

## CUSC Modifications Panel

### Actions Arising from Meeting No. 121 Held on 25 March 2011

#### Present

Alison Kay	AK	Panel Chair
Steve Lam	SLa	Panel Secretary
David Smith	DS	Panel Member (National Grid Electricity Transmission)
Patrick Hynes	PH	Panel Member (National Grid Electricity Transmission)
Simon Lord	SL	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)
Garth Graham	GG	Panel Member (Users' Member)
Barbara Vest	BVe	Panel Member (Users' Member) – via teleconference
Richard Hall	RH	National Consumer Council - via teleconference
Paul Mott	PM	Panel Member (Users' Member)

#### In Attendance

Abid Sheikh	AS	Ofgem representative – via teleconference
Alex Thomason	AT	National Grid
Andy Wainwright	AW	National Grid
Emma Clark	EC	National Grid

#### Apologies

Kathryn Coffin	KC	Elexon
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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

2680. Apologies were received from Kathryn Coffin.

#### 2 Minutes of the meeting held on 25<sup>th</sup> February 2011

2681. The draft Panel minutes were approved by the Panel, subject to minor changes.

#### 3 Review of Actions

2682. **Minute 2643: SLa to circulate battery system design document to Panel - Complete.**

2683. **Minute 2651: NGET to circulate Q&As from the BSUoS Seminar.** DS gave an update that the Q&As had been circulated to the Panel members, however they did not contain the BSUoS forecasts as the data is constantly changing and therefore would be inaccurate if they were published. PJ asked whether the SO incentive scheme would be in place by April 2011. DS replied that it was unlikely as a statutory consultation was required which would extend beyond April. However, once the consultation had completed, the scheme could be retrospective. PJ replied that it would be helpful for parties to know as soon as possible what the scheme was likely to look like, even if formal agreement from Ofgem would follow later.
2684. **Minute 2655: NGET to check if Grid Code is copyrighted.** SLa gave an update that the view from the National Grid legal team was that the Grid Code was copyrighted and owned by National Grid which prevents others from reproducing the code in material form. However, it would be up to the owner of the copyright (National Grid) to take steps if they believed it was being breached, which was not the case with respect to the Pilot Network Connection Code produced by ENTSO-E.
2685. **Minute 2658: NGET to invite DECC to the CMP191 Workgroup – Complete.**
2686. **Minute 2658: Panel members to comment on CMP191 Workgroup Terms of Reference by 4<sup>th</sup> March 2011 – Complete.**
2687. **Minute 2662: NGET to revise CMP192 Terms of Reference and extend timetable – Complete.**
2688. **Minute 2662: Panel members to send comments on CMP192 Terms of Reference by 2<sup>nd</sup> March 2011 – Complete.**
2689. **Minute 2668: NGET to explore whether a CMP should be raised to remove other recommendations from CUSC Modification Reports.** A new CUSC Modification Proposal was raised as CMP196 to address this and has been captured in agenda item 4.
2690. **Minute 2676: Panel to review revised KPIs by 14<sup>th</sup> March 2011 – Complete.**

#### **4 New CUSC Modification Proposals**

2691. **CMP193 - Housekeeping modifications to Section 14 of the Connection and Use of System Code (CUSC).** AW gave a presentation on the new proposal and recommended to the Panel that it should be considered for the Self-governance route and proceed straight to the Code Administrator Consultation. GG stated that he had a few non material comments on the legal text in relation to paragraph references etc., which could be provided to the Code Administrator. SLa stated that the Panel could either direct the proposal to a Workgroup to include GG's comments, or the Panel could agree for the proposal to go straight to consultation but incorporate GG's comments prior to publishing the consultation. The Panel agreed that the proposal should incorporate GG's minor comments and should then be sent to the Code Administrator Consultation as the changes identified by GG were non material. AT asked the Panel whether the proposal should follow either the

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Standard CUSC Modifications route or the Self-governance route. **The Panel agreed unanimously that the CMP193 proposal should follow the Self-governance route** as it did not contain any material changes and it met the Self-governance criteria. AS commented that the Panel's Self-governance statement (that a modification proposal should follow the Self-governance route) could be captured within the minutes of the relevant Panel meeting where the proposal was first discussed and there was no objection from Ofgem to CMP193 following the Self-governance route. The Self-governance criteria have been briefly summarised below whereby the modification is unlikely to have a material effect on:

- Existing or future electricity customers
- Competition
- Operation of the National Electricity Transmission System
- Sustainable development
- CUSC governance procedures
- Unlikely to discriminate between different classes of CUSC Parties

2692. **CMP194 - Housekeeping modifications to Section 11 of the Connection and Use of System Code (CUSC).** AW gave a presentation on the new proposal CMP194 and stated that it was a consequential change to CMP193. Due to the non material nature of the changes being proposed, AW recommended to the Panel that it should be considered for the Self-governance route and proceed straight to the Code Administrator Consultation. GG commented on the two different definitions of "offer" that might appear in the CUSC and queried whether the charging definition which was taken from the BSC definition should be written fully into the CUSC. PH explained that the text was never meant to be reproduced in full and hence was referenced "as defined in the BSC" as it should actively reflect the definition within the BSC, which might change over time. PJ and GG agreed that the explained approach was suitable. As with CMP193, the Panel agreed for minor housekeeping changes identified by GG to be made to the proposed legal text before issuing CMP194 to the Code Administrator Consultation.

