

## Minutes and Actions Arising from Meeting No.97 Held on 24 April 2009

### Present:

Alison Kay	AK	Panel Chair
Bali Virk	BV	Secretary
David Smith	DS	Panel Member (National Grid)
Hêdd Roberts	HR	Panel Member (National Grid)
Paul Jones	PJ	Panel Member (Users Member)
Paul Mott	PM	Panel Member (Users Member) via teleconference
Garth Graham	GG	Panel Member (Users Member)
Bob Brown	BB	Panel Member (Users Member)
Barbara Vest	BV	Panel Member (Users Member)
Tony Diccio	TD	Panel Member (Users Member)
Simon Lord	SL	Panel Member (Users Member)
Dave Wilkerson	DW	Alternate Panel Member (Users Member) via teleconference
Dipen Gadhia	DG	Ofgem Representative
Abigail Hall	AH	Consumer Focus

### In Attendance

David Jones	DJ	Elexon
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## 1 Introductions/Apologies for Absence

1939. There was a full attendance at the meeting therefore there were no apologies.
1940. AK introduced AH to the Panel who will be replacing Hugh Conway as the Consumer Focus representative.
1941. AK noted the hard work that Hugh Conway had done within the Panel and thanked him for all his work.

## 2 Minutes of the Meeting held on 27 February, 23 March, 30 March, and 3 April 2009

1942. The draft minutes of the CUSC Amendments Panel meetings held on 27 February, 23 March, 30 March and 3 April 2009 were AGREED subject to minor amendments and will be placed on the National Grid website shortly.
1943. BB asked the Panel Secretary within the minutes to place the full URL link to enable the reader to see the location of document on the website.
1944. DS also pointed out to the Panel that the CUSC Panel minutes of 3 April 2009 were a one off in relation to the detail captured within the minutes and the purpose of this was to attach the 30 March and 3 April minutes to the CUSC Panel response to the Ofgem letter dated 2 April 2009.
1945. DG noted that going forwards the CUSC Panel needs to ensure, whether through its minutes or some other means, that the rationale for its decisions is sufficiently transparent for any interested party, who is not at the CUSC Panel, to easily understand.

1946. The Panel agreed for the CUSC Panel response letter to Ofgem to be published on the National Grid website subject to minor amendments.

**Action: Panel Secretary**

1947. The Panel agreed that future CUSC minutes would capture the flavour of discussions taken place and any actions and decision discussed.

### 3 Review of Actions

1948. **Minute 1754 – HR to look at the provision of further pro-rata tables**  
HR confirmed that this action would be complete in time for CUSC Parties to respond to the Ofgem the impact assessment on CAP166.
1949. **Minute 1931 – DS to confirm whether the GIS Working Group is in agreement for any CUSC proposals to be raised.** EC confirmed that a GIS Working Group meeting is planned for 13 May 2009. Currently there is a mixed view within the Working Group with one party wishing to raise the CUSC amendment asap before the group has reached a conclusion while others wish to wait until the group has reached a conclusion and reported back to GCRP. At the last meeting the Panel agreed that the CUSC Amendment Proposal should be raised once the Working Group was concluded. Based on the current timetable this is likely to be at the June CUSC Panel meeting.
1950. All other outstanding actions were complete or to be covered under an agenda item in the meeting.

### 4 New Amendment Proposals

1951. There were no new Amendment Proposals.

### 5 Working Groups/Standing Groups

1952. **CAP169 Provision of Reactive Power from Power Park Modules, Large Power Stations and Embedded Power Stations** – The Panel approved the Working Group Terms or Reference subject to minor amendment in section 7, line 1, to change the 4 to 6.

**Action: Panel Secretary**

1953. EC confirmed that CAP169 Working Group meetings have taken place and another meeting is due to take place on the 6 May 2009. Meeting notes and presentations can be found at:

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

1954. **Paper on Governance – Good Business Practice, by Bob Brown**

1955. BB presented a Paper to the CUSC Panel entitled “CUSC Amendments Panel and Good Business Practice” and also gave a presentation to the Panel on Good

Business Practice to support this. These were relevant to section 8 of the CUSC, which addresses the Amendments process.

BB explained that he believed that the Amendments process had been tested by the recent urgent Amendment proposals, and found to be wanting. He believed that lessons could be learnt and applied to the general operation of the Panel and the Amendments process.

The paper included examples of what he believed were good business practices that were not followed at present in the Amendments process. The CUSC was not prescriptive in all areas and he believed that good business practice should be the standard to adopt in the absence of that prescription.

DS questioned one of the examples in the paper, which advocated that, generally, Working Groups should not be chaired by the National Grid business manager responsible for the area under development by the Working Group. DS considered that the expertise of the business manager was essential in order to chair some Working Groups. BB replied that his view was that it was better for the business manager to be a member of the Working Group, to allow the group to tap into the that expertise, and also that he believed that it was too much of a burden to both chair a Working Group and also have the internal responsibility within NG for implementation of the proposed Amendment, and that this could lead to potential conflicts of interest. Additionally, there were several examples where Working Groups had been successfully chaired by non-business managers. One aspect of good business practice is to identify and avoid potential problems, another being to solve them.

