

Stage 03: Report to the Authority

Grid Code

GC0072 Code Governance Review (Phase 2): Code Administrator and Code Administration Code of Practice

What stage is this document at?

- | | |
|----|-------------------------|
| 01 | Workgroup Report |
| 02 | Industry Consultation |
| 03 | Report to the Authority |

This Modification Proposal seeks to introduce arrangements into the Grid Code to include the requirement to establish an administrative body (the “Code Administrator”) and for the Code Administrator to maintain, publish, review and amend the Code Administration Code of Practice (CACOP).

The purpose of this document is to assist the Authority in its decision of whether to implement the proposed Grid Code Modification.

Published on: 13 September 2013



National Grid recommends:

That GC0072 should be implemented as it better facilitates Applicable Grid Code Objectives (i) and (iv)



High Impact:

None identified



Medium Impact:

None identified



Low Impact:

National Grid, Grid Code Review Panel, Authorised Electricity Operators (AEOs)

GC0072 Report to the Authority

13 September 2013

Version 1.0

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Any Questions?

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About this document

This document is the Report to the Authority for GC0072 which contains the responses to the Industry Consultation and the National Grid recommendation. The purpose of this document is to assist the Authority in their decision whether to implement the GC0072 proposed changes.

The revisions to the Grid Code proposed by National Grid and sent to the Authority require approval by that body and will, if approved, come into force on such date (or dates) of which Authorised Electricity Operators will be notified by National Grid, in accordance with the Authority's approval.

Document Control

Version	Date	Author	Change Reference
1.0	13 September 2013	National Grid	Report to the Authority

GC0072 Report to the
Authority

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1 Executive Summary

- 1.1 GC0072 proposes changes to facilitate the implementation of Code Governance Review (Phase 2) into the Grid Code. This modification proposal seeks to make several changes to the Grid Code, including the requirement to establish an administrative body (the “Code Administrator”) and for the Code Administrator to maintain, publish, review and amend the Code Administration Code of Practice (CACOP).
- 1.2 GC0072 was proposed by National Grid Electricity Transmission plc (NGET) and submitted to the Grid Code Review Panel (GCRP) for their consideration on 15 May 2013. The GCRP determined that the proposal should progress to Industry Consultation for a period of 20 business days.
- 1.3 The consultation completed on the 22 August in which a total of 2 responses were received all of which were supportive of the proposed changes.

National Grid Recommendation

- 1.4 National Grid supports the implementation of GC0072 as it better facilitates the Applicable Grid Code Objectives (i) and (iv). This is achieved by introducing the concept of the Code Administrator and adherence to agreed Code of Practice. The introduction of these elements will support an efficient governance process for the Grid Code and therefore permit effective development of an efficient transmission system.
- 1.5 The proposed changes to the Grid Code will also allow the transmission licensee to meet the new obligations imposed upon them through the revised transmission licence as a result of the Code Governance Review (Phase 2) process.

2 Why Change?

Background

- 2.1 In November 2007, Ofgem initiated a Code Governance Review (CGR Phase 1)¹ which sought to address concerns that the existing code arrangements may be too complex and inaccessible to smaller market participants. Following initiation of CGR Phase 1, Ofgem proposed to prioritise changes to the CUSC, UNC and BSC as most major policy reform is achievable through the modification of these codes. Following on from this, Ofgem published their final proposals and a consultation on the proposed licence drafting on 31 March 2010². These changes were implemented into their respective codes at the end of 2010.
- 2.2 In April 2012, Ofgem announced their intention to initiate a second Code Governance Review (CGR Phase 2)³ which would look at introducing the arrangements from CGR Phase 1 into the other codes such as the Grid Code and System Operator Transmission Owner Code (STC). Following on from this, Ofgem published a consultation on their CGR Phase 2 Proposals in September 2012⁴ and announced their CGR Phase 2 final proposals on 27 March 2013⁵.
- 2.3 Alongside the publication of their Final Proposals, Ofgem also published updated Electricity Transmission Licence drafting to give effect to their CGR Phase 2 Final Proposals.
- 2.4 In May 2013, NGET submitted a paper (pp13/27)⁶ to the Grid Code Review Panel seeking to introduce the Code Administration Code of Practice into the Grid Code. As well as defining the Code Administrator duties in a visible manner that is consistent with other industry codes, the proposed changes will also ensure the Grid Code complies with the new revisions set out in the revised Electricity Transmission Licence. It was agreed at the GCRP to progress to Industry Consultation for a period of 20 business days.

¹ <http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=3&refer=Licensing/IndCodes/CGR>

² http://www.ofgem.gov.uk/Licensing/IndCodes/CGR/Documents1/CGR_LicenceConDoc_310310.pdf

³ <http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=392&refer=Licensing/IndCodes/CGR>

⁴ <http://www.ofgem.gov.uk/Licensing/IndCodes/CGR/Documents1/Code%20Governance%20Review%20Phase%202.pdf>

⁵ <http://www.ofgem.gov.uk/Licensing/IndCodes/CGR/Pages/GCR.aspx>.

⁶ CACoP Issue Proforma: <http://www.nationalgrid.com/uk/Electricity/Codes/gridcode/reviewpanelinfo/2013/15th+May/>

3 Solution

3.1 National Grid proposes to introduce the concept of a Code Administrator and Code Administration Code of Practice (CACoP) into the Grid Code to meet the requirements set out in the revised implement the new governance procedures to meet the requirements set out in the revised National Grid Electricity Transmission plc (NGET) Licence Condition C14⁷.

Role of Code Administrator and Code Administration Code of Practice

3.2 The role of the Code Administrator is to undertake the functions outlined in the CACoP and to assist parties to adhere to the principles contained within the CACoP.

3.3 The CACoP⁸ is a document developed by Code Administrators, with input from code users and Ofgem, which establishes best practice for code administration and to encourage participation from those involved in the energy industry who may not be code users. It is divided into 2 sections (Code Administrator and Modification Process) and contains 12 principles.

3.4 As the CACoP covers administration relating to a number of industry codes (i.e. CUSC, UNC, BSC) not all sections are relevant for the Grid Code. Below is a table of the 12 principles and an indication of whether NGET considers them relevant for the Grid Code.

Code Administration Code of Practice

	Principles	Applicable
1	Code Administrators shall be critical friends	✓
2	Documentation published by Code Administrators shall be in clear English	✓
3	Information will be promptly and publicly available to users	✓
4	This Code of Practice will be reviewed periodically and subject to amendment by users	✓
5	Code Administrators shall support processes which enable users to access a 'pre-Modification' process to discuss and develop Modifications	✓
6	A proposer of a Modification will retain ownership of the detail of their solution	✗
7	Code Administrators will facilitate alternative solutions to issues being developed to the same degree as an original solution	✓
8	Estimates of implementation costs to central systems will be produced and consulted upon prior to a Modification being recommended for approval	✓
9	Legal text will be produced and consulted upon prior to a Modification being recommended for approval	✓
10	Modifications will be consulted upon and easily accessible to users, who will be given reasonable time to respond	✓
11	There will be flexibility for implementation, to allow proportionate delivery time and realisation of benefits	✓
12	The Code Administrators will annually report on Key performance Indicators (KPIs)	✓

3.5 The following sections provide the rationale as to why the principles are relevant or not.

Code Administrator

3.6 This section sets out the principles that apply to the Code Administrator.

⁷ Revised Licence conditions:

<http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=450&refer=Licensing/IndCodes/CGR>

⁸ CACoP: <http://www.ofgem.gov.uk/Licensing/IndCodes/CGR/Documents1/FinalCoP.pdf>

- 3.7 NGET proposes that the duties and functions described within the CACoP that set out the principles of the Code Administrator role will be applied to the Grid Code. The Code Administrator will undertake, and the Grid Code Review Panel (GCRP) shall ensure that the Code Administrator will undertake, its functions consistently with the Code Administration Code of Practice.

Principle 1: Code Administrators shall be critical friends

- 3.8 NGET believe this is a principle that should be applied to the Grid Code as it will support the industry interaction with the Grid Code. This role will involve helping to remove barriers by allowing market participants access to the GCRP and by providing knowledge around how changes to the Grid Code could potential have an impact on them. Providing assistance, where reasonably practical and on reasonable request will be a key characteristic of this role, particularly to small parties and consumer representatives, but essentially to all interested in the code modification process.
- 3.9 NGET currently provide key elements of this role under the existing governance e.g. discussing issues on a one to one and group basis, answering queries that industry parties have, support in developing solutions and development of knowledge. NGET also produce guidance documents such as the *Grid Code Modification Process Summary*⁹ to support interaction with the Grid Code.

