

CUSC Modification Panel Elections 2019 Elections Report

13 September 2019

Contents

Executive Summary	2
CUSC Modifications Panel Election Voting and Outcome.....	3
CUSC Modifications Panel Election Calculations	3
First Voting Round	3
Second Voting Round	4
Third Voting Round	5
CUSC Modifications Panel Election Results	7
CUSC Modifications Panel Elections Process	7
Industry Engagement	8
Trade bodies	8
Code Administrator’s Distribution List	8
Schedule 1: The Electorate	9
Finalising the electorate	9
The electorate	9
Nominations.....	9
Timetable	10
CMP285: CUSC Governance Reform – Levelling the Playing Field.....	11
Changes introduced by CMP285	11
Conclusions	12

Executive Summary

The process to elect Connection and Use of System Code (CUSC) Modification Panel Members and Alternate Panel Members for the period 1 October 2019 until 30 September 2021 commenced on 1 July 2019 and concluded on 12 September 2019.

There were 7 Panel Member vacancies available for appointment on the CUSC Modification Panel. Furthermore, there were an additional 5 Alternative Panel Member vacancies available. The Alternate Panel Members attend the CUSC Modifications Panel in the event that a Panel Member is unable to attend throughout the year. We received 9 nominations for these 12 vacancies.

[CMP285: CUSC Governance Reform – Levelling the Playing Field](#) has introduced a number of changes that impact upon the elections process. These changes to the process were implemented for the first time during these elections. Further information about the changes can be found later in this report.

The election results are as follows:

Voting Panel Members	
1	Joseph Dunn
2	Garth Graham
3	Paul Jones
4	Cem Suleyman
5	Grace Naomi Anne Smith
6	Mark Duffield
7	Paul Kenneth Mott

Alternate Panel Members	
1	Simon Lord
2	Andrew Enzor

CUSC Modifications Panel Election Voting and Outcome

CUSC Modifications Panel Election Calculations

There were 405 ballot papers that were eligible to be cast in this election by CUSC Schedule 1 parties. There was a total of 362 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), and each Voting Group was eligible to cast a maximum of four ballot papers depending upon which Voting Sub-groups they were eligible to vote in. A total of 48 ballot papers were received across 33 Voting Groups for the 9 nominations received. Within the 48 ballot papers there were a total of 123 preferences expressed collectively across CUSC Parties first, second, and third preference votes for the candidates.

One ballot paper was received approximately 30 minutes after the deadline of 5pm on 27 August 2019. The votes cast within this ballot paper have been counted towards the results.

We have conducted the election calculation as stipulated in Annex 8A.3.2 of the CUSC. This section sets out how many votes each candidate received and corresponding calculated results for the election.

The candidates received the following number of preference votes:

Candidate Name	Nominating CUSC party	Total first preference votes	Total second preference votes	Total third preference votes
Mark Duffield	National Grid Interconnectors Limited	2	3	1
Joseph Dunn	Scottish Power Renewables (UK) Limited	14	7	4
Andrew Enzor	EPG Energy Limited	2	6	3
Garth Graham	SSE Generation Limited	8	7	13
Paul Jones	Uniper UK Limited	3	5	2
Simon Lord	First Hydro Company	3	2	3
Paul Kenneth Mott	EDF Energy Renewables Limited	5	7	2
Grace Naomi Anne Smith	UK Power Reserve	5	1	2
Cem Suleyman	Carrington Power Limited	6	1	6

First Voting Round

There were 48 ballot papers in the first voting round.

In order to qualify for election in the first round, a candidate must achieve equal to or greater than the first round qualifying total.

The first round qualifying total is:

$$(T / N) + 1$$

where

T is the total number of first preference votes cast in all voting papers.

N is the number of Users' Panel Members and/or Alternate Members to be elected.

48 first preference votes were cast

Calculation:

$$T = 48$$

$$N = 9$$

$$(48 / 9) + 1 = 6.33 \text{ (rounded up to 7)}$$

Candidate Name	First Voting Round Total
Mark Duffield	2
Joseph Dunn	14
Andrew Enzor	2
Garth Graham	8
Paul Jones	3
Simon Lord	3
Paul Kenneth Mott	5
Grace Naomi Anne Smith	5
Cem Suleyman	6

Conclusion

The following candidates met the first round qualifying total and have been appointed to the CUSC Modification Panel:

- Joseph Dunn (Panel Member)
- Garth Graham (Panel Member)

Therefore, there were 5 remaining Panel Members and 2 remaining Alternate Panel Members to be appointed through the subsequent voting rounds.

