

## **Summary of GSG Actions from September 25<sup>th</sup> CUSC Panel Meeting**

2135. Minute 2099: Governance Standing Group (GSG) to review provisions regarding Working Group Membership.

**Action: BV to add to GSG agenda for October 2009 meeting**

### **Review of the CAP160 Process following the Transmission Access Amendments**

2143. HR gave a presentation to the CUSC Amendments Panel on a review of the CAP160 process following the Transmission Access Modifications. The presentation opened a debate to discuss what went well and what could be improved.

2144. **Timescales.** HR stated that there was strong pressure from the government to deliver Transmission Access reform in a timely manner, but because of the nature of the work this was a very complex and time consuming process which involved a lot of analytical work. HR noted that National Grid had decided against using Standing Groups as previous experience had shown that these became more of a "talking shop". GG commented that with a few exceptions, the CUSC work was achieved within the set timescales. HR agreed but highlighted industry participants' concerns that they had not had sufficient time to review the information provided.

2145. HR also noted that TAR had not been managed as a project, in the same way as reviews of a similar magnitude such as NETA, which had involved a project structure. BVe commented that if Ofgem implement the Major Policy Review process, the industry would need to be prepared for how best to manage such reviews. BVe also noted that throughout the process to review the TAR CUSC Amendment Proposals, industry members have worked hard to get the proposals to Ofgem within challenging timescales and still no decision has been made. In response, JD noted that Ofgem's position has not changed and that it wants to wait until DECC's work on Transmission Access concludes before making a decision on the TAR-related CUSC Amendment Proposals.

2146. TD expressed a regret that the industry were very close to a solution but ultimately had the opportunity to conclude the process taken away. GG agreed, commenting that he had spent more than 60 working days in Working Group meetings to develop the detail of the proposals and that the industry were unlikely to want to expend similar efforts in future if there is a perception that the decision had already been made by Ofgem.

2147. AK summarised the Amendments Panel's comments on timescales and stated that the first meeting of each Working Group should have been used to agree a work and timing plan, rather than moving straight into the detail of each proposal too early in the process. If it becomes clear that the Working Group process is not working after a few meetings, this should be acknowledged and appropriate changes made.

2148. SL expressed a frustration that the Working Groups had to repeatedly request extensions and that there was a perception that not all Transmission Access Amendment Proposals were granted extensions on an equal basis.
2149. BB suggested that the Amendments Panel could take on more involvement and act as a steering group for the Working Groups. PJ felt that there should have been a separate Project Manager which would have left the National Grid lead able to concentrate on the development of the proposals.
2150. **Working Groups.** HR summarised that for the purposes of the Amendments process, the Transmission Access CUSC Amendment Proposals were organised into three separate CUSC Working Groups: short term access; long term access; and supporting changes. CUSC Panel Members agreed that the working groups achieved a lot within the timescales, including months of working group meetings and a lot of analysis undertaken, requiring strong commitment from those involved. TD expressed a view that NGET had taken on too much, citing the example of HR chairing all three Working Groups. Panel Members agreed that it had been useful to have the consistency of the same Chair and Working Group members, but acknowledged that the workload was too heavy for one individual to bear. AK agreed with the view that HR took on too much chairing three Working Groups and that this is learning point for NGET.
2151. HR suggested a further learning point that global workshops explaining the basics of Transmission Access reform should have been held earlier in the process to allow people to understand the whole picture.
2152. GG thanked NGET for arranging the Working Groups 1 and 2 meetings together to save on travel time for Working Group members. HR commented that Working Groups 1 and 2 ended up being dependent on the outcome from Working Group 3 and that this held up progress for the first two Working Groups. PJ suggested that this issue could have been solved by taking a project approach.
2153. **CAP160 process.** HR highlighted his concerns that using the CAP160 process which was implemented prior to the Transmission Access amendments led to confusion over the correct process. Specific concerns were that the Working Groups were unsure at what stage consultations should be undertaken and how many were permitted; with a dilemma that if consultation was done too early there would not be enough detail to allow the industry to contribute to the debate and that if it were done too late, there would be a danger that respondents had already made up their mind. There was also uncertainty within the Working Group meetings as to who could raise a Working Group Alternative Amendment and when one could be raised.
2154. The role of the Working Group Chair was discussed and the importance of the Chair's impartiality, given that CUSC Working Group members are not required to be impartial. DB confirmed that within the BSC, Working Group members are required to be impartial.
2155. The Amendments Panel debated the process for raising Working Group Consultation requests and Alternative Amendments within the CUSC and agreed that it was unclear. The Amendments Panel therefore requested that NGET provide an interpretation of the CUSC provisions for Working Groups

for discussion at the October Amendments Panel meeting, with a view to determining whether further clarification is required.

**Action: AT to produce interpretation of CUSC Working Group provisions**

2156. **CUSC/Charging Interaction.** HR confirmed that during the Transmission Access development process, the progression of CUSC and Charging Methodologies amendments in parallel had improved but that there was still considerable room for improvement. It was agreed that CUSC and charging proposals need to be dealt with together, otherwise a whole package of reform will not work. PJ noted that the Charging Methodologies and the CUSC have different timescales for Ofgem decisions. Once a Charging Methodology change proposal is sent to Ofgem, Ofgem have 28 days in which to veto the proposal, otherwise it is deemed to be approved for implementation. In contrast, once a CUSC Amendment Report is sent to Ofgem, there is no defined time restriction on Ofgem to make their decision.
2157. HR commented that during the Transmission Access development work, National Grid found that producing indicative charges had been very useful in eliciting industry views, however where an arbitrary charging approach is used, it will sway views and not necessarily in the right way.
2158. **Other Issues.** HR commented on the amount of repetition within the reports and questioned whether there are too many consultations within the existing process. However, it was noted that each consultation in the current process serves a different purpose. For example, the Working Group consultation process is an opportunity for views to be developed and influenced prior to the Company consultation. In contrast, once the Company consultation has concluded, there is no possibility to change what will be presented to the Authority for their decision.
2159. AT noted that in developing the Code Administration Code of Practice, the Code Administrators for the BSC, CUSC and UNC had reviewed the templates for modification reports, with a suggestion that there be common templates across all codes. Elexon has recently undergone an exercise to review the reports it uses and these could be used as a basis for other codes in the future. The Amendments Panel concluded that CUSC Amendment Reports need to be written in plain English and that hyperlinks could be placed within the reports to stop the report becoming too large. However, GG noted that where hyperlinks are used in an Amendment Report instead of attaching documents, it must be absolutely clear to Panel members which of the documents linked within a Report they are required to read in order to make a decision on an Amendment and which documents are "optional".
2160. TD stated that he enjoyed the Transmission Access process and found it to be intellectually challenging.