proposals I and II both aim to provide consistency with the existing provisions in the CUSC, whereby CUSC and BSC Parties and the NCC are able to raise Amendment Proposals to the CUSC.

The remainder of the proposals seeks to improve the process for managing observers attending Working Group meetings.

VII. Remove a Working Group member's right to invite an observer to a Working Group meeting.

According to CUSC section 8.17.9 the Working Group is open to attendance by any CUSC Party, BSC Party and the NCC and 'any person' invited by the chairman or member of the Working Group. Removing the right for Working Group members to invite 'any person' and leaving invitations to the chairman would promote equality in the process of selecting observers as the chairman is impartial so would be better placed in deciding which observers to invite. This would also give greater control to the chairman to manage the meeting.

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CUSC section 18.17.9 has provisions to enable both the chairman and members of a Working Group to invite an observer to speak at a meeting. This part of the Amendment Proposal will bring about a change that will only allow the chairman of a Working Group to invite an observer to speak. As the chairman is impartial it is felt that they would be better placed in making this decision as well as providing the chairman with greater control to better manage and facilitate the meeting. This amendment aims to facilitate efficiencies in the amendment process and align this with current best practice.

IX. Add provisions to enable observers to be removed by the chairman when causing disruption at a Working Group meeting.

8.17.6 provides rights to the Amendments Panel to replace any member of the Working Group if they are unable to fulfil their function, are being disruptive or frustrating the work of the Working Group. Currently there are no similar provisions in the CUSC for observers. This proposal aims to provide similar rights to a chairman to remove an observer if they are disruptive or frustrating the work of a Working Group.

Impact on the CUSC (*this should be given where possible*):

Initial assessment suggests the following areas of the CUSC will require amendments:

<u>Proposal no.</u>	<u>CUSC Amendment section</u>
I and II	8.17.13
III and IV	8.17.9
V	8.17.6

Impact on Core Industry Documentation (*this should be given where possible*):

None

Impact on Computer Systems and Processes used by CUSC Parties (*this should be given where possible*):

None

Details of any Related Modifications to Other Industry Codes (*where known*):

None

Justification for Proposed Amendment with Reference to Applicable CUSC Objectives**** (*mandatory by proposer*):

The Proposed Amendment would better facilitate the achievement of the Applicable CUSC Objective contained within the Transmission Licence, as follows:

(a) the efficient discharge by the licensee of the obligations imposed upon it under the Act and by this licence;

Proposals III, IV and V will aid the efficient discharge by the licensee of its obligations by providing greater control for the chairman to manage and facilitate a Working Group meeting.

In addition, all elements of this Amendment Proposal would better facilitate the licence objective not to discriminate between classes of users.

(b) facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity,

Proposals I and II facilitate the above objective by aligning the treatment of BSC Parties and the NCC to CUSC Parties in raising a WGCAR and nominating themselves to be Working

Group members. In addition for all remaining non-CUSC Parties that are not covered it provides a greater choice of parties to put forward a WGCAR or obtain a nomination to become a Working Group member.

Details of Proposer: Organisation's Name:	National Grid
Capacity in which the Amendment is being proposed: (i.e. CUSC Party, BSC Party or "National Consumer Council")	CUSC Party
Details of Proposer's Representative: Name: Organisation: Telephone Number: Email Address:	Bushra Akhtar National Grid 01926 65223 Bushra.akhtar@uk.ngrid.com
Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address:	Alex Thomason National Grid 01926 656379 Alex.thomason@uk.ngrid.com
Attachments (Yes/No): Yes, a suggested timeline has been outlined in Appendix one of this consultation. National Grid recommend that this Amendment Proposal go straight to Company Consultation.	

Appendix 1: Time line of suggested proposal:

Due to the simplicity of the Amendment Proposal raised it is recommended that the proposal be put straight to Company Consultation. Below is an estimated timeline (please note dates and milestones are only provided as a guideline):

Date	Milestones
26/02/10	Amendments Panel discuss with a view to approving to go to Company consultation.
03/03/10	Company Consultation issued for 3 weeks
23/03/10	Company Consultation closes
26/03/10	Draft Amendment Report circulated to Panel Members and Industry for comments
02/04/10	Deadline for Comments
06/04/10	Draft Amendment report issued to Panel Members before the Panel Recommendation Vote.
22/04/10	Draft Amendment report circulated with panel papers.

30/04/10	Panel vote on recommendation.
05/05/10	Draft Amendment report updated with panel vote and circulated for comments.
11/05/10	Deadline for comments
13/05/10	Final Amendment Report submitted to Authority for a decision.