2693. **The Panel agreed unanimously that the CMP194 proposal should follow the Self-governance route** as they believed that the nature of the changes were purely housekeeping and there would be no material effect under the Self-governance criteria (briefly summarised below). As with CMP193, AS commented that the Panel's Self-governance statement could be captured within the minutes of the relevant Panel meeting and there was no objection from Ofgem to CMP194 following the Self-governance route. The Self-governance criteria are:

- Existing or future electricity customers
- Competition
- Operation of the National Electricity Transmission System
- Sustainable development
- CUSC governance procedures
- Unlikely to discriminate between different classes of CUSC Parties

2694. **CMP195 – Code Governance Review post implementation clarifications.** SLa presented CMP195 which aimed to address the comments received, in October 2010, from Ofgem on the Code Governance Review (CGR) legal text. SLa recommended to the Panel that CMP195 should be considered for the Self-governance route due to the number of housekeeping changes, but

should also be progressed to a Workgroup as there were some comments on the legal text from GG which required addressing. SLa explained that prior to the modification being raised, the proposed legal text had been issued to the GSG and the members of the previous Code Governance Review Working Group. A period of 3 weeks was given for the text to be reviewed to which the only comments were provided from Ofgem. SLa reasoned that as most of the changes were housekeeping and to address Ofgem's previous comments sent on 12<sup>th</sup> October 2010, it should be considered for the Self-governance route.

2695. BV asked why the legal text was being reviewed after the Christmas period. SLa explained that Ofgem's comments could not be addressed in time for the 30<sup>th</sup> December 2010 implementation of the CGR related CUSC changes and therefore a letter of comfort was sent to Ofgem in November explaining that the text would be reviewed at the January GSG. AT added that 19 iterations of the legal text had been produced during the CGR process and there would be confusion over which text was the baseline if it was reviewed before implementation. PJ stated that due to the nature of the CGR related changes, it would be inevitable that things would be missed within the legal text. However PJ asked whether there was an official process for flagging up small errors within the CUSC to the Code Administrator as PJ noted that there was no guidance on the website for this. AT replied that the former housekeeping process was replaced by the new Self-governance arrangements. Any errors that have been identified would be placed on a housekeeping list by the Code Administrator to review. AT added that any comments on the CUSC should be emailed to [cusc.team@uk.ngrid.com](mailto:cusc.team@uk.ngrid.com) however; this would be made clear on the National Grid website.

**Action: NGET to provide guidance on the National Grid website on how to report small errors within the CUSC**

2696. SL referred back to CMP195 and stated that his preference was for the standard modifications route as the industry may have different views on the comments sent by Ofgem in relation to the proposed legal text. RH agreed with SL and stated that he was comfortable with the proposal being progressed through the standard route. AS stated that he appreciated that most of the CMP195 changes were non material but expressed concerns over using the Self-governance route as there were a large amount of changes being proposed which AS felt the Authority should have a view on. BV asked whether this could be achieved through the 'consent to modify' process. GG responded that this could be valid for just the housekeeping changes, however, the comments from Ofgem were more substantial and so it would not be appropriate to progress it as 'consent to modify'. AS added that an open letter was published by Ofgem recently which highlighted the importance of providing legal text early in the change process. AT reminded the Panel that a Workgroup could still be set up even if the Self-governance route was selected. RH stated that he had not seen all the proposed legal text therefore the comments from Ofgem could not be decided upon. AT replied that National Grid were still awaiting comments from a GSG member which was why the legal text was not included as it would be changing once the comments were received. AS noted that the Code Administrator needed to ensure that the legal text was robust. GG stated that the proposed legal text contained a redline version of Sections 8 and 11 and also the Code Administrator had provided a document which stated the response to all of

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Ofgem's comments on the CGR related legal text. Therefore it would be easier to review the changes made.

2697. AK moved the discussions on and asked the Panel to vote on their preference for the Self-governance route or standard route and also whether the proposal should be sent to a Workgroup or straight to the Code Administrator Consultation. The Panel were unanimous in their decision to send the proposal through the standard CUSC Modifications route and the Panel agreed for the GSG to act as the Workgroup for discussion of the CMP195 proposal. SLa ran through the proposed timetable for CMP195 to which there were no comments. SLa stated that the Terms of Reference would be issued to the Panel shortly for comment and approval.

