

Meeting Note

Meeting name	GC0086: Grid Code Open Governance
Meeting number	5
Date of meeting	13 February 2015
Time	10:00 – 14:00
Location	Crowne Plaza Hotel, Birmingham NEC

Attendees

Name	Initials	Company
Alex Thomason	AT	Code Administrator (Chair)
Emma Radley	ER	Code Administrator (Technical Secretary)
Rob Wilson	RW	NGET (Workgroup Member)
Guy Phillips	GP	E.ON (Workgroup Member)
Richard Lowe	RL	SHET (Workgroup Member)
Garth Graham	GG	SSE (Workgroup Member)
Lisa Charlesworth (by teleconference)	LC	Ofgem
David Spillett (by teleconference)	DS	ENA (Workgroup Member)
Mike Kay	MK	ENWL (Workgroup Member)
Peter Bolitho	PB	Waters Wye (Workgroup Member)
Richard Woodward	RJW	NGET (Observer)

1 Introductions and Meeting Objectives

1. Introductions were made around the group.
2. AT ran through the agenda for the meeting and highlighted the key areas for discussion. AT recapped what the group had discussed at the previous meeting and advised that the plan for today is to try and reach some conclusions following the Workgroup Consultation that was carried out recently. ER noted that legal text is currently being drafted and is not ready for discussion yet, but that it is planned for this to be circulated next week, after which the Workgroup can have a discussion either via email or by way of another meeting.
3. MK noted that there had been only a slight majority in favour of Open Governance and therefore there is perhaps a question over the validity of the change. GG noted that a slight majority for or against a change should not be the validating criteria in his view. GG went on to refer to Ofgem's comment in their submission to the Competition and Markets Authority (CMA) regarding code governance in January 2015¹, which referred to the accessibility of governance arrangements for smaller parties as a potential barrier to competition. Whilst it did not refer to any industry code specifically, GG felt that it was reasonable to infer that the Grid Code is included as the paper refers to 'technical codes for end to end use of the energy system'. GG concluded that this should therefore re-focus efforts on implementing Open Governance into the Grid Code and it will ultimately be up to the Authority to make a decision on whether to approve or reject GC0086. Most members of the Workgroup had not seen Ofgem's CMA submission so could not comment on GG's interpretation.
4. RL noted that when the Open Governance paper was raised at July 2014 GCRP, it had come as a surprise with little prior indication that some Panel members had concerns over governance arrangements. He also re-iterated the SHE Transmission consultation response that SHET is concerned that the Open Governance proposal may result in technical representative input being replaced by commercial interests to the detriment of the GB Transmission network. GG noted that only changes to the Grid Code that Ofgem determined as being better than the 'status quo' would be approved, irrespective of their technical or

¹ [https://www.ofgem.gov.uk/publications-and-updates/market-investigation-reference-code-governance-submission?utm_medium=email&utm_source&utm_campaign=5278561_Daily-Alert_26-01-2015&utm_content=\\$LINK_KEYWORDS&dm_i=1QCB,354YP,F31AIX,B9F2Z,1](https://www.ofgem.gov.uk/publications-and-updates/market-investigation-reference-code-governance-submission?utm_medium=email&utm_source&utm_campaign=5278561_Daily-Alert_26-01-2015&utm_content=$LINK_KEYWORDS&dm_i=1QCB,354YP,F31AIX,B9F2Z,1)

commercial intent. AT referred to the table ER had put together setting out the Workgroup views and the consultation views against each element of GC0086 and the group agreed to discuss each element in turn and try to reach a consensus. This would then be captured in the Code Administrator Consultation and in the Final Report to the Authority.

