

# CUSC Modification Panel Election Guide 2023

**If you have 5 minutes:** read the “What do I need to know” section.

**If you have 15 minutes and would like more detail:** read the whole document.

## What do I need to know?

### How often does this election process take place?

Every 2 years, CUSC Users will appoint the CUSC Modification Panel Users’ Panel Members (and Alternate Members) by election in accordance with CUSC Section 8A. National Grid ESO, as Code Administrator for the CUSC, operates this election process.

### How many seats are available for election?

The following seats are available for election:

Panel Member Seats	Alternate Member Seats
7	5

For the avoidance of doubt, this election does not apply to the other seats on the CUSC Modification Panel.

### Who is eligible to nominate/vote?

Current CUSC Schedule 1 Users as on **20th June 2023**, are entitled to nominate User’s Panel Members and vote in the 2023 CUSC Panel and Alternate Election.

### How do I nominate somebody to become a Panel Member?

Each CUSC Schedule 1 User may nominate one candidate for election by giving notice to us. The nomination process opened on **30th June 2023**.

### How does the voting process work?

In accordance with CUSC Section 8A.3, Users' are now allocated to Voting Groups and Voting Sub-Groups.

**Voting Groups** - A User and any affiliates of that User who are eligible to vote, i.e. a parent company along with all its subsidiaries will form one Voting Group.

**Voting Sub-Groups** - Each Voting Group can then submit one voting paper in respect of each of the following Voting Sub-Groups. As long as, they include a User which falls within the relevant Voting Sub-Group, which are:

- the Generation Voting Sub-Group;
- the Supply Voting Sub-Group;
- the Demand Voting Sub-Group; and
- the Interconnector Voting Sub-Group

Voting will only commence if more nominations are received than seats available in the respective categories.

Each Voting Sub-Group can select up to three preferred candidates from the list on their voting paper and rank them in order of preference (i.e. first, second and third choice). The same candidate may not receive more than one Preference Vote in a single voting paper.

There will then be up to three rounds of counting of preference votes, until all the CUSC Panel Members and Alternate Members are elected. This is explained in more detail further within this document.

What are the key milestones in the process?

Date	Milestone
<b>Friday 30th June 2023</b>	Invitations sent out to CUSC Schedule 1 Users to nominate candidates to stand for election.
<b>Friday 28th July 2023</b>	Nomination Forms to be returned no later than 5.00pm.
<b>Friday 4th August 2023</b>	List of candidates and voting papers to be circulated, or we will announce the outcome of the Elections.
<b>Friday 1st September 2023</b>	Voting papers to be returned no later than 5.00pm.
<b>By Friday 15th September 2023</b>	Election results will be announced.
<b>1st October 2023 – 30th September 2025</b>	Newly elected Panel Members and Panel Alternate Members will take up office.

Do I need to do anything?

We have opened nominations for the electable seats, each CUSC Schedule 1 User may nominate one candidate for election by giving notice to us by completing the linked [nomination form](#) and email it to us **by 5.00pm on 28th July 2023**. Please ensure that all sections are completed by the relevant Party.

Once all nominations have been received, we will be in contact again on voting. Further information is outlined within this document.

**Any Questions? Please contact [cusc.team@nationalgrideso.com](mailto:cusc.team@nationalgrideso.com)**

## Background and purpose of this guidance

Elections for CUSC Modifications Panel and Alternate Members for the period 01 October 2023 – 30 September 2025 commences on **30th June 2023**.

The general arrangements to be followed for an election are set out in the [Governance Rules, section 8, Annex 8A](#) of the CUSC. The Code Administrator operates each election. The Purpose of this guidance is to:

- **Provide a summary of the CUSC Panel election arrangements for 2023. In order to help CUSC Users to participate actively and effectively in the forthcoming elections; and**
- **Clarify the approach that will be adopted for the election, including voting arrangements.**

For the purposes of the election, CUSC Users are defined as those persons who are a Party to the CUSC Framework Agreement (apart from National Grid ESO) on 20 June 2023.

