

# CUSC Modification Proposal Form

CMP198

**Title of Modification Proposal:** *(mandatory by Proposer)*

Proposer Ownership of CUSC Modification Proposals

**Submission Date** *(mandatory by Proposer)*

19 May 2011

**Description of the Proposed Modification** *(mandatory by Proposer)*

Under Ofgem's Code Governance Review (CGR), a Code Administrator Working Group (CAWG) was set up in order to discuss opportunities for the convergence of code modification processes and encourage best practice. Part of the outcome of the CAWG was a recommendation that the Proposer should retain ownership of the solution of any modification that they originate. As part of the CGR, on 3 June 2010 Ofgem published its conclusions on the Code Administration Code of Practice (CACOP) which contained a number of principles for Code Administrators to follow. Principle 6 of the CACOP applies to the concept of Proposer Ownership<sup>1</sup>.

A series of proposals were raised to implement the final proposals of the CGR, one of which was CAP185 – Role of Code Administrator and Code Administration Code Of Practice. CAP185 introduced several changes to the CUSC, namely the establishment of the 'Code Administrator' (CA) and the requirement to recognise the CACOP. CAP185 also amended the CUSC to clarify the point at which the Proposer can withdraw a CUSC Modification Proposal.

CMP198 allows the Proposer to change their proposal by giving notice to the Chair of the Workgroup up to the point of the Workgroup Vote, prior to the CA Consultation. If the Proposer has not given notice of their intent to vary the proposal, the Chair of the Workgroup at the point of the Workgroup vote will give the Proposer a final opportunity to vary the proposal. Where the Proposer makes changes to their proposal prior to the Workgroup Vote, it may be necessary for the Workgroup to request an extension to the timetable from the Panel for further analysis and/or to carry out a further Workgroup Consultation on the varied proposal.

Where no Workgroup is established, the Proposer's opportunity to change their proposal lapses prior to the CA Consultation being issued.

In line with Principle 9 of the CACOP, the CA now endeavours to provide legal drafting early on in the process and prior to the Workgroup Consultation. This allows for changes to be made to the legal text following the Workgroup consultation, if deemed appropriate. It is therefore less likely that changes will be required further down the line. However, in accordance with the CACOP, CMP198 seeks to allow minor corrections that have been agreed by the Panel at the time of the final recommendation vote to be made. The Panel will notify the Proposer and the Workgroup of the minor changes and may refer the proposal back to the Workgroup and the Proposer to address the issues raised. If the Panel feel that the changes required cannot reasonably be considered to be minor, then they may instruct the CA to carry out a further consultation on the revised text. The timetable will be adjusted accordingly.

With regard to Workgroup Alternative CUSC Modifications (WACM), the ability to raise an alternative would remain and, as currently happens, will be for the Workgroup to develop and progress. Currently, the Workgroup is responsible for the formulation and evaluation of a WACM. The definition in Section 11 allows for the group and/or an individual member of the Workgroup to put forward a WACM and the extent of the support for any WACM should be clearly described in the final Workgroup report to the Panel.

Where the Urgent Process is followed, if no Workgroup is established then the Proposer's right to

<sup>1</sup> Link to the Code of Practice:

<http://www.ofgem.gov.uk/Licensing/IndCodes/CGR/Documents1/FinalCoP.pdf>

vary their proposal shall lapse when the timetable is approved by the Authority. Where a Workgroup is allowed for, the Proposer may vary their proposal up until the Workgroup Vote.

The Workgroup Report and final Modification Report must contain the description of and reasons for any variations made during the course of the CUSC Modification Proposal.

**Description of Issue or Defect that Proposed Modification seeks to Address:** *(mandatory by Proposer)*

Currently under the CUSC, once the CUSC Modifications Panel has referred a CUSC Modification Proposal to a Workgroup for development, the Proposer effectively loses control of the proposal and the Workgroup take ownership. Therefore the Proposer has no greater influence on the development of the solution than any other Workgroup Member. This can have the effect of the proposal being taken in a direction never intended by the Proposer and/or being amended contrary to the wishes of the Proposer. This could result in the Proposer withdrawing their proposal or raising a Workgroup Alternative CUSC Modification. In order to resolve this defect and to comply with the CACOP, it is necessary to introduce the concept of Proposer Ownership and to address the outstanding CUSC related issues covered by Principle 6 of the CACOP.