2 Introduction of Open Governance and Proposer Ownership

5. AT noted that there had been mixed responses on support for this in the Workgroup consultation. MK commented that there are multi-lateral parties that are bound by the Grid Code but may not even know it and reiterated his point about how Open Governance processes should improve visibility of modifications for smaller parties. PB commented that there is a difference between codifying a process and following having best practice, even if these were similar in outcome, however he felt that it should be in the code to prevent future Panels/Chairs from following a different process. It was noted that the conclusions were that the four parties listed in the consultation should be able to raise modifications; (i) Authorised Electricity Operator definition, (ii) Citizens Advice and Citizens Advice Scotland, (iii) NGET plc, and (iv) A Materially Affected Party designated by the Authority. MK voiced a concern with the 'materially affected party' definition and who this captures. AT asked for a view around the table on this element. GG noted that this process would permit Ofgem to designate anyone in terms of either (a) individual parties or (b) a body (or bodies) representing such parties as 'materially affected'. MK said that it did not appear appropriate to him that parties such as smaller generators needed to rely on the Authority designating them; he thought that the constitution should give them direct representation. RL noted a concern with quoting a majority Workgroup view as this may not be a fair representation of all parties affected. AT explained that there will be a second consultation and that this is the process that is used for all code changes. RW advised that the Workgroup makes conclusions based on their discussions and views as at that point which will be included in the consultation, but that there are opportunities for further comment to be included in the Final Modification Report to the Authority which will in any case capture all views expressed to allow the Authority to make an informed decision.
6. AT asked for views on whether the group support the introduction of Open Governance:

MK – No
GG – Yes as it conforms to Ofgem's CGR Phase 2 / submission to CMA and for the other positive reasons as set out in the original paper and the consultation responses.
GP – Yes
RL – No
PB – Yes
RW – Qualified yes but not properly identified the defect.
DS – No
7. GG noted that it is for the Authority to make a decision on a particular modification proposal based on the views set out in the report. This was agreed by PB who felt that Ofgem should be the ultimate arbiter but that no one party, such as NGET should have the power to make decisions on what, if any, proposal should go forward. LC advised that she cannot comment on the extent to which the Grid Code was considered with regard to the CMA submission. However, LC noted that Ofgem is broadly in favour of the principle of Open Governance. PB commented that if you are bound by an agreement, you should have the right to be able to propose a change and have it assessed by an independent arbiter and it is wrong that one party alone has the say so of whether a proposal can be progressed and can frustrate the process. GG referred again to the CMA submission paragraph 3.3². RW reminded the group that the opinions expressed will all be captured and that the qualified majority view will be put forward in the consultation and final reports.
8. MK highlighted that he believes that the defect exists and has been proven, but that his view is that the proposed approach to solve the defect is not proportionate or warranted. GP agreed that the defect exists and advised that he struggles with the view that the Workgroup have not articulated the defect. RL felt that whilst a defect has been identified, Open Governance might not actually fix it. GP noted the point around it not being clear who can raise modifications to the Grid Code and the fact that Alternatives to Grid Code changes are prohibited seems to be a defect. The group discussed this point further and the example of GC0063 (Power Available)

² "We remained of the view that adherence to the principles set out in CACoP should make the governance of the codes more robust, facilitate a greater degree of participation, and generally lead to more effective decision-making."

was highlighted, in that the inability to have Alternatives proved to be a hindrance in the process. MK said that in his view there was nothing in the constitution and rules of the GCRP that prevented Alternative Modifications being developed; instead there was a presumption of a single proposal and an absence of rubric to support explicitly such a process. GP was surprised by this suggestion and wondered why, to date, this had not been identified in numerous previous proposals where, in his view, it would have been beneficial.

Action – ensure that the defect is outlined clearly in the Code Administrator Consultation. (ER)

9. The Workgroup noted the responses received in the consultation as to who would be able to raise a Grid Code modification, namely that the majority supported the Workgroup view that it should be all four groups as described above. The Workgroup unanimously agreed that it should be all four groups, as long as they cover everyone (small parties). DS stated the need to clarify 'materiality' for small parties. MK felt that the CUSC threshold of £10k was not appropriate. GG noted that the materiality test is up to the Authority to decide and a figure was not 'hard coded' into the legal text.