Principle 2: Documentation published by Code Administrators shall be in clear English

- 3.10 NGET believe this is a principle that should be applied to the Grid Code as it will support the development of clear documentation going forward.
- 3.11 NGET currently endeavour to make all of their documentation is clear English. Due to the technical nature of the Grid Code there is some terminology and wording that is unavoidable but NGET make an effort to make it as clear as possible.

Principle 3: Information will be promptly and publicly available to users

- 3.12 NGET believe this is a principle that should be applied to the Grid Code as it will support the distribution of information in a timely manner.
- 3.13 NGET currently publishes a wide range of material relating to the Grid Code on the National Grid website¹⁰, this includes GCRP information and documentation, Workgroup documentation, Industry Consultations, Reports submitted to the Authority and Authority Decision letters. In addition to documentation, there is also a wide range of contact information for Users if they have query.
- 3.14 NGET will continue to improve on the way it provides information to the industry to ensure that it is easily accessible and relevant.

Principle 4: This Code of Practice will be reviewed periodically and subject to amendment by users

- 3.15 NGET believe this is a principle that should be applied to the Grid Code as it will support the development of a robust Code of Practice going forward.

⁹ Grid Code Modification Process Summary: <http://www.nationalgrid.com/NR/rdonlyres/E2DEEFB9-C9B7-466C-B9CB-2F7C46FCEA4F/58780/SummaryoftheGridCodeModificationProcessv2.pdf>

¹⁰ <http://www.nationalgrid.com/uk/Electricity/Codes/>

3.16 This is a new principle that, under the current governance, has no precedent. NGET proposes the Code Administrator would discuss any changes to the CACoP with the GCRP before seeking approval by the Authority. As the CACoP change process sits within the Code of Practice and not within the Grid Code, this does not form part of the GC0072 Modification Proposal.

Principle 5: Code Administrators shall support processes which enable users to access a ‘pre-Modification’ process to discuss and develop Modifications

3.17 NGET believe this is a principle that should be applied to the Grid Code as it will support the robust development of Grid Code changes prior to being raised as formal modifications.

3.18 NGET currently has a process equivalent to a ‘pre-modification’ process within the Grid Code governance. As NGET is the only party able to submit a modification to the Authority for a decision, the GCRP is used to discuss and develop potential changes prior to them being formally raised by NGET.

The Modification Process

3.19 This section sets out the principles that apply when amending the Codes and the modification process.

3.20 NGET recognises that a strict ‘one size fits all’ approach may not produce significant benefits over and above applying the principles where relevant. The principles set out will make the governance of the Grid Code more robust, facilitate a greater degree of participation, and lead to more effective decision-making.

Principle 6: A proposer of a Modification will retain ownership of the detail of their solution

3.21 NGET proposes that this principle not be applied because the proposer in all cases will be NGET.

3.22 The Code Administrator will manage the process and documentation of all information, ensuring that all views are captured and there is consistency of approach. NGET will actively help Authorised Electricity Operators (AEOs) and provide assistance in raising issues for the GCRP. These proposals would allow NGET to deliver the intent, such that parties can bring issues for progression. NGET note that the Grid Code is similar in principle but different in governance to the other industry codes.

Principle 7: Code Administrators will facilitate alternative solutions to issues being developed to the same degree as an original solution

3.23 NGET believe this is a principle that should be applied to the Grid Code as it will support the robust development of Grid Code changes.

3.24 NGET currently supports the development of alternative solutions through the GCRP, Workgroups and Industry Consultations. NGET and the GCRP have been and will continue to be collaborative in their approach to developing Grid Code changes.

Principle 8: Estimates of implementation costs to central systems will be produced and consulted upon prior to a Modification being recommended for approval

- 3.25 NGET believe this is a principle that should be applied to the Grid Code as it will support the robust development of Grid Code changes by considering implementation costs to central IS systems.
- 3.26 NGET proposes to amend the GCRP Issue Proforma to ensure a proposer considers any impacts on central IS systems is captured where applicable. A copy of this amended proforma is available in Annex 3.
- 3.27 NGET currently considers the impact of changes on central IS systems when developing Grid Code Modifications. The proposed changes to the Issue Proforma will ensure that a proposer also considers when they propose a change to the Grid Code.
- 3.28 The Code Administrator will be responsible for making sure that the cost information is captured in Modification reports.

Principle 9: Legal text will be produced and consulted upon prior to a Modification being recommended for approval

- 3.29 NGET believe this is a principle that should be applied to the Grid Code as it will support the robust development of Grid Code changes.
- 3.30 NGET currently ensure that any Grid Code consultation contains legal text. This allows for a better understanding of the impact from the proposed changes.

Principle 10: Modifications will be consulted upon and easily accessible to users, who will be given reasonable time to respond

- 3.31 NGET believe this is a principle that should be applied to the Grid Code as it will support the robust development of Grid Code changes.
- 3.32 NGET currently publishes consultation documents for a period of 20 business days. This time frame is set based on discussions with the GCRP and
- 3.33 This is already embedded within the current Grid Code process. The GCRP technical secretary issues the Industry Consultation and confirms the consultation period (average 20 working days) unless the GCRP agree a more suitable length of time, inviting responses and publishes on the National Grid website. The Code Administrator will ensure users are notified of consultations as soon as reasonably practicable by making sure distribution lists are kept up-to-date, and users have easy access to all relevant information.

Principle 11: There will be flexibility for implementation, to allow proportionate delivery time and realisation of benefits

- 3.34 NGET believe this is a principle that should be applied to the Grid Code as it will allow for changes to be implemented in a suitable timeframe related to the Modification.
- 3.35 NGET currently sets out a suggested implementation time within the Modification Report submitted to the Authority for a decision. The suggested implementation date is determined through conversation with the GCRP and Industry Consultation. Prior to receiving an Authority decision, the

implementation date is confirmed between NGET and the Authority to ensure it remains suitable.

Principle 12: The Code Administrator will annually report on Key Performance Indicators (KPIs)

- 3.36 NGET believe this is a principle that should be applied to the Grid Code as it will support efficient administration of Grid Code.
- 3.37 NGET note that a number of KPIs are contained within the CACoP and have identified those relevant to the Grid Code:
- (i) Quality of Assessment – Number of reports ‘sent back’ by the Authority;
 - (ii) Critical Friend – number and percentage of survey respondents who stated they were ‘satisfied’ or better with the assistance offered by the Code Administrator; and
 - (iii) Effective Communication – average number of respondents to consultations.
- 3.38 These should be reviewed annually through the CACoP review process to ensure that they remain relevant.

4 Impact & Assessment

Impact on the Grid Code

- 4.1 GC0072 requires amendments to the following parts of the Grid Code:
- General Conditions
 - Glossary & Definitions
- 4.2 The text required to give effect to the proposal is contained in Annex 1 of this document.

Impact on National Electricity Transmission System (NETS)

- 4.3 The proposed changes will not have an adverse impact on the Transmission System.

Impact on Grid Code Users

- 4.4 The proposed modifications to the Grid Code are new processes and will not change current operational process hence the impact is negligible on Grid Code Users.

Impact on Greenhouse Gas Emissions

- 4.5 The proposed modification will not have a material impact on Greenhouse Gas Emissions.

Assessment against Grid Code Objectives

- 4.6 National Grid considers that GC0072 would better facilitate the Grid Code objective:
- (i) to permit the development, maintenance and operation of an efficient, coordinated and economical system for the transmission of electricity;
The proposed changes will permit the operation of an efficient transmission system by introducing the concept of the Code Administrator and adherence to an agreed Code of Practice. The introduction of these elements will promote good industry practice and support an efficient governance process for the Grid Code and therefore permit effective development of an efficient transmission system.
- (ii) to facilitate competition in the generation and supply of electricity (and without limiting the foregoing, to facilitate the national electricity transmission system being made available to persons authorised to supply or generate electricity on terms which neither prevent nor restrict competition in the supply or generation of electricity);
The proposal has a neutral impact on this objective

- (iii) subject to sub-paragraphs (i) and (ii), to promote the security and efficiency of the electricity generation, transmission and distribution systems in the national electricity transmission system operator area taken as a whole; and

The proposal has a neutral impact on this objective

- (iv) to efficiently discharge the obligations imposed upon the licensee by this license and to comply with the Electricity Regulation and any relevant legally binding decisions of the European Commission and/or the Agency.

The proposed changes to the Grid Code will allow NGET to meet the new obligations imposed upon them through the transmission licence as a result of Code Governance Review (Phase 2).

