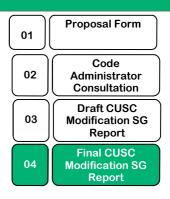
Stage 4: Final CUSC Modification Self-Governance Report

At what stage is this document in the process?

CMP313:

'Critical Friend review period for submission of new modifications'



Purpose of Modification: This modification seeks to codify a requirement for new modifications to be submitted to the National Grid ESO Code Administrator for a period of five working days ahead of when the modification is to be submitted to the CUSC Panel. This period will allow the Code Administrator to deliver a better service and in turn allow all network users to better understand code modifications.

This Final CUSC Modification Self-Governance Report has been prepared in accordance with the terms of the CUSC. An electronic version of this document and all other CMP313 related documentation can be found on the National Grid Electricity System Operator website via the following link:



https://www.nationalgrideso.com/codes/connection-and-use-system-code-cusc/modifications/cmp313-critical-friend-review-period

At the CUSC Panel meeting on 31 May 2019, the Panel members agreed that the Original was better than the baseline and recommended that it should be implemented.



High Impact: None identified.



Medium Impact: National Grid ESO Code Administrator.



Low Impact: All parties seeking to raise a modification to the CUSC and the CUSC Panel.

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Any questions?

Contact:

Chrissie Brown





Timetable

Modification presented at the CUSC Panel Code Administration Consultation issued to the Industry (20 working days) Draft CUSC Modification Self-Governance Report presented to Panel Modification Panel Self-Governance vote Appeal window opens (15 working days) 29 March 2019 11 April 2019/14 May 2019 23 May 2019 17 June 2019/8 July 2019

The Code Administrator recommends the following timetable:

Decision implemented in CUSC (10 working days

following appeal window closure)

August Panel (22

August 2019)

1 About this document

This document is the CUSC Modification Self-Governance Report that contains the responses to the Code Administrator Consultation which closed on 14 May 2019.

CMP313 was proposed by Chrissie Brown from the National Grid Electricity System Operator and was submitted to the CUSC Panel for its consideration on 29 March 2019. The Panel decided to send this modification directly to Code Administrator Consultation and voted by majority that it met the Self-Governance criteria.

Code Administrator Consultation Responses

One response was received to the Code Administrator Consultation. A summary of the response can be found in Section 10 of this document. The respondent stated that the proposal does not better facilitates the Grid Code objectives.

CUSC Panel View

At the CUSC Panel meeting on 31 May 2019, the Panel voted on CMP313 against the Applicable CUSC Objectives.

The Panel members by majority agreed that the Original proposal was better than the baseline and determined that it should be implemented.

National Grid ESO Code Administrator commitments following feedback provided by Code Administrator Consultation respondents and Panels

Ahead of commencing the Self-Governance Panel vote National Grid ESO, as Proposer of this modification, talked through their commitments for implementation.

They outlined that for transparency purposes that the following steps would be undertaken, the morning following the deadline, on receipt of a new Proposal form at D-10 (D=Panel meeting date):

- A draft agenda would be circulated to industry with the modification number and title by way of email notification and uploaded to the National Grid ESO website; and
- All modification proposal forms will be sent to the Chair of the respective Panel.

The Code Administrator also outlined:

- 1) That this would be reviewed periodically by reporting back to the Panel to demonstrate the improvement in the quality of modifications progressing through the process and that the above commitment has been adhered to;
- 2) Guidance would be produced to be added to the National Grid ESO website to outline the checks that the Code Administrator will carry out and deadline dates;
- 3) The impacted parties, Consumer impacts and the defect would be the focus of the discussions between the Code Administrator and the Proposer; and
- 4) That the Proposer of a modification is not obligated to update their proposal form based on advice given to them.

In addition to these commitments they also stated they will ensure that when they receive a Consultation response from a group (such as the Flexible Generation Group) the report then outlines who they represent so it is clear to all parties and the respective Panel when reviewing the document.

Lastly, the Code Administrator outlined that whilst the five working days would add time at the start of the process, this would ensure modifications are set up 'for success' meaning less time should be spent in the subsequent stage gates of the modification process. This was echoed by the Ofgem representative at the Grid Code Panel meeting.