4 Workgroup timescales.

10. ER explained this referred to the period from raising a modification to the GCRP, to the Workgroup Report being presented to the Panel, prior to the Code Administrator consultation being published. For clarity, GG noted that it is usually around another 2 months for the report to then go to the Authority, so it is a circa 6 month process at least from 'end to end' in terms of the industry led process. ER reminded the group that extensions can be requested if the work cannot be completed within the prescribed timescales. PB noted that if there is a pre-modification process (as envisaged within the GC0086 deliberations), then a modification may be more worked up by the time it is officially raised. RL felt that it is an issue of Workgroup management and that some changes by their nature will need more time than others. GG felt that by having a 4 month target, there is a typical timescale as a starting point but this is not rigid. RL questioned the Ofgem need to "hard-core" stipulate any timescales. GG advised that at the CUSC Panel, it is a Panel decision to extend the timescales, but the Authority can veto this if they wish and this was what was envisaged with GC0086 applying to the Grid Code. However, GG could not recall a time when the Authority had exercised this right. GG added that the Authority has made it clear in their CMA submission that timeliness is important and that lengthy processes generally support the incumbents for maintain the status quo. PB felt that a standard 4 month process works well in other codes, and if there is a view that it will take longer for a particular change proposal, then you make the case for it. Occasionally Ofgem may have a stronger view and may therefore wish to accelerate the process which may then cause issues.
11. AT asked the group if anyone felt that a time period should not be codified. PB noted the difference between raising an issue and a modification, which inevitably takes longer. RL considered that when an issue is raised, it should be possible to estimate how many meetings you may need, and set a time based on that. RL disagreed with codifying 4 or 6 months but felt that it should be stipulated in the code that the Panel will set a time based on the work required. MK agreed that the Panel should be given the specific function of specifying a time required but did not have a strong view on whether the default is 4 or 6 months. RW felt that this provides a starting point and felt that 6 months is better as 4 months feels like a stretch. MK felt that the issue was more about the ability to get resources on Workgroups and that 4 months seems quite short, but may not be an unreasonable target. GG advised that the Workgroup for a modification should first meet within a couple of weeks or so of the Panel as it is not the Panel's role to discuss the modification in detail. MK said that in his experience marshalling technical resources, due to diary commitments, often took six weeks. Given this comment from MK, GG noted that as a modification was raised some two weeks prior to the Panel itself this would suggest a circa two month period before any progress would have started on the change itself and questioned if this was appropriate. GP noted that this is where the industry is more self-regulating through the Open Governance process. PB reminded the group that when the first Code Governance Review came in, it was assumed that there would be an influx of charging mods, but there was not and so it may not be the case that if Open Governance is implemented, a high number of Grid Code changes are raised as the industry does become self-regulating. GP noted that with the potential introduction of an advisory group and if there was earlier visibility of potential modifications, then a degree of priority can be placed on modifications.

12. MK concluded that the Panel should be given the duty to set the time of the Workgroup at conception, but do not feel strongly about a set timescale of 4 or 6 months. GG felt that a set time is required and 4 months enables uniformity across the various industry codes, in conformance with Ofgem's Code Governance Review 2 and CMA submission, and allows the Panel to make the decision to extend if required. The 4 month parameter gives comfort that within some 6 months from it being first raised that a modification could be with the Authority for decision. The timeline can be extended at later Panel meetings as well as at the first Panel meeting if appropriate. This approach takes account of all sides and comes up with a pragmatic solution. GP agreed that a timescale should be codified for the same reasons outlined by GG and also that it may have already been through a preliminary process. GP felt that this timescale should be set at 4 months as a benchmark. RL believed that the Panel should have the right to set timescales and if pushed would agree to 6 months but felt that the Panel should have the freedom to decide. PB supported the 4 months timescales as consistency with other codes is important. If there was a strong argument that Grid Code modifications are different then there may be different view but that argument has not been made yet. RW felt that the Panel should decide duration, that 4 months was too short and he would be more comfortable with 6 months as a benchmark. RL noted that the practicality of holding meetings is a significant issue. If the modification is a simple issue, it may only need 3 meetings, however logistics can be an issue and some parties need a minimum notice period for approval of travel. DS agreed with RL. His experience of setting up Workgroups and getting the right resources etc., this takes a lot of time, therefore DS felt that if pushed he would say 6 months but really the decision should be down to the Panel and does not have a strong view on codifying a timescale.
13. LC made some observations following this discussion. She advised that she would be supportive of setting some parameters around the code modification process and that this would be consistent with other codes. LC felt that 4 months sounds tight for technical changes but highlighted that there is a DCUSA modification in progress which is looking to extend the current Workgroup process to 6 months, whilst still allowing less than 6 months if the issue is deemed to be straightforward. LC added that the Code Administrator Code of Practice (CACOP) 'KPIs' report on the number of extensions requested by the Panel, and if it is found that there are a lot of extensions then it may be a prompt to review the timescales.
14. MK considered whether the group thinks that we should codify the right of the Authority to veto a request for an extension or whether it should just be down to the Panel. MK felt that it should be down to the Panel. GG felt that the Authority should be given the power for consistency with the other industry codes and added that the Authority has been pragmatic in the past. GP agreed with GG. RL felt that it should be down to the Panel and if Ofgem have an issue with the way a modification is progressing, they can raise it at the Panel. PB commented that the right of Ofgem to veto is appropriate for consistency, and suggested that the right to veto could be removed in all codes, but whichever way round it is, it should be consistently applied across the codes. GG noted another advantage to having this approach is that you have a clear explicit timeline for each modification agreed with the Authority and if there was an issue, it is on the record that the Authority agreed the timescale extension(s). RW agreed with PB's view. DS felt that consistency is important so he supported the right to veto as well. Overall, the Workgroup agreed by majority that the Authority should have the power to veto a request for an extension and that this should be codified.
15. ER asked the group about the requirement to have a Workgroup consultation. GG envisaged that this would occur in all cases where a group had been established. AT added that it gives the option for parties to be able to raise an Alternative request otherwise there is no other route if they are not part of the Workgroup. RL asked for clarity on how this works. GG explained the Workgroup Alternative request process, namely that as part of a response to the first Workgroup consultation, a party can raise a request to have an alternative considered, and the Workgroup then discuss this request (along with any others) at their next meeting, which potentially allows a formal alternative to be presented to the Authority in the Final Report. GG noted the proviso in the CUSC for the Workgroup Chair to 'save' an alternative even if the majority of a Workgroup do not support the alternative. PB felt that this process is needed. AT added that it also gives an extra opportunity for views from industry stakeholders. ER noted that it also helps the Workgroup where there are split views or where they are unsure on questions/issues. AT considered the UNC model, in that there is the ability to allow alternative proposals during the Workgroup phase GG commented that if there is an alternative raised that had not been considered, the Panel can always extend the Workgroup timescales if required. MK reminded the group that there is nothing codified in the DCRP rules on this – the Panel

