

Stage 06: Final CUSC Modification Report Annexes

Connection and Use of System Code (CUSC)

CMP191: NETSO Consultation in relation to any potential changes to the CUSC which takes place in forums other than the CUSC Modifications Panel

This document is Volume 2 of the CMP191 Final CUSC Modification Report and contains the Annexes to the Report, including responses to the Workgroup and Code Administrator Consultations and proposed legal text.

Published on: 12 October 2011

What stage is this document at?

| | |
|----|---------------------------------|
| 01 | Initial Written Assessment |
| 02 | Workgroup Consultation |
| 03 | Workgroup Report |
| 04 | Code Administrator Consultation |
| 05 | Draft CUSC Modification Report |
| 06 | Final CUSC Modification Report |

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Any Questions?

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Proposer:

Garth Graham

SSE Generation

Document Control

| Version | Date | Author | Change Reference |
|---------|-------------------|------------------------------------|------------------|
| 1.0 | 22 September 2011 | National Grid (Code Administrator) | Final version |

CMP191 original Legal Text

Add the following as new CUSC Paragraph 8.29 and accordingly edit contents page for Section 8 and CUSC generally.

“8.29 Potential CUSC Modification Proposals

8.29.1 **The Company**, acting in accordance with **Good Industry Practice** shall use reasonable endeavours to:

- (1) monitor, consider and report to the **CUSC Modifications Panel**, or a **Standing Group** established for this purpose, on any plans or intentions (in particular concerning the **European Network Codes**) which **The Company** becomes aware of (acting as **NETSO**) and considers has the potential to require a change to **CUSC**. This shall not include any plans or intentions raised in the context of a **CUSC Modification Proposal** or a modification proposal to the other **Industry Codes**.
- (2) bring to the attention of the **CUSC Modifications Panel** any public workshops that **The Company** is aware of and/or meetings arranged with **The Company** (acting in the role of **NETSO**) where the plans or intentions are being discussed and/or considered;
- (3) provide feedback to the **CUSC Modifications Panel** on any such public workshops or meetings attended by **The Company** (acting in the role of **NETSO**);
- (4) to the extent that it is practicable to do so (and recognising that **The Company** may have obligations of confidentiality to others in respect of such matters) to keep the **CUSC Modifications Panel** apprised of the ongoing work on the plans and intentions and in particular on the development of the **European Network Codes** that it becomes aware of (acting in the role of **NETSO**).
- (5) where the **CUSC Modifications Panel** considers it appropriate to do so to bring to the attention of and consult on any published proposals with those parties identified in Paragraph 8.22.2 and in the same manner as adopted by the **Code Administrator** when undertaking the **Code Administrator Consultation** to invite the views of such parties (but it being acknowledged that **The Company** is not required to take such views into account).
- (6) liaise and engage with any group set up to deal with similar issues under the **Grid Code** and/or **BSC**.

2. Amend section 11 by adding the following definitions:

“Electricity Regulation No 714/2009” Regulation (EC) No 714/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the network for cross border exchanges in electricity;

“European Network Codes” those codes required to be established under the **Electricity Regulation No 714/2009**;

“NETSO” the role and activities undertaken by **The Company** pursuant to Section C (System Operator Standard Conditions) of the **Transmission Licence**;

Add the following as new CUSC Paragraph 8.29 and accordingly edit contents page for Section 8 and CUSC generally.

“8.29 Potential CUSC Modification Proposals

8.29.1 **The Company**, acting in accordance with **Good Industry Practice** shall use reasonable endeavours to:

- (1) monitor, consider and report to the **CUSC Modifications Panel**, or a **Standing Group** established for this purpose, on any plans or intentions concerning the **European Network Codes** or other activities undertaken by the **European Network of Transmission System Operators for Electricity** which **The Company** becomes aware of (acting as **NETSO**) and considers has the potential to require a change to **CUSC**. This shall not include any plans or intentions raised in the context of a **CUSC Modification Proposal** or a modification proposal to the other **Industry Codes**.
- (2) bring to the attention of the **CUSC Modifications Panel** any public workshops that **The Company** is aware of and/or meetings arranged with **The Company** (acting in the role of **NETSO**) where the plans or intentions are being discussed and/or considered;
- (3) provide feedback to the **CUSC Modifications Panel** on any such public workshops or meetings attended by **The Company** (acting in the role of **NETSO**);
- (4) to the extent that it is practicable to do so (and recognising that **The Company** may have obligations of confidentiality to others in respect of such matters) to keep the **CUSC Modifications Panel** appraised of the ongoing work on the plans and intentions and in particular on the development of the **European Network Codes** that it becomes aware of (acting in the role of **NETSO**).
- (5) where the **CUSC Modifications Panel** considers it appropriate to do so to bring to the attention of and consult on any published proposals in respect of such plans and intentions with those parties identified in Paragraph 8.22.2 and in the same manner as adopted by the **Code Administrator** when undertaking the **Code Administrator Consultation** to invite the views of such parties (but it being acknowledged that **The Company** is not required to take such views into account).
- (6) liaise and engage with any group set up to deal with similar issues under the **Grid Code** and/or **BSC**.

2. Amend section 11 by adding the following definitions:

“Electricity Regulation No 714/2009” Regulation (EC) No 714/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the network for cross border exchanges in electricity;

“European Network of Transmission System Operators for Electricity” or “ENTSO-E” the body of that name established under **Electricity Regulation No 714/2009**;

“European Network Codes” those codes required to be established under the **Electricity Regulation No 714/2009**;

“NETSO” the role and activities undertaken by **The Company** pursuant to Section C (System Operator Standard Conditions) of the **Transmission Licence**;

Workgroup Terms of Reference and Membership

TERMS OF REFERENCE FOR CMP191 WORKGROUP

RESPONSIBILITIES

1. The Workgroup is responsible for assisting the CUSC Modifications Panel in the evaluation of CUSC Modification Proposal CMP191, "NETSO Consultation in relation to any potential changes to the CUSC which takes place in forums other than the CUSC Modifications Panel", tabled by SSE Generation Ltd at the Modifications Panel meeting on 25th February 2011.
2. The proposal must be evaluated to consider whether it better facilitates achievement of the Applicable CUSC Objectives. These can be summarised as follows:
 - (a) the efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence; and
 - (b) facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity.
3. It should be noted that additional provisions apply where it is proposed to modify the CUSC Modification provisions, and generally reference should be made to the Transmission Licence for the full definition of the term.

SCOPE OF WORK

4. The Workgroup must consider the issues raised by the Modification Proposal and consider if the proposal identified better facilitates achievement of the Applicable CUSC Objectives.
5. In addition to the overriding requirement of paragraph 4, the Workgroup shall consider and report on the following specific issues:
 - a) Proposals for consultation at Commission / ACER / ENTSO-E level and identify gaps in engagement from a GB stakeholder perspective;
 - b) Whether the CUSC Modifications Panel should write to the relevant body (EC, ACER or ENTSO-E) outlining any shortfalls in stakeholder engagement, to the extent these could be improved within the restrictions of the third package;
 - c) Suitability of the proposed obligations on National Grid (as set out in CMP191 in relation to whether:
 - They better meet relevant licence requirements;
 - Whether they are legally permissible;
 - Whether they are reasonably workable.

- d) The role of other GB TSOs at ENTSO-E level; whether these differ from National Grid; whether other GB TSOs should have any obligations and if these could be met via the CUSC;
 - e) Whether GB stakeholder engagement via National Grid at a European level will have sufficient influence in the European decision-making process to satisfy individual stakeholders' requirements;
 - f) Consider the issues raised by Ofgem in Abid Sheikh's email of 4th March 2011 (attached to these terms of reference);
 - g) Draft a set of terms of reference for an electricity industry European Standing Group which could be used to discharge the proposed obligations under CMP191;
 - h) Consider which other "forums" could be included in the scope of CMP191, with reference to CMP191 title: "*NETSO Consultation in relation to any potential changes to the CUSC which takes place in **forums** other than the CUSC Modifications Panel.*"
- 6. The Workgroup is responsible for the formulation and evaluation of any Workgroup Alternative CUSC Modifications (WACMs) arising from Group discussions which would, as compared with the Modification Proposal or the current version of the CUSC, better facilitate achieving the Applicable CUSC Objectives in relation to the issue or defect identified.
 - 7. The Workgroup should become conversant with the definition of Workgroup Alternative CUSC Modification which appears in Section 11 (Interpretation and Definitions) of the CUSC. The definition entitles the Group and/or an individual member of the Workgroup to put forward a WACM if the member(s) genuinely believes the WACM would better facilitate the achievement of the Applicable CUSC Objectives, as compared with the Modification Proposal or the current version of the CUSC. The extent of the support for the Modification Proposal or any WACM arising from the Workgroup's discussions should be clearly described in the final Workgroup Report to the CUSC Modifications Panel.
 - 8. Workgroup members should be mindful of efficiency and propose the fewest number of WACMs possible.
 - 9. All proposed WACMs should include the Proposer(s)'s details within the final Workgroup report, for the avoidance of doubt this includes WACMs which are proposed by the entire Workgroup or subset of members.
 - 10. There is an obligation on the Workgroup to undertake a period of Consultation in accordance with CUSC 8.20. The Workgroup Consultation period shall be for a period of three weeks (15 working days) as determined by the Modifications Panel.
 - 11. Following the consultation period the Workgroup is required to consider all responses including any WG Consultation Alternative Requests. In undertaking an assessment of any WG Consultation Alternative Request, the Workgroup should consider whether it better facilitates the Applicable CUSC Objectives than the current version of the CUSC.

As appropriate, the Workgroup will be required to undertake any further analysis and update the original CUSC Modification Proposal and/or WACMs. All responses including any WG Consultation Alternative Requests shall be included within the final report including a summary of the Workgroup's deliberations and conclusions. The report should make it clear where and why the Workgroup chairman has exercised his right under the CUSC to progress a WG Consultation Alternative Request or a WACM against the majority views of Workgroup members. It should also be explicitly stated where, under these circumstances, the Workgroup chairman is employed by the same organisation who submitted the WG Consultation Alternative Request.

12. The Workgroup is to submit its final report to the Modifications Panel Secretary on 20th July 2011 for circulation to Panel Members. The final report conclusions will be presented to the CUSC Modifications Panel meeting on 29th July 2011.

MEMBERSHIP

13. The Workgroup has the following members:

| Role | Name | Representing |
|-------------------------------|--|---|
| Chairman | Barbara Vest | n/a |
| National Grid Representative* | Alex Thomason | National Grid |
| Industry Representatives* | Garth Graham (Proposer) | SSE |
| | Louise Schmitz | EDF Energy |
| | Esther Sutton | E.ON UK |
| | Carys Rhianwen | Centrica |
| Authority Representative | Abid Sheikh | Ofgem |
| Technical Secretary | Bali Virk | Code Administrator |
| Observers | DECC observer invited Paul Auckland | National Grid European Policy Specialist |

NB: A Workgroup must comprise at least 5 members (who may be Panel Members). The roles identified with an asterisk in the table above contribute toward the required quorum, determined in accordance with paragraph 14 below.

14. The chairman of the Workgroup and the Modifications Panel Chairman must agree a number that will be quorum for each Workgroup meeting. The agreed figure for CMP191 is that at least 5 Workgroup members must participate in a meeting for quorum to be met.
15. A vote is to take place by all eligible Workgroup members on the Modification Proposal and each WACM. The vote shall be decided by simple majority of those present at the meeting at which the vote takes place (whether in person or by teleconference). The Workgroup chairman shall not have a vote, casting or otherwise. There may be up to three rounds of voting, as follows:
 - Vote 1: whether each proposal better facilitates the Applicable CUSC Objectives;

- Vote 2: where one or more WACMs exist, whether each WACM better facilitates the Applicable CUSC Objectives than the original Modification Proposal;
- Vote 3: which option is considered to BEST facilitate achievement of the Applicable CUSC Objectives. For the avoidance of doubt, this vote should include the existing CUSC baseline as an option.

The results from the vote and the reasons for such voting shall be recorded in the Workgroup report in as much detail as practicable.

16. It is expected that Workgroup members would only abstain from voting under limited circumstances, for example where a member feels that a proposal has been insufficiently developed. Where a member has such concerns, they should raise these with the Workgroup chairman at the earliest possible opportunity and certainly before the Workgroup vote takes place. Where abstention occurs, the reason should be recorded in the Workgroup report.
17. Workgroup members or their appointed alternate are required to attend a minimum of 50% of the Workgroup meetings to be eligible to participate in the Workgroup vote.
18. The Technical Secretary shall keep an Attendance Record for the Workgroup meetings and circulate the Attendance Record with the Action Notes after each meeting. This will be attached to the final Workgroup report.
19. The Workgroup membership can be amended from time to time by the CUSC Modifications Panel.

RELATIONSHIP WITH MODIFICATIONS PANEL

20. The Workgroup shall seek the views of the CUSC Modifications Panel before taking on any significant amount of work. In this event the Workgroup chairman should contact the Modifications Panel Secretary.
21. The Workgroup shall seek the CUSC Modifications Panel's advice if a significant issue is raised during the Consultation process which would require a second period of Consultation in accordance with 8.20.17 of the CUSC.
22. Where the Workgroup requires instruction, clarification or guidance from the Modifications Panel, particularly in relation to their Scope of Work, the Workgroup chairman should contact the Panel Secretary.

MEETINGS

23. The Workgroup shall, unless determined otherwise by the CUSC Modifications Panel, develop and adopt its own internal working procedures and provide a copy to the Panel Secretary for each of its CUSC Modification Proposals.

REPORTING

24. The Workgroup chairman shall prepare a final report to the July 2011 CUSC Modifications Panel responding to the matters set out in the Terms of Reference, including all Workgroup Consultation Responses and Alternative Requests.

25. A draft Workgroup Report must be circulated to Workgroup members with not less than five Business Days given for comments, unless all Workgroup members agree to three Business Days.
26. Any unresolved comments within the Workgroup must be reflected in the final Workgroup Report.
27. The chairman (or another member nominated by him) will present the Workgroup report to the CUSC Modifications Panel as required.

Appendix 1: Indicative Workgroup Timeline

The following timetable is suggested for progressing the CMP191 Workgroup.

| | |
|---------------------------------|---|
| 25 th February 2011 | CUSC Modifications Panel Meeting <ul style="list-style-type: none"> • Proposer to present CMP191 • Panel to agree progression and Workgroup Terms of Reference (where relevant) |
| 11 th March 2011 | First CMP191 Workgroup meeting |
| 28 th March 2011 | Second Workgroup meeting |
| 15 th April 2011 | Third Workgroup meeting |
| 20 th May 2011 | Fourth Workgroup meeting |
| 25 th May 2011 | Issue draft Workgroup Consultation for Workgroup comment (5 working days) |
| 2 nd June 2011 | Deadline for comments on draft Workgroup Consultation |
| 7 th June 2011 | Publish Workgroup Consultation (for three weeks) |
| 28 th June 2011 | Deadline for responses to Workgroup consultation |
| w/c 4 th July 2011* | Post-consultation Workgroup meeting (to review consultation responses, confirm any alternatives and undertake Workgroup vote) |
| w/c 11 th July 2011* | Circulate draft Workgroup Report for comment (5 working days) |
| w/c 18 th July 2011* | Deadline for comment on Workgroup report |
| 20 th July 2011* | Submit final Workgroup report to Panel Secretary |
| 29 th July 2011* | Present Workgroup report to CUSC Modifications Panel |

Notes:

1. A three working week period has been proposed for the Workgroup Consultation, in line with the Code Administration Code of Practice recommendation. The dates above take into account the bank holidays during the consultation period.
2. If more than one Workgroup meeting is required after the Workgroup Consultation closes (for example, for consideration of any WG Consultation Alternative requests), the dates marked with an asterisk (*) above are likely to change. This may also impact on being able to present the Workgroup Report to the June 2011 Panel meeting.
3. Workgroup Consultation dates revised following confirmation of a third Workgroup meeting on 15th April. This has not impacted the submission of the Workgroup Report to the CUSC Modifications Panel in June 2011.
4. Workgroup Consultation and Workgroup Report submission dates further revised following a fourth workgroup meeting scheduled for 20th May 2011. This requires an extension to the standard four month Workgroup timetable.

Appendix 2: Email from Ofgem

From: Abid Sheikh [mailto:Abid.Sheikh@ofgem.gov.uk]
Sent: Friday, March 04, 2011 11:32 AM
To: Lam, Steven; Thomason, Alex
Cc: Smith, David M; Jonathan Dixon; garth.graham@sse.com
Subject: CMP191 - questions from the Authority for the CMP191 WG

Hi both,

I have set out below some questions that we would be keen to have answers to at the first Workgroup meeting for CMP191. I note that comments on the CMP191 WG ToRs were to be provided by today prior to the first meeting of the WG next Friday. It would be helpful to add the questions below to the list of issues to be discussed by the WG. As the questions are addressed to the proposer, I've copied in Garth. I would appreciate it if you could forward these questions to the Panel as Panel members may also have some views which can be captured at the WG.