**Action: SLa to issue draft CMP195 Terms of Reference to the Panel for approval**

2698. **CMP196 - Revisions to "recommendations" in the final CUSC Modification Report.** EC gave a presentation on CMP196 which aimed to provide a robust appeals process by removing the *Company recommendation* and *Workgroup recommendation* from the CUSC Modification Report. EC recommended to the Panel that CMP196 should be progressed through the standard modifications route and developed within a Workgroup. GG provided further background to the proposal and stated that due to the late response from DECC to the letter sent by the CAP190 Workgroup, a teleconference was held (by the CAP190 Workgroup) on 24th March to discuss the next steps which was the reason for CMP196 being submitted as a late paper to the March Panel meeting. SL asked whether the majority recommendation would be a defined term. GG replied that with CMP196 there would only be one *recommendation* in the Modification Report sent to the Authority, namely that from the Panel, which may be suggested as a defined term but it would be up to the CMP196 Workgroup to decide. SL asked whether CAP190 would still progress in light of CMP196. AT responded that this would be covered under the CAP190 agenda item. PJ asked for clarification whether it was the word "recommendation" which was crucial rather than the ability to paraphrase it. AT responded that it was the actual word "recommendation" which was referenced within the relevant Statutory Instrument. PJ asked whether changing the word "recommendation" to another word such as "view" would be sufficient to address the defect from a legal point of view. AT replied that if a Workgroup was set up, they would consult with the legal team on the appropriate words. AT noted that GG had provided a number of suggestions for replacing the Company and Workgroup "recommendation".
2699. The Panel agreed for CMP196 to be progressed to a Workgroup and AT would be the Chairman of the group. GG added that the Terms of Reference should also consider the impact CMP196 would have on current modifications that had not reached the Modification Report stage and retrospective applicability.

### 5 European Network Code Development

2700. AS gave an update that a consultation had been issued by the European Commission on the priorities for the development of the European Framework Guidelines and European Network Codes. SLa confirmed that this had been

circulated to the Panel and also to all CUSC Parties. AS added that Ofgem were exploring methods of providing greater awareness of stakeholder involvement by liaising with their in house public affairs team.

2701. DS gave an update that the exercise for the Pilot Network Connection Code had been completed and the draft was published on the ENTSO-E website. DS added that there were over 2000 comments from stakeholders across Europe to the pilot exercise which would be published soon by ENTSO-E. PJ noted that the draft was based on the framework guidelines from December 2010 rather than the recently revised version of the guidelines. FN stated that she was concerned that smaller parties would not be aware of the changes or consultations, therefore it would be helpful for someone to manage the process. BV agreed that there seemed to be a struggle to communicate the message out to the industry. RH stated that the message needs to be clear on deadlines. AS welcomed the comments and stated that Ofgem were taking steps to address these issues. AT suggested that the developments in Europe should be taken to the Cross Codes Forum. BV agreed and stated that it should be a standing agenda item.

**Action: NGET to provide European update at the Cross Codes Forum**

### 6 Workgroups/Standing Groups

2702. **CAP181 - Consequential changes related to Grid Code Amendment A/10 (Compliance).** DS provided an update that National Grid had formally withdrawn support for CAP181 as the defect was no longer applicable due to the change in the Grid Code Amendment A/10. SLA added that the industry had a further 5 Working Days after the notification of withdrawal to adopt the proposal if they wished, after which it would be officially withdrawn if no party adopted it.
2703. **CAP189 - Standard Gas Insulated Switchgear Ownership Boundaries.** AT provided an update that the Workgroup consultation was issued on the 18<sup>th</sup> March 2011 with responses due on 8<sup>th</sup> April 2011. The next Workgroup meeting is scheduled for 14<sup>th</sup> April 2011.
2704. **CAP190 - Two-Thirds Majority Voting requirement for CUSC Panel recommendations on Amendments arising from Licence obligations, Authority requests or obligations.** AT provided an update that a Workgroup meeting was held on 24<sup>th</sup> March 2011 and the Proposer wished to put CAP190 on hold for 4 months whilst CMP196 was being progressed. RH asked if an SCR was launched then would the two thirds majority voting apply to Modifications raised as a result of a direction being issued by Ofgem. GG responded that if the direction was issued after the implementation of CAP190 then two thirds majority voting would apply. AT added that CAP190 couldn't progress unless CMP196 was approved.
2705. GG raised the issue of the concept of a 'virtual SCR' whereby Ofgem could request a Modification Proposal be raised to look at certain areas and indicate that an SCR could be launched if the areas were not addressed by the industry. In this case, GG was concerned that two thirds majority voting would not apply to a Modification raised as a result of such a request from Ofgem, as an official SCR direction would not be issued. AS responded that

Ofgem could always consider whether it was appropriate to raise an SCR which would be separate to the consideration of individual modifications. AS asked whether it was appropriate to keep CAP190 on hold for 4 months. GG responded that CAP181 was put on hold for a number of months due to the Grid Code Amendment A/10 changing, therefore it would be more efficient to place CAP190 on hold as it would be related to a known event (CMP196). PJ agreed that it would be more efficient and added that the defect still existed. The Panel agreed that the CAP190 proposal should be put on hold for 4 months. There were no objections from AS on behalf of Ofgem.