The presentation identified several specific points for the Panel to consider, and potentially agree to adopt. These were:

- A responsibility on National Grid to report to the Panel where the operational requirements of the CUSC are not being met.  
BB advised the Panel that he had recently become aware of several instances where some transparency requirements had not been met for several months, and potentially longer, relating to the publication of minutes of Panel and standing group meetings. The difficulties appeared to be due to internal problems within National Grid and the Panel had not been advised that National Grid had been unable to meet the requirements of the CUSC. He had written to the Panel Chair asking for attention to be given to the issues. BB believed that it was important that the Panel should be advised by National Grid where there were problems, as the Panel had collective obligations and responsibilities, according to the CUSC, in this area. A Panel member questioned the level of monitoring and reporting of non-compliances, as this could be an unjustified burden if too much detail was required to be reported to the Panel by National Grid. It was agreed that the detail needed further consideration by the GSG.
- A responsibility on the Panel Chair to notify the Panel where National Grid was unable to provide sufficient resources to meet the Panel's collective obligations.

BB considered that National Grid had the responsibility to ensure that adequate skilled, trained resources were available to support the CUSC Amendments process, and he assumed that the associated costs for this were addressed in the price control negotiations between National Grid and Ofgem. BB believed that one advantage of National Grid having an obligation to report resource difficulties to the Panel was that the Panel could then assist by becoming

involved with Ofgem, assuming it was price controls that were the cause.

- Clearer separation between the roles of National Grid acting as “The Company” and “The Secretary” within the Amendments process.  
BB believed that the Panel has a responsibility to ensure that potential conflicts of interest were avoided, and that unacceptable burdens were not placed on NG staff. He believed that the present arrangements could lead to potential conflicts of interest, and could be minimised by clearer separation between the roles of “The Company” and “The Secretary” within the CUSC.
- A recommendation that the Panel formally adopts good business practice as the minimum standard to be applied to section 8 of the CUSC, in the absence of prescription.

On this point a Panel member commented that the existing requirements of the CUSC, via para 8.2.3.2, already placed obligations on the Panel to act in an efficient manner, so it could be argued that formal adoption of the recommendation was unnecessary.

- The presentation also recommended that the Panel should discuss these matters further at its next meeting as part of a potential response to Ofgem on-going consultations on Code Governance related matters.

The Panel agreed that the matters raised in the paper and presentation by BB should be considered further by the Panel, and the GSG was asked to develop the detail further for the next Panel meeting.

**Action: GSG**

1956. The presentation and Paper can be found at:

[http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/Panel/2009\\_current/6/](http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/Panel/2009_current/6/)

1957. Following the BB presentation and Panel debate, EC recommended that the following actions should be undertaken by the GSG:

- Review of Urgent Amendment Process and supporting guidance for the Panel and industry
- Respond to Ofgem consultation issued 20<sup>th</sup> April – Industry Code Governance – Code Administrators Working Group
- Review of current practices to ensure good industry practice and support Ofgem’s development of a Code of Practice

1958. The Panel agreed for the Terms of Reference for the GSG to be updated to reflect the new above actions.

**Action: Panel Secretary**

1959. The GSG will report back to the CUSC Panel meeting on the 15 May 2009 on the Urgent Amendment Process and Guidance.

**Action: EC**

1960. EC also informed the CUSC Panel that a new Chair will need to be appointed for the GSG as EC is due to commence maternity leave shortly.

**Action: All**

1961. EC brought to the attention of the Panel that Ofgem have issued a consultation on 20<sup>th</sup> April – Industry Code Governance – Code Administrators Working Group and the closing date for the consultation is 29 May 2009.
1962. The Panel agreed for the GSG to draft a response on behalf of the Panel and the response will be presented the CUSC Panel on the 15 May 2009.

**Action: EC**

### **6 Authority Decisions**

1963. There were no Authority decisions.

### **7 Update on Industry Codes**

1964. **BSC** DJ provided an update on the BSC developments. The P231 (“Black Start and Fuel Security Code Procedures under the BSC”)and P232 (“Black Start and Fuel Security Compensation and Single Imbalance Price Derivation”) Modification reports will be available after the BSC May Panel meeting. There are currently Grid Code discussions on an additional definition of black start to possibly include ‘regional’ alongside ‘partial’ and ‘total’ shutdown. GG reminded the Panel of his previous comments on the need, if another definition for shutdown were included, to avoid undue discrimination. A Transmission Losses BSC Modification (P229) is progressing and there is a meeting next week. Following the meeting the cost benefit analysis will be published.
1965. **Operational Forum** DS provided an update on the Operational Forum. A future System Operations consultation is due be released shortly. A workshop on Managing Constraints is to be arranged by the Operational Forum team shortly.
1966. **BaV** brought to the Panel member’s attention the Quartley Transmission Update that is published by National Grid stating the document is informative.

### **8 A.O.B**

1967. The Chair requested a two day extension for the CUSC Panel Recommendation Vote for CAP168 from DG, as the Ofgem Representative, to avoid two Panel meetings within three days. DG agreed to this extension. The CAP168 CUSC Panel recommendation Vote will now take place at the next scheduled Panel meeting on the 15 May 2009.

### **9 Record of Decisions – Headline Reporting**

1968. The Panel Secretary will circulate an outline Headline Report after the meeting and place it on the National Grid website in due course.

**Action – Panel Secretary**

**10 Date of Next Meeting**

1969. The next meeting is scheduled for Friday 15<sup>th</sup> May 2009, at National Grid House, Warwick Technology Park, Gallows Hill, Warwick, CV34 6DA.