

CUSC Amendments Panel

Actions Arising from Meeting No. 106 Held on 29 January 2010

Present

Alison Kay	AK	Panel Chair
Neil Rowley	NR	Secretary
David Smith	DS	Panel Member (National Grid Electricity Transmission)
Hêdd Roberts	HR	Panel Member (National Grid Electricity Transmission)
Jenny Booth (via teleconference)	JB	Ofgem Representative
Garth Graham	GG	Panel Member (Users' Member)
Barbara Vest	BVe	Panel Member (Users' Member)
Bob Brown	BB	Panel Member (Users' Member)
Paul Jones	PJ	Panel Member (Users' Member)
Fiona Navesey	FN	Panel Member (Users' Member)
Richard Hall	RH	National Consumer Council

Apologies

Bali Virk	BV	Secretary
Simon Lord	SL	Panel Member (Users' Member)
Paul Mott	PM	Panel Member (Users' Member)

In Attendance

Alex Thomason	AT	National Grid Electricity Transmission
Nick Morris (part meeting)	NM	National Grid Electricity Transmission
Kathryn Coffin	KC	ELEXON

All presentations given at this CUSC Amendments Panel meeting can be found in the CUSC Panel area on the National Grid website: <http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/Panel/>

1 Introductions/Apologies for Absence

2286. Apologies were received from Bali Virk, Simon Lord and Paul Mott.
2287. PJ confirmed that he would act on behalf of Simon Lord and BVe confirmed that she would act on behalf of Paul Mott.
2288. The Chair welcomed Richard Hall and Neil Rowley to their first CUSC Amendments Panel meeting.

2 Minutes of the Meeting held on 27 November 2009

2289. The draft minutes of the CUSC Amendments Panel meeting held on 27 November 2009, incorporating comments from GG and KC, were AGREED and will be published on the National Grid website shortly.

Action: NR to publish on the National Grid website

3 Review of Actions

2290. **Minute 2246: Major Policy Reviews and Self Governance – Ofgem to update the Amendment Panel with any changes to the MPR flow diagram**

Ofgem are yet to release their Code Governance Review Final Proposals which contains the MPR process. However, JB confirmed that there are no significant changes to the flow diagram provided to the Panel.

Action: JB to update the Amendments Panel with any changes to the MPR flow diagram - Ongoing

2291. **Minute 2252: JD to present the Code Governance Review Final Proposals at the January CUSC Amendment Panel meeting**

As the Code Governance Review Final Proposals have not been released, Ofgem were unable to present their proposals to the Panel. JB confirmed that the final proposals would not be consulted on but industry would have the opportunity to respond to the proposed Licence changes. In response to a question by BVe, JB confirmed that Ofgem had considered and responded to industry views within the final proposals. It was agreed that the Panel would not be responding to the Licence consultation. BVe also expressed her disappointment that there would not be an opportunity to comment on the final proposals.

Action: JD to present the Code Governance Review Final Proposals at the February CUSC Amendments Panel meeting - Ongoing

Action: BV to add Amendments Panel response to the Code Governance Review Final Proposal as an agenda item to the February meeting - Closed

2292. **Minute 2257: AT and KC to produce a note to circulate to the Trade Associations for comment by 9 December 2009.** This has been done. AT and KC advised that the 2010 dates for the new Cross-Codes Electricity Forum are now confirmed. The first session will be held on 19 March 2010. An Agenda and dates of further sessions can be found on ELEXON's website here;

http://www.elexon.co.uk/bscpanelandcommittees/panelcommittees/crosscodesforum/meetings.aspx?year=2010&meeting_type_id=19 – **Action Complete**

2293. **Minute 2238: BV to publish 2010 meeting dates for CUSC Amendments Panel on National Grid website – Action Complete**

2294. **Minute 2262: AT to remove AP001 to AP005 from the CUSC Amendment Panel Status Report – Action Complete**

2295. **Minute 2263: AT to change the KPIs from 5 days to 1 day for the CUSC Headline Report and Final minutes being issued – Action Complete**

2296. **Minute 2266: NGET to review the Key Performance Indicators in light of the Panel discussions and present revised set of KPIs at the next Panel – Action covered under Agenda item 9 – Complete**

- 2297. **Minute 2270: BV to update National Grid website with updated Governance Standing Group Terms of Reference – Action Complete**
- 2298. **Minute 2276: NGET to update CAPs 175, 176, 177, 178 Amendment reports with the voting and circulate to the Amendment Panel and final submission to the Authority – Action Complete**
- 2299. **Minute 2281: DS to arrange European National Transmission System Operator Electricity (ENTSO-E) presentation – Action Complete**

4 New Amendment Proposals

2300. CAP179 – Prevention of ‘Timing Out’ of Authority decisions on Amendment Proposals

AT presented the CAP179 Proposal to the Amendments Panel and recommended that the Proposal be taken to Working Group. GG commented that part of the rationale why National Grid believes the Proposal will better meet applicable CUSC objective (a) was wrong. Specifically GG suggested that standard condition C10, paragraph 6 part (c) was about changes to timings for implementation and not decision making. AT responded that the Proposal was still valid on the grounds that removing the ability for Authority decisions to time out increased the efficiency of the CUSC amendment processes.