## The Role of Panel Members

The role of a Panel Member is to act as an independent industry expert on the Panel, which sets the strategic direction of the future changes across the CUSC. CUSC Modification Panel Members and Alternate Members must act impartially and not as a representative or in the interest of a Company or person they are employed by. To support this, Section 8.3.4 CUSC introduces a requirement that CUSC Panel Members declare in writing any shares they hold in any CUSC Party or CUSC Parties at a total aggregate value of over £10,000 to the Code Administrator for publication.

At Panel meetings, Panel Members will be asked to provide views on proposed and active modifications. In addition, at various points, Panel Members are asked to vote and provide a supporting statement to their vote on modifications. Votes for modifications following the Standard Governance route are provided to the Authority to aid its decision making. In addition, where modifications follow the Fast Track and/or the Self Governance route, Panel Members will vote as the decision maker of the modification.

## Composition of the CUSC Modifications Panel

The CUSC Modification Panel is composed of:

- An independent Panel Chair who is a non-voting member;
- Up to seven (7) persons and up to five (5) Alternate Panel Members appointed by Users<sup>1</sup>;
- Up to Two (2) persons appointed by The Company;
- One person appointed as a Consumer Representative e.g. by Citizen's Advice;
- An Authority Representative; and
- A person appointed by the Authority whose interests are not otherwise reflected in the composition of the Panel i.e. the current BSC representative on the Panel.

Further information about the CUSC Modifications Panel and its current composition can be found [here](#) on the National Grid Electricity System Operator website.

**The following seats are available to be elected during this election:**

Panel Member Seats	Alternate Member Seats
7	5

<sup>11</sup> This election is only for the 7 Users' Panel Member Seats and the up to 5 Alternate Panel Members Seats

## Description of Electorate

Current CUSC Schedule 1 Users as on 20th June 2023 (The Electoral Roll), are entitled to nominate Panel Members and vote in the 2023 CUSC Panel and Alternate Election.

In accordance with Section 11 and 8A.3 CUSC, Users' are now allocated to Voting Groups and Voting Sub-Groups:

- **Voting Groups** - A User and any affiliates of that User who are eligible to vote, i.e. a parent company along with all its subsidiaries will form one Voting Group.
- **Voting Sub-Groups** - Each Voting Group can then submit one voting paper in respect of each of the following Voting Sub-Groups as long as they include a User which falls within the relevant Voting Sub-Group, which are:

**1. Generation Voting Sub-Group;**

This includes all Users in a Voting Group who fall within one or more of the following categories:

- a) a User with a Bilateral Agreement in respect of a Directly Connected Power Station;
- b) a User with a Bilateral Agreement in respect of an Embedded Exemptable Large Power Station; and
- c) a User with a Bilateral Agreement in respect of an Embedded Power Station.

**2. The Supply Voting Sub-Group;**

All Users in a Voting Group who are Suppliers.

**3. The Demand Voting Sub-Group;**

All Users in a Voting Group who fall within any one or more of the following categories:

- a) Directly Connected Users with a Bilateral Agreement; and
- b) A User with a Bilateral Agreement in respect of a Distribution System.

**4. The Interconnector Voting Sub-Group**

All Users in a Voting Group who fall within any one or more of the following categories:

- c) Interconnector owners with a Bilateral Agreement; and
- d) Interconnector Users.

For the avoidance of doubt, each Voting Group will therefore be entitled to submit up to four (4) voting papers, i.e. one paper per Voting Sub-Group.

Each Voting Group shall be responsible for designating which specific User(s) within their Voting Group shall submit voting papers on behalf of the relevant Voting Sub-Groups.

## Key milestones/timings in the election process:

### Nominations

Each CUSC Schedule 1 User may nominate one candidate for election by giving notice to us. The person(s) nominated do not need to be listed as a CUSC Schedule 1 User.

