

CUSC Modification Panel Elections Process 2019

Guidance for Users in relation to the
election of Panel Members and Panel
Alternate Members

| Updated 84 July 2019

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Purpose of this document

Elections for Members of the Connection and Use of System (CUSC) Modifications Panel and Alternate Members for the period 1 October 2019 to 30 September 2021 ~~will commence~~ on 1 July 2019. This guidance has been updated to reflect Ofgem's decision in relation to CMP285: CUSC Governance Reform – Levelling the Playing Field, which was implemented on 5 July 2019.

Further information about the CUSC Modifications Panel and its current composition can be found on the National Grid Electricity System Operator website at the following link:

<https://www.nationalgrideso.com/codes/connection-and-use-system-code-cusc?panel>

The general arrangements to be followed for an election are set out in section 8, Annex 8A of the CUSC. The Code Administrator Administers each election. The Purpose of this guidance is to:

- Provide an updated summary of the CUSC Panel election arrangements for 2019 following Ofgem's decision in relation to CMP285. This will ~~to~~ help CUSC Users to participate actively and effectively in the ~~forthcoming~~ election arrangements; and
- Clarify the approach that will be adopted for the election in several detailed areas of the voting arrangements.

For the purposes of the election arrangements, CUSC Users are defined as those persons who are a Party to the CUSC Framework Agreement (apart from National Grid) as of 20 June 2019.

These updated guidance notes have been prepared by the Code Administrator.

The CUSC Modification Panel

The Role of Panel Members

The role of a Panel Member is to act as an independent industry expert on the Panel, which sets the strategic direction of the future changes across the CUSC. CUSC Modification Panel Members and Alternate Members must act impartially and not as a representative or in the interest of a Company or person they are employed by. In order to further support this, CMP285 introduces a requirement that CUSC Panel Members declare in writing any shares they hold in any CUSC party or CUSC parties in as total aggregate value of over £10,000 to the Code Administrator for publication.

At Panel meetings, Panel Members will be asked to provide views on proposed and active modifications. In addition, at various points, Panel Members are asked to vote and provide a supporting statement to their vote on modifications. Votes for modifications following the Standard governance route are directly provided to the Authority to aid its decision making. In addition, where modifications follow the Fast Track and/or the Self Governance route, Panel Members will vote as the decision maker of the modification.

Composition of the CUSC Modifications Panel

The CUSC Modification Panel is composed of:

- An independent Chairperson (the 'Panel Chairman') who is a non-voting member;
- Up to seven (7) persons appointed by Users;
- Two (2) persons appointed by The Company;
- One person appointed as a Consumer Representative e.g. by Citizen's Advice;
- A person appointed by the Authority whose interests are not otherwise reflected in the composition of the Panel; and
- An Authority Representative.

Available places on the CUSC Modifications Panel during this election

There are seven (7) places available for appointment on the CUSC Modifications Panel during these elections.

In addition, there are five (5) places for Alternate Members on the CUSC Modifications Panel. Alternate Members are elected through the same process as Panel Members.

The Election Process

The following section sets out the timetable to be followed by the Code Administrator in administering the CUSC Modification Panel elections. In addition, there is further useful information about the election process.

Timetable

The following sets out the Code Administrator's timetable for the CUSC Modifications Panel elections

Date	Stage
<u>8</u> July 2019	<u>Updated invitation sent to industry to nominate candidates to stand for election as either a User appointed Panel Member or an Alternate Member</u>
	<u>Code Administrator to publish a proposed list of CUSC Users and proposed Voting Groups for CUSC Users to review</u>
<u>22 July 2019</u>	<u>Last date for CUSC Users to confirm any changes to the Voting Groups to the Code Administrator</u>
<u>23 July 2019</u>	<u>Code Administrator to publish the final list of Voting Groups</u>

29 July 2019	Candidate nomination window closes
29 July <u>5 August</u> 2019	List of nominated candidates published and voting papers circulated or the outcome of the election is announced
27 <u>19</u> August 2019	Last date to send voting papers to the Code Administrator
15 September 2019	Latest the election results are announced
	<u>Code Administrator to publish the election report</u>
1 October 2019	Elected Panel Members and Alternate Members hold office

Nominations for the election

Nominations for a candidate to stand in the election can only be made by a User as contained within Schedule 1 of the CUSC. However, the person(s) nominated do not need to be listed as a CUSC Schedule 1 User.