I'll be attending the first WG meeting next week and would appreciate it if you could provide details when they are available. I'm likely to dial in for the meeting.

1. What vires does the Panel have under the CUSC to oblige National Grid as the NETSO (not a defined term in the CUSC) to undertake the three elements of the proposed solution, viz.
 - a. provide the CUSC Panel with details of any drafting proposals including draft text and impact assessments as appropriate;
 - b. seek and take into consideration the views of the CUSC Panel on such drafting proposals ahead of their submission to the relevant body; and
 - c. provide the CUSC Panel with prior notification of and subsequent feedback from meetings and workshops at which NG have attended as NETSO?
2. NGET's obligation in the Transmission Licence (SLC C10 6(b)) to bring matters to the attention of CUSC parties and others who have an interest in it (replicated in the CUSC at 8.1.2) relates to proposed amendments to the CUSC (CUSC Modification Proposals) which have been raised. C10 6(b) is explicit that the CUSC modification procedures which the licensee must establish and operate provide "where a proposal is made" for the proposal to be brought to the attention of CUSC parties and others. CMP191 seeks to rely on this provision (referred to in the proposer's presentation to the CUSC Panel on page 5, bullet point 1) with regard to matters which are potential changes to the CUSC and goes further by specifically referring to seeking input to the development of the EU network codes which may give rise to potential changes. Until the network codes take effect and the impact on the CUSC is clear (and made known through CUSC Modifications as the national codes will then need to be compliant with EU law), it would be helpful to understand why the proposer thinks that the obligation in the Licence on which CMP191 relies would apply.
3. CMP191 seeks information on the development of the EU network codes so that Panel and other GB stakeholders are better informed and views can be put forward. Why could the same solution not be achieved through means other than a code change? For example,

- a. Ofgem has presented a recent update to the Panel and is happy to update the Panel on an ongoing basis with information on progress of the development of EU network codes and how GB stakeholders can contribute. We continue to emphasise that as this is EU legislation, active stakeholder engagement would need to take place at the relevant (EU) level
 - b. One way the proposer suggests that the CMP191 solution could be implemented is for the Panel to establish a Standing Group for this purpose. The Panel can already establish a Standing Group (8.21.1) to “consider and report to the CUSC Modifications Panel on issues specified by the CUSC Modifications Panel relating to the connection and use of system arrangements in Great Britain”. The Panel can set the Standing Group Terms of Reference and set the time period over which it operates. Currently, Standing Groups operate in respect of governance, balancing services and commercial balancing services and can discuss issues arising which have not yet led to CUSC Modifications. Why has this option not been considered in terms of communicating information about development of EU network codes given that there is, and will remain, uncertainty about the actual impact the codes have on the CUSC till they are finalised and become directly applicable on EU member states?
4. The proposer noted at the CUSC Panel that NGET would be obliged to seek and take into consideration the views of GB stakeholders but is not obliged to adhere to those views in contributing to the development of the EU network codes. Can the proposer explain how, under CUSC Applicable Objective b (facilitating competition in generation and supply), the ability to direct NG to consult and seek views but not adhere to them would provide “greater certainty” to CUSC parties about the development of the EU codes?
5. The proposer considers that the proposed solution could have a broader application than EU network codes development. Could the proposer explain how this broader application would work and also, given the existing Transmission Licence obligation on NG (e.g. SLC C10 (12)) to ensure consistency between the CUSC and other codes as a result of approved modifications, how CMP191 would add anything to the existing process in terms of broader application?

Kind regards

Abid

Abid Sheikh
Manager Industry Codes
Licensing and Industry Codes

Annex 3 – CMP191 Proposal Form

Modification Proposal CMP: 191

CUSC Modification Proposal Form v1.1

| CUSC Modification Proposal Form | CMP191 |
|---|--------|
| Title of the CUSC Modification Proposal: <i>(mandatory by Proposer)</i> NETSO Consultation in relation to any potential changes to the CUSC which takes place in forums other than the CUSC Modifications Panel | |
| Submission Date <i>(mandatory by Proposer)</i> 14th February 2011 | |
| Description of the CUSC Modification Proposal <i>(mandatory by Proposer)</i> <p>This Modification Proposal proposes that a revision to the CUSC is required to ensure that signatories to the CUSC are consulted with, via the CUSC Modifications Panel, and have their views considered in relation to any potential changes to the CUSC which may occur as a result of activity or discussion which takes place in forums other than the CUSC Modifications Panel and its associated (CUSC) groups. In particular, any input and potential or likely changes in relation to the development of the European Network Codes, in which National Grid (NGET) participate under their remit as the National Electricity Transmission System Operator (NETSO) are to be included.</p> <p>This change proposes that, in order to:-</p> <ol style="list-style-type: none"> Satisfy National Grid's obligation under condition C10 of their Electricity Transmission Licence; Maintain the existing high standards of openness and transparency in the GB code revision process; and Ensure that, as NETSO, National Grid adequately and effectively consider the views of the stakeholders who fund them; <p>that National Grid are to be obliged, with this Modification Proposal, to:-</p> <ol style="list-style-type: none"> Provide the CUSC Modifications Panel with details of any drafting proposals, in particular those concerning European Network Codes, ahead of their submission to the relevant body (e.g. ENTSO-e), including draft text and impact assessments as appropriate; Seek and take into consideration the views of the CUSC Modifications Panel on such drafting proposals ahead of their submission to the relevant body (e.g. ENTSO-e); and, Provide the CUSC Modifications Panel with prior notification of and subsequent feedback from meetings and workshops at which NGET have attended as NETSO, particularly with regard to development of the European Network Codes. <p>The CUSC Modification Panel may choose to establish a Standing Group; in accordance with Section 8.21 of the CUSC; to carry out the items assigned to the Panel in (1), (2) and (3) and the CUSC Modification Panel and / or a Standing Group (if established by the Panel) may consult CUSC signatories and others for their views on matters arising from or in related to (1), (2) and (3).</p> | |
| Description of Issue or Defect that CUSC Modification Proposal seeks to Address: <i>(mandatory by Proposer)</i> <p>As a result of the European Third Energy Package, the European Network of Transmission System Operators - Electricity (ENTSO-e) have been tasked with creating European Network Codes based on Framework Guidelines provided by the Agency for the Cooperation of Energy Regulators (ACER). The codes will cover a wide range of topics from Grid Connection to Wholesale Market Governance and each resulting code will directly supersede domestic network codes in each of the 27 (EU) Member States, including the United Kingdom of Great Britain and Northern Ireland.</p> <p>It is clear that the outcome of the European Network Codes could have a significant impact on national codes and changes will certainly be required to the CUSC. NGET participate in the ENTSO-e at both committee and working level. They are actively involved in the drafting process for the</p> | |

European Network Codes. At a workshop on 31st January 2011, NGET confirmed that its attendance at ENTSO-e, and associated input to the drafting of the European Network Codes, was under its remit as NETSO. NGET also confirmed, at the workshop, that it did not intend to participate in GB specific stakeholder engagement relating to the European Network Codes.

NGET have a licence obligation, relating to the CUSC, to bring changes to the CUSC to the attention of CUSC parties and such other persons as may properly be considered to have an appropriate interest in it (including consumer representatives). The relevant section from the Electricity Transmission Licence is Condition 10 including, for example, paragraph 6 (see Attachment 1 for extract).

It is clear that the European Network Codes are likely to impose changes on the CUSC which will represent significant materiality to many "CUSC users and such other persons and bodies as the CUSC may provide". Given that NGET are actively involved in these changes at European level, it is appropriate that they are required to consult with GB stakeholders during the process.

It is not appropriate that NGET as NETSO, whose participation in the ENTSO-e is effectively funded by stakeholders, should be under no obligation to consult with and engage with those (funding) stakeholders. This is contrary to what industry participants have come to expect in GB and goes against the transparency model that Ofgem are working to achieve.

This Modification Proposal seeks to address this deficiency in the process and improve the openness and transparency of the GB input to the European Network Codes. It encourages effective engagement between the NETSO and GB stakeholders in relation to changes to the CUSC and ensures that those stakeholders who are liable to be materially affected by such changes have the opportunity to be heard via the CUSC Modification Panel (and any Standing Group, if established, and consultation(s), if undertaken, by the Panel and / or Standing Group).

This Modification Proposal also seeks to address the issue raised, at the 31st January workshop, by National Grid, in respect of the development of the European Network Codes, namely that (i) input is required from all stakeholders at an early stage; (ii) it is vital that any stakeholder concerns are understood at an early stage and (iii) stakeholders engagement will be crucial in helping produce coherent and viable European Network Codes.

Impact on the CUSC *(this should be given where possible)*

Changes to Sections 8 and 11 are envisaged.

Do you believe the CUSC Modification Proposal will have a material impact on Greenhouse Gas Emissions? Yes/No *(assessed in accordance with Authority Guidance – see guidance notes for website link)*

No.

Impact on Core Industry Documentation. Please tick the relevant boxes and provide any supporting information *(this should be given where possible)*

BSC ☐

Grid Code ☐

STC ☐

Other ☐
(please specify)

Whilst this Modification Proposal is related specifically to the CUSC, the Proposer notes that a paper has been submitted to the Grid Code Review Panel meeting in February 2011; entitled "Grid Code Signatories Consultation" which seeks a similar change, to this CUSC Modification Proposal, to the Grid Code. In addition the Proposer is considering raising a similar change proposal, to this CUSC

| |
|--|
| Modification Proposal, to the BSC. |
| Urgency Recommended: Yes / No <i>(optional by Proposer)</i> No |
| Justification for Urgency Recommendation <i>(mandatory by Proposer if recommending progression as an Urgent Modification Proposal)</i> N/A |
| Self-Governance Recommended: Yes / No <i>(mandatory by Proposer)</i> No |
| Justification for Self-Governance Recommendation <i>(Mandatory by Proposer if recommending progression as Self-governance Modification Proposal)</i> N/A |
| Should this CUSC Modification Proposal be considered exempt from any ongoing Significant Code Reviews? <i>(Mandatory by Proposer in order to assist the Panel in deciding whether a Modification Proposal should undergo a SCR Suitability Assessment)</i> Yes. We are not aware of any ongoing SCR that relates to this Modification Proposal. |
| Impact on Computer Systems and Processes used by CUSC Parties: <i>(this should be given where possible)</i> No material impact on computer systems and processes used by CUSC Parties is envisaged as a result of this Modification Proposal. |
| Details of any Related Modification to Other Industry Codes <i>(where known):</i> As outlined above, the Proposer notes that a paper has been submitted to the Grid Code Review Panel meeting in February 2011; entitled "Grid Code Signatories Consultation" which seeks a similar change, to this CUSC Modification Proposal, to the Grid Code. In addition the Proposer is considering raising a similar change proposal, to this CUSC Modification Proposal, to the BSC. |
| Justification for CUSC Modification Proposal with Reference to Applicable CUSC Objectives: <i>(mandatory by proposer)</i> Please tick the relevant boxes and provide justification: <input checked="" type="checkbox"/> (a) the efficient discharge by The Company of the obligations imposed upon it by the Act and the Transmission Licence This Modification Proposal will ensure that The Company better satisfies its obligation under condition C10 of their Electricity Transmission Licence. <input checked="" type="checkbox"/> (b) facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity. This Modification Proposal will ensure that The Company maintain the existing high standards of openness and transparency in the GB code revision process and ensure that, as NETSO, National Grid adequately and effectively consider the views of the stakeholders who fund them. It will also ensure that CUSC Parties (and others) have greater certainty, with regard to the development of the European Network Codes, as it will involve a clear direction to National Grid to (i) provide details of any drafting proposals; (ii) seek and take into consideration views received; and (iii) provide prior notification of and subsequent feedback from meetings and workshops. |

Without this Modification Proposal there would be a detrimental impact surrounding the potential uncertainty about what the changes to the European Network Codes means from the perspective of the CUSC and this would hinder competition and create a possible barrier to entry, with a particular impact on small parties.

In addition, this uncertainty about what the changes to the European Network Codes means, from the perspective of the CUSC, can be detrimental to competition, particularly where a greater perception of risk leads to increased costs.

Furthermore, this Modification Proposal better facilitates competition as it introduces an efficient and transparent process in the CUSC with respect to the European Network Codes.

| | |
|---|---|
| Details of Proposer: (Organisation Name) | SSE Generation Ltd |
| Capacity in which the CUSC Modification Proposal is being proposed: (i.e. CUSC Party, BSC Party or "National Consumer Council") | CUSC Party |
| Details of Proposer's Representative: Name: Organisation: Telephone Number: Email Address: | Garth Graham SSE 01738 456000 garth.graham@sse.com |
| Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address: | Lisa Waters Waters Wye Associates 020 8286 8677 lisa@waterswye.co.uk |
| Attachments (Yes/No): Yes If Yes, Title and No. of pages of each Attachment: Transmission Licence Standard Conditions – consolidated 11th August 2010, four pages. | |

Attachment 1**Transmission Licence Standard Condition C10 – as per Mark Cox notice 5th July 2010**

6. The licensee shall establish and operate procedures for the modification of the CUSC (including procedures for modification of the modification procedures themselves), so as to better facilitate achievement of the applicable CUSC objectives, which procedures shall provide (without prejudice to the transition modification provisions and the procedures for modification provided for at paragraph 7 below):

a. subject to paragraphs 6A and 6B, for proposals for modification of:

(i) the CUSC (other than in respect of proposals for modification of the charging methodologies) to be made by the licensee, CUSC users, and such other persons and bodies as the CUSC may provide; and

(ii) the charging methodologies to be made by the licensee and/or CUSC users, the National Consumer Council, BSC parties and/or a materially affected party and in accordance with the provisions of the CUSC unless otherwise permitted by the Authority;

aa. for proposals for modification of the CUSC to be made by the licensee in accordance with a direction issued by the Authority pursuant to paragraphs 6C (the "significant code review route") and 14;

ab. for the implementation of modification proposals without the Authority's approval in accordance with paragraph 13A (the "self-governance route") and 13C;

ac. for the provision by the code administrator of assistance insofar as is reasonably practicable and on reasonable request to parties, (including, in particular, small participants and consumer representatives) that request the code administrator's assistance in relation to the CUSC including, but not limited to, assistance with:

(i) drafting a modification proposal;

(ii) understanding the operation of the CUSC;

(iii) their involvement in, and representation during, the modification procedure processes (including but not limited to panel, and/or workgroup meetings) as required by this condition, specified in the CUSC, or described in the Code of Practice; and

(iv) accessing information relating to modification proposals and/or modifications; and

ad. for:

(i) the regular convening of the charging methodology forum for the purposes of discussing further development of the charging methodologies;

(ii) for the provision of information by the licensee in accordance with paragraphs 9 and 10 of standard condition C4 (Charges for use of system) and paragraphs 13 and 14 of standard condition C6 (Connection charging methodology); and

(iii) insofar as reasonably practicable, the provision by the licensee of such other information or assistance as a materially affected party may reasonably request for the purposes of preparing a proposal to modify a charging methodology;

b. where such a proposal is made in accordance with paragraphs 6(a), 6(aa) and, unless otherwise directed by the Authority, 6(ab),

(i) for bringing the proposal to the attention of CUSC parties and such other persons as may properly be considered to have an appropriate interest in it (including consumer representatives);

(ii) for proper consideration of any representations on the proposal (including representations made by small participants and consumer representatives);

(iiA) for properly evaluating the suitability of the significant code review or self-governance route for a particular modification proposal;

(iii) for properly evaluating whether the proposed modification would better facilitate achieving the applicable CUSC objectives, provided that so far as any such evaluation requires information which is not generally available concerning the licensee or the national electricity transmission system, such evaluation shall be made on the basis of the licensee's proper assessment (which the licensee shall make available for these purposes) of the effect of the proposed modification on the matters referred to in paragraphs 1(a) and (b);

(iv) for the development and consideration of any alternative modification which may, as compared with the proposed modification, better facilitate achieving the applicable CUSC objective(s), provided that:

- the alternative proposal is made as described in the Code of Practice and as further specified in the CUSC; and

- unless an extension of time has been approved by the panel and not objected to by the Authority after receiving notice, any workgroup stage shall last for a maximum period (to be as specified in the CUSC) from the date on which the original modification was proposed,

(ivA) in relation to proposals for the modification of charging methodologies, for compliance (as applicable) with:

- paragraph 5 of standard condition C4 (Charges for use of system);

and

- paragraph 4 and 10(b) of standard condition C6 (Connection charging methodology).