- 2301. BVe questioned the need for this Amendment as there had been no timing out issues under the CUSC to date. AT acknowledged this point, but considered that it could be beneficial to have a formal process in place. GG commented that in law, decisions must be made within a reasonable time and, therefore, if a decision was not taken in a reasonable time it would ‘time out’. GG also noted that CAP179 was based on the alternative rather than the original proposal under P250 in the BSC. KC commented that the issue identified by P250 and CAP179 is that Implementation Dates should not in themselves cause timing out, and that using ‘open-end’ dates would not remove any wider obligations on the Authority to make a decision within a reasonable period of time. JB noted that under the Uniform Network Code arrangements, proposed implementation dates are sent to the Authority with information on related costs and implications to allow an appropriate decision to be made on implementation by the Authority.
- 2302. GG commented that paragraph 83 of the Judgment resulting from the Judicial Review for BSC Modification Proposals P198, 200, 203 and 204 noted that if updated analysis was required, as a result of an extension to the decision date, then it would become a materially different modification and would consequently require the Panel to reassess and revote on the Proposal. RH queried whether, in such a case of additional analysis occurring, this would result in a new report or an addendum to the report. AT responded that CAP179 does not include a requirement for new analysis to be undertaken, simply that the issue of validity of completed analysis could be highlighted during any consultation process on revised implementation dates.
- 2303. FN questioned how it was efficient to not have a deadline for an Authority decision, and further stated that many of the benefits outlined, such as avoidance of wasted costs, could also be taken as disbenefits in certain

circumstances. BVe stated that she was not convinced that a defect existed, but it was acknowledged that the Working Group should identify this. GG stated that he assumed that implementation of CAP179 would, if approved, be effective from a certain date and that it would not apply to any transitional Proposal(s) already in progress at that date (as per the CAP160 implementation approach). It was agreed that the Working Group should consider this issue. GG requested that the CAP179 Working Group should be furnished with copies of relevant documentation, for example the BSC Modification P93 Authority decision letter and the full Judgement for the Judicial Review on P198, 200, 203 and 204. AK responded that the Working Group should have access to a complete set of supporting information to reflect arguments both for and against the proposal.

2304. RH asked whether concerns over analysis could be raised outwith timing out issues. AT confirmed that the third element of the Proposal sought to address this issue. The Amendments Panel agreed that CAP179 should proceed to Working Group with a view to reporting to the April 2010 Amendments Panel meeting. It was agreed that it would be preferable that neither National Grid, as Proposer of CAP179, nor the Chair of the Governance Standing Group be Chair of the CAP179 Working Group, in order to allow their full participation within the Working Group process. BVe offered to chair the CAP179 Working Group although would be unavailable for some of February 2010. BB requested that National Grid provide secretarial support to CAP179, particularly with writing the Working Group report.

Action - National Grid to develop Terms of Reference, by correspondence, and organise the Working Group including an appropriate Chairman

5 European National Transmission System Operator Electricity (ENTSO-E) Presentation

2305. NM presented on ENTSO-E, including detailing who they are, the impact on the codes and the legal basis of their work. There was debate around the potential impact of the new European-wide codes on the GB codes, such as the CUSC. AK and NM confirmed that the GB codes would need to be compliant with the European codes in the future. GG questioned what the plan was for industry engagement in this area. NM stated that National Grid will engage industry, but as the new code development is still at an early stage there are too many uncertainties to be able to detail how this will occur. GG raised the point that there is a need to be mindful of smaller players. PJ agreed and stated that the larger players will likely be aware of developments as they have wider European businesses who are more directly engaged with these issues.

