

Minutes

Meeting name	CUSC Modifications Panel
Meeting number	126
Date of meeting	26 August 2011
Location	National Grid House, Warwick

Attendees

Name	Initials	Position
Mark Ripley	MR	Panel Chair
Emma Clark	EC	Panel Secretary
Alex Thomason	AT	National Grid
Steve Lam	SLa	National Grid
Patrick Hynes	PH	National Grid Panel Member
Abid Sheikh	AS	Authority Representative
Bob Brown	BB	Users' Panel Member
Garth Graham	GG	Users' Panel Member
Fiona Navesey	FN	Users' Panel Member
Paul Mott	PM	Users' Panel Member
Paul Jones	PJ	Users' Panel Member

Apologies

Name	Initials	Position
Richard Hall	RH	National Consumer Council Representative
David Smith	DS	National Grid Panel Member
Kathryn Coffin	KC	ELEXON
Barbara Vest	BV	Users' Panel Member
Simon Lord	SL	Users' Panel Member

All presentations given at this CUSC Modifications 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

2869. Apologies were received from RH, DS, KC, BV and SL. GG advised that he would be acting on behalf of SL, and PJ advised that he would be acting on behalf of BV.

2870. AS asked for an update on the attendance situation with Consumer Focus, particularly with regard to the next two Panel meetings and the voting that is due to take place. AT explained that RH had previously advised that Consumer Focus would be unable to field any resources for the foreseeable future due to the changes taking place within the organisation. AT advised that she would follow up on the situation with RH. PJ suggested that someone with the relevant expertise could be hired on a consultancy basis to take the place of the Consumer Focus representative and GG noted that Ofgem could take the option to appoint a Panel Member as provided for in the CUSC. AT responded that a conversation had already taken place with Ofgem to advise them of the situation with the Consumer Focus representative. MR added that clarification should be sought as to the situation with Consumer Focus and further action could then be taken depending on the response.

Action: AT to speak to Consumer Focus regarding representation at the Panel.

2 Approval of Minutes from the last meeting

2871. The draft Panel minutes were approved by the Panel subject to minor changes made in relation to comments received from GG.

3 Review of Actions

2872. **Minute 2846: NGET to plan out CAP190 timescales for withdrawal / no-withdrawal.** Complete.

2873. **Minute 2856: AT to check whether the JESG invitation had been sent to the Grid Code lists.** Complete

2874. **Minute 2864: NGET to capture the estimated costs of progressing CMP196 and CAP189 in the modification reports.** Complete

4 New CUSC Modification Proposals

CMP199 – Reactive Despatch Network Restrictions

2875. Sla presented CMP199 to the Panel and explained that it was a consequential change from the Grid Code Modification E/11 which introduces a new definition of a “Reactive Despatch to zero MVAR Network Restriction” to allow National Grid to despatch such restricted generators providing they can provide zero MVAR. BB queried when a decision would be made on the Grid Code change and how this would impact on CMP199. Sla advised that if the Grid Code modification was rejected then CMP199 would not be required. GG added that both modifications would be aligned anyway due to the fact that CMP199 would not be put to the Panel Recommendation vote until October 2011 according to the timetable, by which time an Authority decision should have been received on the Grid Code change.

2876. GG highlighted the requirement to consider whether CMP199 is exempt from the Significant Code Review on Electricity Transmission Charging issues under Project TransmiT. GG asked AS for his opinion and AS responded that he does not yet have

a view on this but would check with colleagues. The Panel agreed with the view in the CMP199 proposal form that CMP199 is exempt from the current SCR. MR requested that once AS had made the necessary checks, he informs the Panel if the Authority had a different view to the Panel.

2877. Sla advised the Panel that he did not believe that CMP199 meets the criteria for Self-governance. The Panel agreed with this view. AS highlighted that at the BSC Panel recently the Authority had requested that the Panel put in writing their reasons for why a modification should follow the Self-governance criteria. AS noted that it was satisfactory for now for this decision to be recorded in the CUSC Panel minutes but that it may be a requirement in the future for a more formal notification. AT noted that during the Code Governance Review discussions it was agreed that Ofgem would accept a statement in the minutes and requested that AS informs the Panel if this view has changed.

Action: AS to provide update on whether a formal Self-governance statement is required.

5 Workgroup / Standing Groups

2878. **CAP190 - Two-Thirds Majority Voting requirement for CUSC Panel recommendations on Amendments arising from Licence obligations, Authority requests or obligations.** AT presented the Workgroup Report for CAP190. AT ran through the background of CAP190 and explained that following the decision at the last Panel meeting not to extend the timetable for the CAP190 Workgroup, the Proposer of CAP190 had decided against withdrawing the Modification Proposal. Therefore the Workgroup report had been compiled with a view to proceeding to Code Administrator Consultation. MR asked AS if he had any objection to this and AS responded that this was acceptable. BB agreed that this was a sensible way forward for CAP190. GG suggested that the Code Administrator Consultation requested views on the implementation approach as this had not been discussed in the CAP190 Workgroup and also that the QC Advice is included as an Annex in the report rather than a link to the website.

2879. The Panel accepted the Workgroup Report and agreed that CAP190 is progressed to the Code Administrator Consultation for three weeks.

Action: Update CAP190 Workgroup Report and publish Code Administrator Consultation

2880. **CMP191 - NETSO Consultation in relation to any potential changes to the CUSC which takes place in forums other than the CUSC Modifications Panel.** AT provided an update to the Panel on the progress of CMP191 and advised that the Code Administrator Consultation had closed on the 23rd August 2011 and that four responses had been received. AS asked if the responses could be circulated.