Impact on core industry documents

4.7 The proposed modification does not impact on any core industry documents

Impact on other industry documents

4.8 The proposed modification requires amendment to the Constitution and Rules of the Grid Code Review Panel which can be found in Annex 2. There will also be a change required to the Grid Code Issue Proforma which can be found in Annex 3.

Implementation

4.9 National Grid proposes GC0072 should be implemented 10 business days after an Authority decision. Views are invited on this proposed implementation date.

5 Consultation Responses

- 5.1 National Grid has consulted Authorised Electricity Operators (AEOs) on this issue. The consultation period opened on the 23 July 2013 and closed on 20 August 2013. Two responses were received during the consultation period.
- 5.2 The table below provides an overview of the two responses received. Copies of the responses are included in Annex 4.

Ref	Company	Supportive	Comments
CR-01	SP Generation Limited	Yes	ScottishPower agrees that the proposed change to the Grid Code should be made to facilitate the introduction of a Code Administrator function and the establishment of a Code Administrator Code of Practice.
CR-02	EDF Energy	Yes	The introduction of these elements will promote good industry practice for Grid Code modifications. This should assist in delivering timely changes which support the development of an efficient transmission system.

National Grid Comments on Responses

- 5.3 National Grid would like to thank all of the respondents for their comments regarding GC0072 and note that no changes were identified that required further work to address.

Annex 1 - Proposed Legal Text

This section contains the proposed legal text to give effect to the proposals. The proposed new text is in red and is based on Grid Code Issue 5 Revision 4. Where changes have been made to the legal text following the industry consultation, these are shown in blue.

Due to the nature of the changes required to implement all of the Code Governance Review Phase 2 proposals, the following legal text contains the changes required for:

- GC0071: Code Governance Review (Phase 2): Significant Code Review
- GC0072: Code Governance Review (Phase 2): Code Administrator and Code Administration Code of Practice
- GC0073: Code Governance Review (Phase 2): Send Back Process

GLOSSARY & DEFINITIONS

(GD)

GD.1 In the Grid Code the following words and expressions shall, unless the subject matter or context otherwise requires or is inconsistent therewith, bear the following meanings:

Code Administration Code of Practice means the code of practice approved by the **Authority** and:

- (a) developed and maintained by the code administrators in existence from time to time; and
- (b) amended subject to the **Authority's** approval from time to time; and
- (c) re-published from time to time;

Code Administrator means **NGET** carrying out the role of **Code Administrator** in accordance with the General Conditions;

GC Modification Proposal a proposal to modify the **Grid Code** which is not rejected pursuant to the terms of the **Grid Code** and has not yet been implemented.

Significant Code Review means a review of one or more matters which the **Authority** considers is likely to:

- (a) relate to the **Grid Code** (either on its own or in conjunction with any other **Industry Codes**); and
- (b) be of particular significance in relation to its principal objective and/or general duties (under section 3A of the **Act**), statutory functions and/or relevant obligations arising under EU law, and

concerning which the **Authority** has issued a notice to **NGET the Licensee** (among others, as appropriate) stating:

- (i) that the review will constitute a **Significant Code Review**;
- (ii) the start date of the **Significant Code Review**; and
- (iii) the matters that will fall within the scope of the review;

Significant Code Review Phase

means the period commencing on the start date of a **Significant Code Review** as stated in the notice issued by the **Authority**, and ending either:

(a) on the date on which the **Authority** issues a statement that no directions will be issued in relation to the **Grid Code**; or

(b) if no statement is made under (a), and the **Authority** has directed **NET** to raise **GC Modification Proposal Grid Code amendments** associated with the **Significant Code Review**, on the date on which **NET** has raised such a **GC Modification Proposal Grid Code amendment**; or

(c) immediately, if neither a statement nor directions are issued by the **Authority** within up to (and including) twenty eight (28) days from the **Authority's** publication of its **Significant Code Review** conclusions;

GENERAL CONDITIONS (GC)

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GC.1 INTRODUCTION

GC.1.1 The **General Conditions** contain provisions which are of general application to all provisions of the **Grid Code**. Their objective is to ensure, to the extent possible, that the various sections of the **Grid Code** work together and work in practice for the benefit of all **Users**.

GC.2 SCOPE

GC.2.1 The **General Conditions** apply to all **Users** (including, for the avoidance of doubt, **NGET**).

GC.3 UNFORESEEN CIRCUMSTANCES

GC.3.1 If circumstances arise which the provisions of the **Grid Code** have not foreseen, **NGET** shall, to the extent reasonably practicable in the circumstances, consult promptly and in good faith all affected **Users** in an effort to reach agreement as to what should be done. If agreement between **NGET** and those **Users** as to what should be done cannot be reached in the time available, **NGET** shall determine what is to be done. Wherever **NGET** makes a determination, it shall do so having regard, wherever possible, to the views expressed by **Users** and, in any event, to what is reasonable in all the circumstances. Each **User** shall comply with all instructions given to it by **NGET** following such a determination provided that the instructions are consistent with the then current technical parameters of the particular **User's System** registered under the **Grid Code**. **NGET** shall promptly refer all such unforeseen circumstances and any such determination to the Panel for consideration in accordance with GC.4.2(e).

GC.4 THE GRID CODE REVIEW PANEL

GC.4.1 **NGET** shall establish and maintain the **Panel**, which shall be a standing body to carry out the functions referred to in paragraph GC.4.2.

GC.4.2 The **Panel** shall:

- (a) keep the **Grid Code** and its working under review;
- (b) review all suggestions for **GC Modification Proposals amendments to the Grid Code** which the **Authority** or any **User** or any **Relevant Transmission Licensee** (in respect of PC.3.4, PC.3.5, PC.6.2, PC Appendix A and C, CC.6.1, CC.6.2, CC.6.3, OC2.3.2, OC8 and GC.11, OC7.6, OC9.4 and OC9.5) may wish to submit to **NGET** for consideration by the **Panel** from time to time;
- (c) publish recommendations as to **GC Modification Proposals amendments to the Grid Code** that **NGET** or the **Panel** feels are necessary or desirable and the reasons for the recommendations;
- (d) issue guidance in relation to the **Grid Code** and its implementation, performance and interpretation when asked to do so by any **User**; consider what changes are necessary to the **Grid Code** arising out of any unforeseen circumstances referred to it by **NGET** under GC.3; **and**
- (e) consider and identify changes to the **Grid Code** to remove any unnecessary differences in the treatment of issues in Scotland from their treatment in England and Wales; **and**
- (f) **consider any changes to the Code Administration Code of Practice that the Code Administrator considers appropriate to raise.**

GC.4.3

The **Panel** shall consist of:

- (a) a Chairman and up to 4 members appointed by **NGET**;
- (b) a person appointed by the **Authority**; and
- (c) the following members:
 - (i) 3 persons representing those **Generators** each having **Large Power Stations** with a total **Registered Capacity** in excess of 3 GW;
 - (ii) a person representing those **Generators** each having **Large Power Stations** with a total **Registered Capacity** of 3 GW or less;
 - (iii) 2 persons representing the **Network Operators** in England and Wales;
 - (iv) a person representing the **Network Operators** in Scotland;
 - (v) a person representing the **Suppliers**;
 - (vi) a person representing the **Non Embedded Customers**;
 - (vii) a person representing the **Generators** with **Small Power Stations** and/or **Medium Power Stations** (other than **Generators** who also have **Large Power Stations**);
 - (viii) a person representing the **BSC Panel**;
 - (ix) a person representing the **Externally Interconnected System Operators**;
 - (x) a person representing **Generators** with **Novel Units**; and
 - (xi) 2 persons representing **Relevant Transmission Licensees** (in respect of PC.6.2, PC.6.3, PC Appendix A C and E, CC.6.1, CC.6.2, CC.6.3, OC8 and GC.11, OC7.6, OC9.4 and OC9.5).

each of whom shall be appointed pursuant to the rules issued pursuant to GC.4.4.

GC.4.4

The **Panel** shall establish and comply at all times with its own rules and procedures relating to the conduct of its business, which shall be approved by the **Authority**.

GC.4.5

NGET shall consult in writing all **Authorised Electricity Operators** which are liable to be materially affected in relation to all **GC Modification Proposals** ~~proposed amendments to the Grid Code~~ and shall submit all **GC Modification Proposals** ~~proposed amendments to the Grid Code~~ to the **Panel** for discussion prior to such consultation. Each **GC Modification Proposals** ~~proposed amendments to the Grid Code~~ shall include an evaluation of whether the amendment would better facilitate the achievement of the **Grid Code** objectives, as provided in **NGET's Transmission Licence**. Where the impact on greenhouse gasses arising from any **GC Modification Proposal** ~~proposed amendment~~ is likely to be material, this evaluation shall include an assessment of the quantifiable impact of any **GC Modification Proposal** ~~proposed amendment~~ on greenhouse gas emissions, such assessment to be conducted in accordance with any guidance (on the treatment of carbon costs and evaluation of greenhouse gas emissions) as may be issued by the **Authority** from time to time.