decide one way or another if there is a need to re-consult and allow the licensees to submit views to Ofgem (this is the general expected path of modifications but it is not codified, so there numerous slight variations depending on urgency or complexity, all overseen with the explicit approval of Ofgem).

16. In conclusion, MK felt that the Panel should take a view on whether a consultation is needed and it should not be mandatory. GG felt that there is a need for a process for raising alternatives in the CUSC, therefore it should be mandatory to have both a Workgroup and (separate) Code Administrator consultation. RL had a concern with the proposed new GCRP structure that when the Workgroup Report goes to the Panel, the Panel cannot necessarily judge how well the Workgroup have completed their Terms of Reference. GG advised that the work of the Panel is not to second guess the work of the experts, but rather a process check to satisfy themselves that the Terms of Reference the Panel set have been met. GP felt that this places the onus on the Workgroup to ensure that they have the correct expertise and agreed that a Workgroup consultation should be mandatory. RL and PB both agreed with this view. RW felt that it should not be mandatory to have a Workgroup consultation in addition to the mandatory Code Administrator consultation as while often a sensible route, it is not always proportionate or efficient and will add significantly to the minimum timescale of any modification proposal. DS felt that the Panel should opine on it. So the majority conclusion is that a Workgroup consultation is required.

5 Self-Governance, Fast Track Self-Governance and Urgency.

17. The Workgroup considered the introduction of Self-Governance into the Grid Code and was unanimous in their support for it. The difference between Self-Governance and Fast Track was explained, namely that Self-Governance has a materiality test and can follow the same route as a standard modification with the exception that the Panel make a final determination rather than it going to the Authority for decision. AT explained the materiality guidance. GG advised that the Panel issue a statement to Ofgem proposing that a modification follows the Self-Governance route, which they can retract at a later date and Ofgem can agree or disagree with a modification progressing down the Self-Governance route. GG also noted that there is an appeal route at the end of the process before the modification is implemented. PB felt that it needs to be clear that Fast-Track is essentially for housekeeping changes.
18. The Workgroup had no objections to Fast Track approach, as long as there is clarity on the definition as it is called 'Fast-Track Self-Governance' (FTSG) which may cause confusion. LC explained the rationale for calling it FTSG – there was always a requirement to consult on any modification proposal and 'fast track' removes this requirement. Also the UNC were using a 'consent to modify' process to correct very minor housekeeping errors, which was incongruous to the principle that Authority consent is not required for low-materiality change. Ofgem considered that it did not make sense that Authority consent was needed for such minor changes, nor that a consultation should be mandatory in these cases, so Fast-Track Self-Governance was introduced. This follows the same process as Self-Governance, but the consultation process is removed, and so the process is cut down to a bare minimum whilst ensuring that there is a route for objection.