(ivB) for the evaluation required under paragraph 6(b)(iii) (and, if applicable, paragraph 6(b)(iv)) in respect of the applicable CUSC objective(s) to include, where that impact is likely to be material, an assessment of the quantifiable impact of the proposal on greenhouse gas emissions to be conducted in accordance with such guidance (on the treatment of carbon costs and evaluation of the greenhouse gas emissions) as may be issued by the Authority from time to time;

(v) for the preparation of a panel report:

- setting out the proposed modification and, separately, any alternatives;

- evaluating the proposed modification and, separately, any alternatives;

- assessing the extent to which the proposed modification or any alternative would better facilitate achieving the applicable CUSC objectives and providing a detailed explanation of the panel's reasons for that assessment (such assessment to include, where applicable, an assessment of the quantifiable impact of the proposal on greenhouse gas emissions in accordance with paragraph 6(b)(ivB));

- assessing the impact of the modification and any alternative on the core industry documents and the changes expected to be required to such documents as a consequence of such modification;

- setting out a timetable for implementation of the modification and any alternative, including the date with effect from which such modification and any alternative (if made) is to would take effect;

and

(vi) subject to paragraph 6(b)(ivA), for the submission of the report to the Authority as soon after the proposal is made as is appropriate (taking into account the complexity, importance and urgency of the modification and in accordance with the time periods specified in the CUSC, which shall not be extended unless approved by the panel and not objected to by the Authority after receiving notice) for the proper execution and completion of the steps in sub-paragraphs (i) to (v); and

(vii) subject to paragraph 6(b)(ivA), for the revision and re-submission of the panel report provided under sub-paragraphs (v) and (vi), such resubmission to be made, if required by a direction issued by the Authority under paragraph 7(aa), as soon after the Authority's direction as is appropriate (taking into account the complexity, importance and urgency of the modification);

c. subject to paragraph 6(b)(ivA) and without prejudice to paragraph 3 of standard condition C4 (Charges for use of system), for the timetable (referred to in sub-paragraph (b)(v)) for implementation of any modification to be such as will enable the modification to take effect as soon as practicable after the Authority has directed or, in the case of a proposal falling under paragraphs 6(ab) and 13A, the panel, has determined that such modification to should be made, account being taken of the complexity, importance and urgency of the modification, and for that timetable to be extended with the consent of or as required by the Authority; and

d. for each of the procedural steps outlined in this paragraph 6, to the extent that they are relevant, to be consistent with the principles contained in the Code of Practice.

6A. The procedures for the modification of the CUSC shall provide that proposals for modification of the CUSC falling within the scope of a significant code review may not be made by the parties listed in paragraph 6(a) during the significant code review phase, except where:

a. the Authority determines that the modification proposal may be made, having taken into account (among other things) the urgency of the subject matter of the proposal; or

b. the modification proposal is made by the licensee in accordance with paragraphs 6(aa) and 6C.

6B. The procedures for the modification of the CUSC shall provide that where a modification proposal is made during the significant code review phase, unless otherwise exempted by the Authority, the panel shall:

a. comply with the steps in paragraph 6(b) subject to sub-paragraph (c) of this paragraph; and

b. as soon as practicable notify the Authority of:

(i) any representations received in relation to the suitability of the significant code review route; and

(ii) the panel's assessment of whether the proposal falls within the scope of a significant code review and the applicability of the exceptions under paragraph 6A(a) or (b), and its reasons for that assessment; and

c. not proceed with the modification proposal at the Authority's direction.

6C. The procedures for the modification of the CUSC shall provide that if within twenty eight (28) days after the Authority has published its significant code review conclusions, the Authority issues to the licensee:

a. directions, the licensee shall comply with those directions;

b. a statement that no directions under sub-paragraph (a) will be issued in relation to the CUSC, the licensee shall treat the significant code review phase as ended;

c. neither directions under sub-paragraph (a), or a statement under subparagraph

(b), the significant code review phase will be deemed to have ended.

The Authority's published conclusions and directions to the licensee shall not fetter the voting rights of the members of the panel or the recommendation procedures informing the report described at paragraph 6(b)(v).

[end]

Annex 4 – Workgroup JESG Terms of Reference

Joint European Standing Group (JESG) Terms of Reference (BSC, CUSC and Grid Code Review Panels)

[NB. Text in square brackets is included for CMP191/P271 Alternative Modification Proposal(s)]

Purpose and Scope

1. The purpose of the JESG is to facilitate information sharing between National Grid Electricity Transmission plc (in its role as National Electricity Transmission System Operator) and other GB Transmission System Operators (GB TSOs) who are members of the European Network of Transmission System Operators for Electricity (ENTSO-e), and other GB interested parties.
2. National Grid [and other GB TSOs who are ENTSO-e members] shall:
 - a) provide the JESG with details of any drafting proposals (where relevant and to a reasonable level of detail), in particular those concerning European Network Codes, ahead of their submission to the relevant body (e.g. ENTSO-e), including draft text and impact assessments, as appropriate;
 - b) seek and take into consideration the views of the JESG on such drafting proposals ahead of their submission to the relevant body (e.g. ENTSO-e);
 - c) provide the JESG with prior notification of and subsequent feedback from meetings and workshops which National Grid has attended as NETSO, particularly with regard to development of the European Network Codes; and
 - d) provide information to interested parties so that they can respond to European Consultations, as appropriate.
3. JESG members and sub-group members shall actively participate in the workings of the JESG, providing timely contributions in the appropriate manner, be that at any meetings, responding to emails, engaging in teleconferences etc.
4. The JESG may establish sub-groups, as it considers necessary, to address specific European Network Codes and issues.
5. The JESG is not a decision-making body, but may make recommendations to National Grid, in its role as NETSO, [and other GB TSOs who are ENTSO-e members]. For the avoidance of doubt, National Grid or any other GB TSO is not bound by any recommendations or the views of the group, merely to consider them.

Chair

6. The JESG Chair will be appointed jointly by the BSC, CUSC and Grid Code Panels and will be independent of National Grid. If the JESG Chair is unable to attend a meeting they are able nominate an alternate. If the JESG Chair or nominated alternate is not present within 30 minutes of the appointed start time, the JESG members present may appoint one of their number to be the Chair for the meeting.

Membership

7. JESG membership is open to BSC and CUSC Parties; those bound by Grid Code obligations; GB TSOs who are ENTSO-e members and other GB interested parties. Those wishing to join the JESG as members should provide contact details to the JESG administrator.
8. The JESG Chair is able to add members to the group, by notice to the JESG administrator.
9. Ofgem, DECC and Code Administrators are invited to provide a representative to attend the meetings as an observer.
10. The JESG Chair is able to add observers to the group, by notice to the JESG administrator.
11. The JESG Chair may remove any JESG member if the member is unwilling of unable for whatever reason to fulfil that function and/or is deliberately and persistently disrupting or frustrating the work of the JESG.

Meetings

12. The JESG will meet in person or by teleconference, email or web-based meeting technology (such as Live Meeting or Webinar), as appropriate.
13. Meetings of the JESG will be held on an as required basis, as decided by the JESG Chair, in consultation with National Grid as NETSO, and JESG members, as appropriate.

Meeting Administration

14. National Grid, in its role as Code Administrator, will act as the administrator of the JESG. National Grid will compile a list of JESG members and observers and an electronic distribution list.
15. National Grid will circulate and publish meeting agendas prior to each meeting and a high-level "headline report" after each meeting.
16. Meeting documentation will be published on a dedicated webpage, hosted on National Grid's website. The webpage will include links to relevant European consultations and information on how to access those consultations directly (e.g. getting on the electronic distribution list for each organisation).
17. Where the JESG requires instruction, clarification or guidance from the Panels, particularly in relation to their Terms of Reference, the JESG Chair should contact the Panel Secretaries.

18. The JESG shall, unless determined otherwise by the relevant code Panels, develop and adopt its own internal working procedures and provide a copy to the Panel Secretaries.

Reporting

19. The JESG Chair, or another JESG member nominated by the Chair, will report to the BSC, CUSC and Grid Code Panel meetings on a regular basis.

Joint European Standing Group (JESG) Terms of Reference (BSC, CUSC and Grid Code Review Panels)

Purpose and Scope

1. The purpose of the JESG is to facilitate information sharing between National Grid Electricity Transmission plc (in its role as National Electricity Transmission System Operator) and other GB Transmission System Operators (GB TSOs) who are members of the European Network of Transmission System Operators for Electricity (ENTSO-e) and other GB interested parties.
2. The information shared could:
 - a) provide National Grid with the views of GB stakeholders on relevant European issues and vice versa (e.g. views on the level of detail and direction for European Network Code drafting based on Framework Guidelines); allow GB stakeholders to seek and take into consideration the views of National Grid on relevant European issues and vice versa;
 - b) provide interested parties with details of National Grid's thinking on the development of European Network Codes and the direction of ENTSO-E's thinking;
 - c) provide feedback from meetings and workshops which National Grid has attended as NETSO, particularly with regard to development of the European Network Codes;
 - d) provide information to interested parties so that they can respond to European Consultations, as appropriate.
3. The JESG may establish sub-groups, as it considers necessary, to address specific European Network Codes and issues.
4. The JESG is not a decision-making body. For the avoidance of doubt, National Grid will take into consideration but is not bound to follow the recommendations of the group. National Grid will provide feedback where the group's clear recommendations are not followed. It will remain the responsibility of individual GB stakeholders to participate in/respond to EU level public consultations on Framework Guidelines and/or Network Codes.

Chair

5. The JESG Chair will be appointed jointly by the BSC, CUSC and Grid Code Review Panels.

Membership

6. JESG membership is open to BSC and CUSC Parties; those bound by Grid Code obligations; GB TSOs who are ENTSO-e members and other GB interested parties. Those wishing to join the JESG as members should provide contact details to the JESG administrator.

7. The JESG Chair is able to add members to the group, by notice to the JESG administrator.
8. Ofgem, DECC and Code Administrators are invited to provide a representative to attend the meetings as an observer.
9. The JESG Chair is able to add observers to the group, by notice to the JESG administrator.
10. The JESG Chair may remove any JESG member if the member is unwilling or unable for whatever reason to fulfil that function and/or is deliberately and persistently disrupting or frustrating the work of the JESG.

Meetings

11. The JESG will meet in person or by teleconference, email or web-based meeting technology (such as Live Meeting or Webinar), as appropriate.
12. Meetings of the JESG will be held on an as required basis (initially monthly), as decided by the JESG Chair, in consultation with National Grid as NETSO, and JESG members, as appropriate.

Meeting Administration

13. National Grid, in its role as Code Administrator, will act as the administrator of the JESG. National Grid will compile a list of JESG members and observers and an electronic distribution list.
14. National Grid will circulate and publish meeting agendas prior to each meeting and a high-level "headline report" after each meeting.
15. Meeting documentation will be published on a dedicated webpage, hosted on National Grid's website. The webpage will include links to relevant European consultations and information on how to access those consultations directly (e.g. getting on the electronic distribution list for each organisation).
16. Where the JESG requires instruction, clarification or guidance from the Panels, particularly in relation to their Terms of Reference, the JESG Chair should contact the Panel Secretaries.
17. The JESG shall, unless determined otherwise by the relevant code Panels, develop and adopt its own internal working procedures and provide a copy to the Panel Secretaries.

Reporting

18. The JESG Chair, or another JESG member nominated by the Chair, will report to the BSC, CUSC and Grid Code Panel meetings on a regular basis.

Review of Terms of Reference

19. Should either CUSC Modification Proposal 191 or BSC Modification Proposal 271 be approved by the Authority, these Terms of Reference will be reviewed to reflect the obligations arising from implementation of the Modification Proposals.

Annex 6 – Workgroup Attendance Register

| Name | Company | Role | Meeting 1 (11/03/11) | Meeting 2 (31/03/11) | Meeting 3 (15/04/11) | Meeting 4 (20/05/11) | Meeting 5 (08/07/11) |
|------------------------------|----------------|-------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Barbara Vest | AEP | Chair | X | X | X | X | X |
| Thomas Derry | National Grid | Secretary | X | X | X | X | X |
| Alex Thomason | National Grid | B, C | X | X | X | X | X |
| David Smith | National Grid | G | X | X | | X | |
| Campbell McDonald | SSE | G | X | X | X | X | |
| John Norbury | RWE | B, C, G | X | X | X | X | |
| Mike Kay | ENW | G | X | Dial in | X | | |
| Hannah McKinney ¹ | EDF Energy | B, C, G | X | X | | X | |
| Louise Schmitz | EDF Energy | C | X | | | | |
| Esther Sutton | E.ON UK | B, C, G | X | | X | X | X |
| Garth Graham | SSE | B, C | X | X | X | X | X |
| Adam Lattimore | Elexon | B | X | | | X | Dial in |
| Carys Rhianwen | Centrica | B, C | X | X | | | X |
| Abid Sheikh | Ofgem | Authority | Dial in | X | | X | X |
| Gary Henderson | SP | B | X | X | | X | X |

| Name | Company | Role | Meeting 1 (11/03/11) | Meeting 2 (31/03/11) | Meeting 3 (15/04/11) | Meeting 4 (20/05/11) | Meeting 5 (08/07/11) |
|---------------|----------------|-------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Paul Auckland | National Grid | Observer | X | | X | X | X |
| Gwyn Dolben | AEP | G | | X | | | |
| Steve Wilkin | Elexon | Observer | | X | X | | X |
| Emrah Cevik | Elexon | Observer | | X | | | |
| Guy Nicholson | Renewable UK | G | | X | Dial in | Dial in | X |
| John Costa | EDF Energy | Alternate | | | | | X |

1 - Hannah McKinney is the main representative from EDF Energy. Louise Schmitz originally attended as CUSC member. John Costa attended meeting 5 as a replacement for Hannah.

Key

Role

B -BSC P271 Workgroup Member

C - CUSC CMP191 Workgroup Member

G - Grid Code Signatories Workgroup Member

Meetings

Blank - Did not attend

X - Attended

Annex 7 - EC/ACER/ENTSO-e Work Plan

This is a copy of the ENC work plan which is consulted upon each year with stakeholders.

EC/ACER/ENTSO-E's work plan

| Deliverable | ACER FG draft | | ENTSO-E code drafting | | ACER evaluation | | Conitology | | 2011 | | | | 2012 | | | | 2013 | | | | 2014 | | | |
|--|---|-------|-----------------------|-------|-----------------|-------|------------|-------|------|---|---|---|------|---|---|---|------|---|---|---|------|---|---|---|
| | Start | End | Start | End | Start | End | Start | End | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 |
| | Products/legislation relevant for effective implementation of the IEM | | | | | | | | | | | | | | | | | | | | | | | |
| FG on capacity allocation and congestion management | Q1/11 | Q2/11 | | Q2/11 | | | | | | | | | | | | | | | | | | | | |
| NC on capacity allocation and congestion management ¹ | | | | | Q3/11 | Q3/12 | Q4/12 | Q1/13 | | | | | | | | | | | | | | | | |
| NC on forward markets | | | | | Q4/12 | Q3/13 | Q4/13 | Q1/14 | | | | | | | | | | | | | | | | |
| Regional progress, setup and testing (incl. AESAG process and Regional Initiatives Work Program) | | | | | | | | | | | | | | | | | | | | | | | | |
| EC contingency guideline on governance ² | | | | | | | | | | | | | | | | | | | | | | | | |
| FG on network connection ³ | Q2/11 | Q2/11 | | Q2/11 | | | | | | | | | | | | | | | | | | | | |
| NC on generation connection ⁴ | | | | | Q3/11 | Q4/11 | Q1/12 | Q2/12 | | | | | | | | | | | | | | | | |
| NC on DSO and industrial load connection | | | | | Q1/12 | Q4/12 | Q1/13 | Q2/13 | | | | | | | | | | | | | | | | |
| FG on system operation ⁵ | Q2/11 | Q4/11 | | Q4/11 | | | | | | | | | | | | | | | | | | | | |
| NC on operational security | | | | | Q1/11 | Q4/12 | Q1/13 | Q2/13 | | | | | | | | | | | | | | | | |
| NC on operational planning and scheduling | | | | | Q2/12 | Q1/13 | Q2/13 | Q3/13 | | | | | | | | | | | | | | | | |
| NC on load-frequency control and reserves | | | | | Q3/12 | Q2/13 | Q3/13 | Q4/13 | | | | | | | | | | | | | | | | |
| FG on balancing | Q3/11 | Q1/12 | | Q1/12 | | | | | | | | | | | | | | | | | | | | |
| NC on balancing ⁶ | | | | | Q4/12 | Q3/13 | Q4/13 | Q1/14 | | | | | | | | | | | | | | | | |
| EC contingency guideline on transparency | | | | | | | | | | | | | | | | | | | | | | | | |
| Possible Guidelines / FG on incentives to TSOs to increase cross-border trade | | | | | | | | | | | | | | | | | | | | | | | | |
| Possible Guidelines on investment incentives to TSOs | | | | | | | | | | | | | | | | | | | | | | | | |
| EC Contingency Guideline on tariffs | | | | | | | | | | | | | | | | | | | | | | | | |

Annex 8 – Useful Information

The following links may be useful to Workgroup consultees in keeping informed on progress of the European consultations on Framework Guidelines and European Network Codes.