- GC.4.6 **NGET** shall establish (and, where appropriate, revise from time to time) joint working arrangements with the **STC Committee** to facilitate the identification, co-ordination, making and implementation of change to the **STC** consequent on a **GC Modification Proposal** ~~an amendment to the **Grid Code**~~ in a full and timely manner. These working arrangements shall be such as enable the consideration development and evaluation of **GC Modification Proposals** ~~proposed amendments to the **Grid Code**~~ to proceed in a full and timely manner and enable changes to the **STC** consequent on a **Modification Proposal** ~~an amendment to the **Grid Code**~~ to be made and given effect wherever possible (subject to any necessary consent of the **Authority**) at the same time as such approved amendment is made and given effect.
- GC.4.7 **NGET** shall ensure that the **Code Administrator** undertakes its functions consistently with the relevant provisions of the **Code Administration Code of Practice**.
- GC.4.8 The procedures set out in the **General Conditions**, to the extent that they are dealt with in the **Code Administration Code of Practice**, are consistent with the principles contained in the **Code Administration Code of Practice**. Where inconsistencies or conflicts exist between the **Grid Code** and the **Code Administration Code of Practice**, the **Grid Code** shall take precedence.
- GC.4.9 **NGET** is required by its **Licence** to provide a report to the **Authority** where **NGET** determines that **GC Modification Proposals** ~~amendments to the **Grid Code**~~ are required. Following provision of such report to the **Authority**, if the **Authority** determines that it is such that the **Authority** cannot properly form an opinion on the **GC Modification Proposal** ~~**Grid Code** amendment~~, it may issue a direction to the **NGET**:
- (a) specifying the additional steps (including drafting or amending existing drafting associated with the amendment), revisions (including revision to the timetable), analysis or information that it requires in order to form such an opinion; and
 - (b) requiring the report to be revised and to be re-submitted.
- GC.4.10 If a report is to be revised and re-submitted in accordance with a direction issued pursuant to GC.4.9, it shall be re-submitted as soon after the **Authority's** direction as is appropriate, taking into account the complexity, importance and urgency of the **GC Modification Proposal** ~~amendment~~. **NGET** shall decide on the level of analysis and consultation required in order to comply with the **Authority's** direction and shall agree an appropriate timetable for meeting its obligations.
- GC.5 COMMUNICATION BETWEEN NGET AND USERS
- GC.5.1 Unless otherwise specified in the **Grid Code**, all instructions given by **NGET** and communications (other than relating to the submission of data and notices) between **NGET** and **Users** (other than **Generators**, **DC Converter Station** owners or **Suppliers**) shall take place between the **NGET Control Engineer** based at the **Transmission Control Centre** notified by **NGET** to each **User** prior to connection, and the relevant **User Responsible Engineer/Operator**, who, in the case of a **Network Operator**, will be based at the **Control Centre** notified by the **Network Operator** to **NGET** prior to connection.

- GC.5.2 Unless otherwise specified in the **Grid Code** all instructions given by **NGET** and communications (other than relating to the submission of data and notices) between **NGET** and **Generators** and/or **DC Converter Station** owners and/or **Suppliers** shall take place between the **NGET Control Engineer** based at the **Transmission Control Centre** notified by **NGET** to each **Generator** or **DC Converter Station** owner prior to connection, or to each **Supplier** prior to submission of **BM Unit Data**, and either the relevant **Generator's** or **DC Converter Station** owner's or **Supplier's Trading Point** (if it has established one) notified to **NGET** or the **Control Point** of the **Supplier** or the **Generator's Power Station** or **DC Converter Station**, as specified in each relevant section of the **Grid Code**. In the absence of notification to the contrary, the **Control Point** of a **Generator's Power Station** will be deemed to be the **Power Station** at which the **Generating Units** or **Power Park Modules** are situated.
- GC.5.3 Unless otherwise specified in the **Grid Code**, all instructions given by **NGET** and communications (other than relating to the submission of data and notices) between **NGET** and **Users** will be given by means of the **Control Telephony** referred to in CC.6.5.2.
- GC.5.4 If the **Transmission Control Centre** notified by **NGET** to each **User** prior to connection, or the **User Control Centre**, notified in the case of a **Network Operator** to **NGET** prior to connection, is moved to another location, whether due to an emergency or for any other reason, **NGET** shall notify the relevant **User** or the **User** shall notify **NGET**, as the case may be, of the new location and any changes to the **Control Telephony** or **System Telephony** necessitated by such move, as soon as practicable following the move.
- GC.5.5 If any **Trading Point** notified to **NGET** by a **Generator** or **DC Converter Station** owner prior to connection, or by a **Supplier** prior to submission of **BM Unit Data**, is moved to another location or is shut down, the **Generator**, **DC Converter Station** owner or **Supplier** shall immediately notify **NGET**.
- GC.5.6 The recording (by whatever means) of instructions or communications given by means of **Control Telephony** or **System Telephony** will be accepted by **NGET** and **Users** as evidence of those instructions or communications.
- GC.6 MISCELLANEOUS
- GC.6.1 Data and Notices
- GC.6.1.1 Data and notices to be submitted either to **NGET** or to **Users** under the **Grid Code** (other than data which is the subject of a specific requirement of the **Grid Code** as to the manner of its delivery) shall be delivered in writing either by hand or sent by first-class pre-paid post, or by facsimile transfer or by electronic mail to a specified address or addresses previously supplied by **NGET** or the **User** (as the case may be) for the purposes of submitting that data or those notices.
- GC.6.1.2 References in the **Grid Code** to "in writing" or "written" include typewriting, printing, lithography, and other modes of reproducing words in a legible and non-transitory form and in relation to submission of data and notices includes electronic communications.

- GC.6.1.3 Data delivered pursuant to paragraph GC.6.1.1, in the case of data being submitted to **NGET**, shall be addressed to the **Transmission Control Centre** at the address notified by **NGET** to each **User** prior to connection, or to such other Department within **NGET** or address, as **NGET** may notify each **User** from time to time, and in the case of notices to be submitted to **Users**, shall be addressed to the chief executive of the addressee (or such other person as may be notified by the **User** in writing to **NGET** from time to time) at its address(es) notified by each **User** to **NGET** in writing from time to time for the submission of data and service of notices under the **Grid Code** (or failing which to the registered or principal office of the addressee).
- GC.6.1.4 All data items, where applicable, will be referenced to nominal voltage and **Frequency** unless otherwise stated.

GC.7 OWNERSHIP OF PLANT AND/OR APPARATUS

References in the **Grid Code** to **Plant** and/or **Apparatus** of a **User** include **Plant** and/or **Apparatus** used by a **User** under any agreement with a third party.

GC.8 SYSTEM CONTROL

Where a **User's System** (or part thereof) is, by agreement, under the control of **NGET**, then for the purposes of communication and co-ordination in operational timescales **NGET** can (for those purposes only) treat that **User's System** (or part thereof) as part of the **National Electricity Transmission System**, but, as between **NGET** and **Users**, it shall remain to be treated as the **User's System** (or part thereof).

GC.9 EMERGENCY SITUATIONS

Users should note that the provisions of the **Grid Code** may be suspended, in whole or in part, during a Security Period, as more particularly provided in the **Fuel Security Code**, or pursuant to any directions given and/or orders made by the **Secretary of State** under section 96 of the **Act** or under the Energy Act 1976.

GC.10 MATTERS TO BE AGREED

Save where expressly stated in the **Grid Code** to the contrary where any matter is left to **NGET** and **Users** to agree and there is a failure so to agree the matter shall not without the consent of both **NGET** and **Users** be referred to arbitration pursuant to the rules of the **Electricity Supply Industry Arbitration Association**.

GC.11 GOVERNANCE OF ELECTRICAL STANDARDS

GC.11.1 In relation to the **Electrical Standards** the following provisions shall apply.

- GC.11.2 (a) If a **User**, or in respect of (a) or (b) to the annex, **NGET**, or in respect of (c) or (d) to the annex, the **Relevant Transmission Licensee**, wishes to:-
- (i) raise a change to an **Electrical Standard**;
 - (ii) add a new standard to the list of **Electrical Standards**;
 - (iii) delete a standard from being an **Electrical Standard**,
- it shall activate the **Electrical Standards** procedure.

