

Minutes

Meeting name	CUSC Governance Standing Group (GSG)
Date of meeting	15 th February 2013
Location	National Grid House, Warwick & Via Teleconference

Attendees

Name	Initials	Position
Garth Graham	GG	Chair
Bali Virk	BV	Technical Secretary
Alex Thomason	AT	National Grid Electricity Transmission
Emma Clark	EC	National Grid Electricity Transmission
Esther Sutton	ES	E.ON
Stuart Cotten	SC	Drax Power
Steven Eyre	SE	EDF Energy
David Kemp	DK	ELEXON
Robert Longden	RL	Mainstream Renewable Power

Apologies

Name	Initials	Position
Abid Sheikh	AS	Ofgem

All presentations and supporting papers given at the GSG meeting can be found at: <http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/workingstandinggroups/gsg/>

1 Introductions/Apologies for Absence

- 703. Apologies were received from AS.
- 704. The GSG members welcomed David Kemp from ELEXON to the GSG meeting.

2 Approval of Minutes from the last meeting

- 705. The GSG minutes from the meeting held on 25th October 2012 were approved subject to one minor amendment and will be published on the National Grid website.

Action: Code Administrator to publish the GSG minutes on the National Grid website

3 Review of Actions

- 706. **Minute 682: BV to contact ELEXON re membership for the GSG.** BV confirmed that David Kemp had been nominated as a representative for ELEXON.
- 707. **Minute 689: Codes Administrator to draft CUSC Sub Group Report template for recommendation to the CUSC Panel.** The GSG members discussed the draft template that was circulated with the GSG papers. The GSG members agreed for the word “recommended” to be replaced with “concludes” within the template. GG asked the Code Administrator to use the template to report back to the CUSC Panel on the GSG discussions and conclusions for the process and consistency for CUSC Panel sub-groups to report back to the CUSC Panel.

Action: BV to draft the GSG Report for the CUSC Panel and circulate to the GSG members for approval prior to being circulated to the CUSC Modifications Panel

708. **Minute 699: AT to speak to the Joint Office to ask how they handle Charging Modifications.** AT explained that as a result of the Code Governance Review, CAP188 "Governance of Charging Methodologies" was introduced into the CUSC and as a result of this, changes to Section 14 are measured against the Charging set of CUSC Applicable Objectives and changes to the other sections of the CUSC would be measured against another different set of objectives.
709. As a result of this Opus Energy had to raise two CUSC Modifications - CMP209 to amend Section 14 of the CUSC and CMP210 amend Section 11 and Section 3 of the CUSC to enable the votes to be made against both sets of objectives separately.
710. AT confirmed that recently within the Gas Uniform Network Code 0356/0356A Demand Data for the NTS Exit (Flat) Capacity Charges Methodology had both charging and non charging elements to the modification. AT confirmed from reading the Final Modification Report and talking to the proposer that the report only assessed the change against the charging objectives, although it does mention other, non-charging, sections of the UNC that would need to change, and the Ofgem decision letter only relates to the Charging Objectives. The GSG agreed that therefore that this sets a precedent within the industry not to do two separate reports for one modification that may have charging and non charging elements.
711. GSG members asked if the Code Administrator could seek further clarity from Ofgem on the governance approach for this and agree a simple pragmatic approach with the view of including a tick box matrix which would detail the CUSC Applicable Objectives and the Charging Objectives within the CUSC Modification Report.

Action: AT to discuss with Ofgem governance approach for a modification containing a charging and non charging element within the report.

4 Review/Agree the GSG Terms of Reference

712. GSG members reviewed the annotated version of the Terms of Reference. Each of the tasks within the scope and objectives were discussed in turn. SC asked whether a date had been set for the Annual Code Administrators Code of Practice meeting this year, AT stated that she would ask Ofgem and let the GSG members know the meeting date.

Action: AT to speak to Ofgem regarding date for the Annual CACOP meeting.

713. BV informed the GSG members that the Scope of Objectives had been expanded to include the development of a process for the CUSC Panel to determine the claims threshold introduced by CMP212 'Setting limits for claims: submission, validation and minimum financial threshold values in relation to relevant interruptions' which will be discussed at this meeting.

5. Consider Fast Track Self Governance process as a result of Code Governance Review Phase 2

714. AT informed GSG members that Ofgem's Code Governance Review (CGR) Phase 2 is proposing licence changes for the CUSC, STC and Grid Code and various other codes. Ofgem released the Proposals document in September and the deadline for

responses to the consultation was the 23 November, and we are currently waiting for the final conclusion to be published.

715. AT stated that CGR 2 is proposing licence changes to the CUSC to extend the scope and improve the effectiveness of self governance across the codes. In preparation for the licence changes the Code Administrator has developed a draft CUSC Modification for the Fast track self-governance process.

Introduction of Fast Track Self Governance process

716. BV circulated a draft Fast track self governance Modification and described the proposed process for this.

717. BV explained that the draft proposal seeks to introduce a “Fast track self-governance” process into the CUSC. BV confirmed that Fast track self-governance would only be used for very minor house-keeping changes as a result of error or factual change including:

- Updating names and addresses in the CUSC
- Correcting minor typos
- Correcting formatting and consistency errors such as paragraph numbering

718. GSG members discussed the draft Fast track-self governance report template and BV explained that this could be filled in by the Proposer when a minor housekeeping change has been identified, the report would detail the defect and the proposed legal text changes. This report would be circulated to the CUSC Panel on CUSC Panel papers day.