As stated above, currently, changes to the legal text cannot be made after the CA Consultation, even if the changes are simple typographical errors that were identified late in the process. This causes process inefficiency, in that a Self-governance change will be required after the proposal has been approved to address the identified errors. Principle 9 of the CACOP stipulates that the CA should ensure that legal text is produced prior to consultation and that the Panel can agree to minor corrections to the legal text at the time of making its final recommendation. It also specifies that if the changes are not considered to be minor, they may instruct the CA to carry out a further consultation on the revised text.

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

Changes will be required to Section 8, in particular:

- Add in a clause stating that the Proposer may vary their proposal at anytime prior to the final Workgroup Vote;
- Make clear that where the proposal proceeds directly to CA Consultation, the right for the Proposer to vary their proposal shall lapse;
- Under final Modification Report, include requirement to detail any variations made by Proposer.

**Do you believe the Proposed Modification will have a material impact on Greenhouse Gas Emissions? Yes/No** *(assessed in accordance with Authority Guidance – see guidance notes for website link)*

No

**Impact on Core Industry Documentation. Please tick the relevant boxes and provide any supporting information** *(this should be given where possible)*

BSC

Grid Code

STC

Other   
*(please specify)*

**Urgency Recommended: Yes / No** (Optional by Proposer)

No

**Justification for Urgency Recommendation** (mandatory by Proposer if recommending progression as an Urgent Modification Proposal)

N/A

**Self-Governance Recommended: Yes / No** (optional by Proposer)

No

**Justification for Self-Governance Recommendation** (Mandatory by Proposer if recommending progression as Self-governance Modification Proposal)

**Should this Modification be considered exempt from any ongoing Significant Code Reviews?** (Optional by Proposer in order to assist the Panel in deciding whether a Modification Proposal should undergo a SCR Suitability Assessment)

There are no ongoing SCRs that would be applicable to this CUSC modification

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

None

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

BSC P247 - Proposer 'ownership' of Modification Proposals Implemented on 28<sup>th</sup> May 2010

**Justification for Proposed Modification with Reference to Applicable CUSC Objectives:** (mandatory by Proposer)

**Please tick the relevant boxes and provide justification:**

(a) the efficient discharge by The Company of the obligations imposed upon it by the Act and the Transmission Licence

CMP198 would enhance consistency as required by the Code of Practice which stipulates that a common Modification process should be adopted across the electricity codes and will also adhere to the Licence requirement to establish and operate procedures for modification of the CUSC.

(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.

CMP198 would give the Proposer the confidence that their original proposal and solution is only Modified in a way that is consistent with the intentions of the proposer. This would therefore encourage more parties to raise Proposals and encourage participation in the process which would have the effect of promoting competition.

These are defined within the National Grid Electricity Transmission plc Licence under Standard Condition C10, paragraph 1

**Details of Proposer:**  
(Organisation Name)

Emma Clark

<p><b>Capacity in which the Modification is being proposed:</b> (i.e. CUSC Party, BSC Party or "National Consumer Council")</p>	<p>CUSC Party</p>
<p><b>Details of Proposer's Representative:</b> Name: Organisation: Telephone Number: Email Address:</p>	<p>Emma Clark National Grid Electricity Transmission PLC 01926 655223 <a href="mailto:emma.clark@uk.ngrid.com">emma.clark@uk.ngrid.com</a></p>
<p><b>Details of Representative's Alternate:</b> Name: Organisation: Telephone Number: Email Address:</p>	<p>Steve Lam National Grid Electricity Transmission PLC 01926 653534 <a href="mailto:steven.lam@uk.ngrid.com">steven.lam@uk.ngrid.com</a></p>
<p><b>Attachments: Yes</b> Proposer Ownership CUSC Modification Flowchart . 1 Page</p>	