The Electorate

The electorate is the list of current CUSC Users as set out in Schedule 1 as of 20 June 2019. A full list of eligible voters can be found below:

CMP285 has introduced company Voting Groups. A “Voting Group” means a User who is eligible to vote and all Affiliates of that User who are eligible to vote.

On 8 July 2019, the Code Administrator will publish the list of proposed Voting Groups to CUSC Users for review. Any changes should be notified to the Code Administrator no later than 22 July 2019. The Code Administrator will publish the final list to be used in the election on 23 July 2019.

<https://www.nationalgrideso.com/document/146791/download>

Voting

Voting will only take place if the Code Administrator receives more nominations than positions available.

Each CUSC User may submit one voting paper, which must be submitted to the Code Administrator by no later than 5pm on 19 August 2019.

Each Voting Group shall be entitled to submit one voting paper in respect of each of the following Voting Sub-Groups, provided that one or more Users in such Voting Group fall within the relevant Voting Sub-Group:

1. Generation Voting Sub-Group;

This includes all Users in a Voting Group who fall within one or more of the following categories:

- a) a User with a Bilateral Agreement in respect of a Directly Connected Power Station;
- b) a User with a Bilateral Agreement in respect of an Embedded Exemptable Large Power Station; and
- c) a User with a Bilateral Agreement in respect of an Embedded Power Station.

2. The Supply Voting Sub-Group;

All Users in a Voting Group who are Suppliers.

3. The Demand Voting Sub-Group;

All Users in a Voting Group who fall within any one or more of the following categories:

- a) Directly Connected Users with a Bilateral Agreement; and
- b) A User with a Bilateral Agreement in respect of a Distribution System.

4. The Interconnector Voting Sub-Group

All Users in a Voting Group who fall within any one or more of the following categories:

- a) Interconnector owners with a Bilateral Agreement; and
- b) Interconnector Users.

Each Voting Group shall be responsible for designating which specific User(s) within their Voting Group shall submit voting papers on behalf of the relevant Voting Sub-Groups.

Votes must be submitted to the Code Administrator no later than 5pm on 27 August 2019.

~~The Electorate~~

~~The electorate is the list of current CUSC Users as set out in Schedule 1 as of 20 June 2019. A full list of eligible voters can be found below:~~

~~<https://www.nationalgridco.com/document/146791/download>~~

Voting Process

Voting papers will be provided to all CUSC Users that are eligible to vote by e-mail and voting forms can also be submitted electronically. However, as stated above, only one voting paper for each eligible Voting Sub-Group will be accepted from each Voting Group.

Voting papers will have a unique reference number which can be found within the Electorate section above on the list of Voting Groups, which will be published on 23 July 2019. Those CUSC Users who wish to vote utilising hard copies of the voting forms should contact the Code Administrator. If a CUSC User chooses to submit a hard copy, only the original voting forms will be accepted.

Each ~~CUSC User will have one~~ voting paper ~~each but can~~ allows each Voting Group select up to three preferred candidates from the list on their voting paper(s) and rank them in order of preference (i.e. first choice, second choice and third choice). All voting papers carry equal weight.

Voting papers must be returned to the Code Administrator by the date and time specified. Late voting papers received after ~~19~~27 August 2019 will be invalid.

What to do on receipt of your voting papers

The CUSC User contacts should check that they have the correct number of votes in the correct capacities for their company(s) indicated in in the Electorate section above- when the voting forms are received. If you think you have more or fewer voting papers than you were expecting, then you should discuss this further with the Code Administrator.

All three preference votes could count, so we would encourage you to complete all three choices.

Once you have completed the forms these should be submitted to the Code Administrator as soon as possible and no later than ~~19~~27 August 2019.

If you are submitting hard copies of the voting forms, please sign and date the form. If you need to make any corrections, please sign and date these separately and attach an explanatory cover note.

Votes Cast in error

If any CUSC Users believes that their vote has been miscast and can quote the unique reference number which can be found in on the incorrect voting paper, the Code Administrator will re-cast the vote as advised if notification is received within the voting window.

What happens if more votes are received from a Voting Group than they are entitled to submit?

In the event that the number of voting papers submitted by Users within a Voting group exceeds the entitlement set out in the Voting Groups:

- a) The Code Administrator will attempt to contact each of the relevant Users to establish which voting paper(s) shall be counted for the purpose of the election; and
- b) Where the Code Administrator has not been able to contact the relevant Users, the Code Administrator will select from the voting papers at random. Any voting papers selected by the Code Administrator shall be deemed valid and any other voting papers from the relevant Voting Group shall be disregarded.