6 GCRP Structure

19. ER ran through the responses with regard to this component and reminded the group of the agreement in the last meeting about a proposed Panel structure which equated to 12 votes in total. MK had raised a point about the TO representation on the Panel as they have a route through the STC. PB agreed with this view and felt that there may be an over-representation of the TOs under Figure 5 in the consultation. RL felt that Transmission Owners have a vested interest as they plan the transmission network and therefore need representation on the Panel and RL does not believe that there is an appropriate route through the STC. MK advised that he thought there was, or was intended to be. PB commented that the User facing codes are where the Users have a say and they do not have a direct relationship with the TO, everything is done through the SO. GP asked whether there was anything in the connection conditions which the TO would want to bring forward and whether they would make a change to the STC to capture a new connection requirement or a new technical standard which would apply. GG noted that the TOs meet the Authorised Electricity Operator definition so they would, with Open Governance, be able to raise Grid Code modifications. MK believed that the BETTA model did not initially have TO representation but the Panel argued for it and so it was agreed. PB highlighted that Users do not have a seat in the STC.

20. The Workgroup concluded that they are happy with the proposed structure as illustrated in Figure 5 in the Workgroup consultation. MK clarified that the DNOs would be elected by the Industry Codes Technical Group (ITCG) which currently employs the ENA as its service provider.
21. With regard to NGET representation, it was clarified that National Grid observers could attend Panel meetings to provide expertise as and when required with the approval of the Chair but that one vote would be sufficient. It was noted that the Chair of the proposed advisory forum (currently called GCAF) would be in attendance at the Panel and that they would most likely be an employee of National Grid. RL felt that there should be some definition of a process regarding a review of any vacant seat(s) following the bi-annual elections to potentially appoint someone, as it is short-sighted to have an empty seat. GG commented that the Authority needs to be involved in this process. PB noted the distinction between the elected position of 'other' and a seat that has not been filled due to lack of nominations. It was felt that the Chair is in a better position to decide on this as they should be best able to understand what the gap is and who can fill that gap. GG felt that this process needs to be included in the legal text – if a position remains unfilled, it can be reviewed and removed if it is deemed that you it is not necessary. RL noted that every effort should be made to try and fill that space. GG felt that it needs to be codified that the Chair is asked to recommend to the Authority to appoint a candidate if a space is not filled. LC commented that there is not another code where the process is that they ask Ofgem to be responsible for filling an empty seat; it should be an industry process. The group agreed that the industry and Panel Chair can make a recommendation, particularly if there is an independent Chair.
22. In conclusion, the Workgroup agreed that in the event of an unfilled seat, the Panel Chair should attempt to find someone suitable and make a recommendation to the Authority. The 'other' seat is separate to this. GG felt uncomfortable with this approach and felt that the Authority should be carrying out the appropriate checks and balances as it could affect the balance of the Panel. RL commented that in order to maintain the balance and visible cohesion of the group, if a non-standard position is put on the Panel, the Authority should be able to agree/veto. PB agreed with this approach, as did the rest of the Workgroup. AT summarised that for any unfilled post, the Panel Chair attempts to find someone and the Authority has a veto, and that this should be included in the legal text.
23. It was clarified that the 'other' position on the Panel is for use if a class of party is considered by the Chair/Authority to be under-represented on the Panel.
24. All agreed to the Figure 5 structure set out in the Workgroup consultation and that each of the 12 seats identified in the diagram have 1 vote each.