Second Voting Round

In order to be elected in the second round, a candidate must achieve equal to or greater than the second-round qualifying total. The remaining voting papers are all the voting papers except for

those where the first preference vote was for a candidate successfully appointed in the first round. Of the 48 ballot papers, only 26 were remaining to cast a vote for the second round.

The second round qualifying total is:

$$(T' / N') + 1$$

where

T' is the total number of first and second preference votes cast in all remaining voting papers.

N' is the number of Panel Members and/or Alternate Members remaining to be elected after the first voting round.

Calculation:

$$T' = 26 \text{ (first preference)} + 10 \text{ (second preference)}$$

$$N' = 7$$

$$(26+10 / 7) + 1 = 6.14 \text{ (rounded up to 7)}$$

Candidate Name	Second Voting Round Total (first round + second round)
Mark Duffield	2 + 2 = 4
Andrew Enzor	2 + 1 = 3
Paul Jones	3 + 4 = 7
Simon Lord	3 + 2 = 5
Paul Kenneth Mott	5 + 0 = 5
Grace Naomi Anne Smith	5 + 0 = 5
Cem Suleyman	6 + 1 = 7

Conclusion

The following candidates met the second round qualifying total and have been appointed to the CUSC Modification Panel:

- Paul Jones (Panel Member)
- Cem Suleyman (Panel Member)

Therefore, there are 3 remaining Panel Members and 2 remaining Alternate Panel Members to be appointed.

Third Voting Round

In order to be elected in the second round, a candidate must achieve equal to or greater than the third-round qualifying total. The remaining voting papers are all the voting papers except for those

where the first or second preference votes was for a candidate successfully appointed in the first or second round. Of the 48 ballot papers, only 7 were remaining to cast a vote for the third round.

The third round qualifying total is:

$$(T'' / N'') + 1$$

where

T'' is the total number of first, second and third preference votes cast in all remaining voting papers.

N'' is the number of Panel Members and/or Alternate Members remaining to be elected after the first and second voting round.

Calculation:

$$T'' = 7 \text{ (first preference)} + 3 \text{ (second preference)} + 2 \text{ (third preference)}$$

$$N'' = 5$$

$$(7+3+2 / 5) + 1 = 3.4 \text{ (rounded up to 4)}$$

Candidate Name	Third Voting Round Total (first round + second round + third round)
Mark Duffield	2 + 2 + 0 = 4
Andrew Enzor	1 + 1 + 1 = 3
Simon Lord	0 + 0 + 0 = 0
Paul Kenneth Mott	0 + 0 + 0 = 0
Grace Naomi Anne Smith	4 + 0 + 1 = 5

Conclusion

The following candidates have met the third round qualifying total and have been appointed to the CUSC Modification Panel:

- Grace Naomi Anne Smith (Panel Member)
- Mark Duffield (Panel Member)

Therefore, there is 1 remaining Panel Member and 2 remaining Alternate Panel Members to be appointed. The candidates are ranked in order of the number of first preference votes they received across all 48 ballot papers to fill the remaining vacancies. The following candidates have been appointed to the CUSC Modifications Panel:

- Paul Kenneth Mott - 5 first preference votes (Panel Member)
- Simon Lord - 3 first preference votes (Alternate Panel Member)
- Andrew Enzor - 2 first preference votes (Alternate Panel Member)

CUSC Modifications Panel Election Results

The result of the election is as follows:

Voting Panel Members	
1	Joseph Dunn
2	Garth Graham
3	Paul Jones
4	Cem Suleyman
5	Grace Naomi Anne Smith
6	Mark Duffield
7	Paul Kenneth Mott

Alternate Panel Members	
1	Simon Lord
2	Andrew Enzor

CUSC Modifications Panel Elections Process

The process to elect CUSC Modification Panel Members and Alternate Panel Members for the period 1 October 2019 until 30 September 2021 commenced on 1 July 2019.

On 1 July 2019, the Code Administrator opened up the election nominations window for a period of three weeks. To facilitate this, the following documents were sent to CUSC Users via email and published on the Code Administrator's website:

- the electorate;
For the purposes of the 2019 election arrangements, CUSC Users were defined as those persons who were a Party to the CUSC Framework Agreement, with the exception of National Grid Electricity System Operator, as at 20 June 2019. Each CUSC User was allocated a unique reference number;
- the election timetable;
- nomination form;
- role overview for CUSC Modifications Panel Members and Alternate Member; and
- an Election User Guide.