2 Summary

Defect

The National Grid Electricity System Operator Code Administrator does not have sufficient time when a modification is raised to carry out their Critical Friend duties to deliver a better service to raise the quality of modifications. Providing a Critical Friend review is a principle of the Code Administrator Code of Practice (CACoP) that ensures all modification submitted to Panel are fit for purpose.

What

The CUSC needs to be amended to allow time for the critical friend review between the submission of a modification and when the modification is submitted to the Panel.

Why

We provide our Critical Friend service for all modifications to the Grid Code, System Operator Transmission Owner Code and Connection and Use of System Code. We recognise that this can be and will be carried out (should this modification be approved) to an even higher standard and that we need to ensure consistently across every modification raised. This includes meeting the expectations of network users, improving the accessibility of modifications and the ease in which they can understand modifications and impacts.

We have spoken and listened to our customers and have heard that:

- there is a need to have defects (the issue) outlined in plain English so all can understand the intent and issue that has been raised
- the defect needs to be clear so that all can understand whether they can raise any other potential solutions to the issue in hand
- consumer impacts are not populated at times or when they are they are not clear
- impacts or potential impacts are not clear to all parties when a modification is raised
- governance routes can be confusing, and Proposers do not fully understand the options when submitting their Proposal forms
- modifications are raised when other routes for the issue could be considered
- modification titles can be confusing and do not fully represent the effect of a modification

We believe that having five working days between receiving a modification and publishing it for industry and the Panel to review will provide sufficient time to feedback on Proposal forms received and ensure there is a step change in the quality of the modifications that then proceed through the modification process.

Our Code of Practice outlines the following:

Principle 1: Code Administrators shall be critical friends

Helping all new and existing energy market users effectively frame and develop Modifications.

Proactively reviewing and commenting on draft Modifications.

This modification will underpin this Principle and ensure that we improve our service in this area.

How

The CUSC will be updated to outline that modifications are required to be submitted to us for a period (5 working days) ahead of the Panel papers day.

3 Governance

Panel Governance decision

The Grid Code Review Panel decided that this modification met the Self-Governance criteria and should proceed directly to Code Administrator Consultation.

4 Why Change?

Amendments to our codes are at the highest level that they have ever been. Industry need to understand what the potential impacts of the modifications are going to be as soon as they are raised, what the Consumer impacts are and also clearly understand the issue and intent. This modification will unlock and facilitate this ensuring a step change in the quality of modifications being tabled at our Panels.

5 Code Specific Matters

Technical Skillsets

None.

Reference Documents

The Code Administrators Code of Practice

Materiality Guidance

6 Solution

When assessing whether to raise this modification we attended the CUSC Issues Standing Group (CISG) to gain feedback on the best way forward with regard to the defect.

The feedback received was that those who attended believed that there was a defect (or issue) to be addressed and there was broad support for making the amendment to the Codes.

We outlined some options in terms of the way to proceed and carried out the same exercise at the Grid Code Development Forum (GCDF).

We listened to the views on the potential way forward and concluded that due to the inconsistency in terms of approach from different customers this modification would codify the requirement and we believe this is the best way forward to ensure consistency and to make the step change required.

We carried out some research with other Code Administrators from a best practice point of view and concluded that no other code allows a modification to be raised and submitted to their Panels on the same day (other than via the Urgency route) The amount of time requested is not consistent, some request five working days, some three and a half.

Therefore, we conclude that we see the best way forward is to propose a solution of five working days for our Codes.

Please note that this modification will not seek to amend the Urgency area of the Governance Rules.

7 Impacts & Other Considerations

This modification will have an impact on the System Operator Transmission Owner Code (STC) and the Grid Code as we will ensure that there is a consistent process across all of our Codes, so modifications will be raised across all three codes concurrently.

Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

No.

Consumer Impacts

This modification will have an indirect impact on the Consumer. The modification should ensure that the quality of modifications increases which will unlock understanding of modifications. This in turn should increase contribution to our processes and therefore drive forward the raising of modifications for the ultimate benefit of those paying – the Consumer.

