Grid Code Review Panel Grid Code Review Panel Membership Date Raised: 5 March 2014 GCRP Ref: pp14/17 A Panel Paper by Alex Thomason, Code Administrator (National Grid Electricity Transmission plc)

Summary

Following the 2013 election process for the Grid Code Review Panel (GCRP), a review of representation on the GCRP was proposed to recognise that the make-up of the industry, particularly the generation element, has changed significantly since the GCRP was first established.

The aim of the review is to ensure appropriate and equitable representation of different sectors of the industry on the GCRP. In addition, the Code Administrator wishes to highlight practical issues for consideration when reviewing the GCRP membership.

The GCRP is requested to review the options set out in this paper in preparation for discussion at the March GCRP meeting.

Users Affected

High

GCRP Members, particularly Generator representatives: the paper proposes multiple options for revising the criteria for generator representation on the GCRP.

Medium

None.

Low

The Code Administrator (National Grid) will need to implement any changes progressed under this review.

Description & Background

Membership of the Grid Code Review Panel is set out in the Constitution and Rules document, which is published on the National Grid website at the link below¹. The membership is listed in Section 5 of the document and replicated in Appendix A of this paper for ease of reference.

Representation

With the exception of the National Grid and Authority representatives and the Code Administrator/Panel Secretary roles, Panel Members are elected as representatives of a category and should represent all of the people in that category on an <u>impartial</u> basis. This means that they should have no particular bias towards the organisation they work for and allows individuals such as consultants or trade association members to be appointed as Panel Members.

Representatives are nominated by any of the people in that category, with nominations notified to the GCRP Chairman. Where the number of nominations for any category exceeds the number of places available, the Panel Chairman should contact the people within that category and ask them to come to an agreement as to who they wish to represent them. If agreement is not reached, the Panel Chairman should pass the matter

¹ <u>http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/Grid-code/The-Grid-code/</u>

to the Authority to decide on who the members should be.

In recent years, the GCRP has seen an increase in interest in Panel Membership, particularly from generators, with calls made to increase the number of Panel seats for generators or to review the generation categories to better reflect the changing mix of generation. The increase in interest has led to Panel Member seats being contested, resulting in some interested parties being unable to secure a place on the Panel as an active Member. This review of the GCRP constitution results from the 2013 GCRP election process, in which not all nominees were able to secure a place on the Panel.

Proposed Solution

Although the main issues raised to date have been around generation representation on the GCRP, we have taken the opportunity to review all roles on the Panel. The options presented in this paper are offered as "strawmen" for discussion and further development by the GCRP or by another group set up for that purpose. We have provided a pictorial summary of our proposals in Appendix C of this paper, along with a table showing the main differences to current representation.

GCRP administration and governance roles

We are not proposing any changes to the Chairmanship of the GCRP, which would remain with National Grid Electricity Transmission plc or to the Panel Secretary role. In addition to the Panel Secretary, we consider it would be helpful for a representative from the Code Administrator to attend Panel meetings to provide guidance on governance issues and assist the Panel Chairman in the smooth running of Panel meetings. An Authority representative is also entitled to attend meetings.

Non-Generator Representation

We provide a commentary below on the existing non-generation GCRP roles and our proposals for each of them.

Existing provisions allow for up to 4 members to be appointed by **National Grid.** The number of representatives sent by NGET to each GCRP meeting depends on the subject matter. We propose that NGET have 2 permanent representatives on the Panel, with others invited to present as the agenda requires.

2 persons representing the **Network Operators in England and Wales.** Currently, this role is fulfilled by 1 DNO representative. We propose that this role be split into two separate roles: 1 **DNO representative** (non-geographically specific) and 1 **Distribution Code Review Panel** (DCRP) representative.

1 person representing the **Network Operators in Scotland**. This role would be covered by the **DNO representative** above, which would not be geographically specific.

1 person representing **Suppliers**. We propose that this role be removed due to its historical underutilisation – the role was left vacant following the 2010, 2011 and 2012 elections. 2013 is the first year that has seen a Supplier representative elected. Instead, we propose that a **Manufacturer** representative role be created, due to the continued interest this group has in Grid Code issues.

1 person representing **Non Embedded Customers.** We propose that this role be removed, as this category of customer has other routes for representation on the GCRP.

1 person representing the **BSC Panel.** This role could potentially be removed and replaced by a written update to the Panel, in line with similar updates from other Panels or Codes, for example, the CUSC, Distribution Code, SO/TO Code and NETS SQSS.

