

Minutes

Meeting name	CUSC Governance Standing Group (GSG)
Date of meeting	25 th October 2012
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 - via teleconference
Steven Eyre	SE	EDF Energy
Jenny Doherty	JD	National Grid Electricity Transmission

Apologies

Name	Initials	Position
Abid Sheikh	AS	Ofgem
Robert Longden	RL	Mainstream Renewal Power

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

680. Apologies were received from AS and RL.
681. The GSG members welcomed Jenny Doherty, Commercial Graduate, National Grid as an observer to the GSG meeting.
682. It was noted by the GSG members that no representation had been received from Elexon, GG asked if BV would contact Adam Lattimore to ask if a representative from Elexon will be attending future GSG meetings.

Action: BV to contact Elexon re membership for the GSG.

2 Approval of Minutes from the last meeting

683. The GSG minutes from the meeting held on 26th January 2012 were approved via email by the GSG members and published on the National Grid website.

3 Review of Actions

684. There were no outstanding actions discussed.

4 Review/Agree the GSG Terms of Reference

685. GSG members reviewed the annotated version of the Terms of Reference. BV informed members that the CUSC Modifications Panel agreed at the 24th February 2012 meeting that the GSG quorum will be reduced from five members to four members. BV also highlighted that Barbara Vest and Kathryn Coffin had both resigned as GSG members.
686. BV informed the GSG members that Scope of Objectives had been expanded to include considerations for the prioritisation criteria for progressing CUSC Modifications which will be discussed at this meeting.

5. Consider process for consistency for CUSC Panel subgroups to report back to the CUSC Panel

687. AT informed GSG members that at the January 2012 CUSC Panel meeting, a CUSC Panel Member asked what the process for reporting recommendations for panel subgroups was and that there should be consistency with how the sub groups make recommendations. At the CUSC Panel meeting Alison Kay, the CUSC Panel Chair, confirmed that all discussions are recorded within the minutes of the sub group meetings.
688. GSG members debated the current process within other subgroups. GG stated that within the Balancing Services Standing Group (BSSG) informal recommendations are made and that these are captured within the minutes of BSSG. SC confirmed that a BSC Panel member “sponsors” each committee and would give an update at the BSC Panel meeting. AT noted that something similar happens at CUSC Panel meetings, as there is generally at least one CUSC Panel Member on each CUSC Standing Group, in addition to the Code Administrator and a National Grid representative.
689. A report template was also discussed by the GSG members that could be filled in by the subgroups when they felt this would be necessary and could then be circulated to the CUSC Panel. The template would consist of background, recommendations and a proposed way forward, this would not need to be filled in each month but only when an item is completed from the terms of reference. The GSG agreed to this approach.

Action: Code Administrator to draft template for recommendations to the Panel

6. Discuss prioritisation criteria for progressing CUSC Modifications

690. AT explained that at the April 2012 CUSC Panel meeting it was highlighted that there was a range of Workgroup meetings running that industry members were involved in and that there was a possibility of a number of charging proposals being raised resulting in potential Workgroup meetings being held. At the April meeting AT asked the CUSC Panel members if anything could be prioritised if there were issues in reaching a quorum for Workgroup meetings. The CUSC Panel were uncomfortable with prioritising CUSC Modifications and asked if the GSG could consider criteria for prioritisation.
691. ES stated that CUSC parties may not necessarily agree with the prioritisation of CUSC modifications agreed by the CUSC Panel, because what is important to one Party may not be important to another. SC agreed with this point and stated that modifications should be progressed on a first come, first served basis. AT confirmed that this is the current approach applied by the Code Administrator.

692. GSG members discussed the context regarding prioritisation within section 8.19(e) of the CUSC which allows the CUSC Panel to stop work on an existing CUSC modification, subject to the Authority's approval. The GSG reviewed and discussed the criteria within the CUSC that the CUSC Modifications Panel should consider when a CUSC Modification is submitted: a) Complexity, this may be difficult for the CUSC Panel members to identify; b) Importance, this is the view of the CUSC Party/Panel member and is likely to be subjective; c) Urgency – this is covered by Ofgem's published criteria.
693. GG stated that parties should raise Modifications as and when required and not leave it to the last possible moment, especially the charging modifications.
694. It was agreed that the current "first in, first out" approach and applying code modification numbering in the order that new CUSC modifications are received should continue to be followed. The GSG concluded that the natural staggering of CUSC Modifications works and were unable to propose a better solution for this.
695. AT confirmed that in the last three years we have only had one CUSC modification that was raised where there was a delay in commencing the Workgroup meetings due to lack of Workgroup member availability.

7. Discuss issues arising from Charging Methodologies governance

696. AT explained that as a result of the Code Governance Review, CAP188 "Governance of Charging Methodologies" was introduced into the CUSC.
697. As result of this, the Transmission Licence was revised to redefine the Applicable CUSC Objectives to include those which refer to changes to the Charging Methodologies, contained in Standard Licence conditions C5 and C6. The result of the revised definitions and the implementation of CAP188 is that changes made to different parts of the CUSC must be measured against different Applicable CUSC Objectives. For example, a change raised to Section 14 of the CUSC which contains the Charging Methodologies, should be measured against the charging objectives, whereas changes raised to other sections of the CUSC would be measured against a different set.
- AT made GSG members aware that there had been a few issues in terms of the process used when a party is looking to make a CUSC change which would impact both Section 14 Charging Methodologies and another section of the CUSC (for example, Section 11 Interpretations and Definitions). The legal interpretation of the licence drafting has resulted in two separate CUSC Modification Proposals requiring to be raised; one that is measured against the "charging" objectives and the other measured against the "non-charging" objectives. This means that voting on the objectives is not as straight forward as previously and has caused some confusion both to new participants in the modifications process and the Code Administrator.
698. GG suggested that the simple way to clarify this and remove unnecessary work would be to change the licence by listing all the objectives and use a matrix in the Modification Proposal form, such that proposers could indicate which of the Applicable CUSC Objectives are relevant by using a tick box. In this way, one sole CUSC Modification Proposal could be raised that could cover both charging and non-charging elements of the CUSC.
699. AT noted that the same arrangements had been implemented within the gas Uniform Network Code (UNC) and proposed to speak to her National Grid Gas Codes colleagues and the Joint Office of Gas Transporters to see whether they had

experienced the same issues and how they have dealt with the charging modifications that have an interaction with sections of the UNC.

Action: AT to speak to the Joint Office to ask them how they handle Charging Modifications.

8. 2013 GSG meeting dates

700. 2013 quarterly meeting dates were agreed by the GSG members, as follows:

Thursday 24th January 2013

Thursday 25th April 2013

Thursday 25th July 2013

Thursday 24th October 2013

9. Any other business

701. AT informed GSG members that the Code Governance Phase 2 Initial Proposals consultation was issued on the 28th September 2012 by Ofgem with a closing date of 23rd November 2012. The consultation has minor impact for the CUSC but enhances the current Self Governance process into a "Fast Track Governance" which will reduce the current process by two weeks from the start to end process. AT stated that Ofgem are proposing that the appeal window for Self Governance is reduced from 15 days to 10 days, but commencing upon publication of the Final Modification Report, instead of the date of the Panel's determination. AT also stated that Ofgem are holding a Workshop on the 2nd November to discuss the initial drafting and proposing implementation into the codes by July 2013.

10. Next Meeting

702. The next GSG meeting will be held on 24th January 2013 at National Grid's offices in Warwick.