- (b) The **Electrical Standards** procedure is the notification to the secretary to the **Panel** of the wish to so change, add or delete an **Electrical Standard**. That notification must contain details of the proposal, including an explanation of why the proposal is being made.

GC.11.3

Ordinary Electrical Standards Procedure

- (a) Unless it is identified as an urgent **Electrical Standards** proposal (in which case GC.11.4 applies) or unless the notifier requests that it be tabled at the next **Panel** meeting, as soon as reasonably practicable following receipt of the notification, the **Panel** secretary shall forward the proposal, with a covering paper, to **Panel** members.
- (b) If no objections are raised within 20 Business Days of the date of the proposal, then it shall be deemed approved pursuant to the **Electrical Standards** procedure, and **NGET** shall make the change to the relevant **Electrical Standard** or the list of **Electrical Standards** contained in the Annex to this GC.11.
- (c) If there is an objection (or if the notifier had requested that it be tabled at the next **Panel** meeting rather than being dealt with in writing), then the proposal will be included in the agenda for the next following **Panel** meeting.
- (d) If there is broad consensus at the **Panel** meeting in favour of the proposal, **NGET** will make the change to the **Electrical Standard** or the list of **Electrical Standards** contained in the Annex to this GC.11.
- (e) If there is no such broad consensus, including where the Panel believes that further consultation is needed, **NGET** will establish a **Panel** working group if this was thought appropriate and in any event **NGET** shall undertake a consultation of **Authorised Electricity Operators** liable to be materially affected by the proposal.
- (f) Following such consultation, **NGET** will report back to **Panel** members, either in writing or at a **Panel** meeting. If there was broad consensus in the consultation, then **NGET** will make the change to the **Electrical Standard** or the list of **Electrical Standards** contained in the Annex to this GC.11.
- (g) Where following such consultation there is no broad consensus, the matter will be referred to the **Authority** who will decide whether the proposal should be implemented and will notify **NGET** of its decision. If the decision is to so implement the change, **NGET** will make the change to the **Electrical Standard** or the list of **Electrical Standards** contained in the Annex to this GC.11.
- (h) In all cases where a change is made to the list of **Electrical Standards**, **NGET** will publish and circulate a replacement page for the Annex to this GC covering that list and reflecting the change.

GC.11.4

Urgent Electrical Standards Procedure

- (a) If the notification is marked as an urgent **Electrical Standards** proposal, the **Panel** secretary will contact **Panel** members in writing to see whether a majority who are contactable agree that it is urgent and in that notification the secretary shall propose a timetable and procedure which shall be followed.
- (b) If such members do so agree, then the secretary will initiate the procedure accordingly, having first obtained the approval of the **Authority**.
- (c) If such members do not so agree, or if the **Authority** declines to approve the proposal being treated as an urgent one, the proposal will follow the ordinary **Electrical Standards** procedure as set out in GC.11.3 above.

(d) If a proposal is implemented using the urgent **Electrical Standards** procedure, **NET** will contact all **Panel** members after it is so implemented to check whether they wish to discuss further the implemented proposal to see whether an additional proposal should be considered to alter the implementation, such proposal following the ordinary **Electrical Standards** procedure.

GC.12 CONFIDENTIALITY

GC.12.1 **Users** should note that although the **Grid Code** contains in certain sections specific provisions which relate to confidentiality, the confidentiality provisions set out in the **CUSC** apply generally to information and other data supplied as a requirement of or otherwise under the **Grid Code**.

GC.12.2 **NET** has obligations under the **STC** to inform **Relevant Transmission Licensees** of certain data. **NET** may pass on **User** data to a **Relevant Transmission Licensee** where:

- (a) **NET** is required to do so under a provision of Schedule 3 of the **STC**; and/or
- (b) permitted in accordance with PC.3.4, PC.3.5 and OC2.3.2.

GC.13 RELEVANT TRANSMISSION LICENSEES

GC.13.1 It is recognised that the **Relevant Transmission Licensees** are not parties to the **Grid Code**. Accordingly, notwithstanding that Operating Code No. 8 Appendix 1 ("OC8A") and Appendix 2 ("OC8B"), OC7.6, OC9.4 and OC9.5 refer to obligations which will in practice be performed by the **Relevant Transmission Licensees** in accordance with relevant obligations under the **STC**, for the avoidance of doubt all contractual rights and obligations arising under OC8A, OC8B, OC7.6, OC9.4 and OC9.5 shall exist between **NET** and the relevant **User** and in relation to any enforcement of those rights and obligations OC8A, OC8B, OC7.6, OC9.4 and OC9.5 shall be so read and construed. The **Relevant Transmission Licensees** shall enjoy no enforceable rights under OC8A, OC8B, OC7.6, OC9.4 and OC9.5 nor shall they be liable (other than pursuant to the **STC**) for failing to discharge any obligations under OC8A, OC8B, OC7.6, OC9.4 and OC9.5.

GC.13.2 For the avoidance of doubt nothing in this **Grid Code** confers on any **Relevant Transmission Licensee** any rights, powers or benefits for the purpose of the Contracts (Rights of Third Parties) Act 1999.

GC.14 BETTA TRANSITION ISSUES

GC.14.1 The provisions of the Appendix to the **General Conditions** apply in relation to issues arising out of the transition associated with the designation of **GC Modification Proposals** ~~amendments to the Grid Code~~ by the **Secretary of State** in accordance with the provisions of the Energy Act 2004 for the purposes of Condition C14 of **NET's Transmission Licence**.

GC.15 EMBEDDED EXEMPTABLE LARGE AND MEDIUM POWER STATIONS

GC.15.1 This GC.15.1 shall have an effect until and including 31st March 2007.

- (i) CC.6.3.2, CC.6.3.7, CC.8.1 and BC3.5.1; and

- (ii) Planning Code obligations and other Connection Conditions; shall apply to a **User** who owns or operates an **Embedded Exemptable Large Power Station**, or a **Network Operator** in respect of an **Embedded Exemptable Medium Power Station**, except where and to the extent that, in respect of that **Embedded Exemptable Large Power Station** or **Embedded Exemptable Medium Power Station**, **NGET** agrees or where the relevant **User** and **NGET** fail to agree, where and to the extent that the **Authority** consents.

GC.16 SIGNIFICANT CODE REVIEW

GC.16.1 A **Significant Code Review** is a code review process initiated and led by the **Authority**, on one of a number of potential triggers. The **Authority** will launch a **Significant Code Review** on publication of a notice setting out matters such as the scope of the review, reasons for it and announcing the start date.

GC.16.2 A **Significant Code Review Phase** begins on the start date set out in the **Authority's** notice, during which time any **GC Modification Proposals amendments to the Grid Code** that relate to the subject matter of the review are restricted, to ensure the process is as efficient as possible. Once the **Authority** has published its **Significant Code Review** conclusions, the **Authority** may direct **NGET** to raise a **GC Modification Proposal Grid Code amendment** to put into effect the results of the **Significant Code Review**.

GC.16.3 Where a **GC Modification Proposal Grid Code amendment** is raised during a **Significant Code Review Phase** unless exempted by the **Authority** **NGET** in consultation with the **Panel** shall assess whether the **GC Modification Proposal amendment** falls within the scope of a **Significant Code Review** and shall notify the **Authority** of its assessment, its reasons for that assessment and any representations received in relation to it as soon as practicable.

GC.16.4 The **GC Modification Proposal amendment** shall proceed during a **Significant Code Review Phase** unless directed otherwise by the **Authority** in accordance with the paragraphs below.

GC.16.5 The **Authority** may at any time direct that a **GC Modification Proposal Grid Code amendment** made during a **Significant Code Review Phase** falls within the scope of a **Significant Code Review** and must not be made during the **Significant Code Review Phase**. If so directed the **GC Modification Proposal amendment** will not proceed and it shall be withdrawn or suspended until the end of the **Significant Code Review Phase**.

GC.16.6 A **GC Modification Proposal Grid Code amendment** that falls within the scope of a **Significant Code Review** may be made where:

(i) the **Authority** so determines, having taken into account (among other things) the urgency of the subject matter of the **GC Modification Proposal amendment**; or

(ii) **NGET** makes the **GC Modification Proposal Grid Code amendment** pursuant to a direction from the **Authority** in accordance with the provisions below.

GC.16.7 Where a direction in accordance with GC.16.5 has not been issued, **NGET**, in consultation with the **Panel** may proceed with the **GC Modification Proposal Grid Code amendment**.