719. BV explained that at the CUSC Panel meeting the CUSC Panel members would have to agree unanimously that the proposed Fast track self-governance modification can proceed through this route and that it also meets the Fast track self-governance criteria. The final Fast track self governance report would then be updated and published on the next business day after the CUSC Panel makes its decision. On the publication date the Code Administrator would send an email to the industry informing them that the Fast track self-governance report was published and that the 15 working day “objection window” would commence on this day.

720. GG asked if the proposed draft Fast track self governance modification could include a process for the event of an objection being received, in that the CUSC Panel could decide for the modification to follow the standard/self governance route.

721. AT confirmed that if the Authority felt the objection was valid and that the CUSC Panel still wanted to the modification to carry on, the Authority would have the right to veto the decision.

722. AT made GSG members aware that the Fast track-self governance report would be available on the National Grid website to allow for industry members to complete.

723. GSG members agreed for BV to update the draft modification with the changes discussed and forward to GSG members for approval.

Action: BV to update the draft Fast track self governance Modification Proposal and circulate to the GSG members for approval via email.

Self Governance Appeal Process

724. BV informed GSG members the CGR 2 proposals suggest that the appeal window is reduced from 15 days to 10 days after the publication of the CUSC Panel’s determination.

725. BV described the current appeals process within the CUSC and highlighted that the current trigger for the 15 working day appeal window is the date of the CUSC Panel determination and not the date of the publication of the determination as detailed in section 8.25.14 of the CUSC.
726. BV explained that currently the Code Administrator publishes in the CUSC Headline Report the outcome of the CUSC Panel Vote for Self Governance Modifications but this does not contain the detailed rationale of the CUSC Panel determination, this is detailed in the Final CUSC Modification Report.
727. GSG members debated the proposed options as outlined in BV's presentation and it was agreed that the preferred option would be for the CUSC Headline Report to have the detail and the rationale for the Self Governance vote, but noted that the CUSC Panel would not have the option to review this, as they currently do for the draft CUSC Modification Report.
728. GG stated that the Self Governance votes in the past have been straight forward and therefore the CUSC Panel Secretary could put the voting matrix on the screen at the CUSC Panel meeting and this could be filled in at the meeting. This would allow for the CUSC Panel Members to get the opportunity to view the voting before it was published.
729. GSG members debated the reduced appeal window from 15 days to 10 days and felt that it would not be an issue if the appeal window were reduced.

Self Governance Statement

730. BV informed GSG members that the proposed licence changes suggest that the inclusion of the Self Governance statement is to be within the formal set of the CUSC Panel minutes which would need to be sent to the Authority within six working days of the meeting.
731. BV informed GSG members that currently the CUSC Panel minutes are agreed at the following month's CUSC Panel meeting. GSG members agreed that the suggested approach of circulating the CUSC Panel minutes within six working days would put pressure on the CUSC Panel Secretary and CUSC Panel Members to approve the minutes within these timescales.
732. BV informed the GSG members that currently a separate Self Governance statement is sent to the Authority and published on the National Grid website. GSG members debated the options as outlined in BV's presentation and agreed that the way forward would be to continue to submit the Self Governance statement separately and publish this on the National Grid website within six business days. GG suggested the Self Governance letter template is circulated with CUSC Panel papers and for the Self Governance letter template to be filled in at the CUSC Panel meeting detailing that the Self Governance criteria has been met. GG also suggested that the CUSC Headline Report could contain a hyperlink to where the Self Governance statement could be found on the National Grid website.
733. AT explained that the Code Administrator was waiting for the CGR 2 final conclusion document to be released by Ofgem before the modifications could be raised. GSG members agreed for the Code Administrator to continue to draft the modifications based on the discussions at the GSG meeting and arrange a teleconference to agree/discuss the proposed modifications.

Action: BV to update the Fast track self governance modification and draft appeals and Self Governance modifications and arrange a GSG teleconference.

6. Develop a process for the CUSC Panel to determine the claims threshold introduced by CMP212 – Setting limits in relation to relevant interruptions

734. AT gave a presentation to the GSG members outlining the background for CMP212. As a result of the implementation of CMP212 on 25th January 2013, Generators will be able to request an Interruption Payment for a Relevant Interruption within 30 calendar days for claims to be submitted. National Grid would then have 60 calendar days to confirm the validity of the claim, which is negotiable with the claimant.
735. 5.10.7.2 of the CUSC sets the minimum claims threshold of £1 or such amount up to a maximum of £5,000 or as may be determined by the CUSC Panel. AT informed GSG members that the CUSC Panel debated how the minimum threshold should be set and reviewed, and referred this to the GSG to develop a process.
736. GSG members discussed the process that the CUSC Panel would follow to the review the threshold. GG suggested that the Code Administrator would produce an Annual Report for the CUSC Panel which would allow the Panel Members to then decide if the threshold is correct based on the claims received.
737. SC raised his concern that the threshold should not be reviewed just because there were a lot of claims being made in the year and what the trigger for a review would be. As an example, AT explained that if many claims were made to the value of £1, the administrative and resource costs of processing the claims would be a lot higher than the claim and therefore the CUSC Panel may wish to review this.
738. GSG Members discussed that the BSC Panel are able to change the parameters for Continuous Acceptance Duration Limit (CADL) and that in the past a sub group took an information paper to the BSC Panel with their recommendations. DK stated that he would forward the CADL report to the Code Administrator as an example for them to draft a process.

Action: DK to forward the CADL report

739. It was agreed that the annual report would detail the number of claims made in the year for the CUSC Panel to see if the minimum threshold warrants a change.

Action: Code Administrator to produce an annual report for the CUSC Panel detailing the claims that have been made

7. Any other business

740. No other business was discussed.

8. Next Meeting

741. The next GSG meeting will be held on 25th April 2013 at National Grid's offices in Warwick.