2306. PJ thanked NM for a really useful presentation.

Action – National Grid to provide a link to the ENTSO-E website within the minutes: <http://www.entsoe.eu/>

6 Working Groups / Standing Group Reports

2307. **Governance Standing Group (GSG)**

GG gave an update on the January meeting of the GSG, which discussed a number of topics. The GSG received confirmation of dates for the proposed electricity cross-code forum, which will commence on Friday, 19th March 2010, with subsequent meetings on 14th May, 16th July, 17th September and 19th November 2010. The GSG also discussed a comprehensive paper on abstentions in Working Group and Panel voting, produced by Merel Van der Neut Kolfshoten from Centrica. In debating the role of a Working Group chair, the GSG agreed that the Chair should not have a vote. The GSG reviewed an updated outline of a proposed Amendment covering a number of areas of the amendments process, to be raised by National Grid on behalf of the GSG.

Finally, GG noted that the issue of Ofgem representation at the GSG had been raised and encouraged Ofgem to attend future meetings.

2308. **Gas Insulated Switchgear (GIS) Working Group**

DS informed the Panel that the next GIS Working Group was scheduled for 1st February 2010. The proposal under discussion is to offer user choice on the ownership of generator bays at GIS substations. The Working Group is due to submit its final report back to the February Amendments Panel meeting.

Post-meeting note: the Working Group meeting was cancelled and will be rescheduled for early March 2010 with a subsequent delay to submission of the final report to the Amendments Panel.

2309. **Balancing Services Standing Group (BSSG)**

DS informed the Amendments Panel that a revised draft of the Terms of Reference for the BSSG had been issued. This draft widens the scope of the group by including, among other things, frequency response and the information provision of commercial services, specifically constraints. The terms of reference are to be finalised at the next BSSG meeting.

2310. **Interconnector Frequency Response Working Group (IFRWG)**

DS informed the Amendments Panel that the IFRWG had discussed the mandatory provision of frequency response initially under 2 separate models, an owner model and a user model. This will be further progressed at the next meeting, scheduled for 3 February 2010.

7 **CUSC Amendments Panel Vote**

None

8 **Authority Decisions**

The Amendments Panel noted that the Authority had APPROVED the following CUSC Amendment Proposals:

2311. **CAP169 – Provision of Reactive Power from Power Park Modules, Large Power Stations and Embedded Power Stations**

This Proposal amends various sections of the CUSC to accommodate the provision of Reactive Power from Power Park Modules, and introduces an appropriate Reactive Power MSA obligation for all Large Power Stations.

Implementation date: 21 March 2010

2312. PJ noted that the Authority's decision letter on CAP169 contained a criticism of the Panel and questioned what the Panel could have done and what could be done in the future where an Amendment Proposal receives a low rate of

responses. JB stated that there have been occurrences of low industry engagement in the past and that there was scope for Ofgem to help in eliciting responses, possibly by sharing its contact list. However, JB acknowledged that this may only be of merit in certain circumstances. BB commented that the outcome of CAP169 illustrated the importance of Ofgem engagement in the amendment process, noting that by the time the Authority issues a decision letter, it is too late to change anything. JB acknowledged that Ofgem engagement in the amendments process from the outset is important. BVe commented that it would have been appreciated if Ofgem had acknowledged the difficulties related to industry engagement experienced by the CAP169 Working Group in their letter.

2313. GG wondered how, if the Authority felt there was insufficient information in the CAP169 Final Amendment Report with respect to WGAA1 and 2, they could make a decision to implement WGAA3. JB commented that perhaps the wording of the decision letter could have been different. AT noted that the decision letter requests that National Grid give further "urgent" consideration to the issue of reactive power provision. AT commented that while a wider review of reactive power provision is included under the revised BSSG Terms of Reference, it is not currently National Grid's intention to carry this out within the next few months or in a timescale that could be considered "urgent". AT requested that Ofgem inform National Grid if the proposed timescales do not meet the Authority's request for urgent consideration. JB responded that her interpretation was that the review was not required "urgently" but that she would check.

Action: Ofgem to confirm what timescales it envisages for the reactive power review referenced in the CAP169 decision letter

2314. **CAP175 – Urgent Amendment Proposals**

This proposal alters the CUSC Urgent Amendment Proposal process by providing enhanced understanding, clarity and process specification through which a recommendation for urgency would be progressed.

Implementation date: 2 February 2010.

2315. **CAP176 – Correction of errors contained in the CUSC provisions for post implementation reviews for Urgent Amendment proposals**

This Proposal amends the process described in the CUSC through which a review will be conducted following implementation of an Urgent Amendment Proposal. This Proposal makes it explicit how such a review will take place and tidy ups the existing CUSC provisions which currently contain some errors.

Implementation date: 2 February 2010.

