

# Grid Code Development Forum

## Agenda Item 5: Open Governance Update



**16/10/2015**

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# Open Governance

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- Background to GC0086
- Building blocks of GC0086
- Alternative option
- Legal Text
- Implementation
- Next steps
- Indicative timeline
- Q&A

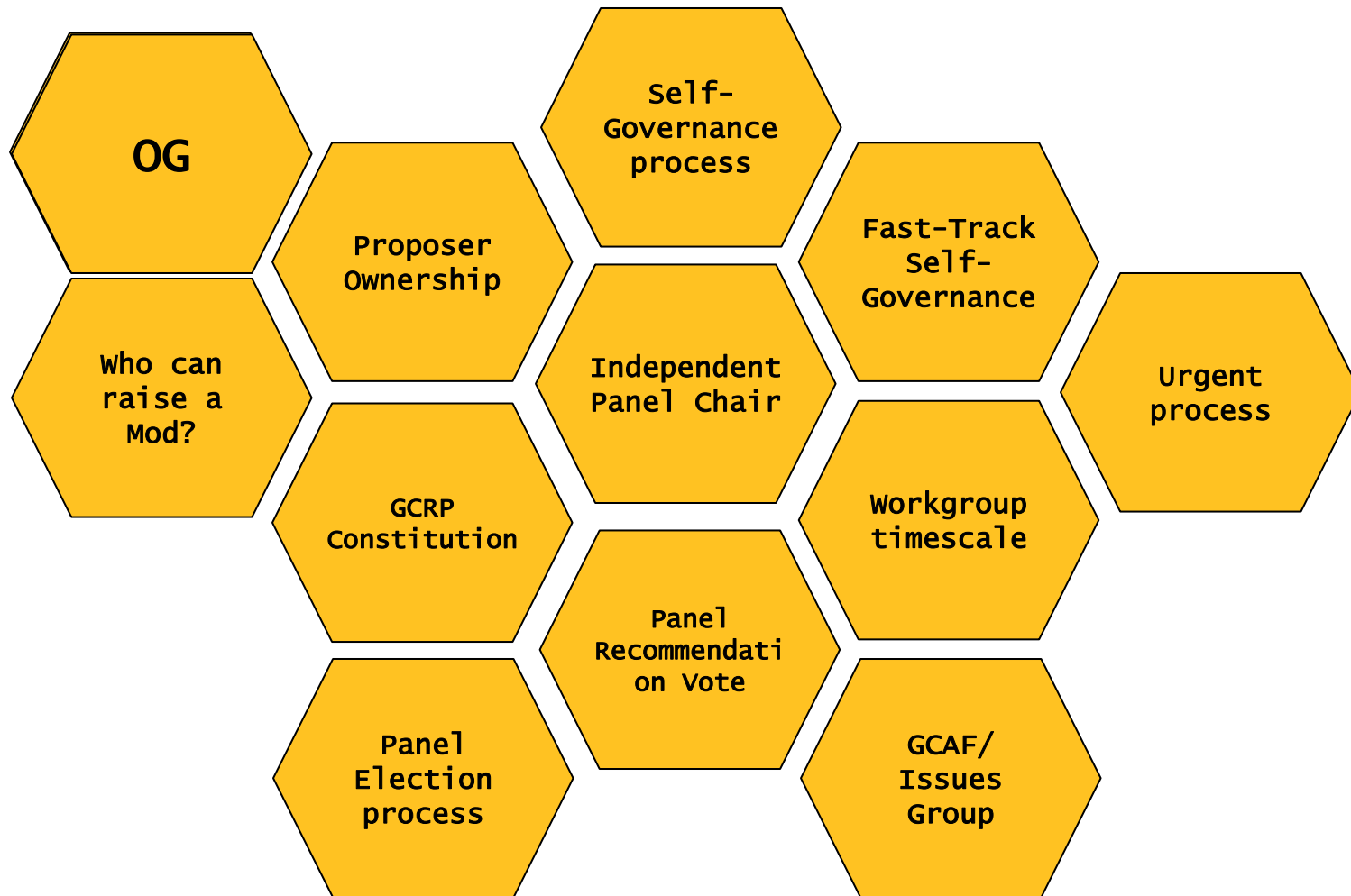
## Background to GC0086

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- GC0086 was raised as an Issue Paper to the GCRP in July 2014
- The joint Proposers are Eggborough Power Ltd, Energy UK, E.ON, ESBI, SSE and Waters Wye
- “Open Governance” allows parties other than National Grid to raise modification to the Grid Code and have them progress all the way through the modification process
  - Parties have always been able to raise “issues” proposing changes
- GC0086 Workgroup considered the proposals and a series of strawmen from the Code Administrator
- Workgroup came to conclusions on each element of the original GC0086 proposal
- An alternative option was proposed and developed during the Workgroup process