1 person representing the **Externally Interconnected System Operators**. We propose that this role be removed.

2 people representing **Relevant Transmission Licensees**, specifically in relation to certain elements of the Planning Code, Connection Code, Operational Code and General Conditions. These roles would be recategorised as an **Offshore Transmission Owner** representative and an **Onshore Transmission Owner** representative.

Generator Representation

The main changes proposed are to representation of generation interests on the GCRP. Four options are put forward for discussion, each taking a different approach to how you categorise generation. Please note that all four of the options include a more transparent election process for both Members and Alternates.

Option 1: Generation Elections

This option retains the existing 6 Generator representatives on the GCRP (see Appendix A), but would introduce a more transparent election process for both Members and Alternates to ensure more equitable access to the GCRP. If this option is supported, the Code Administrator would explore options for an election process.

Option 2: Generator Representation by Size

This option creates categories that reflect the changing generation mix and would reduce the number of generator seats from 6 to 5. The proposed categories are:

- Less than 10MW;
- 10-50MW;
- 51 500MW
- 501-999MW
- Over 1000MW

Option 3: Generator Representation by Fuel Type

This option also creates categories to reflect the changing generation mix and would reduce the number of generator seats from 6 to 4. The proposed categories are:

- Nuclear
- Carbon
- Renewable
- Trade Body

A Trade Body category is included so that smaller or niche interest organisations can still have equitable access to the GCRP.

Option 4: Open Generator Elections

The final option is included for completeness and proposes to allow the generation community to decide who it wishes to elect as its representatives. The number of generation seats is reduced from 6 to 4.

Practicalities

In reviewing options for membership of the GCRP, the Code Administrator has considered some practical issues, namely the size of the Panel. Unlike most other Industry Code Panels, the GCRP is very large. There are 22 members who could be expected to regularly attend a Panel meeting, including the Chairman and Panel Secretary. This number is enhanced by current GCRP practice for many of the Generation Panel Members <u>and</u> their Alternates to attend most GCRP meetings and for the Authority to send two members.

The size of the Panel has a number of impacts to be considered:

- Accommodating the Panel. With a potential attendance somewhere in the region of 25 to 30 people, finding a room big enough to fit us all in is challenging. While the meetings are generally held in National Grid's offices, there have been safety issues raised regarding overpopulating rooms, leading to fire regulations being breached;
- Efficiency. The GCRP works in a collaborative way, considering and discussing issues in depth which, while positive, can lead to lengthy debates and long meetings. Previously, in order to reduce the length of individual GCRP meetings, which often stretched to 7 hours, additional dates were scheduled, which brought the meetings to a more manageable length. The Code Administrator invites the GCRP to consider whether further efficiencies could be made by reducing the size of the Panel.

It should be noted that we are not proposing any change to the existing provision in the Constitution and Rules, whereby a Panel Member who does not attend three consecutive GCRP meetings or send an Alternate could be removed from the role.

Assessment against Grid Code Objectives

(i) to permit the development, maintenance and operation of an efficient, coordinated and economical system for the transmission of electricity;

The proposal is neutral against this objective.

(ii) to facilitate competition in the generation and supply of electricity (and without limiting the foregoing, to facilitate the national electricity transmission system being made available to persons authorised to supply or generate electricity on terms which neither prevent nor restrict competition in the supply or generation of electricity);

The proposal would facilitate competition by allowing a more equitable distribution of representation on the GCRP across the electricity industry.

(iii) subject to sub-paragraphs (i) and (ii), to promote the security and efficiency of the electricity generation, transmission and distribution systems in the national electricity transmission system operator area taken as a whole;

The proposal is neutral against this objective.

(iv) to efficiently discharge the obligations imposed upon the licensee by this license and to comply with the Electricity Regulation and any relevant legally binding decisions of the European Commission and/or the Agency.

NGET's Transmission Licence Condition C14 requires that the Grid Code shall allow for a panel body to keep the Grid Code and its workings under review. The proposed changes to the Constitution and Rules would allow NGET to meet these obligations in a more efficient manner.

Impact & Assessment

Impact on the National Electricity Transmission System (NETS) None. Impact on Greenhouse Gas Emissions None. Impact on core industry documents None identified. Impact on other industry documents None identified.

Supporting Documentation

Have you attached any supporting documentation: No If Yes, please provide the title of the attachment: N/A

Recommendation

The Grid Code Review Panel is invited to:

Consider the proposed options, discuss them at the March GCRP meeting and provide feedback to the Code Administrator, with a view to highlighting a preferred option or options for further development.