2706. **CAP191 - NETSO Consultation in relation to any potential changes to the CUSC which takes place in forums other than the CUSC Modifications Panel.** BV gave an update that the first Workgroup meeting had taken place and Paul Auckland from National Grid attended to provide an update on Europe, ENTSO-E and the Network Codes which the group found useful. BV noted that the group had touched upon the potential of establishing a cross codes European Issues Standing Group which had the potential of allowing CMP191 to be withdrawn. AS added that he had submitted some questions to the Workgroup before the meeting had taken place, however there was a misunderstanding and they had not been circulated to the Workgroup prior to the meeting; therefore they were not discussed at the meeting. BV stated that the Terms of Reference required some additional updates before the next Workgroup meeting.

**Action: NGET to update Terms of Reference to CMP191 and circulate to Panel for approval**

2707. **CMP192 – Arrangements for Enduring Generation User Commitment.**
2708. PH gave an update that two Workgroup meetings had been held which were well attended. Seven out of the eight components within the proposal had been presented and the Workgroup was progressing well. PJ warned that there was always the danger of too many solutions being created and analysed which could lead to delays. SL noted that Ofgem had issued a letter on Project TransmiT, dated 22<sup>nd</sup> March 2011<sup>1</sup> which mentioned CMP192 and asked whether it was intended as criticism of the Workgroup. AS responded that they wanted to ensure the industry was working as effectively as possible and that the processes were robust. GG questioned why the letter was asking for views on the enduring arrangements as it could imply that the areas that the CMP192 Workgroup was considering would have to change depending on the nature of the responses to the letter. AS replied that the letter also stated that Ofgem urged stakeholders to engage with the industry process (i.e. the CMP192 Workgroup) to deliver a timely solution. GG asked what Ofgem would do with responses to the letter. AS replied that the responses would be shared with the Workgroup as they would prefer to see a solution from CMP192. GG noted that previous modifications did not have separate responses to both Workgroup and to Ofgem. AK replied that Ofgem would be expected to provide feedback to the Workgroup if a respondent provided a valid point.

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2709. PH provided the view that both Ofgem and the industry had been very constructive in the CMP192 process. SL provided some feedback that it was important for the Chair of CMP192 to ensure that there was equal representation from the Workgroup as quieter members may not have the opportunity to have their views heard.
2710. **Governance Standing Group.** GG provided an update that the GSG met the day before the Panel and discussed the following topics:
- Proposer ownership - when can a proposer vary their modification
  - Validity and rejection of modifications
  - Role of Standing Groups
  - Independent Panel chair
  - Urgency criteria consultation letter from Ofgem
2711. AS stated that Ofgem would be looking to apply the criteria set out in the letter whenever a modification was proposed as urgent. GG advised the Panel that the GSG would be responding to the consultation on the urgency criteria in due course.
2712. **Frequency Response Working Group.** DS updated the Panel that a meeting was held on the 4<sup>th</sup> March 2011 and a technical sub group had been set up to discuss the future requirements for Frequency Response to maintain the Transmission System.
2713. **BSSG/CBSG.** DS stated that the Groups had not convened since the last Panel update and the next meeting would be in May 2011.

### 7 CUSC Modifications Panel Vote

2714. None

### 8 Authority Decisions as at 17<sup>th</sup> March 2011

2715. None

### 9 CUSC Key Performance Indicators – February 2011

2716. AT presented the March 2011 KPIs which reported on February 2011. There were no comments from the Panel.

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

2717. PH provided an update on the Transmission Charging Methodology Forum and stated that the main agenda item was the presentation of a tool which modelled how parties shared the Transmission System.

### 11 AOB

2718. **ODIS** - DS stated that the Offshore Development Information Statement (ODIS) presentation pack had been released and the industry had been made aware.



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2719. **Flywheel technology** – GG noted he had raised back in 2009 the issue of a two year piece of work National Grid was undertaking on flywheel technology and asked whether National Grid had an update on the potential use of flywheel technology to provide frequency regulation, in conjunction with a company named Beacon Power. EC replied that the original two year agreement between National Grid and Beacon Power had been extended until the end of the year.

### **12 Next Meeting**

2720. The next meeting is scheduled for 6<sup>th</sup> May 2011 at National Grid House, Warwick Technology Park, Gallows Hill, Warwick, CV34 6DA.