The Election Guide provided a summary of the election arrangements for 2019 to enable CUSC Users to participate actively and effectively in the forthcoming election arrangements. In addition, it provided clarity in relation to the approach that would be adopted for the election in a number of areas in relation to the voting arrangements where Annex 8A of the CUSC is silent or ambiguous.

Industry Engagement

The Code Administrator committed to providing a weekly elections email to provide updates to industry in relation to the process.

Emails were sent to industry as follows:

Date	Email Content
1 July 2019	Commencement of the CUSC Modifications Panel elections process and inviting nominations of candidates.
8 July 2019	Emailing advising industry of the decision in relation to CMP285. Updated elections documentation published including an explanatory note, updated timetable and a request for industry to aid with the company Voting Groups of Schedule 1 (version 1) by no later than 22 July 2019.
15 July 2019	Reminder that there are two weeks left to nominate candidates for the CUSC Modifications Panel (closes 29 July 2019) and a request for industry to check Schedule 1 (version 2).
22 July 2019	Email requesting an urgent industry review of Schedule 1 (version 3) and an extension of the deadline for updates to Schedule1 to 24 July 2019. This email included a reminder that nominations close in one week on 29 July 2019.
26 July 2019	Email reiterating an urgent review of Schedule 1 (version 4) and an extension for updates to Schedule1 to mid-day Friday 2 August 2019. This email included an extension to nominations period to mid-day Friday 2 August 2019.
5 August 2019	Email to industry announcing nominations outcome and inviting industry to vote in the CUSC Modifications Panel Elections
13 August 2019	Email to industry to remind them to vote in the CUSC Modification Panel elections by no later than 27 August 2019.
19 August 2019	Email to industry to remind them to vote in the CUSC Modification Panel elections by no later than 27 August 2019.
13 September 2019	Announced the election results and publication of this election report.

Trade bodies

In addition, the Code Administrator liaised with four trade bodies that represent smaller market participants to increase awareness of the elections process amongst their members and to establish if any of these members would be interested in nominating themselves to be a Panel Member or an Alternate Panel Member.

Code Administrator's Distribution List

Whilst reviewing and updating Schedule 1, the Code Administrator's CUSC distribution list was also reviewed to ensure that the Code Administrator had contacted everyone listed on Schedule 1 and that the details held were up to date. Where no specific contact details were held, emails were sent to generic email addresses to raise awareness of the elections and seek an alternative email contact.

We will be regularly reviewing the Code Administrator’s distribution list to ensure it is kept up to date.

Schedule 1: The Electorate

Finalising the electorate

Following initial industry responses to the Voting Groups, we became aware that some data held in relation to Schedule 1 was out of date in respect of registered company names and addresses. In response to this, the Code Administrator extended the deadline for nominations and company Voting Groups to be finalised to ensure that Schedule 1 was up to date and the Voting Groups introduced by CMP285 could be established. The final deadline for submitting any alterations and nominations was mid-day on Friday 2 August 2019. This was communicated to CUSC Parties via email.

During the extension period, the Code Administrator checked each record listed on Schedule 1 against Companies House and updated the list as appropriate, correcting registered company names and addresses.

Following this, a comparison of Schedule 1 and the list of Ofgem licensees was also undertaken to try to identify whether there were any missing parties. A check was then made against the Electricity System Operator’s records of accession agreements to identify any potential missing parties.

Prior to voting commencing, the Code Administrator found three parties that were not on Schedule 1. These parties were added on to the Schedule 1 list and contacted about the elections via email.

In addition, the Code Administrator received a number of contacts from industry advising of company Voting group alterations. Following checks, these changes were incorporated to produce the final elector list.

The Code Administrator will be reviewing the current process for maintaining Schedule 1 and refining the process to ensure that Schedule 1 is maintained going forward. In future elections, the Code Administrator will engage industry earlier in the process in relation to Voting Groups to ensure that similar issues do not arise again.

The electorate

On 5 August 2019, the Code Administrator published the final list of the electorate including unique voter reference numbers for each individual company, Voting Groups and the eligibility of each Voting Group to vote in relation to the Voting Sub-Groups.

There was a total of 655 separate CUSC Parties listed on the final version of Schedule 1 that the Code Administrator has used in this election. These companies were allocated into 362 distinct Voting Groups.

Nominations

Nominations closed at mid-day on Friday 2 August 2019. Nine nominations were received within the deadline.