Date	Milestone
<b>Friday 30th June 2023</b>	Invitations sent out to CUSC Schedule 1 Users to nominate candidates to stand for election.
<b>Friday 28th July 2023</b>	Nomination Forms to be returned no later than 5.00pm

### Voting

Voting will only commence if more nominations are received than seats available in the respective categories:

Date	Milestone
<b>Friday 4th August 2023</b>	List of candidates and voting papers to be circulated, or we will announce the outcome of the Elections.
<b>Friday 1st September 2023</b>	Voting papers to be returned no later than 5.00pm.
<b>By Friday 15th September 2023</b>	Election results will be announced.
<b>1st October 2023 – 30th September 2025</b>	Newly elected Panel Members and Panel Alternate Members will take up office.

## What to do on receipt of your Voting Papers

The CUSC User contacts should check that they have the correct number of votes in the correct capacities for their company(s) indicated in in the Electorate section above. If you think you have more or fewer voting papers than you were expecting, then please contact us.

### Voting Process

Voting papers will be provided to all CUSC Users that are eligible to vote by e-mail. You will need to enter your unique voting reference number on your voting paper. This can be found within the CUSC Schedule 1 list published on 30th June 2023. Those CUSC Users who wish to vote utilising hard copies of the voting forms should contact us. If a CUSC User chooses to submit a hard copy, only the original voting forms will be accepted. Photocopies of hard copies or faxes will be invalid.

Each voting paper allows each Voting Sub-Group to select up to three preferred candidates from the list on their voting paper(s) and rank them in order of preference (i.e. first, second and third choice). The same candidate may not receive more than one Preference Vote in a single voting paper. All three preference votes could count, so we would encourage you to complete all three choices. All voting papers carry equal weight.

Once you are confident that you have completed the forms correctly, submit them electronically to us. If submitting hard copies of the voting papers, please sign and date the form. If you need to make any corrections, please sign and date these separately and attach an explanatory cover note.

## Late Votes

Voting papers must be returned to us by 5.00pm Friday 1st September 2023. Late voting papers received after this time and date will be invalid.

For "hard" votes, the postmark date on the envelope will be used as the guide for accepting voting papers. For electronic voting, e-mails need to have a date and time on them which is before the deadline to be valid.

Delays in submission of voting forms electronically could occur (e.g. server failures). We will consider any voting forms that encounter such problems in consultation with CUSC Users in a fair and consistent manner. To ensure that eligible CUSC Users are not disenfranchised by circumstances beyond their control.

## Votes Cast in Error

If any CUSC Users believe that their vote has been miscast and can quote the unique reference number which can be found on the incorrect voting paper, we will re-cast the vote as advised. If the notification is received within the specified voting window.

## Election Counting Process

### First voting round:

We will count the first preference votes allocated to each candidate. To qualify for the CUSC Modifications Panel in the first round, the total votes required to be cast in favour of a candidate is:  $(T/N) + 1$  where:

- T is the total number of first Preference Votes in all valid voting papers.
- N is the number of Users' Panel Members and or Alternates to be elected in the first qualifying round (this is 7 Panel Members and 5 Alternate Members).

If the number of first Preference Votes allocated to any candidate is equal to or greater than the first-round qualifying total, they are elected. In the event that all the vacancies are not filled, the count proceeds to a second qualifying round.

### Second voting round:

The second qualifying round applies to all candidates not elected in the first round. The voting papers marked with a first preference for a successfully elected candidate in the first qualifying round are set aside. The votes that have first and second preference votes for the remaining candidates are determined. To qualify for the CUSC Modifications Panel in the second qualifying round, the total votes required to be cast in favour of a candidate is:  $(T'/N') + 1$  where:

- T' is the total number of first preference votes and second Preference Votes allocated to the remaining valid voting papers.
- N' is the number of Users' Panel Members and or Alternates remaining to be elected after the first qualifying round.