European Mailing Lists

To ensure you receive details of the latest European Energy consultations, you can subscribe to the mailing lists of the European Commission, ACER and ENTSO-e using the links below:

European Commission (EC) – Directorate-General for Energy

http://ec.europa.eu/dgs/energy/newsletter/index_en.htm

(Click on the underlined text "ask to be put on our mailing list")

Agency for the Cooperation of Energy Regulators (ACER)

http://www.acer.europa.eu/portal/page/portal/ACER_HOME/newsbox

(Click on the box on the left-hand side of the page entitled "Subscribe to ACER news")

European Network of Transmission System Operators for Electricity (ENTSO-E)

<https://www.entsoe.eu/media/news-subscription/>

European homepages and Consultation weblinks

EC homepage

http://ec.europa.eu/index_en.htm

EC Energy homepage

http://ec.europa.eu/energy/index_en.htm

EC Energy Consultations page

http://ec.europa.eu/energy/international/consultations/index_en.htm

ACER homepage

http://www.acer.europa.eu/portal/page/portal/ACER_HOME/newsbox

ACER Consultation page

http://www.acer.europa.eu/portal/page/portal/ACER_HOME/Stakeholder_involvement (Click on "Public consultations" link on left-hand side of page)

ENTSO-E homepage

<https://www.entsoe.eu/>

ENTSO-E Consultations page

<https://www.entsoe.eu/resources/consultations/>

Joint Workgroup Response Proforma

CMP191 & P271: NETSO Consultation in relation to any potential changes to the BSC/CUSC which takes place in forums other than the CUSC/BSC Modifications Panel; "Grid Code Signatories Consultation"

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses by 5pm on 28th June 2011 to cusc.team@uk.ngrid.com. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Workgroup.

Any queries on the content of the consultation should be addressed to Thomas Derry at thomas.derry@uk.ngrid.com.

These responses will be considered by the Workgroup at their next meeting at which members will also consider any WG Consultation Alternative Requests. Where appropriate, the Workgroup will record your response and its consideration of it within the final Workgroup report which is submitted to the CUSC Modifications Panel.

| | |
|--|---|
| Respondent: | <i>Carys Rhianwen</i> |
| Company Name: | <i>Centrica Energy</i> |
| Please express your views regarding the Workgroup Consultation, including rationale (please include any issues, suggestions or queries). | <p><i>We are in favour of this proposal and its rationale. We see this initiative as being complementary and not a substitute to nor conflicting with direct involvement by industry stakeholders in the ENTSO-E process. Especially given the experience of the recent pilot code on the ENC for Grid Connection, we believe that early engagement and visibility of potential future changes would be beneficial for industry stakeholders and the future of GB code development.</i></p> <p><i>We see the proposed JESG as a forum for two-way dialogue between National Grid and industry stakeholders where the GB stakeholders' awareness of future ENC development is improved and National Grid is informed of GB stakeholder views on this subject, which may include potential alternative solutions.</i></p> |
| Do you believe that the proposed original or any of the alternatives better facilitate the Applicable CUSC Objectives? Please include your reasoning. | <p>For reference, the Applicable CUSC Objectives are:</p> <p>(a) the efficient discharge by the licensee of the obligations imposed upon it under the Act and by this licence; and</p> <p>(b) facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity.</p> <p><i>We believe the original proposal best facilitates the code</i></p> |

| | |
|--|--|
| | <i>objectives.</i> |
| Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible. | <i>Yes, we support the proposed implementation approach. Further we support the suggestion of establishing the JESG prior to the code modification process' conclusion in order to be able to take advantage of National Grid visibility of the ongoing ENC process.</i> |
| Do you have any other comments? | <p><i>We believe that this proposal is of utmost importance to the future development of GB electricity market. Early visibility and awareness of both likely changes and direction of changes will be beneficial to stakeholders when considering commercial investment decisions in systems and equipment. It will also be useful to take information shared at JESG into consideration within the GB codes regime itself to avoid GB code work becoming redundant in the near future. All of this should help reduce inefficiencies and costs to the GB electricity market.</i></p> <p><i>In paragraph 5 of the Terms of Reference contained in Annex 4, the following should be added: "Where National Grid acts against the recommendations or the views of the group, it should clarify/explain the reasons for doing this."</i></p> |
| Do you wish to raise a WG Consultation Alternative Request for the Workgroup to consider? | <i>No.</i> |

Specific Questions for CMP191, P271 and 'Grid Code Signatories'

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| Workgroup Question: Do you think that a letter covering the above points should be sent to Europe? If so do you have any further suggestions for points to cover? |
| <p>View:</p> <p><i>We support a letter being sent to the European Commission, ACER and ENTSO-E.</i></p> <p><i>Such a letter should explain at a high level how the GB code development process works (whereby industry is closely involved rather than national codes being dictated solely by national legislation and/or the national TSO). The objectives of the JESG establishment should also be explained as a means to improve openness and transparency and improve both understanding and engagement by GB stakeholders in the European process.</i></p> <p><i>On point 3 of paragraph 4.9, rather than question at what stage GB stakeholders should have some engagement we believe the letter should explain that this JESG process aims to give earlier visibility and engagement for GB stakeholders in the process.</i></p> <p><i>Regarding point 6 of paragraph 4.9, it is not clear what is meant.</i></p> |

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| Workgroup Question: Do you think that other GB TSOs should have |
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obligations place on them?

View:

Given National Grid's unique position as both transmission owner in England and Wales and as system operator for GB as a whole, it is right that the obligation lies mainly on National Grid. As stated in the workgroup papers, National Grid is much more engaged than the other GB TSOs in the ENC process.

If in future other GB TSOs become engaged at the European level, this obligation would need to be reviewed.

Whilst it is not considered appropriate to place an obligation on other GB TSOs at present, we would strongly encourage them to be involved in the JESG as their input can help ensure a discussion of GB wide issues. This concurs with paragraph 7 of the Terms of Reference.

Ofgem Question: Is there the power (vires) to oblige National Grid to undertake GB stakeholder engagement as proposed? Where does this power derive from? Please provide reasons.

View:

We concur with the views of the proposer as set out in paragraph 4.23

Workgroup Question: Could GB stakeholder engagement be undertaken using existing code processes (e.g. a Standing/ Issues Group?)

View:

The JESG option is preferred as this allows for cross-code engagement. Some of the European codes may impact more than one of the GB codes.

Workgroup Question: What are your views on membership vs attendeeship of JESG?

View:

We believe that membership will give a sense of responsibility to the participation in meetings and discussions. Nonetheless, in the spirit of openness, meetings and contributions should also be open to observers.

Further we support the topic specific subgroups as this will allow/ensure the involvement of those with appropriate technical skills and knowledge as needed for specific individual codes.

Workgroup Question: What are your views on the Chairman being independent of National Grid? Do you have any nominations for a Chairman of the Joint European Standing Group?

View:

We believe that the Chair should be independent as this can better manage natural potential conflicts between stakeholders and National Grid and hence ensure trust in the openness and transparency of the JESG is maintained.

We would nominate Barbara Vest to the role of Chair.

Workgroup Question: Do you agree with the Workgroup that a Joint European Standing Group should be established, by the code Panels, before the code modification processes for BSC P271, CMP191 and Grid Code Signatories conclude?

View:

We would support the early establishment of JESG in order to take engage in the ongoing discussions at European level.

Workgroup Question: What are your views on the level of detail and information that the Joint European Standing Group should have to examine?

View:

ENC's are likely to have a major impact on GB code and market development in the future.

It must also be recalled that the change process for ENC is likely to be much less flexible and slower than that for GB codes and hence attention to detail will be important at both policy and technical/commercial level as the impact will be felt for years to come and should not be underestimated as the ENC's will be legally binding.

The resource requirements to the JESG should not be underestimated by members.

We support the Terms of Reference in Annex 4 which refers not only to any drafting proposal including draft text and impact assessments but also to feedback of meetings and workshops. It is essential that National Grid share the full range of issues being discussed at European level and that it does not endeavour to select the areas of potential change that could have the main impact on GB codes.

Workgroup Question: Which other forums or areas could be included in the scope of these BSC, CUSC or Grid Code Modification Proposals?

View:

Other areas that could be included are discussions relating to European electricity infrastructure development such as the North Seas Initiatives, where National Grid may be involved in pan-European discussions.

Whilst National Grid may not have a formal role in any areas of legislation developed under comitology, it is likely that where these relate to infrastructure and systems that it will be involved (whether as National Grid or as a member of ENTSO-E) and hence can provide useful information exchange with other members of the JESG.

Workgroup Question: What are your views on the implementation of the three proposals?

View:

As per paragraph 6.6 we believe that it would be beneficial if all three proposals have a commonality of approach.

Joint Workgroup Response Proforma

CMP191 & P271: NETSO Consultation in relation to any potential changes to the BSC/CUSC which takes place in forums other than the CUSC/BSC Modifications Panel; "Grid Code Signatories Consultation"

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses by 5pm on 28th June 2011 to cusc.team@uk.ngrid.com. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Workgroup.

Any queries on the content of the consultation should be addressed to Thomas Derry at thomas.derry@uk.ngrid.com.

These responses will be considered by the Workgroup at their next meeting at which members will also consider any WG Consultation Alternative Requests. Where appropriate, the Workgroup will record your response and its consideration of it within the final Workgroup report which is submitted to the CUSC Modifications Panel.

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| Respondent: | Stuart Cotten |
| Company Name: | Drax Power Limited |
| Please express your views regarding the Workgroup Consultation, including rationale (please include any issues, suggestions or queries). | Drax is generally supportive of CMP191 & P271. Please see our answers to the consultation questions (below). |
| Do you believe that the proposed original or any of the alternatives better facilitate the Applicable CUSC Objectives? Please include your reasoning. | <p>Drax agrees that the proposals will better facilitate Applicable BSC Objectives (c) and (d). In addition, the proposals will better facilitate Applicable CUSC Objective (b).</p> <p>The European Network Codes are expected to have a direct impact on the existing GB industry codes. CMP191 & P271 will provide a level of openness and transparency during the development of the European Network Codes, similar to that found under the existing BSC and CUSC modification processes.</p> <p>The proposals will also ensure that industry stakeholders are given an opportunity to access (relevant) information and become involved in industry discussion at an earlier point in the development of the European Network Codes. This will provide an efficient and structured engagement process between National Grid and the wider industry.</p> |

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| Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible. | Yes. The proposals should be implemented together. |
| Do you have any other comments? | The Workgroup should consider the day to day running of JESG, in terms of which Panel(s) will manage updates to the Terms of Reference and group membership. |
| Do you wish to raise a WG Consultation Alternative Request for the Workgroup to consider? | No. |

Specific Questions for CMP191, P271 and 'Grid Code Signatories'

Workgroup Question: Do you think that a letter covering the above points should be sent to Europe? If so do you have any further suggestions for points to cover?

View: It is questionable how useful a series of letters from the Panels to the relevant European bodies would be outside of a consultation on the subject. It may be worth exploring whether National Grid (as an ENTSO-E member) would be willing to provide feedback to ENTSO-E in a letter that was endorsed by the Panels; the letter could cover the more pertinent issues raised by the Workgroup.

Workgroup Question: Do you think that other GB TSOs should have obligations place on them?

View: No. National Grid has existing relationships with generators across GB in its role as System Operator. Drax believes that National Grid is best placed to provide a single point of contact for these issues.

Ofgem Question: Is there the power (vires) to oblige National Grid to undertake GB stakeholder engagement as proposed? Where does this power derive from? Please provide reasons.

View: If clarification of vires is required, it may be worth the Workgroup seeking independent legal advice.

Workgroup Question: Could GB stakeholder engagement be undertaken using existing code processes (e.g. a Standing/ Issues Group?)

View: Yes. As described in the consultation document, a new Standing Group could be set up to specifically consider European Network Code issues. However, CMP191 and P271 also place a *requirement* on National Grid (in the role of

ENTSO) to engage with industry and consider the views of industry participants. This requirement could only be formalised via an amendment to the code.

Workgroup Question: What are your views on membership vs attendance of JESG?

View: Membership would encourage greater engagement as volunteers would be committing to regularly attend meetings. This approach would also provide greater continuity to discussion given that the same / similar issues will be expected to arise on an ongoing basis. The membership approach could be left flexible by ensuring all attendees (members and non-members) are allowed to actively participate in discussion.

Workgroup Question: What are your views on the Chairman being independent of National Grid? Do you have any nominations for a Chairman of the Joint European Standing Group?

View: Drax does not have a strong preference on this issue, provided that any Chairman provided by National Grid acts in a similar capacity to that of a Chairman for a code modification Workgroup.

Workgroup Question: Do you agree with the Workgroup that a Joint European Standing Group should be established, by the code Panels, before the code modification processes for BSC P271, CMP191 and Grid Code Signatories conclude?

View: Yes. The JESG should be established as soon as reasonably practicable to allow industry engagement during summer 2011.

Workgroup Question: What are your views on the level of detail and information that the Joint European Standing Group should have to examine?

View: The code Panels should ensure that the JESG Terms of Reference are reasonably flexible to enable the group to determine the level of detail required to consider a given issue. The level of detail required will depend upon the nature of the issue and the expected impact on industry participants.

Workgroup Question: Which other forums or areas could be included in the scope of these BSC, CUSC or Grid Code Modification Proposals?

View: The JESG may have enough to consider during the development of the European Network Codes (particularly in the short-term). The Panel could add further issues to its remit as and when required (as appropriate). The JESG Terms of Reference should be periodically reviewed by the Panels.

Workgroup Question: What are your views on the implementation of the

three proposals?

View: The implementation approach appears sensible. The proposals should be implemented together.

Joint Workgroup Response Proforma

CMP191 & P271: NETSO Consultation in relation to any potential changes to the BSC/CUSC which takes place in forums other than the CUSC/BSC Modifications Panel; "Grid Code Signatories Consultation"

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses by 5pm on 28th June 2011 to cusc.team@uk.ngrid.com. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Workgroup.

Any queries on the content of the consultation should be addressed to Thomas Derry at thomas.derry@uk.ngrid.com.

These responses will be considered by the Workgroup at their next meeting at which members will also consider any WG Consultation Alternative Requests. Where appropriate, the Workgroup will record your response and its consideration of it within the final Workgroup report which is submitted to the CUSC Modifications Panel.

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| Respondent: | Esther Sutton |
| Company Name: | E.ON UK |
| Please express your views regarding the Workgroup Consultation, including rationale (please include any issues, suggestions or queries). | <p>We welcomed the raising of CMP191 and P271.</p> <p>The European Network Codes are being developed primarily by the TSOs behind closed doors with little network user or stakeholder involvement. As they are likely in due course to be ratified and made legally binding through the EU comitology process it is important to engage parties to raise awareness of forthcoming changes and for development of these Codes to benefit from industry input. National Grid as NETSO would not be obliged to adhere to parties' views but it would be prudent to ensure that they are fully aware of industry concerns while engaged in influencing ENC development. If such views are not sought the NETSO could not be certain of fully appreciating potential impacts on stakeholders; there would be greater risk that as with the first Pilot Code on electricity connections, common standards set could be unworkable requiring wasteful and unnecessary national level derogations. We note that shortcomings in the Pilot Connection Code development have been acknowledged by ENTSO-e, but issues limiting parties' participation appear to remain (such as a very restrictive character limit for consultation responses and lack of transparency over how GB (or any) stakeholder comments are considered or addressed). While parties will surely continue to respond to European consultations where possible, setting a mandate for National Grid as NETSO to consult with GB stakeholders via a</p> |

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| | JESG should be helpful to all concerned. |
| Do you believe that the proposed original or any of the alternatives better facilitate the Applicable CUSC Objectives? Please include your reasoning. | <p>For reference, the Applicable CUSC Objectives are:</p> <p>(a) the efficient discharge by the licensee of the obligations imposed upon it under the Act and by this licence; and</p> <p>(b) facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity.</p> <p>In our view CMP191/P271 better meet, in particular, Applicable CUSC Objective (b) (and Applicable BSC Objective (c)) as they would ensure a formal, open and transparent route for consultation with industry that should raise awareness, allow parties to raise concerns at the earliest opportunity and prepare for any forthcoming changes. Ensuring that the GB NETSO has a full understanding of stakeholders' concerns should also ensure that they are best placed to influence the development of ENC's in a way that does not disadvantage GB. We note that ACER and ENTSO-e are not required to hold stakeholder fora and while they may consult, are only required to do so once. Consequently more ex-ante discussions in GB as these proposals would facilitate would help better inform parties before they responded to any such European consultations. Improving two-way communication with industry through CMP191 and P271 will thus support effective competition in the generation and supply of electricity.</p> <p>The establishment of a cross-code JESG enabling parties' views to be fed back to National Grid would also promote efficiency as ensuring that these are considered during its engagement with ENC formation should minimise the risk of unworkable changes being developed. Thus supports CUSC Objective (a). While CMP191 and P271 are concerned with communication prior to proposals being raised in the GB Codes, engaging with parties in this way should also lead to early engagement in the modification process when a proposal is raised, further supporting Objective (a), the efficient discharge of the obligation imposed under the Transmission Licence, to bring matters to the attention of parties. As an efficient way for National Grid to communicate with parties we believe this also supports BSC Objective (d). It would not appear onerous for summaries of discussions to be circulated more widely than within National Grid. As identified it is also possible that ENC development will deter proposals being raised to the national Codes, in many companies potentially freeing up the same individuals to engage with the JESG.</p> |
| Do you support the proposed implementation | Yes, we support the proposed implementation arrangements as set out in Section 6 of the |

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| approach? If not, please state why and provide an alternative suggestion where possible. | consultation document; i.e. ten working days after an Authority decision. |
| Do you have any other comments? | No |
| Do you wish to raise a WG Consultation Alternative Request for the Workgroup to consider? | No |

Specific Questions for CMP191, P271 and 'Grid Code Signatories'

Workgroup Question: Do you think that a letter covering the above points should be sent to Europe? If so do you have any further suggestions for points to cover?