GC.16.8 Within twenty-eight (28) days after the **Authority** has published its **Significant Code Review** conclusions, the **Authority** may issue to **NGET** directions, including directions to **NGET** to make **GC Modification Proposal Grid Code amendment(s)**. **NGET** shall comply with those

directions. Where **NET** makes a **GC Modification Proposal Grid-Code amendment** in accordance with the **Authority's** directions, it ~~and~~ shall proceed as a normal **GC Modification Proposal Grid-Code amendment**. Such **Authority** conclusions and directions shall not fetter the voting rights of the **Panel** or any recommendation **NET** makes in relation to any **GC Modification Proposal Grid-Code amendment**.

GC.16.9 **NET** may not, without the prior consent of the **Authority**, withdraw a **GC Modification Proposal Grid-Code amendment** made pursuant to a direction issued by the **Authority** pursuant to GC.16.8.

CONSTITUTION AND RULES

OF THE

GRID CODE REVIEW PANEL

(revised – ~~25 June 2012~~)

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THE CONSTITUTION AND RULES OF THE

GRID CODE REVIEW PANEL

(Revised – 04/02/10)

1. **Name**

The panel shall be called the Grid Code Review Panel.

2. **Definitions and Interpretation**

2.1 The following words and expressions shall have the following meanings in this Constitution:-

“Code Administration Code of Practice” the code of practice approved by the Authority and:

(a) developed and maintained by the code administrators in existence from time to time;

(b) amended subject to the Authority’s approval from time to time; and

(c) re-published from time to time;

“Code Administrator” means NGET carrying out the role of Code Administrator in accordance with this Constitution;

"Chairman" means the person appointed by NGET under Clause 5.1(a) or the person appointed by NGET from time to time under Clause 8.1, all references herein to "the Chairman" shall, where the context so admits, include any person appointed to perform the duties of the Chairman in the absence of the Chairman.

"Constitution" means the constitution and rules of the Panel as set out herein and as may be amended from time to time with the approval of the Authority.

"Grid Code" means the grid code drawn up pursuant to Condition C14 of NGET’s Transmission Licence, as from time to time revised in accordance with paragraphs 2, 3 and 4 of Condition C14 of NGET’s Transmission Licence.

"Member" means a person duly appointed pursuant to Clause 5 to be a member of or the Chairman of the Panel.

"Panel" means the Grid Code Review Panel.

"Secretary" means the person appointed by ~~NGET~~the Code Administrator pursuant to Clause 9.1, and named as such.

2.2 Except as otherwise provided herein and unless the context otherwise admits, words and expressions used herein shall have the same meaning as defined in the Grid Code.

- 2.3 Words importing the singular only also include the plural and vice versa where the context requires. Words importing the masculine only also include the feminine.
- 2.4 Headings and titles shall not be taken into consideration in the interpretation or construction of the words and expressions used herein.
- 2.5 These Rules sets out how the Grid Code is to be amended and the procedures set out in these Rules, to the extent that they are dealt with in the Code Administration Code of Practice, are consistent with the principles contained in the Code Administration Code of Practice. Where inconsistencies or conflicts exist between the Grid Code and/or these Rules and the Code Administration Code of Practice, the Grid Code and/or these Rules shall take precedence.

3. **Constitution**

The Panel is a standing body established and maintained by NGET pursuant to GC.4.1 of the Grid Code.

4. **Objects.**

4.1 The objects of the Panel shall be the following objects, and such further objects as may be attributed to the Panel by the Grid Code from time to time:-

- 4.1.1 to keep the Grid Code and its working under review;
- 4.1.2 to review all suggestions for amendments to the Grid Code which any Member is requested by the Authority or a User (or any **Relevant Transmission Licensee** in respect of PC.6.2, PC Appendix C, CC.6.1, CC.6.2, CC.6.3, OC8 and GC.11), to submit to the Secretary for consideration by the Panel from time to time;
- 4.1.3 to publish recommendations as to amendments to the Grid Code that NGET or the Panel feels are necessary or desirable and the reasons for the recommendations;
- 4.1.4 to issue guidance in relation to the Grid Code and its implementation, performance and interpretation when asked to do so by any Member on behalf of a User;
- 4.1.5 to consider what changes are necessary to the Grid Code arising out of any unforeseen circumstances referred to it by NGET under GC.3 of the Grid Code; **and**
- 4.1.6 to consider and identify changes to the Grid Code to remove any unnecessary differences in the treatment of issues in Scotland from their treatment in England and Wales; **and**
- 4.1.7 consider any changes to the Code Administration Code of Practice that the Code Administrator considers appropriate to raise.**

5. **Membership.**

5.1 The Panel shall consist of:-

- (a) a Chairman and up to 4 members appointed by NGET;
- (b) a person appointed by the Authority; and
- (c) the following members:
 - (i) 3 persons representing those Generators each having Large Power Stations with a total Registered Capacity in excess of 3GW;
 - (ii) a person representing those Generators each having Large Power Stations with a total Registered Capacity of 3GW or less;
 - (iii) 2 persons representing the Network Operators in England and Wales;
 - (iv) a person representing the Network Operators in Scotland;
 - (v) a person representing Suppliers;
 - (vi) a person representing Non Embedded Customers
 - (viii) a person representing the Generators with Small Power Stations and/or Medium Power Stations (other than Generators who also have Large Power Stations);
 - (ix) a person representing the BSC Panel;
 - (x) a person representing the Externally Interconnected System Operators;
 - (xi) a person representing Generators with Novel Units; and
 - (xii) 2 persons, representing Relevant Transmission Licensees (in respect of PC.6.2, PC6.3, PC Appendix A, C and E, CC.6.1, CC.6.2, CC.6.3, OC8 and GC.11).

5.2 If at any time there shall be no Generators with Small Power Stations and/or Medium Power Stations (other than Generators which also have Large Power Stations), the Authority shall be notified by the Chairman and shall have the right, until the next following meeting of the Panel after there shall be one or more Generator with Small Power Stations and/or Medium Power Stations, at any time and from time to time, to appoint a person to be a Member and to remove any person so appointed by it.

5.3 If (other than on re-appointment of a Member or Members appointed by any person or group of persons entitled to so appoint, which is dealt with in paragraph 5.5 below) at any time any person or group of persons entitled to appoint a Member or Members shall not have made an appointment(s)

and/or shall be in disagreement as to who to appoint, the Chairman shall request the Authority to make such appointment and the Authority shall have the right, until the relevant person or group of persons has decided upon an appointment and notified the Authority accordingly, to appoint a Member or Members on behalf of that person or group of persons, and to remove any person so appointed by it.

- 5.4 No person other than an individual shall be appointed a Member or his alternate.
- 5.5 (a) Each Member shall retire automatically at the beginning of the first Panel meeting of each calendar year, but shall be eligible for re-appointment.
- (b) Each person or group of persons entitled to appoint a Member (or a person within such group of persons) may, by notice in writing to the Chairman, indicate its wish to re-appoint the retiring Member or to appoint a new person as a Member in his place.
- (c) Such notifications for re-appointment or appointment must be delivered to the Chairman at least 21 days in advance of that meeting of the Panel from the person or group of persons (or a person within such group of persons) represented by each Member. A notification for re-appointment in respect of an existing Member shall be deemed to be given if no notification is delivered to the Chairman at least 21 days in advance of that meeting of the Panel.
- (d) If only one notification is received for the re-appointment of a Member or appointment of a new person as a Member (or if all notifications received are unanimous), the person named in the notification(s) will become the Member with effect from the beginning of that meeting of the Panel.
- (e) If more than one notification is received in respect of a Member or a person to become a Member (not being unanimous), the Chairman will within 7 days of receipt of the last of such notifications contact (insofar as he is reasonably able) the group of persons represented by that Member and seek to encourage unanimous agreement between those persons as to the prospective Member. If agreement is reached, then the new person will replace the existing Member, or the existing Member will continue if that is the result of the agreement, with effect from the beginning of that meeting of the Panel.
- (f) If agreement is not reached, the Chairman shall notify the Authority and the Authority shall determine who shall be appointed and notify the Chairman and the relevant persons accordingly. That new person will replace the existing Member, or the existing Member will continue if that is the result of the determination, with effect from the beginning of that meeting of the Panel and shall be deemed to be appointed by the relevant group of persons.

These provisions shall apply equally to persons or groups of persons entitled to appoint more than one Member, with any necessary changes to reflect that more than one Member is involved.