7 Election process

25. AT advised that, should GC0086 be approved, the Code Administrator would run the election process and that there would be an autumn election (in alternate years) in time for a January start which would allow a TWO year term of office for Panel members.
26. MK voiced a concern regarding the disenfranchising of small generators and that he would like to see a role for the appropriate trade bodies. GG noted that these smaller parties tended to be connected at Distribution rather than Transmission level. GG advised that Ofgem produces a list of licensed parties which could be a useful starting point. This list could be expanded on by a party or body representing them applying to be designated as, say, a materially affected party. PB highlighted that this critically depends on people knowing that this list exists and applying to the Authority to be a designated party – this then almost creates an electoral roll which then needs to be maintained. MK advised that in England and Wales anything Small is less than 50MW and that there are thousands that are less than 1MW. Furthermore as smaller generators are all unlicensed, any approach that relies on licensed parties is not appropriate. This is particularly relevant when the Requirements for Generators European Network Code comes in.
27. AT asked the Workgroup where the Code Administrator obtains the data from – is it using CUSC Schedule 1 and parties designated by the Authority? MK suggested asking the Code Administrator to select the appropriate trade bodies to ensure the correct representation. This would involve approaching the trade body and establish who they represent so they can be

deemed to be an appropriate person to select a seat. MK added that a competent trade body should be able to be used to represent the views of their members.

28. GP commented that generator representatives are still covering a wide range and that the issue is more about who has the right to vote in Panel elections. GP added that there is the opportunity for small generators to have a seat in the sense they have the expertise, but they are there as a generator and not as a sub-category. MK replied that it would be a failure if the four generator seats on the Panel do not cover the full spectrum, but there is scope to have under-represented parties on the Panel. GP argued that they can have a voice through the generator seats, in that they can go to them and ask them to voice their issue/opinion to the Panel. PB suggested that part of the election process can be about publicising to Trade Associations, using the confidential list of distributed generators put together under the GC0035 list and CUSC Schedule 1 etc. MK noted that there needs to be recognition of the role that we expect trade bodies to fulfil in this. GG added that there would also be an opportunity for a party to go to other Panel members if they felt that the generators were not representing them, i.e. supplier, Ofgem, DNO, SO, Citizens Advice rep etc. MK agreed but noted that the best protection is that they have a clear seat / voice, even if through a trade body.
29. AT advised that the Code Administrator needs a list of parties to contact. GG advised that it should be CUSC Schedule 1, the GC0035 list and any materially affected party (as in any person/class of person designated as such by the Authority). That then could become the electoral role. It was suggested that anyone not on Schedule 1 needs to go to the Authority to get designated. LC commented that it was not clear why the regulator would need to do this, and asked if there is any reason why the Panel cannot make an assessment of who can vote - why does the Authority need to get involved as the first port of call. GP advised that the Authorised Electricity Operator definition applies to everyone and the Panel could do that with assistance from the Code Administrator. MK felt that this number, based in representing small parties through trade bodies, should not be high.
30. In conclusion, the Workgroup concluded that the election process should be as set out in the Workgroup consultation. The Code Administrator would establish an electoral role using CUSC schedule 1 (with cut off-date), and they may also look the list under GC0035 and put together (with help of the Panel) a list of Trade Associations to include on the electoral roll. Then they would write out asking any other relevant and interested parties if they want to be on the electoral roll. Efforts would also be made to publicise this to try and give everyone the opportunity to be on the electoral roll.

8 Introduction of independent chair.

31. AT noted the previous Workgroup views and the consultation responses in regard to this and advised that the issues raised were mainly around cost. GG believed that the costs would be relatively neutral due to the National Grid Chair no longer being required to hold this position. GP felt that this comes down to the point regarding the casting vote, namely that the Chair should be independent if they are allowed a casting vote. If there is a split view, then the case has not been made for change. RW felt that a casting vote is not needed and that an Independent Chair may be compromised if they have a casting vote. GP queried what independence brings to the process. GG replied that the independent Chair makes sure that due process has been followed, that all Panel members, observers, and other participants, are given an opportunity to participate as appropriate in the process and it ensures that the Panel has completed what they are there are required to do. GG added that he is happy not to give the Chair a casting vote and this would most likely also suit the Chair as they will not be asked to make a decision on a matter that the Panel is equally divided on. It was suggested that a variation on this would be that the Chair can have 'casting vote' but that it is formalised as always being cast as retaining the status quo in the event of a deadlock as the case for change has not been made.
32. AT asked the Workgroup for their views on whether they support the introduction of an independent Panel Chair:

MK – No, not necessary

GG – Yes

GP – Yes, on balance

RL – No

PB – Yes

RW – Yes it is essential to open governance.