View: Yes. We support covering the points identified by the Working Group, including suggesting a suitable proforma for stakeholder responses.

Workgroup Question: Do you think that other GB TSOs should have obligations place on them?

View: No. While there is some argument for obligating all the GB TSOs, and we understand that National Grid may not always be able to send a representative to, for instance, every ENTSO-e meeting, in practice obligating the other TSOs could result in duplication. As identified by the Proposer, as National Grid is both Transmission Owner and NETSO they are likely to be more involved in European discussions and there seems little point in also obligating SPTL and SHETL to make the same communications. Nevertheless we would welcome their engagement with the JESG.

Ofgem Question: Is there the power (vires) to oblige National Grid to undertake GB stakeholder engagement as proposed? Where does this power derive from? Please provide reasons.

View: Yes. As the Workgroup have confirmed, the Codes may put an obligation on any Party, as long as the proposal to do so would better meet the Code objectives. In this case it appears quite clear that these proposals would further (a) but more particularly CUSC Objective (b) and BSC Objective (c).

Workgroup Question: Could GB stakeholder engagement be undertaken using existing code processes (e.g. a Standing/ Issues Group?)

View: No. An Issues Group is a temporary Group 'used to understand an issue with the BSC and to obtain guidance in producing the Modification Proposal'; also an Issues or Standing Group, while acting as a discussion forum that could be cross-codes, is not required to consult with parties. The point of these modifications is to better inform both parties and National Grid in its role as NETSO. To ensure effective engagement and two-way communication between National Grid and industry parties on potential developments arising other than via the Panels, such consultation should be mandated. Although we do not

expect the resourcing requirements for the JESG to be onerous, we also note the point made in the Workgroup that by requiring this liaison there could be a cost recovery route through the Price Controls.

Workgroup Question: What are your views on membership vs attendeeship of JESG?

View: While we would anticipate that attendance at/observance of the JESG should be open to any Party giving prior notification, it would help to cement the existence and effectiveness of the JESG if the Group had members. If certain individuals are designated members of the Group that should confer more responsibility on them than might be the case for adhoc attendees, as well as making meetings easier to organise.

Workgroup Question: What are your views on the Chairman being independent of National Grid? Do you have any nominations for a Chairman of the Joint European Standing Group?

It is desirable for the Chairman to be independent from National Grid. We would be satisfied with the nomination suggested by the CUSC Panel on Friday 24/06/11.

Workgroup Question: Do you agree with the Workgroup that a Joint European Standing Group should be established, by the code Panels, before the code modification processes for BSC P271, CMP191 and Grid Code Signatories conclude?

View: Yes. To further openness and transparency and in order to engage parties as early as possible with regard to ENC development in particular (as opposed to any other potential developments arising in places other than the Code Panels), it would be useful to establish an interim JESG even before the code processes conclude. As the Workgroup discussed, the high level of interest shown in these proposals indicates the level of concern that parties have about ENC development and their limited opportunity to feed in to this process.

Workgroup Question: What are your views on the level of detail and information that the Joint European Standing Group should have to examine?

View: We believe the Terms of Reference developed by the Workgroup to be appropriate, i.e. certainly including any relevant draft text and impact assessments, but also considering any discussions that National Grid is able to share with the Group that may indicate the direction or detail of potential developments, as referenced in consultation paragraph 4.41.

Workgroup Question: Which other forums or areas could be included in the scope of these BSC, CUSC or Grid Code Modification Proposals?

View: It seems likely to be appropriate and beneficial that for instance, other European developments covered by the Third Energy Package in addition to that of forming the ENCs, would be included in the scope of these proposals.

Workgroup Question: What are your views on the implementation of the three proposals?

View: Implementation should be as soon as possible. General enthusiasm for the Joint European Standing Group being set up prior to a decision being reached on the modifications demonstrates the level of concern that parties have about understanding European issues and the potential impact on their businesses. Ensuring that National Grid is *required* to inform and consult with parties through the JESG would reassure industry members that it is not taking its own agenda to Europe but is at least aware of potential impacts on GB stakeholders and will be able to consider them while influencing development of the ENCs.

Joint Workgroup Response Proforma

CMP191 & P271: NETSO Consultation in relation to any potential changes to the BSC/CUSC which takes place in forums other than the CUSC/BSC Modifications Panel; "Grid Code Signatories Consultation"

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses by 5pm on 28th June 2011 to cusc.team@uk.ngrid.com. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Workgroup.

Any queries on the content of the consultation should be addressed to Thomas Derry at thomas.derry@uk.ngrid.com.

These responses will be considered by the Workgroup at their next meeting at which members will also consider any WG Consultation Alternative Requests. Where appropriate, the Workgroup will record your response and its consideration of it within the final Workgroup report which is submitted to the CUSC Modifications Panel.

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| Respondent: | Hannah McKinney |
| Company Name: | EDF Energy |
| 1. Please express your views regarding the Workgroup Consultation, including rationale (please include any issues, suggestions or queries). | We have supported the approach taken to facilitate this consultation. We believe this has been an effective process which has successfully delivered a Terms of Reference (ToR) for a Joint European Standing Group (JESG) to the first of the 3 relevant Code Panels. A variation of wording acceptable both to National Grid and industry was agreed along with an appointment of a Chairman. |
| 2. Do you believe that the proposed original or any of the alternatives better facilitate the Applicable CUSC Objectives? Please include your reasoning. | <p>For reference, the Applicable CUSC Objectives are:</p> <p>(a) the efficient discharge by the licensee of the obligations imposed upon it under the Act and by this licence; and</p> <p>(b) facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity.</p> <p>We believe that the CUSC CMP 191 modification proposal facilitates the relevant objectives as currently defined by the proposer and as outlined in the workgroup consultation report.</p> |
| 2a. Do you believe that the | For reference, the Applicable BSC Objectives are: |

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| <p>proposed original or any of the alternatives better facilitates the Applicable BSC Objectives? Please include your reasoning.</p> | <p>(a) the efficient discharge by the Transmission Company of the obligations imposed under the Transmission Licence; and</p> <p>(b) promoting effective competition in the generation and supply of electricity.</p> <p>We believe that the CUSC CMP 191 modification proposal facilitates the relevant BSC objectives as currently defined in the workgroup consultation report.</p> |
| <p>3. Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible.</p> | <p>We support the intent of the modification proposals and subsequent obligation on National Grid as the NETSO. This is due principally to their direct involvement in the European Network Code development process.</p> <p>It is essential that National Grid is equipped with the necessary knowledge and mandate when making proposals within European fora ahead of any subsequent drafting by ENTSO-e. Any approach, such as a JESG or some other mechanism, used to facilitate the above and the sharing of information between GB stakeholders, should enable proactive engagement from the outset. We believe the key value of such a group is to provide a practical means of facilitating early sight of any proposed change ahead of their submission to the relevant body, such as the ENTSO-e.</p> <p>For completeness it is important that the accompanying ToR for such a group align with the above in addition to the proposals key tasks.</p> <p>It is important that this group and the required resource commitment be utilised efficiently in order to minimise any possible duplication of work. This should be reviewed on an on-going basis with appropriate next steps determined.</p> |
| <p>4. Do you have any other comments?</p> | <p>No</p> |
| <p>5. Do you wish to raise a WG Consultation Alternative Request for the Workgroup to consider?</p> | <p>No</p> |

Specific Questions for CMP191, P271 and 'Grid Code Signatories'

Workgroup Question: Do you think that a letter covering the above points should be sent to Europe? If so do you have any further suggestions for points to cover?

View:

Yes, in addition this letter could be utilised as a means of better facilitating the overall response process to the European Network Codes and European Framework Guidelines consultations. To this end we support the submission of a response proforma, as an appendix to the letter for example, which could outline specific criteria to ensure responses are more targeted and to clearly represent accurate information about the respondent.

Workgroup Question: Do you think that other GB TSOs should have obligations place on them?

View:

We have no objections to having the scope of the modification obligations applicable to other GB TSOs. However, it is not clear the precise material advantage to be gained as a result. We believe that the obligations can be sufficiently covered by National Grid given its unique dual role as TO and SO and therefore are more likely to have the most interaction with European issues.

The other GB TSOs would be invitees to these meetings in any event and the expectation is that they would have the opportunity to provide additional information, if necessary.

Ofgem Question: Is there the power (vires) to oblige National Grid to undertake GB stakeholder engagement as proposed? Where does this power derive from? Please provide reasons.

View:

National Grid is a party to these documents and such obligations can be placed on them as well as any other party, providing the change better meets the applicable objectives (please see our response above).

We refer to many CUSC modification proposals that have involved to some degree, the placement of obligations on National Grid. We believe this particular obligation is no different in context.

Workgroup Question: Could GB stakeholder engagement be undertaken using existing code processes (e.g. a Standing/ Issues Group?)

View:

GB stakeholder engagement could have been satisfactorily achieved through the setting up of a Standing Issues Group or similar, however this option wasn't initiated prior to the start of the European Framework Guidelines and the subsequent European Network Code development process. We believe this opportunity might have presented itself to National Grid at the time when they were putting forward proposals which were likely to be contrary to the requirements of the generators and suppliers in GB. On this basis it seems

justified to place an obligation on National Grid to ensure there would be a requirement for necessary dialogue.

We fully support wider engagement on Europe issues including transparency of the detail relevant to European Network Code proposals. The proposed codification route would help to formalise this requirement.

Workgroup Question: What are your views on membership vs attendee-ship of JESG?

View:

Although attendee-ship maybe adequate, the nature of the material submitted by National Grid and the associated detail to be reviewed may be better served by formal membership. Membership could place more responsibility on those involved and therefore ensure that the required level of active participation is achieved and maintained.

On a practical level we support the membership of this group being open to all code parties with approval being made by any one of the 3 Panels or the deemed Chair of the JESG.

For completeness we also support that the JESG be open to observers to attend for information purposes.

Workgroup Question: What are your views on the Chairman being independent of National Grid? Do you have any nominations for a Chairman of the Joint European Standing Group?

View:

We support a JESG Chair which could be independent of National Grid but in any case should be approved by the BSC, CUSC and Grid Code Panels.

Workgroup Question: Do you agree with the Workgroup that a Joint European Standing Group should be established, by the code Panels, before the code modification processes for BSC P271, CMP191 and Grid Code Signatories conclude?

View:

Please refer to our comments under question 3 above.

We support the principle of convening this group before the code modification process is concluded and the Authority decision reached. This appears appropriate in recognition of the European Network Code workstreams that are progressing during 2011. This group could serve as an interim arrangement to facilitate those key tasks that National Grid has proposed to undertake.

The accompanying ToR as drafted by National Grid should mirror the original ToR as drafted by the workgroup. To do otherwise will not adequately reflect the proposals key tasks and therefore the overall intent of the modification

We believe that this has been adequately addressed in the recent CUSC Panel meeting which agreed these ToR subject to key amendments (to better reflect the aims of the modification) and that they are amended accordingly following the Authority decision should the code modifications be approved.

Workgroup Question: What are your views on the level of detail and information that the Joint European Standing Group should have to examine?

View:

We suggest that the level of detail should not be defined, limited, or restricted at this stage. It is yet unclear what might need to be discussed by the JSEG as this is dependant on the form and detail contained within the forthcoming Network Codes.

Workgroup Question: Which other forums or areas could be included in the scope of these BSC, CUSC or Grid Code Modification Proposals?

View: We have no additional comments at this time.

Workgroup Question: What are your views on the implementation of the three proposals?

View: We are satisfied with the approach taken and the proposed alignment of the implementation dates across the 3 Code proposals.

Annex 13 – National Grid Electricity Transmission (NGET)

Joint Workgroup Response Proforma

CMP191 & P271: NETSO Consultation in relation to any potential changes to the BSC/CUSC which takes place in forums other than the CUSC/BSC Modifications Panel; "Grid Code Signatories Consultation"

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses by 5pm on 28th June 2011 to cusc.team@uk.ngrid.com. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Workgroup.

Any queries on the content of the consultation should be addressed to Thomas Derry at thomas.derry@uk.ngrid.com.

These responses will be considered by the Workgroup at their next meeting at which members will also consider any WG Consultation Alternative Requests. Where appropriate, the Workgroup will record your response and its consideration of it within the final Workgroup report which is submitted to the CUSC Modifications Panel.

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| Respondent: | David Smith |
| Company Name: | National Grid Electricity Transmission plc (NGET) |
| Please express your views regarding the Workgroup Consultation, including rationale (please include any issues, suggestions or queries). | We welcome this joint workgroup and consultation process; it has provided flexibility and efficiency to the industry codes governance processes. NGET is responding to this joint consultation as it would be subject to the obligations that would result were the proposed modifications implemented. NGET considers that there is an alternative, more proportionate, approach to the issues identified which does not require code modifications. |
| Do you believe that the proposed original or any of the alternatives better facilitate the Applicable CUSC Objectives? Please include your reasoning. | <p>Whilst NGET supports the need for increased GB stakeholder engagement on European Network Codes, NGET does not believe that CMP191 and P271 better facilitate any of the applicable code objectives. We provide our rationale against the BSC and CUSC objectives below. We have not provided views against the Grid Code objectives as it is not yet an Amendment Proposal.</p> <p>BSC/CUSC objective (a): The efficient discharge by the licensee of the obligations imposed upon it by the Act and this licence</p> <p>NGET notes that the Proposers of CMP191 and P271 justified the proposals against a specific element of the Transmission Licence in relation to both the BSC and the CUSC. NGET agrees with the discussions recorded in the consultation document that the Transmission Licence obligations identified by the Proposer are not relevant to these Modification Proposals as the licence obligations refer to BSC/CUSC modification proposals which have been raised. P271 and CMP191 focus primarily on drafting for European Network</p> |

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| | <p>Codes which are not covered by the existing licence obligations specified to by the Proposer. Therefore NGET does not believe that P271/CM191 better facilitate applicable BSC or CUSC objective (a).</p> <p>CUSC objective (b) & BSC objective (c): facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity.</p> <p>While NGET supports improved information flows regarding European Network Code developments and is supportive of increased GB stakeholder engagement, we do not consider that modifications to the industry codes are the most proportionate way to achieve this. NGET proposes to establish a Joint European Standing Group to the BSC, CUSC and Grid Code Panels as a way to share information with GB Stakeholders and for GB Stakeholders to provide their views and information to NGET, in its role as one of the GB TSOs. NGET also considers that it is important for GB stakeholders to take every opportunity to engage with the relevant organisations and has provided information on how to best achieve this through this joint Workgroup process.</p> <p>BSC objective (b): The efficient, economic and co-ordinated operation of the national transmission system;</p> <p>NGET does not believe that P271 impacts this objective.</p> <p>BSC objective (d): Promoting efficiency in the implementation and administration of the balancing and settlement arrangements</p> <p>NGET does not consider that P271 better facilitates objective (d). We note the Workgroup's view, as recorded in the consultation document that "P271 is the most efficient method of National Grid delivering the required information to the Panel and for the industry to engage with National Grid." NGET agrees that the industry forum proposed as part of P271 would be an efficient way for National Grid to engage with GB stakeholders, however we consider that the obligations imposed by P271 and the Terms of Reference proposed by the Proposer/Workgroup are disproportionate. We provide more detail in response to the specific Workgroup questions below.</p> |
| Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible. | While we do not support CMP191 or P271, we would support the implementation approach were the Modification Proposals approved. |
| Do you have any other comments? | No. |
| Do you wish to raise a WG Consultation Alternative | No. |

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| Request for the Workgroup to consider? | |
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Specific Questions for CMP191, P271 and 'Grid Code Signatories'

Workgroup Question: Do you think that a letter covering the above points should be sent to Europe? If so do you have any further suggestions for points to cover?