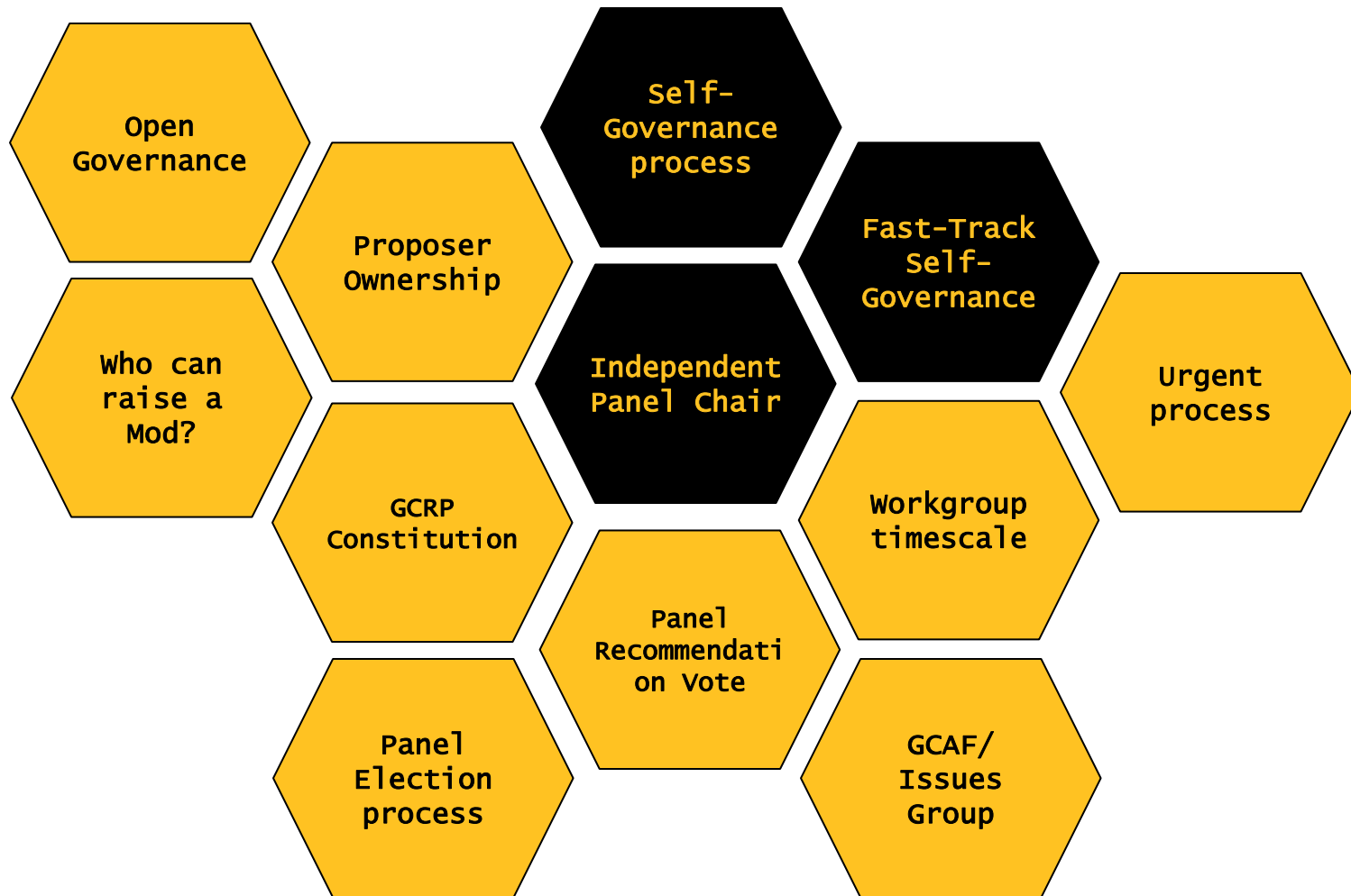
# Building blocks of GC0086

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## Alternative option

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## Legal Text: two different approaches

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- GC0086 uses Section 8 of the CUSC as the basis for legal text
  - Creates new “Governance Rules” section, would require modification to change in the future
- The Alternative Option uses the existing “Constitution and Rules of the Grid Code Review Panel” document
  - Sits outside the Grid Code, but subject to change process set out in General Conditions, requires Authority approval

## Implementation: general

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- Proposed for 10 business days after an Authority decision
- Except...
  - Under the original GC0086 proposal only, some parts will need a Transmission Licence change to implement
  - Licence modification process takes roughly 6 months
- Any modification in progress that has not reached the Report to the Authority stage when GC0086 is implemented will have the new governance arrangements applied
- The Alternative Option does not require licence changes to implement

## Implementation: Panel Elections

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- The term of office is currently 1 year, starting from the January GCRP meeting each year
- The GCRP nomination process is run in November each year for membership from the following January
- For January 2016, the Code Administrator will run the process in November 2015, following the existing governance
- GC0086 proposes that all existing GCRP members stand down 4 months after an Authority Decision to implement
- The Code Administrator would then have 4 months to run the necessary election/nomination processes to comply with GC0086



## Next steps

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- GC0086 is out to Industry Consultation until 6<sup>th</sup> November 2015
  - We welcome your responses! Consultation available here: <http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/Grid-code/Modifications/GC0086/>
- Following consultation, collate and summarise responses and draft the Report to the Authority
- Discuss responses and draft Report at November GCRP meeting
- Submit Report to Ofgem
- Discuss NGET Licence Modifications with Ofgem

## Indicative timeline

Date	Event	Note
6 <sup>th</sup> Nov 2015	Consultation closes	
25 <sup>th</sup> Nov 2015	GCRP	Discuss draft Report to the Authority
27 <sup>th</sup> Nov 2015	Submit Report to the Authority	Date dependent on content of responses and outcome of GCRP discussion
15 <sup>th</sup> Jan 2016	Authority decision	Earliest possible date, taking into account 25 working day KPI and Christmas moratorium
29 <sup>th</sup> Jan 2016	Legal text updated in Grid Code	Partial implementation, dependent on Licence changes
June 2016	Full implementation	Post-licence changes

NB. Timeline will be affected by the volume and content of consultation responses and the GCRP's views on draft Report to Authority and how to proceed. Authority decision date is indicative.

# Questions

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