6. **Alternates.**

- 6.1 Each Member shall have the power to appoint any individual to be his alternate and may at his discretion remove an alternate Member so appointed. Any appointment or removal of an alternate Member shall be effected by notice in writing executed by the appointor and delivered to the Secretary or tendered at a meeting of the Panel. If his appointor so requests, an alternate Member shall be entitled to receive notice of all meetings of the Panel or of sub-committees or working groups of which his appointor is a member. He shall also be entitled to attend and vote as a Member at any such meeting at which the Member appointing him is not personally present and at the meeting to exercise and discharge all the functions, powers and duties of his appointor as a Member and for the purpose of the proceedings at the meeting the provisions of this Constitution shall apply as if he were a Member.
- 6.2 Every person acting as an alternate Member shall have one vote for each Member for whom he acts as alternate, in addition to his own vote if he is also a Member. Execution by an alternate Member of any resolution in writing of the Panel shall, unless the notice of his appointment provides to the contrary, be as effective as execution by his appointor.
- 6.3 An alternate Member shall ipso facto cease to be an alternate Member if his appointor ceases for any reason to be a Member.
- 6.4 References in this Constitution to a Member shall, unless the context otherwise requires, include his duly appointed alternate.

7. **Representation and Voting.**

- 7.1 The Chairman and each other Member shall be entitled to attend and be heard at every meeting of the Panel. One adviser (or such greater number as the Chairman shall permit) shall be entitled to attend any meeting of the Panel with each Member and shall be entitled to speak at any meeting but shall not be entitled to vote on any issue.
- 7.2 Each Member (including the Chairman) shall be entitled to cast one vote. In the event of an equality of votes, the Chairman shall have a second or casting vote.
- 7.3 Any person or persons entitled to appoint a Member or the Chairman, as the case may be, pursuant to Clause 5 may at any time remove that Member or the Chairman, as the case may be, from office and appoint another person to be a Member or the Chairman, as the case may be, in its place. A person or persons will only have the right to remove from office the Member or the Chairman, as the case may be, that it or they have appointed, and will have no right to remove from office any Member or the Chairman, as the case may be, appointed by another person. Whenever any individual Member or the Chairman changes, the person or group of persons entitled to appoint that Member or the Chairman shall notify the Secretary in writing within seven days of the change taking effect.

8. **The Chairman.**

8.1 Upon retirement or removal by NGET of the first and each successive Chairman, NGET shall appoint a person to act as Chairman.

8.2 NGET may at any time remove the Chairman from office.

8.3 The Chairman shall preside at every meeting of the Panel at which he is present. If the Chairman is unable to be present at a meeting, he may appoint an alternate pursuant to Clause 6.1 to act as Chairman. If neither the Chairman nor any other person appointed to act as Chairman is present within half an hour after the time appointed for holding the meeting, the Members present appointed by NGET, may appoint one of their number to be Chairman of the meeting.

8.4 The Chairman, or the person appointed to act as Chairman by the Chairman shall be entitled to cast one vote. Where a Member is acting in the capacity of both Member and Chairman, he shall be entitled to cast one vote as Chairman, in addition to his one vote as Member.

9. **The Code Administrator and The Secretary.**

9.1 NGET shall establish and maintain a Code Administrator function, which shall carry out the roles referred to below. NGET shall ensure the functions are consistent with the Code Administration Code of Practice.

9.2 The Code Administrator shall in conjunction with other code administrators, maintain, publish, review and (where appropriate) amend from time to time the Code Administration Code of Practice approved by the Authority provided that any amendments to the Code Administration Code of Practice proposed by the Code Administrator are considered by the Panel prior to being raised by the Code Administrator, and any amendments to be made to the Code Administration Code of Practice are approved by the Authority.

9.3 The Code Administrator shall have power to appoint and dismiss a Secretary and such other staff for the Panel as it may deem necessary. The Secretary may, but need not be, a Member, but shall not be a Member by virtue only of being Secretary. The Secretary shall have the right to speak at, but, unless a Member, no right to cast a vote at any meeting.

9.2 The Secretary's duties shall be to attend to the day to day operation of the Panel and, in particular, to:-

- (i) attend to the requisition of meetings and to serve all requisite notices;
- (ii) maintain a register of names and addresses of Members and the Chairman and alternates as appointed from time to time;
- (iii) maintain a register of names and addresses of persons in each of the groups of persons described in sub-clauses 5.1(c)(i), (ii),

(iii) and (vi) and of those persons in the group described in sub-clause 5.1(c)(iv) which are parties to the CUSC Framework Agreement; and

(iv) keep minutes of all meetings;

9.3 The Secretary shall make available the registers of names and addresses referred to in sub-clauses 9.2(ii) and (iii) above, for inspection by any Authorised Electricity Operator and/or the Authority between 1000 hours and 1600 hours each Business Day. The Secretary shall provide any Authorised Electricity Operator and/or the Authority with a copy of the said registers within a reasonable period of being requested to do so.

10. **Meetings.**

10.1 The Panel shall hold meetings every other month throughout the year or at such other regular scheduled times as it may decide. The normal venue for meetings shall be National Grid House, Warwick.

10.2 The Chairman or any other Member may request the Secretary to requisition further meetings by giving 21 days notice to the Secretary. The notice shall be in writing and contain a summary of the business that it is proposed will be conducted. The Secretary shall proceed to convene a meeting of the Panel within 7 days of the date of expiry of such notice in accordance with the provisions of Clause 11.

11. **Notice of Meetings.**

11.1 All meetings shall be called by the Secretary on at least 14 days written notice (exclusive of the day on which it is served and of the day for which it is given), or by shorter notice if so agreed in writing by all Members. If at any time a person has not been appointed as Secretary, or the Secretary is for any reason unable to act, the Chairman shall attend to the requisition of meetings.

11.2 The notice of each meeting shall contain the time, date and venue of the meeting, an agenda and a summary of the business to be conducted and shall be given to all Members.

11.3 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by a person entitled to receive notice shall not invalidate the proceedings at that meeting.

11.4 By notice to the Secretary, any Member can request additional matters to be considered at the meeting and provided such notice is given at least 10 days (exclusive of the day on which it is served and of the day for which it is given) before the date of the meeting, those matters will be included in a revised agenda for the meeting. The Secretary shall circulate the revised agenda to each Member as soon as practicable.

12. **Proceedings at Meetings.**

- 12.1 Subject to Clauses 10 and 11, the Panel may meet for the transaction of business, and adjourn and otherwise regulate its meetings, as it thinks fit.
- 12.2 Seven Members present in person or by their alternates or in accordance with Clause 13.3, shall constitute a quorum.
- 12.3 If, within half an hour from the time appointed for holding any meeting of the Panel, a quorum is not present, the meeting shall be adjourned to the same day in the next week at the same time and place and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, the meeting shall be dissolved.
- 12.4 Only matters identified in the agenda referred to in Clause 11.2 (or a revised agenda submitted pursuant to Sub-clause 11.4) shall be resolved upon at a meeting.
- 12.5 All acts done by any meeting of the Panel or of a sub-committee or working group shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of a Member, be as valid as if such person had been duly appointed.
- 12.6 A resolution put to the vote of a meeting shall be decided by a show of hands.

13. **Resolutions.**

- 13.1 A resolution of the Panel shall be passed by a simple majority of votes cast.
- 13.2 A resolution in writing signed by all Members shall be as valid and effective as if it had been passed at a meeting of the Panel duly convened and held and may consist of several documents in like form each signed by or on behalf of one or more Members.

A meeting of the Panel may consist of a conference between Members who are not all in one place but who are able (directly or by telephonic communication) to speak to each of the others and to be heard by each of the others simultaneously. The word "meeting" shall be construed accordingly.

14. **Minutes.**

- 14.1 The Secretary shall circulate copies of the minutes of each meeting of the Panel to each Member as soon as practicable (and in any event within ten Business Days) after the relevant meeting has been held.

14.2 Each Member shall notify the Secretary of his approval or disapproval of the minutes of each meeting within 15 Business Days of receipt of the minutes. A Member who fails to do so will be deemed to have approved the minutes. The approval or disapproval of the minutes aforesaid will not affect the validity of decisions taken by the Panel at the meeting to which the minutes relate.

14.3 If the Secretary receives any comments on the minutes, he shall circulate revised minutes as soon as practicable following the expiry of the period referred to in Clause 14.2, incorporating those comments which are of a typographical nature and indicating, where necessary, that Members disagree with certain aspects of the minutes. The Secretary shall then incorporate those aspects of the minutes upon which there is disagreement, into the agenda for the next following meeting of the Panel, as the first item for resolution.