If the number of first and second Preference Votes allocated to any candidate is equal to or greater than the second-round qualifying total, they are elected. If all the vacancies are not filled, the count proceeds to a third qualifying round.

## Third voting round:

The third qualifying round applies to all candidates not elected in the first or second rounds. The voting papers marked with a first preference and or a second preference for a successfully elected candidate in the initial qualifying round are set aside. The votes that have first, second and third preference votes for the remaining candidates are determined. To qualify for the CUSC Modifications Panel in the third qualifying round, the total votes required to be cast in favour of a candidate is:  $(T''/N'') + 1$ , where:

- T'' is the total number of first preference votes, second Preference Votes and third Preference Votes allocated to the remaining valid voting papers.
- N'' is the number of Users' Panel Members and or Alternates remaining to be elected after the second qualifying round.

If the number of first, second and third Preference Votes allocated to any candidate is equal to or greater than the third-round qualifying total, they are elected.

The seven (7) candidates receiving the greatest number of votes shall be elected as Users' Panel Members and the next five (5) shall be elected as Alternate Members.

## What happens if a Voting Group submits more votes than they are entitled to?

In the event that the number of voting papers submitted by Users within a Voting group exceeds the entitlement set out in the Voting Groups:

- (a) We will attempt to contact each of the relevant Users to establish which voting paper(s) shall be counted for the purpose of the election; and
- (b) If we are not able to contact the relevant Users, we will select from the voting papers at random. Any voting papers selected by the Code Administrator shall be deemed valid and any other voting papers from the relevant Voting Group shall be disregarded.

## Tie-Break Mechanisms

If after any voting round the number of candidates achieving the required Preference Votes threshold exceeds the number of persons remaining to be elected, the following tie-break provisions shall apply between the tied candidates. These provisions also apply in the event that after the third voting round any Panel Member(s) or Alternate Member(s) remain to be elected:

- (a) the tied or remaining candidates (as applicable) shall be ranked in order of first preference votes allocated to them, and the candidate(s) with the greatest number of such votes shall be elected;
- (b) in the event of a tie between two or more candidates within paragraph (a), the candidates (amongst those tied) with the greatest number of second Preference Votes shall be elected;
- (c) in the event of a tie between two or more candidates within paragraph (b), the Code Administrator shall select the candidate(s) (amongst those tied) to be elected by drawing lots.

## Code Administrator Contact Details

If you have any queries about the content of this guide or the elections process, please contact Shazia Akhtar, Code Administrator, National Grid ESO.

**Tel:** 07787266972 **Email:** [cusc.team@nationalgrideso.com](mailto:cusc.team@nationalgrideso.com)

## Election Results

We will announce the results of the CUSC elections to Users as soon as is practicable after completion of the election timetable, this will be no later than 15th September 2023. Voting totals for individual candidates will not be revealed to CUSC Users.

## 2023 Election Report

A report prepared by us describing the processes followed during the election along with the results, will be published on our website and sent to the Authority as soon as practicable after the election. The report will include the following information:

- i. the total number of voting papers distributed to Users eligible to vote;
- ii. the total number of voting papers received;
- iii. the total number of first, second and third preference votes allocated to each candidate in all voting papers;
- iv. the total number of remaining voting papers in each voting round;
- v. the total number of remaining Panel Members to be elected in each voting round;
- vi. the value of the qualifying total in each voting round; and
- vii. the total number of qualifying Preference Votes allocated to each remaining candidate under all remaining voting papers in each voting round.

The report will provide further transparency to CUSC Users about the conduct of the election. It will similarly enable the Authority to assess whether the Code Administrator administered the election in a fair and consistent manner. As well as helping the Authority respond, should any claims or questions be raised with them by CUSC Users concerning the Code Administrator's conduct in relation to the management of the elections process.