DS – No, if there is no casting vote, there is not a need for an independent Chair.

33. AT asked the Workgroup for their views on whether the Chair should have a Casting vote:

MK – No, it is not a role for the Chair to have a casting vote.

GG – No, only to default to the status quo,

GP – No, only that the status quo should remain if the case has not been made for change.

RL – No, as above.

PB – No, no vote at all as it is not meaningful.

RW – No, only to default to the status quo.

DS – No.

The group agreed that in the event of a deadlock vote by the Panel that the default position would be to remain with the status quo.

34. The Workgroup all agreed that the same applies where there is a tied vote for Self-Governance as the principle is the same.

9 Urgency

35. The Workgroup were all supportive of the introduction of an urgency process and it was agreed to ask a question in the Code Administrator consultation for completeness.

9 GCAF

36. RW explained the progress so far with introducing this group and noted that it was important for National Grid to introduce a forum such as this anyway, as well as it being one of the prerequisites for Open Governance. The Workgroup went through the views in the consultation responses, noting the concerns around it potentially being too bureaucratic. GP felt that in an Open Governance world, a development forum and specific issues group is essential to the process. GG agreed with this. GP suggested using the existing issues tracker for an agenda. RW noted that the GCAF needs enough core membership to provide advice/expertise but noting that there is no strong governance and it is just an advisory role. GP advised that there will be a broad range of issues.

37. The Workgroup concluded that they are in support of setting up such a group. PB felt that in the long-term it should reduce bureaucracy. GG agreed with this.

9 Authority raised / directed modifications

38. There was unanimous agreement in the Workgroup consultation and amongst the Workgroup members that the Authority should be able to raise or direct Modification Proposals where they consider it is necessary to comply with or implement the Regulations and/or any legally binding decision of the European Commission.

9 SO view in Reports

39. The Workgroup considered the suggestion that a System Operator perspective should be included in Modification Reports, as it currently done under the CUSC. The Workgroup agreed that this was appropriate.

9 Implementation

40. The Workgroup considered the implementation approach for GC0086. MK felt that the current process offers more flexibility and that it might be prudent to postpone any change of governance, if agreed, until the European Network Codes have been implemented. GG disagreed and felt that the new arrangements should be adopted as soon as possible, noting that the implementation of the European Network Codes is planned to take at least six years; by which time we shall most probably be into the amendment process to change those codes, which could imply not actually implementing Open Governance into the (GB) Grid Code for a decade or more. There was discussion that the implementation of Open Governance should not negatively affect the adoption of the Requirements for Generators European Network Code. GG suggested that it may in fact actually assist its adoption in GB, as multiple alternative solutions could be brought forward which, based on the experience in other (Open Governance) industry codes, improves the quality of Workgroup outputs presented to the Authority. AT advised that the Workgroup previously concluded that existing modifications adapt to the new process. MK felt that what is in train should retain the current rules. PB

highlighted that it is fundamental to Open Governance to have Alternative Modifications. MK reminded the Workgroup that there is nothing in the current GCRP rules that prevent Alternative Modifications being developed. GP noted his earlier surprise as this was not his understanding.

41. AT summarised that there is agreement that everything is introduced in one go rather than having a phased approach for the different elements of Open Governance. PB advised that he support what is in the Workgroup consultation (paragraph 4.95). GG noted that there is a transitional process that needs to be applied. In conclusion, the majority of the Workgroup agreed that existing Grid Code modifications that had not been submitted to the Authority for decision would transition to the new process should GC0086 be implemented and the Code Administrator would support this transition for affected modifications.

9 AOB / Next steps

42. ER advised that a draft consultation would be provided to the March GCRP and that another meeting may be required after the Code Administration consultation to review responses.
43. MK asked about the licence changes that are required and whether GC0086 could be progressed without licence changes, or if this could be done alongside the progression of GC0086. LC advised that Ofgem are not keen to do anything in parallel and will most likely wait until the industry process on GC0086 has concluded and the report is submitted to the Authority for decision. However it was agreed that National Grid and Ofgem can start some dialogue on this.

Action - Circulate wording in licence which would need changing. (AT)

Action - Send out a note for a potential legal text teleconference. (ER)