15. **Guidance from the Panel.**

15.1 The Panel may at any time, and from time to time, issue guidance in relation to the Grid Code and its implementation, performance and interpretation, and it may establish sub-committees and working groups to carry out such work.

16. **Sub-Committees and Working Groups.**

16.1 The Panel may establish such sub-committees from time to time consisting of such persons as it considers desirable. Each sub-committee shall be subject to such written terms of reference and shall be subject to such procedures as the Panel may determine. The meetings of sub-committees shall so far as possible be arranged so that the minutes of such meetings can be presented to the members in sufficient time for consideration before the next following meeting of the Panel.

16.2 The Panel may further establish working groups to advise it on any matter from time to time. Such working groups may consist of Members and/or others as the Panel may determine for the purpose.

16.3 Resolutions of sub-committees and working groups shall not have binding effect unless approved by resolution of the Panel.

17. **Vacation of Office.**

The office of a Member shall be vacated if:-

17.1 he resigns his office by notice delivered to the Secretary; or

17.2 he becomes bankrupt or compounds with his creditors generally; or

17.3 he becomes of unsound mind or a patient for any purpose of any statute relating to mental health; or

17.4 he or his alternate fails to attend more than three consecutive meetings of the Panel without submitting an explanation to the Chairman which is reasonably acceptable to the Chairman.

18. **Members' Responsibilities and Protections.**

18.1 In the exercise of its powers and the performance of its duties and responsibilities, the Panel shall have due regard for the need to promote the attainment of the principal objects of the Panel set out in Clause 4.

18.2 In the exercise of its powers and the performance of its duties and responsibilities as a Member, a Member shall represent the interests of that person or persons by whom he is for the time being appointed pursuant to Clause 5, provided that such obligation of representation shall at all times be subordinate to the obligations of the Member as a member of the Panel set out in Clause 18.1.

18.3 Protections:

18.3.1 The Panel, each Member and the Secretary shall be entitled to rely upon any communication or document reasonably believed by it or him to be genuine and correct and to have been communicated or signed by the person by whom it purports to be communicated or signed.

18.3.2 The Panel, each Member and the Secretary may in relation to any act, matter or thing contemplated by this Constitution act on the opinion or advice of, or any information from, any chartered engineer, lawyer, or expert in any other field, and shall not be liable for the consequences of so acting.

19. **Group Representatives' addresses.**

Each Member shall from time to time communicate his address to the Secretary and all notices sent to such address shall be considered as having been duly given

Annex 3 - Grid Code Issue Proforma

Due to the nature of the changes required to implement all of the Code Governance Review Phase 2 proposals, the following document contains the changes required for:

- GC0071: Code Governance Review (Phase 2): Significant Code Review
- GC0072: Code Governance Review (Phase 2): Code Administrator and Code Administration Code of Practice

Grid Code Review Panel
INSERT NAME OF ISSUE
Date Raised: DD MMM YYYY
GCRP Ref: ppYY/XX¹
A Panel Paper by INSERT NAME
INSERT NAME OF COMPANY

Summary

[Use this section to provide a high level summary of the issue]

Users Impacted

[Use this section to detail Industry Parties that will be impacted by the issue and to what degree they will be impacted]

High

[e.g. Transmission Owners, Small Generators, Medium Generators, Large Generators, System Operator, Distribution Network Operators, Interconnectors etc..]

Medium

Low

Description & Background

[Use this section to describe the issue in more detail and any background knowledge that is required to understand the issue]

Proposed Solution

[Provide a proposed solution]

Assessment against Grid Code Objectives

[Will the proposed changes to the Grid Code better facilitate any of the Grid Code Objectives:]

(i) to permit the development, maintenance and operation of an efficient, coordinated and economical system for the transmission of electricity;

[If the proposed changes better facilitate this objective, please insert justification here]

(ii) to facilitate competition in the generation and supply of electricity (and without limiting the foregoing, to facilitate the national electricity transmission system being made available to persons authorised to supply or generate electricity on terms which neither prevent nor restrict competition in the supply or generation of electricity);

[If the proposed changes better facilitate this objective, please insert justification here]

(iii) subject to sub-paragraphs (i) and (ii), to promote the security and efficiency of the electricity generation, transmission and distribution systems in the national electricity transmission system operator area taken as a whole; and

[If the proposed changes better facilitate this objective, please insert justification here]

(iv) to efficiently discharge the obligations imposed upon the licensee by this license and to comply with the Electricity Regulation and any relevant legally

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¹ The Code Administrator will provide the paper reference following submission to National Grid.

binding decisions of the European Commission and/or the Agency.

[If the proposed changes better facilitate this objective, please insert justification here]

Impact & Assessment

Impact on the National Electricity Transmission System (NETS)

[Will any of the proposed changes have an adverse impact on the NETS?]

Impact on Greenhouse Gas Emissions

[Will any of the proposed changes have a material impact on Greenhouse Gas Emissions?]

Impact on core industry documents

[Will any of the proposed changes have any impact on other core industry documents such as the BSC, CUSC, Grid Code or STC?]

Impact on other industry documents

[Will any of the proposed changes have any impact on other industry documents?]

Do the proposed changes have any interaction with an ongoing Significant Code Review?

[Please indicate any interaction or, if a Significant Code Review is not ongoing, please indicate this is not applicable]

Impact on central IS systems

[Will any of the proposed changes have any impact on central IS systems?]

Supporting Documentation

Have you attached any supporting documentation [YES/NO]

If Yes, please provide the title of the attachment: INSERT TITLE

Recommendation

The Grid Code Review Panel is invited to:

[Note the issue for information only]

[Consider the issue and provide guidance/clarification]

[Progress this issue to a Workgroup for further analysis and discussion]

[Progress this issue to Industry Consultation]

Document Guidance

This proforma is used to raise an issue at the Grid Code Review Panel, as well as providing an initial assessment.

An issue can be anything that a party would like to raise and does not have to result in a modification to the Grid Code or creation of a Working Group.

Guidance has been provided in square brackets within the document but please contact National Grid, The Code Administrator, with any questions or queries about the proforma at grid.code@nationalgrid.com .

Annex 4 - Consultation Responses

The following table provides a list of the responses to the Grid Code Consultation GC0072.

Reference	Company
CR-01	SP Generation Limited
CR-02	EDF Energy

CR-01: Grid Code Industry Consultation Response Proforma

GC0072 Code Governance Review (Phase 2): Code Administrator and Code Administration Code of Practice

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses by **20th August 2013** to Grid.Code@nationalgrid.com. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration.

These responses will be included in the Report to the Authority which is drafted by National Grid and submitted to the Authority for a decision.

Respondent:	<i>James Anderson</i>
Company Name:	<i>ScottishPower Generation Limited</i>

Industry Consultation Questions

1.	Do you believe that GC0072 better facilitates the Applicable Grid Code Objectives?	ScottishPower agrees that the proposed change to the Grid Code (GC0072) should be made to facilitate the introduction of a Code Administrator function and the establishment of a Code Administrator Code of Practice. We agree with National Grid's assessment that GC0072 better facilitates Applicable Code Objectives (i), development of the electricity transmission system through supporting an efficient governance process and (iv), discharging the obligations introduced into the transmission licence following Code Governance Review (2).
2.	Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible.	ScottishPower supports the proposed implementation approach.
3.	Do you agree that the Code Administrator should not be able to raise changes to the CACoP without Panel approval?	Changes to the CACoP should be developed following discussion between the Code Administrator and Code Users. Any formal changes to the CACoP should therefore be discussed with the Grid Code Review Panel as the representatives of Grid Code Users prior to submission to the Authority for approval.
4.	Do you have any additional comments on the legal text?	No.

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CR-02: Grid Code Industry Consultation Response Proforma

GC0072 Code Governance Review (Phase 2): Code Administrator and Code Administration Code of Practice

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses by **20th August 2013** to Grid.Code@nationalgrid.com. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration.

These responses will be included in the Report to the Authority which is drafted by National Grid and submitted to the Authority for a decision.

Respondent:	<i>John Morris</i>
Company Name:	<i>EDF Energy</i>

Industry Consultation Questions

1.	Do you believe that GC0072 better facilitates the Applicable Grid Code Objectives?	Yes The introduction of these elements will promote good industry practice for Grid Code modifications. This should assist in delivering timely changes which support the development of an efficient transmission system.
2.	Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible.	Yes
3.	Do you agree that the Code Administrator should not be able to raise changes to the CACoP without Panel approval?	Yes, using established arrangements avoids inefficiencies in setting up another process
4.	Do you have any additional comments on the legal text?	Not reviewed