Action: AT to circulate CMP191 responses.

2881. **CMP192 – Enduring User Commitment.** PH provided an update to the Panel and advised that 23 responses and 9 Workgroup Alternative CUSC Modification requests had been received to the Workgroup Consultation. PH advised that due to this high volume, the post-consultation two day meeting had not been sufficient time to discuss the responses in detail and agree the Alternatives, therefore PH proposed that two extra Workgroup meetings are held on 1st and 2nd September in order to finalise the Alternatives and vote. PH acknowledged that this resulted in a two week delay to the timetable and subsequently the special Panel meeting planned for 16th September

would not be required but that a special Panel meeting could be held on 11th November in order for the final CMP192 CUSC Modification Report to be sent to the Authority on 22nd November. PJ added his support to this approach and noted that it was a complex modification which involved a high level of work. AS also commented that he was happy with the timetable and was appreciative of the work and commitment involved in CMP192.

2882. CMP195 Code Governance Review Post Implementation Clarifications. AT provided an update to the Panel noting that the CMP195 Code Administrator Consultation had closed on 23rd August and three responses had been received. AS requested that the responses are circulated.

Action: AT to circulate CMP195 responses.

2883. CMP197 – Amendment to Qualifying Guarantor. PJ presented the Workgroup Report to the Panel. GG advised that there were some minor typos in the report and that he would provide these comments to AT. The Panel accepted the Workgroup Report and agreed that CMP197 should progress to the Code Administrator Consultation. AT, on behalf of the Code Administrator, thanked PJ for chairing the Workgroup.

2884. CMP198 - Proposer Ownership of CUSC Modification Proposals. AT provided an update to the Panel and explained that the CMP198 Workgroup Consultation had received four responses and that at the post-consultation meeting the Workgroup had voted by majority that CMP198 better met the Applicable CUSC Objectives and should be implemented. The Panel advised that they were happy with the progress of CMP198. AS asked when the legal drafting would be circulated and EC advised that it is currently being drafted and would be circulated that afternoon.

2885. Frequency Response Working Group. AT provided an update that the next meeting would take place on 12th September 2011.

2886. Governance Standing Group. GG provided an update that the GSG had not convened recently as it was used to host the CMP195 and CMP198 Workgroups. GG advised that the GSG will reconvene in September. BB asked if there will be a need to approve the Terms of Reference in terms of the issue of expenses that had been raised previously. GG advised that this would be discussed at the GSG in September.

Action: AT to amend the GSG Terms of Reference

2887. Joint European Standing Group. AT gave an update to the Panel and advised that the first meeting had been held on 10th August. GG commented that he found it to be an informative meeting and FN agreed with this view. AT advised the Panel that there was an issue with finding a venue for the next meeting which was scheduled for 21st September. GG asked AS if Ofgem had an available room at the London office and AS advised that he would check. AT noted that the date may have to change if a suitable venue cannot be found.

Action: Sla to look into finding a venue or changing the date of the next JESG meeting.

6 CAP189 Send Back Letter

2888. AT presented to the Panel and provided an update on the latest developments with CAP189. AT advised the Panel that CAP189 had been 'Sent Back' by Ofgem on 18th

August in order to allow changes to be made to the legal text following the identification of a defect in the legal text. AT proposed that the Code Administrator makes the necessary changes to the legal text and that this and the associated emails are circulated to the ex – Workgroup members to ensure the defect in the legal text has been addressed. Once the ex-Workgroup members had agreed on the resolution a second Code Administrator Consultation would be issued. AT noted that not all the ex-Workgroup members from CAP189 were still available to be able to comment, due to the time that had elapsed since CAP189 was raised. AT added that it may be useful to invite views from DNOs to ensure that the text was acceptable. The Panel agreed to the proposed process and timescales.

7 European Code Development

2889.AS referred the Panel to a link that had been circulated on the setting up of an informal expert group on Electricity Balancing that will be supporting the work of the Agency for the Cooperation of Energy Regulation (ACER) on the relevant framework guidelines. AS advised the Panel that the first meeting was due to be held on Monday 29th August 2011.

8 CUSC Modifications Panel Vote

2890.None.

9 Authority Decisions as at 18 August 2011

2891.None

10 Key Performance Indicators – July 2011

2892.AT presented the KPIs to the Panel. GG provided some minor corrections and AT advised that the KPIs would be revised and re-published.

11 Update on Industry Codes / General Industry updates relevant to the CUSC

2893.There were no updates provided.

12 AOB

2894.AT updated the group on the status of the Independent Panel Chairman Appointment process and advised that discussions regarding the salary were ongoing. BB asked what would happen if a suitable candidate could not be found for the salary that was being offered. AT responded that there would need to be a re-think on the process but that Ofgem still considers that there is value in having an independent chair and efforts would be made to pursue this commitment. GG advised the Panel on where the logic on the proposed salary had come from, and advised that it is based on attendance. GG added that consideration needs to be given with regard to whether the attendance fee is still paid if the Panel is cancelled at short notice.

13 Next Meeting

2895.GG noted that the next meeting had been scheduled for 16th September in order to hold a special meeting to present the CMP192 Workgroup Report to the Panel, but that this was no longer required following the developments with CMP192. The next meeting was therefore confirmed as 30th September as previously scheduled.