Costs

Industry costs					
Resource costs	£0 – 0 Workgroup meetings				
	£908 – 1 Consultation				
	 0 Workgroup meetings 				
	 0 Workgroup members 				
	 1.5 man days effort per meeting 				
	 1.5 man days effort per consultation 				
	response				
	 1 consultation respondent 				
Total Industry Costs	£908				

8 Relevant Objectives

Impact of the modification on the Applicable CUSC Objectives (Standard):					
Relevant Objective	Identified impact				
(a) The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;	None				
(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;	None				
(c) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and	None				
(d) Promoting efficiency in the implementation and administration of the CUSC arrangements.	Positive This modification will have a positive impact in the efficiency of the Governance arrangements outlined within the CUSC.				
*Objective (c) refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).					

9 Implementation

The Proposer recommends that this modification is implemented 10 working days following the closure of the appeal window following the Panel Self-Governance vote at the May 2019 Panel meeting. This modification will not have any implementation costs associated with it.

10 Code Administrator Response summary

The Code Administrator Consultation was issued on 15 April 2019 for twenty Working Days, with a closing date of 14 May 2019.

One response was received to the Code Administrator Consultation and ais detailed in the table below:

Respondent	Do you believe that GC0124 better facilitates the Grid Code objectives?	Do you support the proposed implementation approach?	Do you have any other comments?
Mark Draper Flexible Generation Group	No. Not efficient nor competition enhancing. Not helpful for modifications where the ESO are not experts. How would the market know that this process is also being applied to all parties? Panel can always suggest a Proposer withdraws, redrafts and submits the modifications. If the Code Administrator were separate from the ESO we would be more inclined to think a sense check would be helpful. Not clear how much modifications would change as a result of the five working days. Elexon do not mandate the time, this time can slow down the process. Further details can be found in the full response in Annex 2.	No.	Not consistent with Ofgem's desire to see codes be able to be changed in a timely manner.

11 CUSC Panel Views

At the CUSC Panel meeting on 31 May 2019, the Panel voted on CMP313 against the Applicable CUSC Standard Objectives.

The Panel members unanimously agreed that the Original was better than the baseline and recommended that it should be implemented.

For reference the Applicable CUSC Objectives are;

- (a) The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence
- (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;
- (c) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and
- (d) Promoting efficiency in the implementation and administration of the CUSC arrangements.

Vote 1: Does the original facilitate the objectives better than the Baseline?

Panel Member: Kate Dooley

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)
Original	Neutral	Neutral	Neutral	Yes	Yes

Voting statement

CMP313 better facilitates the objectives than the Baseline. The extra time allowed for the code admin to carry out critical friend duties on modification proposals should increase the quality of modification proposals.

Panel Member: Andy Pace

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)	
Original	Υ	N	Neutral	Neutral	N	
Voting statement						

^{*}Objective (c) refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).

"We are concerned that CMP 313 is creating an additional barrier for stakeholders in submitting changes to the CUSC by bringing forward the notice period required. In particular we note that the change modification does not place any additional obligation on the Secreteriat to respond or provide feedback within the notice period. Although we agree with the best practice of submitting modifications as early as possible to allow the secretariat to provide feedback and engage prior to its formal submission, we do not believe this should delay the submission timeline.

We recognise that there may be additional benefits for the ESO in creating a more efficient process and therefore this modification better meets applicable CUSC objective (a). However, we believe this change is to the detriment of competition as it creates an additional barrier for stakeholders and therefore does not better meet applicable CUSC objective (b). Overall we believe that CMP313 does not better meet the applicable CUSC objectives."

Panel Member: Laurence Barrett

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)
Original	Neutral	Neutral	Neutral	Y	Y

Voting statement

I believe that this mod would bring a clear improvement to the process by which code modifications are raised and therefore would be better against objective (d). I note the concerns that have been raised around this creating a barrier for parties and potential issues around the independence of the code administrator within the overall ESO. I believe that these are separate issues from the defect that has been identified for this mod. Issues of trust and independence are clearly important, but this is a much broader topic outside the scope of this mod. Furthermore, in a process which can often take 1-2 years to complete, I do not believe that taking an extra 5 days at the start to ensure the proposal is as complete as possible creates a barrier.

