

GC0074 GCRP Membership

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 **1 August 2014** 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>Gareth Parker</i> GARPA@dongenergy.co.uk
Company Name:	<i>DONG Energy</i>
1. What are your views on Interconnector users being given a seat on the GCRP as an occasional attendee when it is deemed appropriate by the GCRP and/or the Code Administrator based on the subject matter, rather than as a permanent member where an Interconnector Representative would be expected to attend all meetings.	<p>It is the view of DONG Energy that the treatment of interconnector parties as an occasional attendee is appropriate, given the historic low impact of and low interest in GCRP proceedings. It must be recognised, however, that under this scenario the enhanced role of the Code Administrator will be crucial in ensuring appropriate views are sought from affected interconnector parties when relevant.</p> <p>It is reasonable to expect that interest from interconnector parties will increase through the implementation process of European Network Codes (particularly the HVDC code), however it is anticipated that the majority of the implementation work will proceed via dedicated working groups to which the lack of a permanent seat on the GCRP will not be a barrier to participation.</p>
2. Do you agree with the group that (i) the Scottish TOs should continue to have a seat on the Panel (ii) that the DNOs should continue to be represented by three seats on the Panel (2 for England & Wales and 1 for Scotland) and (iii) that manufacturers should not be represented on the Panel.	<p>(i) The value of alternative TO representation to that of NGET is recognised and therefore permanent seats for other TO parties should be reserved on the panel. However we believe the alternative TO/SO split of NGET responsibility warrants further consideration given increasing intra-business separation within National Grid (despite being a single licensed entity). An alternative model for TO representation could see 2-3 seats reserved for onshore TOs and 1 seat for offshore TOs. Remaining NGET seats would then represent the NETSO.</p> <p>(ii) DONG Energy does not hold strong views on the appropriate level of DNO representation, although in line with our response to (i) it could be</p>

	<p>considered to retain 2-3 seats for DNO representatives regardless of geographic location.</p> <p>(iii) DONG Energy agrees with the view that manufacturer representation on the panel is inappropriate (given the potential to influence panel outcomes in favour of specific technologies or other commercial advantage). Furthermore, and as stated in the consultation, it is unclear which sector should be represented given the breadth of manufacturing interests in the GB electricity market. Manufacturer engagement on specific issues may still be sought on an ad-hoc basis, as relevant, by the Code Administrator.</p>
<p>3. Do you believe that each NGET Representative should hold 1 vote each, as for other representatives, or that this should be reduced to, for example, 2 votes between the proposed 4 NGET Representatives.</p>	<p>For simplicity and equitable treatment of panel members (avoiding a "2 tier" membership), DONG Energy consider that a single vote per panel seat is appropriate, however as outlined in our response to question 2 consideration should be given to the separation of NGET SO and TO functions in representation and voting rights. This proposed split would leave 2-3 NETSO seats, each with a single vote.</p>
<p>4. How do you think a tied vote should be dealt with in an election?</p>	<p>It should be noted that the elections process to the Panel is further considered (amongst other relevant issues) in the proposed Open Governance modification GC0086. As such, any implementation of election or voting rights change may be further subject to review pending GC0086.</p> <p>DONG Energy has concerns with the proposed allocation of votes amongst generator parties by TEC register entry. It is considered that one vote per connection agreement is likely result in block voting by individual generator's parent companies which may distort election results. Furthermore, individual generating companies may hold multiple grid connection agreements (and thus TEC register entries) representing individual units, phases or power plant modules which would attribute greater voting power to certain generating technologies over others. We would query whether this is the intention of the proposal, or whether the TEC register would be further consolidated into individual generating companies. If the latter is the case, we consider there to be merit in using the CUSC Schedule 1 list in lieu of the TEC register. In the case of the former, we believe this approach to be non-representative. To further mitigate block voting concerns, an alternative model</p>

	<p>demonstrated by the Gas Industry's Universal Network Code could be considered, which distributes votes amongst 'Shipper Groups' which represent the parent companies of numerous licensed Gas Shippers. An analogy to this in the electricity industry would be the parent companies of individual generators, or 'Generation Groups'.</p> <p>It is further considered that whilst a 'first past the post' system is simple, a preference voting system should not prove overly onerous to administer and aligns the Grid Code elections process with the BSC and CUSC (particularly considering the move from annual to bi-annual elections). It is considered that a preference voting system is particularly relevant if instead of considering individual generating entities, 'Generator Groups' are defined as discussed above. Furthermore, a preference voting system reduces the likelihood of a tied result.</p> <p>In the unlikely event a vote is tied using a preference voting system, the code administrator may draw lots to separate candidates as per the CUSC elections process. DONG Energy do not believe it is appropriate to weight a vote in a tie break on grounds of generating station size, which would favour certain large scale centralised technologies over distributed generators.</p>
Do you believe that GC0074 better facilitates the appropriate Grid Code objectives?	<p>DONG Energy considers that GC0074 will result in an enhanced cross section of representation in the GCRP across the electricity industry, removing barriers to participation in industry governance and enabling improved and more rigorous decision making. This will result in more efficient, coordinated and economical electricity transmission system, as well as facilitating competition in generation and supply of electricity.</p>
Please provide any other comments you feel are relevant to the proposed change.	