NGET considers that comments on the consultation processes would be best addressed to the lead organisations, for example, ACER for Framework Guidelines and ENTSO-e for European Network Code drafting. We suggest that this could be achieved through trade associations who are actively involved in the European code development processes.

Workgroup Question: Do you think that other GB TSOs should have obligations placed on them?

Given that we do not support placing an obligation on NGET, we also do not support placing an obligation on other GB TSOs (who are ENTSO-e members).

Ofgem Question: Is there the power (vires) to oblige National Grid to undertake GB stakeholder engagement as proposed? Where does this power derive from? Please provide reasons.

As stated previously, we do not consider that the proposed modifications better facilitate the applicable objectives.

However, we do support establishing a forum to allow information sharing on European issues.

Workgroup Question: Could GB stakeholder engagement be undertaken using existing code processes (e.g. a Standing/ Issues Group?)

Yes. NGET has proposed a Terms of Reference (TOR) for a joint BSC/CUSC/Grid Code Standing Group (the Joint European Standing Group), which we suggest should be established as soon as possible to facilitate GB stakeholders' understanding of European developments. Our proposed TOR are included in Annex 5 of the consultation document.

Workgroup Question: What are your views on membership vs attendeeship of JESG?

We consider that the JESG or any forum established should have open membership and that attendees should not be required to be "members". We do not believe membership is required as the JESG would have no formal "powers" and members will not be required to vote. Attendeeship would still allow the administrator to manage attendance and arrange meetings in the same manner as the Electricity Transmission Charging Methodologies Forum currently operates.

Workgroup Question: What are your views on the Chairman being independent of National Grid? Do you have any nominations for a Chairman of the Joint European Standing Group?

We do not have a strong preference for a Chairman for the group. In the interests of efficiency, we believe that any Chairman appointed should not incur any additional costs.

Workgroup Question: Do you agree with the Workgroup that a Joint European Standing Group should be established, by the code Panels, before the code modification processes for BSC P271, CMP191 and Grid Code Signatories conclude?

Yes. National Grid has drafted Terms of Reference for the group, which were included as Annex 5 to the workgroup consultation. These were presented to the CUSC Modifications Panel meeting on 24th June 2011, where Panel Members agreed to establish the Group. We will present the Terms of Reference to both the Grid Code Review Panel and the BSC Panel in July to allow the group to be established as soon as possible.

Workgroup Question: What are your views on the level of detail and information that the Joint European Standing Group should have to examine?

NGET considers that the Terms of Reference proposed by the Workgroup (included in Annex 4 of the consultation document) are too open ended in scope and will therefore prove difficult to apply in practice, both for NGET and for GB stakeholders. We have concerns over the frequency of meetings and high levels of resources required from NGET and GB stakeholders under the proposed TOR.

We consider that the TOR drafted by NGET (Annex 5) would meet stakeholders' needs and are more practical to implement and to sustain.

Workgroup Question: Which other forums or areas could be included in the scope of these BSC, CUSC or Grid Code Modification Proposals?

We note that the Modification Proposals have been drafted in such a way as to leave this issue open-ended. The lack of clarity around the scope of this Modification Proposal is unhelpful in defining the obligations on NGET and whether we would be fully meeting our obligations in the future. This is another reason why we do not support these Modification Proposals.

Workgroup Question: What are your views on the implementation of the three proposals?

We do not support implementation of these Modification Proposals for the reasons set out above.

Joint Workgroup Response Proforma

CMP191 & P271: NETSO Consultation in relation to any potential changes to the BSC/CUSC which takes place in forums other than the CUSC/BSC Modifications Panel; "Grid Code Signatories Consultation"

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses by 5pm on 28th June 2011 to cusc.team@uk.ngrid.com. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Workgroup.

Any queries on the content of the consultation should be addressed to Thomas Derry at thomas.derry@uk.ngrid.com.

These responses will be considered by the Workgroup at their next meeting at which members will also consider any WG Consultation Alternative Requests. Where appropriate, the Workgroup will record your response and its consideration of it within the final Workgroup report which is submitted to the CUSC Modifications Panel.

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| Respondent: | Guy Nicholson Head of Grid http://www.bwea.com/about/staff.html |
| Company Name: | RenewableUK – representing over 670 company members in the Wind Wave and Tidal energy. http://www.bwea.com/members/CompanyDirectory.asp |
| Please express your views regarding the Workgroup Consultation, including rationale (please include any issues, suggestions or queries). | The RenewableUK response is informed by experience of the European Pilot Network Code "ENTSO-E Draft Requirements for Grid Connection Applicable to all Generators". In our view National Grid as the NETSO and GB representative at the drafting table should be presenting the views of GB stakeholders and users at that forum. This view should reflect the content of current GB codes. It is not at all clear that National Grid took such a position in the drafting process. In our view this proposal is necessary to ensure that a duty to present a GB user and stakeholder view takes priority over any alternative view which may be held by National Grid from time to time. |
| Do you believe that the proposed original or any of the alternatives better | <i>For reference, the Applicable CUSC Objectives are: (a) the efficient discharge by the licensee of the obligations imposed upon it under the Act and by this licence; and</i> |

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| facilitate the Applicable CUSC Objectives? Please include your reasoning. | <p><i>(b) facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity.</i></p> <p>We believe that the proposal meets the CUSC objectives better than any other proposal we are aware of.</p> |
| Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible. | We would like to see the implementation made as quickly as possible given the importance of European Network Codes and the potential improvements identified in the development of the Pilot Code. |
| Do you have any other comments? | No |
| Do you wish to raise a WG Consultation Alternative Request for the Workgroup to consider? | No. |

Specific Questions for CMP191, P271 and 'Grid Code Signatories'

Workgroup Question: Do you think that a letter covering the above points should be sent to Europe? If so do you have any further suggestions for points to cover?

View: We think that a letter should be sent to the EC, ENTSO-E and ACER covering all of the bullet points in the consultation except the last. The last bullet point is not clear in its meaning; it would appear to be creating a system of weighting responses which could have pros and cons. This last bullet should be clarified.

Workgroup Question: Do you think that other GB TSOs should have obligations place on them?

View: Given National Grid's unique position as System Operator to the whole of GB (as well as transmission owner for England and Wales) it is right that this obligation is placed upon them. If, other TSOs or Licensees are given a role in drafting European Network Codes they should have identical obligations placed upon them. However, consideration of such an obligation on other Licensees should not delay the implementation of the obligation on National Grid as the only GB player in this position at the current time.

Ofgem Question: Is there the power (vires) to oblige National Grid to undertake GB stakeholder engagement as proposed? Where does this power derive from? Please provide reasons.

View: We concur with the views of the proposer as included in the workgroup documents (paragraph 4.23)

Workgroup Question: Could GB stakeholder engagement be undertaken using existing code processes (e.g. a Standing/ Issues Group?)

View: The European Network Codes are expected to have very significant implications for the GB electricity industry. It is imperative that the GB stakeholders have the strongest possible representation in their drafting. The JESG allows for cross code engagement and is thus the preferred method. It must be noted that some ENC's may have an impact on more than one individual GB code.

Workgroup Question: What are your views on membership vs attendeeship of JESG?

View: We do not have clear views on membership vs. attendeeship for the JESG main group. However subgroups should be open to attendees as the issues raised in European Network Codes can appear "out of the blue" (judging by the Pilot Code process) and GB users may suddenly discover that they could be impacted at a late stage in a Network Code drafting process.

Workgroup Question: What are your views on the Chairman being independent of National Grid? Do you have any nominations for a Chairman of the Joint European Standing Group?

View: It would be helpful to have an independent chair. They must be able to deal with a wide range of issues expected to be of concern to GB Users and stakeholders in the run-up to proposed integration date of 2014.

Workgroup Question: Do you agree with the Workgroup that a Joint European Standing Group should be established, by the code Panels, before the code modification processes for BSC P271, CMP191 and Grid Code Signatories conclude?

View: It is vital that the process is started for the European Network Code "Requirements for Grid Connection Applicable to all Generators" which has already commenced as a Pilot and is expected to be largely concluded before the formal implementation of this consultation (assuming it is approved). Some interim arrangements are therefore necessary.

Workgroup Question: What are your views on the level of detail and information that the Joint European Standing Group should have to examine?

View: The Subgroups of the JESG formed for each Network Code must be prepared to deal with an immense amount of detail, as very important technical, and consequently commercial issues, turn on such detail. The ENC will be legally binding. Further the process for changes to any ENC will be relatively long due to

the processes involved in establishing and reviewing EU law. Therefore attention to detail is vital. In addition interpretation of English drafting language and terms, both originating from other countries, and as interpreted by other countries, is expected to be a problem, which will require additional clarifications and drafting.

Workgroup Question: Which other forums or areas could be included in the scope of these BSC, CUSC or Grid Code Modification Proposals?

View: Topics where National Grid is involved in pan-European discussions (either as National Grid or as a member of ENTSO-E) and relating to electricity infrastructure or market systems, e.g. the North Seas Countries' Offshore Grid Initiative.

Workgroup Question: What are your views on the implementation of the three proposals?

View: It would be beneficial to align implementation dates in the three relevant GB Codes from an administrative perspective. However, provided that interim arrangements are in place pending formal approval of the proposal, different dates should not make any practical impacts on the purpose and results of the proposal.

Joint Workgroup Response Proforma

CMP191 & P271: NETSO Consultation in relation to any potential changes to the BSC/CUSC which takes place in forums other than the CUSC/BSC Modifications Panel; "Grid Code Signatories Consultation"

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses by 5pm on 28th June 2011 to cusc.team@uk.ngrid.com. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Workgroup.

Any queries on the content of the consultation should be addressed to Thomas Derry at thomas.derry@uk.ngrid.com.

These responses will be considered by the Workgroup at their next meeting at which members will also consider any WG Consultation Alternative Requests. Where appropriate, the Workgroup will record your response and its consideration of it within the final Workgroup report which is submitted to the CUSC Modifications Panel.

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| Respondent: | John Norbury Network Connections Manager RWE Supply & Trading GmbH Windmill Hill Business Park Whitehill Way Swindon SN5 6PB T +44 (0)1793 89 2667 M +44 (0)7795 354 382 mailto:john.norbury@rwe.com |
| Company Name: | RWE group of companies, including RWE Npower plc, RWE Npower Renewables Limited and RWE Supply & Trading GmbH |
| Please express your views regarding the Workgroup Consultation, including rationale (please include any issues, suggestions or queries). | The proposal provides Users with the opportunity to participate with other Users and National Grid in establishing the appropriate UK requirements for European Code obligations. |
| Do you believe that the proposed original or any of the alternatives better facilitate the Applicable CUSC Objectives? Please include your reasoning. | The proposed approach would be consistent with National Grid's licence obligation requiring it to consult with Users in developing Code changes. It is considered that, by consulting with Users at an early stage in the Code development process, the proposed approach will provide a more efficient route for National Grid to fulfil this obligation. |
| Do you support the proposed implementation approach? If not, please state why and provide an | RWE is supportive of the proposals set out in the Workgroup consultation. |

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| alternative suggestion where possible. | |
| Do you have any other comments? | It would be our preference for an appropriate change to be made to National Grid's Transmission Licence, requiring it to consult with Users, as an alternative to this proposed change. |
| Do you wish to raise a WG Consultation Alternative Request for the Workgroup to consider? | No |

Specific Questions for CMP191, P271 and 'Grid Code Signatories'

Workgroup Question: Do you think that a letter covering the above points should be sent to Europe? If so do you have any further suggestions for points to cover?

View: We agree that a letter should be sent to ACER / ENTSO-E detailing how GB intends to ensure that its representation via NGET will be reflective of the GB industry and providing an example of how it expects ENTSO-E to reach its conclusions. It remains our concern that the European consultations will not consider industry comments with the appropriate weighting.

Workgroup Question: Do you think that other GB TSOs should have obligations place on them?

View: If other GB TSOs are in a position, by virtue of being electricity licence holders, to exert influence on User facing European codes, they should have obligations placed on them regarding the scope of possible influence.

Ofgem Question: Is there the power (vires) to oblige National Grid to undertake GB stakeholder engagement as proposed? Where does this power derive from? Please provide reasons.

View: As stated above, National Grid's licence obligation to consult with Users regarding potential code changes should apply to this process

Workgroup Question: Could GB stakeholder engagement be undertaken using existing code processes (e.g. a Standing/ Issues Group?)

View: We believe it unlikely that existing processes would be adequate.

Workgroup Question: What are your views on membership vs attendeeship of JESG?

View: We would support membership approach in order to ensure that views expressed are representative of the GB electricity industry.

Workgroup Question: What are your views on the Chairman being independent of National Grid? Do you have any nominations for a Chairman of the Joint European Standing Group?

View: It would be our preference for National Grid to chair the JESG. We believe that, in fulfilling this role, National Grid would be more willing to accept the

conclusions of the group.

Workgroup Question: Do you agree with the Workgroup that a Joint European Standing Group should be established, by the code Panels, before the code modification processes for BSC P271, CMP191 and Grid Code Signatories conclude?

View: We agree that the standing group should be implemented as soon as possible whilst the European codes are being developed. It is not without precedent that code changes are enacted before being approved (e.g. Grid Code change proposals incorporated within bilateral agreements). In any event, given that no Grid code change is being proposed at this time, consideration of Grid Code issues by a standing group need not depend on the outcome of other code changes.

Workgroup Question: What are your views on the level of detail and information that the Joint European Standing Group should have to examine?

View: The level of detail will depend on the level of detail that is being considered by ENTSO-E.

Workgroup Question: Which other forums or areas could be included in the scope of these BSC, CUSC or Grid Code Modification Proposals?

View:

Workgroup Question: What are your views on the implementation of the three proposals?

View: Supportive

Joint Workgroup Response Proforma

CMP191 & P271: NETSO Consultation in relation to any potential changes to the BSC/CUSC which takes place in forums other than the CUSC/BSC Modifications Panel; "Grid Code Signatories Consultation"

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses by 5pm on 28th June 2011 to cusc.team@uk.ngrid.com. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Workgroup.

Any queries on the content of the consultation should be addressed to Thomas Derry at thomas.derry@uk.ngrid.com.

These responses will be considered by the Workgroup at their next meeting at which members will also consider any WG Consultation Alternative Requests. Where appropriate, the Workgroup will record your response and its consideration of it within the final Workgroup report which is submitted to the CUSC Modifications Panel.

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| Respondent: | Gary Henderson |
| Company Name: | IBM (UK) Ltd for and on behalf of ScottishPower |
| Please express your views regarding the Workgroup Consultation, including rationale (please include any issues, suggestions or queries). | ScottishPower are supportive of the modification, and believe it to be a very good way of managing the risk associated with the imposition of European Network Codes on the existing UK market. |
| Do you believe that the proposed original or any of the alternatives better facilitate the Applicable CUSC Objectives? Please include your reasoning. | <p>We agree with the workgroups assessment that the proposed modification better meets the applicable CUSC objectives when compared to the current baseline for the following reasons:</p> <p>Objective a) National Grid have, and will continue to expend considerable effort in relation to the new ENC's. The proposed modification puts in place a substantive process for ensuring that the general industry and National Grid enter into a dialogue over these changes in a structured and transparent way. This reduces the chance of unworkable or contentious CUSC changes being brought forward at the end of comitology, leading to a smoother change process.</p> <p>Objective b) Ensuring that CUSC parties are involved from the initial discussions of what could be significant changes ensures that a solution</p> |

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| | <p>which is equitable to all parties can be sought. Without that clear and transparent involvement up front there is more chance that changes are imposed which do not deal with all parties in an equal manner.</p> |
| <p>Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible.</p> | <p>Yes</p> |
| <p>Do you have any other comments?</p> | <p>No</p> |
| <p>Do you wish to raise a WG Consultation Alternative Request for the Workgroup to consider?</p> | <p>No</p> |

Specific Questions for CMP191, P271 and 'Grid Code Signatories'

Workgroup Question: Do you think that a letter covering the above points should be sent to Europe? If so do you have any further suggestions for points to cover?