Election Count

Initial qualifying round

The Code Administrator will count the first preference votes allocated to each candidate.

To qualify for the CUSC Modifications Panel in the first qualifying round, the total votes required to be cast in favour of a candidate is: $(T/N) + 1$

where

T is the total number of first Preference Votes in all valid voting papers

N is the number of Users' Panel Members and or Alternates to be elected in the first qualifying round (this is 7 Panel Members and 5 Alternate Members).

If the number of first Preference Votes allocated to any candidate is equal to or greater than the first round qualifying total, they are elected.

In the event that all the vacancies are not filled, the count proceeds to a second qualifying round.

Second qualifying round

The second qualifying round applies to all candidates not elected in the first round.

The voting papers marked with a first preference for a successfully elected candidate in the initial qualifying round are set aside. The votes that have first and second preference votes for the remaining candidates are determined.

To qualify for the CUSC Modifications Panel in the second qualifying round, the total votes required to be cast in favour of a candidate is: $(T'/N') + 1$

where

T' is the total number of first preference votes and second Preference Votes allocated to the remaining valid voting papers.

N' is the number of Users' Panel Members and or Alternates remaining to be elected after the first qualifying round.

If the number of first and second Preference Votes allocated to any candidate is equal to or greater than the second round qualifying total, they are elected.

If all the vacancies are not filled, the count proceeds to a third qualifying round.

Third qualifying round

The third qualifying round applies to all candidates not elected in the first or second rounds.

The voting papers marked with a first preference and or a second preference for a successfully elected candidate in the initial qualifying round are set aside. The votes that have first, second and third preference votes for the remaining candidates are determined.

To qualify for the CUSC Modifications Panel in the third qualifying round, the total votes required to be cast in favour of a candidate is: $(T''/N'') + 1$

where

T'' is the total number of first preference votes, second Preference Votes and third Preference Votes allocated to the remaining valid voting papers.

N'' is the number of Users' Panel Members and or Alternates remaining to be elected after the first qualifying round.

If the number of first, second and third Preference Votes allocated to any candidate is equal to or greater than the third round qualifying total, they are elected.

Additional provisions relating to the count

If after any voting round the number of candidates achieving the required Preference Votes threshold exceeds the number of persons remaining to be elected, the following tie-break provisions shall apply between the tied candidates. These provisions also apply in the event that after the third voting round any Panel Member(s) or Alternate Member(s) remain to be elected:

- (a) the tied or remaining candidates (as applicable) shall be ranked in order of first preference votes allocated to them, and the candidate(s) with the greatest number of such votes shall be elected;
- (b) in the event of a tie between two or more candidates within paragraph (a), the candidates (amongst those tied) with the greatest number of second Preference Votes shall be elected;
- (c) in the event of a tie between two or more candidates within paragraph (b), the Code Administrator shall select the candidate(s) (amongst those tied) to be elected by drawing lots.

Appointment as Alternate Members and Panel Members

The seven (7) candidates receiving the greatest number of votes shall be elected as User's Panel Members and the next five (5) shall be elected as Alternate Members.

Election Results

The Code Administrator will announce the results of the election to CUSC Users as soon as practicable after completion of the election timetable and no later than 15 September 2019. Voting totals for individual candidates will not be revealed to CUSC Users.

2019 Election Report

A report prepared by the Code Administrator describing the processes followed during the election process and the results will be ~~provided to the~~ published on its website and sent to the Authority as soon as practicable after the election. The report will include the following:

- i. the total number of voting papers distributed to Users eligible to vote;
- ii. the total number of voting papers received;
- iii. the total number of first, second and third preference votes allocated to each candidate in all voting papers;
- iv. the total number of remaining voting papers in each voting round;
- v. the total number of remaining Panel Members to be elected in each voting round;
- vi. the value of the qualifying total in each voting round; and
- vii. the total number of qualifying Preference Votes allocated to each remaining candidate under all remaining voting papers in each voting round.

The 2019 report provide further transparency to CUSC Users about the conduct of the election and will enable the Authority to A assess whether the Code Administrator administered the election in a fair and consistent manner. The report will also help the Authority respond should any claims or questions be raised with them by CUSC Users concerning the Code Administrator's conduct in relation to the management of the elections process.

Contact the Code Administrator

If you have any queries about the content of this guide or the elections process, you can contact the Code Administrator at the following email address:

cusc.team@nationalgrideso.com

Faraday House, Warwick Technology Park,
Gallows Hill, Warwick, CV346DA

nationalgrideso.com

nationalgridESO