In accordance with Annex 8A.2.2 of the CUSC, on 5 August 2019, the Code Administrator announced the list of nominated candidates standing for election in the CUSC Modifications Panel elections. These were as follows:

	Candidate Name	Nominating Organisation
1	Mark Duffield	National Grid Interconnectors Limited

2	Joseph Dunn	Scottish Power Renewables (UK) Limited
3	Andrew Enzor	EPG Energy Limited
4	Garth Graham	SSE Generation Limited
5	Paul Jones	Uniper UK Limited
6	Simon Lord	First Hydro Company
7	Paul Kenneth Mott	EDF Energy Renewables Limited
8	Grace Naomi Anne Smith	UK Power Reserve
9	Cem Suleyman	Carrington Power Limited

Timetable

The final timetable adopted for the CUSC Modification Panel election is set out below:

Date	Stage
1 July 2019	<p>Election process commenced and an invitation was sent to industry to nominate candidates to stand for election as either a User Appointed Panel Member or an Alternate Member.</p> <p>Code Administrator published:</p> <ul style="list-style-type: none"> • election timetable; • election guide; • Panel Member and Alternate Panel Member Role Overview; • nomination form; and • Schedule 1 electorate as of 20 June 2019.
8 July 2019	<p>Updated invitation sent to industry to nominate candidates to stand for election as either a User Appointed Panel Member or an Alternate Member</p> <p>Code Administrator published updated documents:</p> <ul style="list-style-type: none"> • election timetable; • election guide; • nomination form; • Updated Schedule 1 electorate as of 20 June 2019 with draft Voting groups;
2 August 2019	<p>Closing date for CUSC Users to confirm any changes to the Voting Groups to the Code Administrator</p> <p>Closing date for candidate nominations to be received by the Code Administrator</p>
5 August 2019	Code Administrator published the final list of Voting Groups

	The list of nominated candidates was published and voting papers were circulated to industry
27 August 2019	Closing date for industry to send voting papers to the Code Administrator
13 September 2019	Election results were announced by email and on the Code Administrator's website
	Code Administrator published this election report
1 October 2019	Elected Panel Members and Alternate Members will be in post

Following the implementation of CUSC modification CMP285, the timetable was updated to reflect that there were changes to the elections process. Further details on the CMP 285 have been set out below.

CMP285: CUSC Governance Reform – Levelling the Playing Field

On 4 July 2019, the Authority issued its decision in relation to [CMP285: CUSC Governance Reform – Levelling the Playing Field](#). On 5 July 2019, the Code Administrator implemented CMP285 into the CUSC.

Changes introduced by CMP285

CMP285 has introduced a number of changes that impact upon the elections process. These are as follows:

- There is a new requirement for CUSC Panel nominees to declare any shares they hold in any CUSC party or CUSC parties in as total aggregate value of equal to or over £10,000 to the Code Administrator for publication at the point that the nominations are confirmed.
- Voting Groups have been introduced. A “Voting Group” means a User who is eligible to vote and all Affiliates of that User who are eligible to vote. Each Voting Group is 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:
 - (a) Generation Voting Sub-Group;
 - (b) The Supply Voting Sub-Group;
 - (c) The Demand Voting Sub-Group; and
 - (d) The Interconnector Voting Sub-Group.

The changes set out additional details to support the changes to the codes to enable this e.g. a requirement for CUSC Parties to assist the Code Administrator to devise the Voting Groups and provisions to cover a situation where more votes are cast than a Voting Group is eligible for.

- A new requirement for the Code Administrator to publish the election report and include the following information:
 - (a) the total number of voting papers distributed to Users eligible to vote;
 - (b) the total number of voting papers received;
 - (c) the total number of first, second and third preference votes allocated to each candidate in all voting papers;

- (d) the total number of remaining voting papers in each voting round;
- (e) the total number of remaining Panel Members to be elected in each voting round;
- (f) the value of the qualifying total in each voting round; and
- (g) the total number of qualifying Preference Votes allocated to each remaining candidate under all remaining voting papers in each voting round.

This report is the post elections report and fulfils this obligation.

Conclusions

The conduct of the 2019 CUSC Panel elections was conducted primarily by email, with key documentation available on the Code Administrator's website. As with previous elections, CUSC Users appeared to be comfortable with the integrity of the election via e-mail and no security or related issues were raised.

The Code Administrator is satisfied with the integrity of the CUSC Modifications Panel Elections, and commends the results to Authority.

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

nationalgrideso.com

national**grid**ESO