View: We do not see that any harm could be caused by sending such a letter.

Workgroup Question: Do you think that other GB TSOs should have obligations place on them?

View: No. As the System Operator, National Grid is in the better position to engage at the European level, providing a single point of interaction with the group.

Ofgem Question: Is there the power (vires) to oblige National Grid to undertake GB stakeholder engagement as proposed? Where does this power derive from? Please provide reasons.

View: When the ENC's clear comitology they become law and supersede the existing UK Codes, resulting in changes to those Codes to make them conform. This is a process which is in place and is happening. It could be argued that therefore changes to the CUSC, BSC and Grid Code are at the early discussion stages. Since the ENC discussions will have a direct impact upon the UK Codes it is prudent for National Grid to seek early views from industry parties, in fact to do otherwise would almost border on the negligent. National Grid's licence has clear requirements to bring forward to the industry, changes which will effect users. We are minded that the industry has, in the past - and at Ofgem's urging -

taken part in early discussions regarding major changes to the overall marketplace without specific changes having been raised by individual Codes (e.g. NETA / BETTA). We see the creation of ENC's as falling into that category of change.

Workgroup Question: Could GB stakeholder engagement be undertaken using existing code processes (e.g. a Standing/ Issues Group?)

View: Whilst the various Code Panels could institute a standing group under the existing Code processes, we believe that the benefits of a group such as the one defined by the workgroup are such that it is desirable to approve the modification and proceed with that arrangement.

Workgroup Question: What are your views on membership vs attendance of JESG?

View: We have a concern around having members rather than attendees. There will necessarily be a long term commitment required by any members of the group, and while it may suit some organisations and members to make that commitment, there may be a different group who, for various reasons, may want to vary their representatives without feeling as though any substitutes would have "lesser" consideration. We look to the example of modification groups under the various Codes where membership is desirable to differentiate those people who are being asked to make a deliberation and decision on a particular change, from those who have an interest or opinion, but do not wish to be involved in the decision making process. The key difference we see with this group is that it will make no decisions – it is a forum for interested parties to make representation to National Grid, and to receive feedback on progress. There will be no voting or quorum, and no benefit in having formal membership. The chair could maintain a list of registered participants, and if there was no appetite for a particular meeting it needn't be held. The only potential benefit membership conveys would be to level out representation from particular companies or groups by maintaining the current practice of one party / one member.

Workgroup Question: What are your views on the Chairman being independent of National Grid? Do you have any nominations for a Chairman of the Joint European Standing Group?

View: We agree with the proposal for an independent chair.

Workgroup Question: Do you agree with the Workgroup that a Joint European Standing Group should be established, by the code Panels, before the code modification processes for BSC P271, CMP191 and Grid Code Signatories conclude?

View: We agree that the National Grid proposed group could be established as an interim

solution until the modification is approved. However, we do believe that there are clear benefits to be realised from implementing the solution defined by the workgroup once that modification is approved.

Workgroup Question: What are your views on the level of detail and information that the Joint European Standing Group should have to examine?

View: We believe that a straight-forward and pragmatic approach should be taken with regards to the level of information and detail provided by National Grid to the group. There is no need (or desire) to over-burden National Grid or the group with minute level details of all discussions and decisions made during the European process. Notes of sufficient detail to convey the topics discussed and the intent and tone of those discussions would be an adequate starting point for the groups own discussions. High level overviews (backed up with knowledgeable attendees) should be enough to stimulate group discussions.

Workgroup Question: Which other forums or areas could be included in the scope of these BSC, CUSC or Grid Code Modification Proposals?

View: At the present time we do not see any other areas which should be included in the scope of these proposals. This process does, however, allow for any future development to be identified and managed in a similar manner.

Workgroup Question: What are your views on the implementation of the three proposals?

View: We agree with the workgroup that there is a clear benefit in having a common implementation in all three Codes. However, as long as a staggered implementation didn't preclude a single group encompassing all three Codes we would not take any great issue with such an approach.



By email to:

cusc.team@uk.ngrid.com
thomas.derry@uk.ngrid.com
modifications@elexon.co.uk

Re: CMP191 & P271: NETSO Consultation in relation to any potential changes to the BSC/CUSC which takes place in forums other than the CUSC/BSC Modifications Panel: "Grid Code Signatories Consultation"

Respondent: Colin Prestwich
Company Name: SmartestEnergy

Do you believe that the proposed original or any of the alternatives better facilitate the Applicable CUSC Objectives?
Please include your reasoning.

For reference, the Applicable CUSC Objectives are:

- (a) the efficient discharge by the licensee of the obligations imposed upon it under the Act and by this licence; and
- (b) facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity.

We have no view on objective a). However, we believe that objective b) is met in that giving GB participants a voice in European developments must facilitate effective competition.

Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible.

Yes

Do you have any other comments?

Ideally, input into the European process would not be through TSOs. However, if that is to be the way we are supportive of this proposal.

Do you wish to raise a WG Consultation Alternative Request for the Workgroup to consider?

No

Specific Questions for CMP191, P271 and 'Grid Code Signatories'

SmartestEnergy Ltd
Dashwood House
69 Old Broad Street
London EC2M 1QS
T 020 7448 0900 F 020 7448 0987
www.smartestenergy.com
Registration No. 3994598

The logo for Mansel Group, featuring a stylized 'M' and 'G' in red and grey, with the text "Mansel Group" in a serif font.

Workgroup Question: Do you think that a letter covering the above points should be sent to Europe? If so do you have any further suggestions for points to cover?

View: Yes we feel a letter should be sent. We would also ask what it is that makes them think that NGET represent the views of GB market participants.

Workgroup Question: Do you think that other GB TSOs should have obligations place on them?

View: No, we see little point in this.

Ofgem Question: Is there the power (vires) to oblige National Grid to undertake GB stakeholder engagement as proposed? Where does this power derive from? Please provide reasons.

View: National Grid does not represent GB parties. It does not have the power to make changes to GB arrangements without consultation or Ofgem approval. Participation in European developments must therefore represent stakeholders' views.

Workgroup Question: Could GB stakeholder engagement be undertaken using existing code processes (e.g. a Standing/ Issues Group?)

View: European developments will affect market as well as transmission issues. There will obviously be some cross-over. It makes sense therefore that there should be just one group (JESG) as proposed.

Workgroup Question: What are your views on membership vs attendeeshp of JESG?

View: Any CUSC signatory/BSC Party should be entitled to attend JESG meetings.

Workgroup Question: What are your views on the Chairman being independent of National Grid? Do you have any nominations for a Chairman of the Joint European Standing Group?

View: Yes, the chairman should be independent.

Workgroup Question: Do you agree with the Workgroup that a Joint European Standing Group should be established, by the code Panels, before the code modification processes for BSC P271, CMP191 and Grid Code Signatories conclude?

View: Yes.

Workgroup Question: What are your views on the level of detail and information that the Joint European Standing Group should have to examine?

View: Any information or view that will influence the drafting of any code should be made available in a timely manner.

Workgroup Question: Which other forums or areas could be included in the scope of these BSC, CUSC or Grid Code Modification Proposals?

View: No view



Workgroup Question: What are your views on the implementation of the three proposals?

View: no view

Should you wish to discuss this further please do not hesitate to contact me.

Yours faithfully,

Colin Prestwich
Deputy VP Commercial, Head of Regulation
SmartestEnergy Limited.
T: 020 7195 1007
M: 07764 949374

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M&G
Group

Annex 18 – Scottish and Southern Energy

Joint Workgroup Response Proforma

CMP191 & P271: NETSO Consultation in relation to any potential changes to the BSC/CUSC which takes place in forums other than the CUSC/BSC Modifications Panel; "Grid Code Signatories Consultation"

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses by 5pm on 28th June 2011 to cusc.team@uk.ngrid.com. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Workgroup.

Any queries on the content of the consultation should be addressed to Thomas Derry at thomas.derry@uk.ngrid.com.

These responses will be considered by the Workgroup at their next meeting at which members will also consider any WG Consultation Alternative Requests. Where appropriate, the Workgroup will record your response and its consideration of it within the final Workgroup report which is submitted to the CUSC Modifications Panel.

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| Respondent: | <i>Garth Graham (01738 456000)</i> |
| Company Name: | Scottish and Southern Energy, Southern Electric, Airtricity Developments (Scotland) Limited, Airtricity Developments (UK) Limited, Clyde Wind Farm (Scotland) Limited, Greenock Wind Farm (Scotland) Limited, Griffin Wind Farm Limited, Keadby Developments Limited, Keadby Generation Limited, Medway Power Limited, Slough Energy Supplies Limited, SSE (Ireland) Limited, SSE Energy Limited and SSE Generation Limited. |
| Please express your views regarding the Workgroup Consultation, including rationale (please include any issues, suggestions or queries). | <p>We are mindful that there are three separate and distinct code changes (CMP191 / P271 / Grid Code paper pp11/19) to be considered when judging if they each better meet the code specific applicable objectives that are relevant to them.</p> <p>We have considered each of the three codes (and their applicable code objectives) in turn. We believe that each of the three code changes very clearly better facilitate the applicable code objective (within each of the three codes) on facilitating competition for the reasons set out in (i) section 7 (of the consultation document) and (ii) our proposals themselves. For the sake of brevity we do not repeat our rationale here – the reader should refer to section 7 and our three proposals (in Appendix 3 of the consultation document) for further details.</p> |

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| | <p>In addition to the above we concur with all the reasons set out in section 7 (of the consultation document) as to why these three code changes better achieve all the (relevant) code applicable objectives.</p> |
| <p>Do you believe that the proposed original or any of the alternatives better facilitate the Applicable CUSC Objectives? Please include your reasoning.</p> | <p>For reference, the Applicable CUSC Objectives are:</p> <p>(a) the efficient discharge by the licensee of the obligations imposed upon it under the Act and by this licence; and</p> <p>(b) facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity.</p> <p>(see our answer above)</p> |
| <p>Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible.</p> | <p>Yes. See our response below to the specific question on this.</p> |
| <p>Do you have any other comments?</p> | <p>In respect of the BSC we respond on behalf of the following parties:-</p> <p>SSE Energy Supply Ltd., SSE Generation Ltd., Airtricity Generation Ltd., Airtricity Ltd., Keadby Generation Ltd., Medway Power Ltd., Uskmouth Power Company Ltd., SSE (Ireland) Ltd., Slough Energy Supplies Ltd.,</p> <p>In respect of the Grid Code we respond on behalf of SSE and its associated (Grid Code) companies.</p> <p>In respect of the CMP191 draft legal text sent out on 23rd June 2011, we do not accept that it discharges the intent of CMP191. In light of the deliberations by the Workgroup to date there should be a clear obligation to establish the JESG and for National Grid to perform the tasks set out in CMP191.</p> |
| <p>Do you wish to raise a WG Consultation Alternative Request for the Workgroup to consider?</p> | <p>No. We do not wish to raise a WG Consultation Alternative Request.</p> |

Specific Questions for CMP191, P271 and 'Grid Code Signatories'

Workgroup Question: Do you think that a letter covering the above points should be sent to Europe? If so do you have any further suggestions for points to cover?

View: Yes. In our view a letter should be sent covering the identified points listed in paragraph 4.9 of the consultation document.

Workgroup Question: Do you think that other GB TSOs should have obligations place on them?

View: Yes. We have still to be convinced that the other GB TSOs will be attending / engaging in the ENTSO-e process to anything like the extent / detail / effort that National Grid will be. However, given that they may have even a limited involvement then, in principle, we see no reason not to include the other GB TSOs; that having been said, the main objective of these three code change proposals is to place a firm obligation on National Grid, as NETSO, and the Workgroup, Panel(s) and Ofgem should not lose sight of that.

Furthermore, if placing such an obligation on the other GB TSOs was likely to impede or delay a decision on these three code changes then we would prefer that the obligation just be placed on the NETSO.

Ofgem Question: Is there the power (vires) to oblige National Grid to undertake GB stakeholder engagement as proposed? Where does this power derive from? Please provide reasons.

View: Yes. In our view there is clearly the power, in all three codes, to place an obligation (in those codes) on National Grid (as NETSO) to perform the specified tasks. There are numerous examples in all three codes currently of National Grid being obliged to perform certain tasks – as long as those tasks better meet the applicable code objective(s). In performing the code obligated task then National Grid will be discharging its obligations under the Licence / Act(s).

Furthermore, it should also be noted that all three codes contain numerous examples of obligations being placed on other parties; such as generators, suppliers and DNOs etc.; to perform certain tasks. If there is a question mark over the vires of the codes to oblige the NETSO in the way intended then does this call into question those obligations placed on other code parties?

Given the above we can see no legal impediment with respect to vires that prevents what is being proposed in these three code changes being approved and implemented in they way they were intended. What's being proposed with CMP191 / P271 / Grid Code pp11/19 are within the vires of the CUSC, BSC and Grid Code respectively.

Workgroup Question: Could GB stakeholder engagement be undertaken using existing code processes (e.g. a Standing/ Issues Group?)

View: Yes. However, a vital element missing in the existing code processes is that it places no (explicit) obligation on the NETSO to meaningfully engage in those existing code processes. The NETSO could ignore or make a cursory

contribution to a Standing or Issues Group. Such a situation could not occur if our proposed three code changes were implemented as intended.

Prior to raising all three code changes we experienced the level of GB stakeholder engagement by the NETSO on the development etc., of the European Network Codes. This experience was very disappointed as it indicated to us (and we believe many other stakeholders) that the NETSO was not willing to meaningfully engage with GB stakeholders on this vital piece of work.

Notwithstanding the evidence we have seen (by their action, or rather inaction), since raising our three code changes we understand that the NETSO has indicated to the Workgroup that they had, all along, intended to engage with stakeholders on the development of the ENC's. This is a most welcome development which we fully ascribe to the need for them to address the valid points raised in our three code changes. We hope they will now, even at this late stage, accept the error of their ways and join with us and other GB stakeholders in accepting the need for the NETSO to be obliged to engage with GB stakeholders on Europe and the ENC's.

Workgroup Question: What are your views on membership vs attendeeship of JESG?

View: In our view membership of the JESG is preferred to attendeeship. There are a number of reasons for this.

First, membership implies engagement by the stakeholder in the process is meaningful, rather than 'ad-hoc', which might well be the case with attendeeship.

Second, members will be more 'accountable' to their peers in the industry for their work / engagement with JESG.

Third, members are likely to feel more of a sense of 'ownership' of the actions and deliberations of the JESG, which would not, in our view, be the case with attendeeship.

Fourth, membership means there is a recognised 'group' of people for the JESG chair (and others) to liaise with on meeting dates, agenda items etc. In contrast attendeeship is much more loose and vague. There is as a result less 'ownership' of the workings etc., of the JESG if it's based attendeeship.

Fifth, the lack of members could allow the NETSO to suggest JESG is not that important to stakeholders as it does not have members, but rather attendees (or indeed observers).

Workgroup Question: What are your views on the Chairman being independent of National Grid? Do you have any nominations for a Chairman of the Joint European Standing Group?

View: In our view the chair of JESG should be independent of National Grid as it could lead to a 'conflict of interest' arising for them given their role as NETSO and

within ENTSO-e. In our view having an independent chair for JESG protects National Grid from accusations associated with this conflict of interest. Our industry is perfectly capable of providing such a person to chair JESG and thus relieve National Grid from this burden, and allow them to concentrate on delivering the obligations set out in the three code changes.

Furthermore, if National Grid were to chair JESG it could, in our view, run counter to the spirit of the recent Ofgem Code Governance Review developments.

Yes. We nominate Barbara Vest from the AEP.

We believe she has a plethora of attributes that make her ideal for the role including:-

- a) her membership* of all three relevant Code Panels;
- b) her experience of chairing the CMP191 / P271 / Grid Code pp11/19 joint Workgroup;
- c) her experience in European trade associations / trading Exchanges etc., and
- d) her experience on the Board of Elexon.

These along with her proven track record and industry knowledge together with her wealth of contacts across Government, Ofgem, code parties and National Grid make her ideal for the role of chairing the JESG.

* elected in the case of the BSC and CUSC and nominated in the case of the Grid Code Review Panel.

Workgroup Question: Do you agree with the Workgroup that a Joint European Standing Group should be established, by the code Panels, before the code modification processes for BSC P271, CMP191 and Grid Code Signatories conclude?

View: Yes. However, this should not distract from clear merits that the proposed arrangements set out in the three code changes have in terms of obliging National Grid (as NETSO) to meaningfully engage with stakeholders on the work of ENTSO-e.