Panel Member: Garth Graham

	facilitates	facilitates	Better facilitates ACO (c)?		Overall (Y/N)
Original	Neutral	Neutral	Neutral	Yes	Yes

Voting statement

CMP313, if passed, would be likely to better facilitate Applicable CUSC Objective (d), Promoting efficiency in the implementation and administration of the CUSC arrangements. The extra time provided for the Code Administrator to review and suggest amendments to new Modification Proposals could help lead to workable pragmatic and well thought-through change proposals, though categorically the proposer should never be compelled to take the advice offered by the code administrator.

Panel Member: Jon Wisdom

	Better facilitates ACO (a)	facilitates	facilitates	Better facilitates ACO (d)?	Overall (Y/N)
Original	Neutral	Y	Neutral	Y	Y

Voting statement

CMP313 allows the Code Administrator more time to perform their role as critical friend. The anticipated improvements include plain English used within modifications, clear articulation of the defect, consumer impacts being identified early in the process, parties being able to identify if a modification impacts on them and meaningful modification titles. These improvements promote efficiency in the implementation and administration of the CUSC arrangements (relevant objective (d)) by ensuring all modifications submitted to Panel are of high quality and are understandable to all CUSC parties. In addition to this the CACoP principles, especially Principle 1, supports this approach and this additional time is used by other Code Administrators, for example the Joint Office who administer the UNC. Although not easily quantifiable it should also allow smaller market participants to engage more effectively in the codes and modification processes thereby improving competition (objective (b)).

Panel Member: Simon Lord

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)
Original	Neutral	Neutral	Neutral	Neutral	No

Voting statement

Whilst the proposal has some merit codifying this as an obligation runs against the need to ensure the code process is dynamic and effective and cuts across the need to ensure that the code team presents a clear and independent (independent: - of any ESO views as to the merits of the modification) support to the CUSC party. The current "best practice" procedure that has been followed by the vast majority of recent proposals is to present at TCMF and following feedback from the ESO and others formally raise the modification the following month. Given the timing of TCMF and the need to add time after to reflect on feedback this will effectively delays new modification to the following month. This is not helped by the CUSC panel sitting on the last Friday of the month as opposed to a fixed day as some months can be short in CUSC time table terms.

Panel Member: Cem Suleyman

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)
Original	Neutral	Neutral	Neutral	No	N

Voting statement

I believe that CMP313 will on balance not better facilitate Applicable CUSC Objective (d). It is not necessary to codify this process in to the CUSC to allow the Code Administrator to fulfill its Critical Friend function. The response to the Code Administrator consultation suggests a lack of stakeholder support for the proposed process. It would appear that stakeholders would prefer a more flexible approach from the Code Administrator to better meet their needs when it comes to the development of CUSC modifications.

Panel Member: Robert Longden

	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)
Original	Neutral	Neutral	Neutral	Yes	Yes

Voting statement

CMP313 will better facilitate Applicable CUSC Objective (d). The Code Administrator requires sufficient time to ensure that proposals meet the required standards to be initiated and that the Panel are presented with draft proposals which can be properly and fully considered. In addition, the proposer(s) will benefit from feedback and assistance from the Code Admin team. It should be a purely objective process and the Code Admin team should have no input to the merits/demerits of the proposal. The period of 5 days should be reviewed once sufficient experience with the process is gained.

Panel Member: Paul Mott

	Better facilitates ACO (a)		Better facilitates ACO (c)?	Better facilitates ACO (d)?	Overall (Y/N)
Original	Neutral	Neutral	Neutral	Yes	Yes
Voting statement					

CMP313, if passed, would be likely to better facilitate Applicable CUSC Objective (d), Promoting efficiency in the implementation and administration of the CUSC arrangements. The extra time provided for the Code Administrator to review and suggest amendments to new Modification Proposals could help lead to workable pragmatic and well thought-through change proposals, though categorically the proposer should never be compelled to take the advice offered by the code administrator.

Vote 2 – Which option is the best?

Panel Member	BEST Option?
Kate Dooley	Original
Andy Pace	Baseline
Laurence Barrett	Original
Garth Graham	Original
Jon Wisdom	Original
Simon Lord	Baseline
Cem Suleyman	Baseline
Robert Longdon	Original
Paul Mott	Original

Breakdown of voting:

	Overall Support of the option achieving the CUSC Objectives than the baseline	
Original 6 Yes, 3 No		

The CUSC Panel therefore determined by majority that this should be implemented.