Document Guidance

This proforma is used to raise an issue at the Grid Code Review Panel, as well as providing an initial assessment. An issue can be anything that a party would like to raise and does not have to result in a modification to the Grid Code or creation of a Working Group.

Guidance has been provided in square brackets within the document but please contact National Grid, The Code Administrator, with any questions or queries about the proforma at <u>grid.code@nationalgrid.com</u>.

Appendix A: Existing Panel Member representation

- 5.1 The Panel shall consist of:-
- (a) a Chairman and up to 4 members appointed by NGET;
- (b) a person appointed by the Authority; and
- (c) the following members:

(i) 3 persons representing those Generators each having Large Power Stations with a total Registered Capacity in excess of 3GW;

(ii) a person representing those Generators each having Large Power Stations with a total Registered Capacity of 3GW or less;

- (iii) 2 persons representing the Network Operators in England and Wales;
- (iv) a person representing the Network Operators in Scotland;
- (v) a person representing Suppliers;
- (vi) a person representing Non Embedded Customers

(vii) a person representing the Generators with Small Power Stations and/or Medium Power Stations (other than Generators who also have Large Power Stations);

- (viii) a person representing the BSC Panel;
- (ix) a person representing the Externally Interconnected System Operators;
- (x) a person representing Generators with Novel Units; and

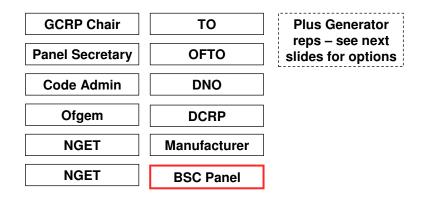
(xi) 2 persons, representing Relevant Transmission Licensees (in respect of PC.6.2, PC6.3, PC Appendix A, C and E, CC.6.1, CC.6.2, CC.6.3, OC8 and GC.11).

Appendix B: Comparison of existing to proposed representation

Existing role(s)	No.	Proposed role(s)	No.	Changes
GCRP Chairman (National Grid)	1	GCRP Chairman (National Grid)	1	No change
Panel Secretary (Code Administrator)	1	Panel Secretary (Code Administrator)	1	No change
N/A	0	Code Administrator (National Grid)	1	New permanent role
Authority representative	1	Authority representative	1	No change
NGET representative	4 max	NGET representative	2	Reduction of 2 people
Network Operators in England & Wales Network Operators in Scotland	2 max 1	DNO representative DCRP representative	2	Amalgamate geographical roles and split into two different ones
Supplier representative	1	Manufacturer representative	1	Change of focus to better reflect industry interests in the Grid Code
Non-embedded customer representative	1	n/a	0	This role is already covered by other GCRP members
BSC Panel representative	1	BSC Panel representative	1	This role could be fulfilled by written updates to the Panel instead of attending, similar to updates from other industry codes (e.g. DCode, CUSC, STC, SQSS)
Externally Interconnected System Operator representative	1	n/a	0	This role would be covered by the OFTO representative
Relevant Transmission Licensees	2	Onshore Transmission Owner representative Offshore Transmission Owner representative	2	
Generator representatives	6	Generator representatives	4–6	See proposed options.
TOTAL (max. attendees)	22		16-18	

Appendix C: Pictorial Summary of Proposals

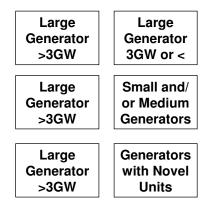
Non-Generation Panel Membership





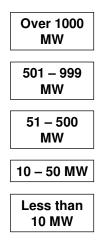
Generation Options

Option 1: No Change



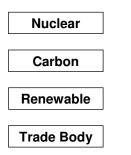
- No change to number or categories of Generator seats
- Introduce more transparent election process

Option 2: Generation by Size



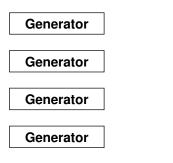
- Change categories to reflect changing generation mix
- Reduce number of Generator seats from 6 to 5
- Introduce more transparent election process

Option 3: Generation by Fuel Type



- Change categories to reflect changing generation mix
- Reduce number of generator seats from 6 to 4
- Introduce more transparent election process

Option 4: Open elections



- Allow the generation community free rein in who they nominate and elect
- Introduce more transparent election process
- Reduce number of generator seats from 6 to 4