2316. **CAP178: Amendment to the process for the approval of CUSC Amendments Panel meeting minutes when a CUSC Amendments Panel meeting has been cancelled**

This proposal looks to amend the governance process for the approval of CUSC Amendments Panel meeting minutes if a CUSC Amendments Panel meeting has been cancelled, which then causes a delay in the publication of the CUSC Amendments Panel meeting minutes.

Implementation date: 22 January 2010.

The Amendments Panel noted that the Authority had REJECTED the following CUSC Amendment Proposals:

2317. CAP177 – Removal of CUSC Amendments Panel’s ability to raise Amendment Proposals

The Proposal sought to remove the ability for the CUSC Amendments Panel to raise Amendment Proposals, as currently provided for in certain circumstances laid out in the CUSC. The Authority rejected the Proposal on the grounds that it would remove useful flexibility from the process and that the Panel would not be seen to be pre-judging its own Panel recommendation by raising an Amendment Proposal.

The Authority decision letters for CAP169, CAP175, CAP176, CAP178 and CAP177 can be found at:

<http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/amendments/curentamendmentproposals/>

9 CUSC Key Performance Indicators – December 2009

2318. AT presented the CUSC key performance indicators for December. AT informed the Panel that key performance indicators were likely to be included within Ofgem’s governance review and that this could have a knock on effect on the CUSC KPIs. GG suggested that it would be useful to include the number of working days from submission of a Final Amendment Report to decision by the Authority.

Action – National Grid to include the decision time within the KPIs

2319. BB questioned whether the Panel should discuss how to increase the consultation response rate. AK responded that the CUSC Amendments Panel is always mindful of the needs in this area. RH added that the new Cross-Code forum could possibly be a route to further engage industry, some thought would be required as to how this should feed back into the Proposal process.

10 Update on industry Codes/General Industry Updates relevant to the CUSC

2320. CAP170 update

DS informed the Amendments Panel that Ofgem are going to conduct another Impact Assessment on CAP170, the focus of which will be competition. GG referred to Ofgem's CAP170 letter, dated 26th January 2010, noting that the letter referred to further analysis performed by National Grid that had not been published. DS responded that this is confidential information and therefore National Grid cannot publish it, but that Ofgem could. BVe asked whether Ofgem are going to publish this analysis. JB responded that she will find out the answer and get back to the Panel. GG also queried other aspects of the analysis contained within the letter. JB took an action to confirm the analysis.

Action – JB to confirm whether the additional analysis contained with the Ofgem CAP170 letter will be published and respond to the queries raised by GG

2321. **SO Incentives**

DS noted that National Grid published its SO Incentives consultation report a few weeks previously. The main points to highlight were that the report featured a one year bundled scheme, with reduced numbers for both energy and constraints. The adjustors for the constraints figures included the level of wind connected, price and the flows on the England- France interconnector.

2322. **BSC Update**

KC updated the Amendments Panel on the recent BSC developments. A working group report is being prepared for the February 2010 BSC Panel on P229 – Introduction to a seasonal Zonal Transmission Losses scheme, with a majority view to reject the proposal. Ofgem has approved P246 – Reporting to LDSOs of Aggregated Metering Data for Embedded Networks which relates to implementation of the Common Distribution Charging Methodology from 1 April 2010. All the recent offshore Modifications have been determined by the Authority, all approved except P242 - Treatment of Exemptable Generation Connected to Embedded Transmission Networks. KC also mentioned that the Issue 38 group (which looks at the implications of a GSP Group becoming a net exporter) had completed its work and that there would likely be a number of Modifications raised as a result.

2323. **Other updates**

HR noted that DECC would shortly be consulting on the Transmission Access arrangements. GG mentioned that the Pandemic Group continues to monitor the Swine flu situation, although the level of flu in GB (and globally) has undergone a dramatic decline recently.

11 **A.O.B**

2324. BVe asked what was happening on the review of transmission charging arrangements for distributed generation. HR stated that National Grid had published its initial thoughts pre consultation document (GB ECM-23) on its website. GG queried whether this issue will be progressed under both the CUSC and Charging governance. HR confirmed this would likely be the case.

2325. GG suggested that the industry may be interested in the performance of wind generation over the recent cold spell experienced. GG requested that National Grid publish some data to this effect. DS responded that National Grid already has plans to look at how wind generation fared over the cold spell and confirmed that the next Operational Forum on 24 February 2010 would provide this information to industry.

Action: National Grid to provide data on wind generation over recent cold spell

12 **Date of Next Meeting**

2326. The next meeting is scheduled for 26 February 2010, at National Grid House, Warwick Technology Park, Gallows Hill, Warwick, CV34 6DA.