12 Legal Text

Please see below.

CUSC

8.16.8 Subject to Paragraphs 8.8.6, 8.29 and 8.17B, where the CUSC Modification Proposal is received more than 10 (ten) Business Days prior to the next CUSC Modifications Panel meeting, the Panel Secretary shall place the CUSC Modification Proposal on the agenda of the next CUSC Modifications Panel meeting and otherwise shall place it on the agenda of the next succeeding CUSC Modifications Panel meeting.

13 Annex 1: Self-Governance Statement

National Grid ESO Faraday House, Gallows Hill Warwick, CV34 6DA



Nadir Hafeez Ofgem **By Email** Shazia Akhtar CUSC Modifications Panel Secretary

Shazia.Akhtar2@nationalgrideso.com

Direct Tel: 07787266972

02 April 2019

www.nationalgrideso.com

Reference: CMP313 Self-Governance Statement

Dear Nadir

This is the CUSC Panel's Self-governance Statement to the Authority for CUSC Modification Proposal *CMP313 - Critical Friend review period for submission of new modifications*. The National Grid ESO Code Administrator has prepared this Self-Governance Statement on behalf of the CUSC Panel and submits it to you in accordance with the CUSC.

On 29 March 2019, the CUSC Panel considered CMP313 and unanimously agreed that it meet the Self-Governance Criteria.

As such, CMP313 is unlikely to discriminate between different classes of CUSC Parties and is unlikely to have a material effect on:

- i) Existing or future electricity customers;
- ii) Competition in the generation, distribution, or supply of electricity or any commercial activities connected with the generation, distribution or supply of electricity,
- iii) The operation of the National Electricity Transmission System
- iv) Matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies
- v) The CUSC's governance procedures or the CUSC's modification procedures.

The proposed timetable for the progression of CMP313 is as follows:

21 March 2019	Modification proposal issued to the CUSC Panel
29 March 2019	Panel to determine if CMP313 should follow the self-governance route
5 April 2019	Code Administration Consultation Report issued to the Industry (20 days)
8 May 2019	Code Administration Consultation closes
23 May 2019	Draft Modification Self-Governance Report issued to Panel
31 May 2019	Panel Determination vote
10 June 2019	Final Modification Self-Governance Report published
10 June 2019	Appeal window opens
1 July 2019	Appeals window closes
16 July 2019	Implementation into the CUSC

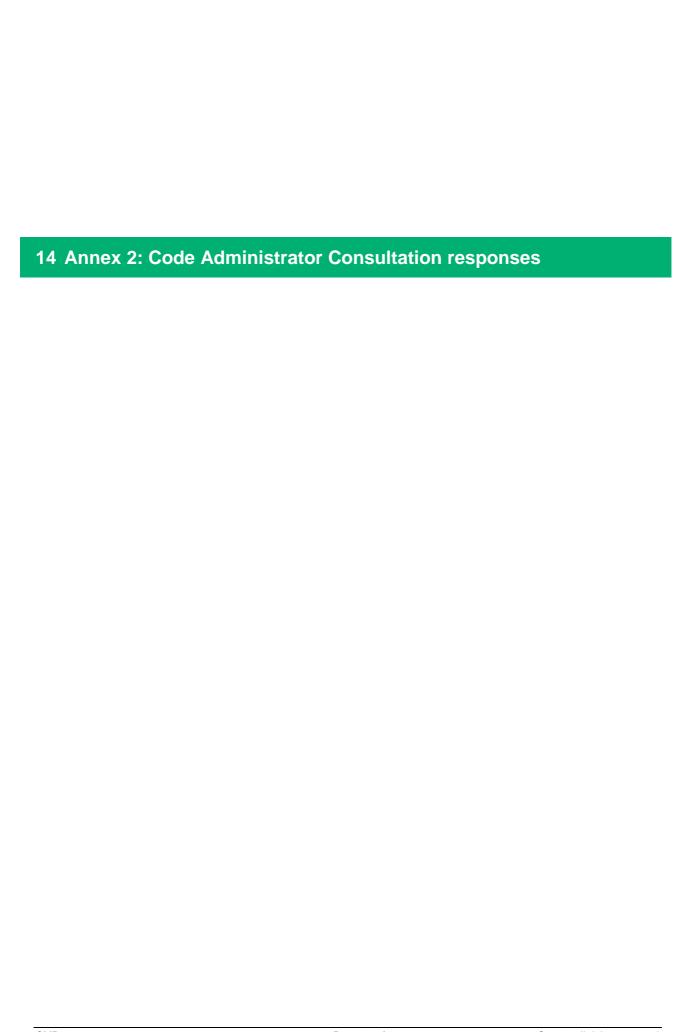
The CMP313 modification proposal form is available here:

https://www.nationalgrideso.com/codes/connection-and-use-system-code-cusc/modifications/cmp313-critical-friend-review-period

If you require any further information, please do not hesitate to contact me.

Yours Sincerely,

Shazia Akhtar CUSC Panel Secretary



CUSC Code Administrator Consultation Response Proforma

CMP313 – Critical Friend review period for submission of new modifications AND GC00124

Industry parties are invited to respond to this Code Administrator 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 **5:00pm** on **14 May 2019** to cusc.team@nationalgrideso.com. Please note that any responses received after the deadline or sent to a different email address may not be included within the Final Modification Report to the Authority.

Any queries on the content of the consultation should be addressed to Ren Walker at Lurrentia.walker@nationalgrideso.com.

These responses will be included within the Draft CUSC Self-Governance Modification Report to the CUSC Panel. The Panel will then determine whether to implement the modification.

Respondent:	Mark Draper
Company Name:	Flexible Generation Group
Please express your views regarding the Code Administrator Consultation, including rationale. (Please include any issues, suggestions or queries)	For reference, the Applicable CUSC objectives are: Standard Objectives (a) The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;
suggestions or queries)	 (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; (c) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and (d) Promoting efficiency in the implementation and administration of the CUSC arrangements.
	*Objective (c) refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).

Do you believe that CMP313 better facilitates the Applicable CUSC objectives? Please include your reasoning.

No.

While we believe most parties will come to National Grid and seek help to draft the best quality mod that they can, we do not believe it is either efficient, nor competition enhancing to require submission to the ESO before a party puts forward a mod.

This change may mean that a party could miss the Panel paper deadline, as it must factor in time while it waits for the ESO to review its mod. The ESO check is also not helpful for mods on issues that the ESO are not experts. FGG believe that there are too many times when a 5 day delay in the process would not be helpful and would be detrimental against objective (b).

We also do not see how the market would know if the ESO is applying the same process to its own modifications. We also think some parties may not want to discuss their ideas as they believe the ESO will try to talk them out of the modifications that they do not like. Both of these issues are as a direct result of the ESO being both a party to the code and the administrator of that code. This leads to a perception of bias, even if no actual bias exists.

The ESO, as code administrator, is meant to be a critical friend, not a barrier to parties raising changes in a timely manner. If a mod appears that is truly badly thought out, etc. the Panel can always suggest to the proposer that they withdraw it and re-raise it with some help in redrafting.

Were the CUSC and Grid Code Administrators to be separated from the ESO then we would be more inclined to think a sense check is helpful. However, even then we would suggest that 5 days seems quite long to sense check a mod when the code admin should be the expert in the code to start with.

It is not for mods to define fully worked up solutions, but to define the issue they believe needs addressing and their own proposed solution. We believe that there may be a risk from the ESO tightening a definition or solution in such

Q	Question	Response
		a way as to limit the proposals that the workgroup may then consider. The mod is unclear how the ESO would be reviewing the mod and how much change it may be trying to draft into each proposal.
		We also note that the BSC allows mods to be raised and Elexon to put them to the next available Panel. In our experience they will suggest changes and work with parties, as we are sure the ESO intends to do, but it is not mandated help and it does not slow the process down in the way this proposal may well do.
		If the ESO wishes to help parties then it will do so in a timely and flexible manner.
2	Do you support the proposed implementation approach?	No – see above.
3	Do you have any other comments in relation to CMP313?	Please note that this is a response to both CMP313 and GC00124. We also feel that these modifications are not consistent with Ofgem's desire to see codes be able to be changed in a more timely manner.