For the avoidance of doubt, we fully endorse the proposed JESG draft terms of reference (as developed by the CMP191 / P271 / Grid Code pp11/19 joint Workgroup) set out in Appendix 4 of the consultation document. Furthermore, we do not support the National Grid drafted terms of reference for the JESG shown in Appendix 5.

Workgroup Question: What are your views on the level of detail and information that the Joint European Standing Group should have to examine?

View: In our view the JESG (via it's code specific sub groups on each of the twenty plus European Network Codes) should meaningfully engage in the detail of each of the ENTSO-e developed codes; after all if they don't do this it begs the

question who will?

In order for the JESG to discharge, on behalf of GB stakeholders, this important task (which compliments and enhanced the engagement that individual GB stakeholders will have on the European Network Codes) it is vital that National Grid (as NETSO) provides the JESG with all the information necessary to enable the JESG (and it's sub groups) to meaningfully complete their task to provide views to the NETSO and others on the (ENC) code details.

Workgroup Question: Which other forums or areas could be included in the scope of these BSC, CUSC or Grid Code Modification Proposals?

View: As the proposer of the three code change proposals we were conscious that developments occur in other forums that the NETSO attends which may be of direct relevance and importance to other GB stakeholders who pay the NETSO to perform, on their behalf, these tasks (and attend these forums). Therefore we wished to ensure if, at a future date, it was considered appropriate to include these forums that this could easily be achieved, say, via a determination of the code Panel(s) rather than having to wait for another code change proposal(s) to be raised / progressed.

That having been said, at this stage we would suggest that the focus of these three code change proposal is clearly on the development etc., by ENTSO-e, of the European Network Codes.

These three code change proposals include an element of (pragmatic and, in our view, efficient) flexibility to allow this approach to engage on other issues if the code Panel(s) determine in the future this is appropriate.

Workgroup Question: What are your views on the implementation of the three proposals?

View: We concur with the proposed implementation for these three code changes as set out in section 6 of the consultation document. In particular we hope that all parties concerned will endeavour to ensure that these three code changes come into effect (at the earliest possible date) on the same day.

This letter is to be sent to ENTSO-e, ACER and the European Commission. It will be copied to NGET, OFGEM and DECC. The letter below has been drafted to be sent to ENTSO-e but it will be tailored based on its intended recipient.

Dear Sirs,

Development of the European Network Codes in a GB context

We write as Chairmen of the three GB electricity industry codes (Balancing and Settlement Code (BSC), Connection and Use of System Code (CUSC) and Grid Code) Panels to bring to your attention steps that we are taking in respect of the development of the European Network Codes with the aim of ensuring better understanding and engagement in this important process by GB stakeholders.

As you may already be aware, the network codes for the GB electricity system are separated into three distinct areas: BSC, CUSC and Grid Code. Each of these governs specific elements of network code arrangements, and for each one there is an established process for introducing necessary changes in light of industry or legislative developments. This change process is governed by the Panels of the respective codes.

The establishment of the codes stems from the Transmission Licence obligation placed on National Grid Electricity Transmission (NGET). The Transmission Licence obligation on NGET, in turn, comes from the GB statute, the Electricity Act 1989 (as amended).

The three code Panels are aware of the developments arising from the Third Package, and in particular, the role that ENTSO-E and its members will have in the development of the European Network Codes. As we are sure you appreciate, once the European Network Codes have been developed and approved through the comitology process, they will require associated changes to the national network codes in each jurisdiction of the EU. In Great Britain, this will therefore require changes to one or more of the three codes (BSC, CUSC and Grid Code) to bring our national codes into alignment with the European Network Code(s).

The BSC, CUSC and Grid Code have well established means of expert stakeholder engagement in the code change process. In order to actively support the engagement by GB stakeholders in the development process of the European Network Codes by ENTSO-E, it has been decided to establish a Joint European Standing Group across the three aforementioned codes.

The broad aim of the Joint European Standing Group is to help facilitate the active engagement by parties to the three GB electricity codes (and other stakeholders) with NGET who, as the GB network system operator (or NETSO), is taking the leading role amongst the GB TSOs in the work that ENTSO-e is undertaking on the development of the European Network Codes. The Joint European Standing Group is designed to complement the formal consultation process as set out in the third legislative package by encouraging discussion between all parties concerned.

We envisage the work of the Joint European Standing Group will lead to NGET having an improved and earlier understanding of, and appreciation for, the views from electricity market stakeholders of the developing European Network Codes. They will be able to reflect upon those views and consider them when they engage with others within ENTSO-E and thus we believe enhance and improve the development of the European Network Codes.

The work of the GB Joint European Standing Group will not be a substitute the planned formal consultation arrangements. Instead the objective is to enhance and compliment (rather than conflict with) the work of ENTSO-E and its members.

Finally, during the discussions we have had with parties in the design of this Joint European Standing Group, we have been alerted to a potential improvement to your consultation process for the European Network Codes. Specifically parties believe that there would be merit in both ACER and ENTSO-E considering utilising a pro-forma for each consultation it undertakes to allow parties from across Europe to easily and quickly provide you with some high level pertinent facts about themselves. We believe that this would help the two bodies in ascertaining the role and experience of the responding party, and as such categorise the range of responses and comments received and hence have easier visibility of the potential origins of concerns raised. We attach an illustrative example of what the pro-forma might look like (See Appendix 1) and hope you will look on this suggestion favourably.

Yours faithfully

etc

APPENDIX 1

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| Response Proforma | |
| Member State(s) | |
| Organisation Name | |
| Functions (Tick all that apply) | |
| Generation – Nuclear – Coal – Gas – Oil – Wind – Hydro – Wave – Other please specify..... | Approx MW Total Capacity |
| Supply (Tick all that apply) Customers - Non-household: large - Non-household: SME - Household | Approx number of |
| Network Operator (Tick all that apply) Transmission - Interconnector - Onshore - Offshore Operating Voltages – 300 - 500kV – 150 - 300kV – 100 - 150kV – <100Kv Distribution connections Operating Voltages – 300 - 500kV – 150 - 300kV – 100 - 150kV – <100Kv | Approx km Approx km Approx number of customer |
| Manufacturer Type of plant manufactured - Generation (state type) - Other (state) Sales by MW / €m per annum | |
| Other (Tick all that apply)- Trade Association Elected Official Official Body Academic Body Member of the public Other please specify | |

Comments

Annex 20 – Drax Power Limited (Code Administrator Response)

CUSC Code Administrator Consultation Response Proforma

CMP191 – NETSO Consultation in relation to any potential changes to the CUSC which takes place in forums other than the CUSC Modifications Panel

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses by **23 August 2011** to cusc.team@uk.ngrid.com Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the CUSC Modifications Panel when it makes its recommendation to the Authority

These responses will be included in the Final CUSC Modification Report which is submitted to the CUSC Modifications Panel.

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| Respondent: | Cem Suleyman (cem.suleyman@draxpower.com) |
| Company Name: | Drax Power Limited |
| Do you believe that the proposed original or the WACM better facilitate the Applicable CUSC Objectives? Please include your reasoning. | <p><i>For reference, the Applicable CUSC Objectives are:</i></p> <p><i>(a) the efficient discharge by the licensee of the obligations imposed upon it under the Act and by this licence; and</i></p> <p><i>(b) facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity.</i></p> <p>We believe that both the original modification and the alternative better facilitate CUSC objective B. The original and alternative modification will increase transparency of European Network Code (ENC) developments and National Grid's participation in the process. Both proposals will also provide market participants with the opportunity to better engage with ENC developments and provide an educative function for all market participants. But the most important element of the two proposals is that it will place a requirement on National Grid to engage with market participants and to give due consideration to their views.</p> <p>All these benefits will in our opinion improve market participants' understanding and ability to influence the future development of the electricity market. An improved knowledge of future market development is important to allow market participants to make the necessary business decisions to drive efficient competitive behaviour. Greater visibility of market developments will also allow those parties who are considering market entry to make more efficient decisions, thus also increasing the contestability of the electricity sector.</p> |

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| | <p>We agree with the majority of the workgroup that the alternative modification is the better of the two proposals. As the alternative is limited in scope to Third Package developments that will affect the BSC, CUSC and Grid Code, we believe this constitutes a more practical solution. As such the alternative should allow National Grid to more efficiently meet the obligations being placed on it.</p> |
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| <p>Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible.</p> | <p>Yes</p> |
| <p>Do you have any other comments?</p> | <p>N/A</p> |

CUSC Code Administrator Consultation Response Proforma

CMP191 – NETSO Consultation in relation to any potential changes to the CUSC which takes place in forums other than the CUSC Modifications Panel

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses by **23 August 2011** to cusc.team@uk.ngrid.com Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the CUSC Modifications Panel when it makes its recommendation to the Authority

These responses will be included in the Final CUSC Modification Report which is submitted to the CUSC Modifications Panel.

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| Respondent: | <i>Esther Sutton</i> <i>esther.sutton@eon-uk.com</i> |
| Company Name: | <i>E.ON UK</i> |
| Do you believe that the proposed original or the WACM better facilitate the Applicable CUSC Objectives? Please include your reasoning. | <p><i>For reference, the Applicable CUSC Objectives are:</i></p> <p><i>(a) the efficient discharge by the licensee of the obligations imposed upon it under the Act and by this licence; and</i></p> <p><i>(b) facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity.</i></p> <p>As per our previous response we see CMP191 better meeting, in particular, Applicable CUSC Objective (b) as it would ensure a formal, open and transparent route for both informing and gaining feedback from industry. Establishing this route to facilitate two-way communication would ensure that parties are made aware of European discussions that might impact GB Codes at the earliest opportunity. This is crucial to both existing and potential new users, allowing them to prepare their businesses and potentially adjust strategies and investment plans accordingly. It would enable them to raise concerns with the TSO involved in ENTSO-e discussions, not merely as one of thousands of respondents to European consultations, as well as being better informed when they do respond to any such Commission, ACER or ENTSO-e consultations. While NGET may only be participating in such Code development as a TSO, such input from stakeholders would provide a better understanding of customers' issues when they consider how to influence the development of ENC's.</p> <p>Facilitating this information-sharing would also support CUSC Objective (a). It would be efficient to ensure that parties have an opportunity to engage with the TSO involved in</p> |

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| | <p>formation of European Codes by requiring such communication from the TSO. Ensuring that they are aware of user views during their involvement with ENC drafting should also minimise the risk of unworkable changes being developed and the necessity for subsequent adjustments. When GB Code changes are raised the early engagement of parties through the processes put in place by CMP191 should also lead to early engagement in the modification process, further supporting Objective (a).</p> <p>While a JESG has already been established, amending the Code to require the communication being facilitated in this Group through implementation of CMP191 would rightly emphasize the importance of prompt communication from the TSO to parties regarding potential changes to GB Codes that may be forthcoming from Europe. It would also give parties confidence that there is not a risk of this group being disbanded on a whim but that they will definitely be both kept informed, and have an opportunity to make their views known going forward, so the GB TSO will undoubtedly be aware of these in European negotiations, whether or not they choose to take account of such user views.</p> <p>For the above reasons we agree with the Proposer that it is appropriate for NGET to be required to consult GB stakeholders early in the ENC development process when there is still potential for such engagement to assist the TSO work. Thus we support implementation of CMP191 Proposed or WACM.</p> <p>The original proposal to oblige NGET to feed back to users on any potential changes to GB Codes that might result from discussions they are aware of that are taking place away from the Panels is desirable. However we are comfortable that the WACM in covering only topics under the Third Package that NGET as NETSO believe may result in a change to the Grid Code, CUSC or BSC, may be more practical and focus communication on those issues likely to be of supreme importance to parties in the next few years. We would not however expect the resource requirement for NGET to be onerous under either the Proposed or WACM. One would expect that summaries of any discussions NGET are aware of and documentation of any they are directly involved with, would be already produced within The Company. Sharing these with users (even if necessary edited versions thereof), would not seem a particularly difficult or time-consuming task.</p> <p>We note that NGET have stated their support for improved information flows and increased GB stakeholder engagement. Consequently we trust that if neither the CMP191 Proposed nor WACM, or only the WACM is implemented, that should anything else arise outside of the Third Package that the TSO thinks might also have significant impact on GB Codes, that they would still voluntarily communicate with stakeholders as soon as they judge it appropriate to do so. However for greatest information transparency and reassurance to current and potential future GB stakeholders regarding ENC development, CMP191 whether Proposed or WACM should be implemented to ensure that such communication takes place.</p> |
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| <p>Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible.</p> | <p>Yes, CMP191 should be implemented as soon as possible so the usual CUSC implementation date of ten working days after an Authority decision is appropriate.</p> |
| <p>Do you have any other comments?</p> | <p>We note that attendance of over 20 people at the inaugural JESG on 10/08/11, a good number during holiday season, emphasizes how keen parties are to better understand ENC development. Clearly direct engagement from and the chance to feed views back to the GB TSO to inform their European discussions is appreciated. It is desirable to guarantee that such regular communication will continue by implementing this requirement through CMP191.</p> |

CUSC Code Administrator Consultation Response Proforma

CMP191 – NETSO Consultation in relation to any potential changes to the CUSC which takes place in forums other than the CUSC Modifications Panel

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses by **23 August 2011** to cusc.team@uk.ngrid.com Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the CUSC Modifications Panel when it makes its recommendation to the Authority

These responses will be included in the Final CUSC Modification Report which is submitted to the CUSC Modifications Panel.

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| Respondent: | Hannah McKinney T - +44 (0)203 126 2652 / Internal: 730 2652 M - +44(0)787 511 3674 Email: Hannah.mckinney@edfenergy.com |
| Company Name: | EDF Energy |
| Do you believe that the proposed original or the WACM better facilitate the Applicable CUSC Objectives? Please include your reasoning. | <p>We support the intent of the original modification proposal and subsequent obligation on NGET as the NETSO which has remained unchanged under the WACM. We support that it is efficient to provide clarity around the scope of topics and forums to which the proposals would apply to NGET. On this basis we believe that the WACM overall would better facilitate the Applicable CUSC objectives.</p> <p><i>For reference, the Applicable CUSC Objectives are:</i></p> <p><i>(a) the efficient discharge by the licensee of the obligations imposed upon it under the Act and by this licence;</i></p> <p>(a) Although the WACM does not present any change to the overall intent of original proposal it does better define the scope to which the proposals apply for NGET. This could improve the efficiency by which NGET discharge their licensee obligation which would better facilitate this objective than the original CMP 191 proposal.</p> <p><i>and</i></p> <p><i>(b) facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity.</i></p> <p>(b) Overall we are neutral on this objective as the WACM does</p> |

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| | not present any fundamental change to the original CMP 191 proposal and its intent. |
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| Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible. | We are satisfied with the approach taken and the proposed alignment of the implementation dates across the 3 Code proposals. |
| Do you have any other comments? | We have no additional comments at this time. |

Annex 23 – ScottishPower (Code Administrator Response)

CUSC Code Administrator Consultation Response Proforma

CMP191 – NETSO Consultation in relation to any potential changes to the CUSC which takes place in forums other than the CUSC Modifications Panel

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses by **23 August 2011** to cusc.team@uk.ngrid.com Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the CUSC Modifications Panel when it makes its recommendation to the Authority

These responses will be included in the Final CUSC Modification Report which is submitted to the CUSC Modifications Panel.

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| Respondent: | <i>Gary Henderson</i> <i>01355814808</i> electricityspoc@scottishpower.com |
| Company Name: | IBM (UK) Ltd for and on behalf of ScottishPower |
| Do you believe that the proposed original or the WACM better facilitate the Applicable CUSC Objectives? Please include your reasoning. | <p>ScottishPower are supportive of both the original modification and the WACM, and believe them to be very good ways of managing the risk associated with the imposition of European Network Codes on the existing UK market.</p> <p>We agree with the workgroups assessment that both the proposed modification and the WACM better meets the applicable CUSC objectives when compared to the current baseline for the following reasons:</p> <p>Objective a) National Grid has, and will continue to expend considerable effort in relation to the new ENC's. The proposed modification puts in place a substantive process for ensuring that the general industry and National Grid enter into a dialogue over these changes in a structured and transparent way. This reduces the chance of unworkable or contentious CUSC changes being brought forward at the end of comitology, leading to a smoother change process.</p> <p>Objective b) Ensuring that CUSC parties are involved from the initial discussions of what could be significant changes ensures that a solution which is equitable to all parties can be sought. Without that clear and transparent involvement up front there is more chance that changes are imposed which do not</p> |

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| | <p>deal with all parties in an equal manner.</p> <p>As to the question of which of the original and WACM are best, we believe that the WACM provides the best balance of clear communication and access to National Grid, and required effort on the part of National Grid, and so we feel that it will have a more positive impact on objective a than the original.</p> |
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| <p>Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible.</p> | <p><i>Yes</i></p> |
| <p>Do you have any other comments?</p> | |