

Grid Code Workgroup Consultation Response Proforma

GC0086 Grid Code Open Governance

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses by **6 January 2014** to Grid.Code@nationalgrid.com. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration.

These responses will be considered by the Workgroup at their next meeting and will be included in the Final Report which is submitted to the Authority.

Respondent:	<i>James Anderson James.Anderson@scottishpower.com</i>
Company Name:	<i>ScottishPower Energy Management Ltd</i>
Do you support the proposed implementation approach?	<i>Yes</i>
Do you believe that GC0086 better facilitates the appropriate Grid Code objectives?	<p><i>For reference the applicable Grid Code objectives are:</i></p> <p><i>(i) to permit the development, maintenance and operation of an efficient, coordinated and economical system for the transmission of electricity;</i></p> <p><i>(ii) to facilitate competition in the generation and supply of electricity (and without limiting the foregoing, to facilitate the national electricity transmission system being made available to persons authorised to supply or generate electricity on terms which neither prevent nor restrict competition in the supply or generation of electricity);</i></p> <p><i>(iii) subject to sub-paragraphs (i) and (ii), to promote the security and efficiency of the electricity generation, transmission and distribution systems in the national electricity transmission system operator area taken as a whole; and</i></p> <p><i>(iv) to efficiently discharge the obligations imposed upon the licensee by this license and to comply with the Electricity Regulation and any relevant legally binding decisions of the European Commission and/or the Agency.</i></p>
Specific Questions for GC0086:	
1. Do you consider the Grid Code should be subject to Open	<i>Yes. Making the Grid Code subject to Open Governance would allow parties (including those</i>

Governance as discussed in paragraphs 4.5-4.6?	<i>bound by the provisions of the Grid Code) other than National Grid to raise changes to the Code. Open Governance would remove the potential for any accusation that National Grid did not vigorously progress any proposals which were against its own commercial interests.</i>
2. Do you believe that the time that the typical Workgroup has to assess and develop a Proposal and report back to the Panel should be 4 or 6 months as discussed in paragraph 4.9?	<i>We believe that a workgroup should be able to assess and develop the majority of change proposals within 4 months but should have the option of requesting an time extension from the Panel and Authority if required.</i>
3. Do you believe that the Authority should also be able to raise Modification Proposals where they consider it is necessary to comply with or implement the Regulations and/or any relevant legally binding decisions of the European Commission?	<i>We believe that the Authority should be able to raise a modification where they consider that it is necessary to comply with the Third Package. Such a modification should be accompanied by a clear justification by the Authority as to why they consider the modification necessary to ensure compliance. This will ensure consistency with the provisions of 8.17A in the CUSC.</i>
4. Of the four groups listed in paragraph 4.20, who do you believe should be able to raise a Grid Code Modification Proposal? Do you believe another group / type of party should also be able to raise a Grid Code Modification Proposal, and if so, why?	<i>We believe that all four groups identified in 4.20 should be able to raise a Grid Code Modification as all are subject to the provisions of the Code and the Materially Affected Party group allows the Authority to designate any Party who can demonstrate their need to raise a Modification.</i>
5. Do you agree with the establishment of the Grid Code Advisory Forum (GCAF) as set out in paragraphs 4.28 – 4.35? If not, do you have a different approach and why?	<i>The establishment of the GCAF would be a valuable addition to the Grid Code change process allowing issues to be discussed and a range of possible solutions to be explored before a formal modification is raised. This should improve the efficiency of the formal change process by bringing forward better developed change proposals.</i>
6. Do you agree with the proposed voting membership of the GCRP set out in Figure 5? If not, what other composition would you prefer (such as Figure 4 or the GC0074 conclusions), and why?	<i>Determining the optimal composition of the GCRP voting Panel members is a balance between ensuring adequate representation for all parties subject to the provisions of the Grid Code and maintaining an overall balance such that no single group (generators, TOs, DNOs) has disproportionate power. We agree that the Panel Chair should only have a Casting Vote if independent. We have concerns that if the ONTO representative is an NGET employee that National Grid may have excessive influence and that other ONTOs may</i>

	<i>therefore lack representation. However, as the position is elected (by whom?) Parties would have the opportunity to decide on whether they wished NGET to represent the TOs.</i>
7. Do you agree with the proposed GCRP (i) nomination and (ii) voting / election process set out in paragraphs 4.52-4.57? If not, do you have a different approach, and why?	<i>We agree that nomination to GCRP should be by those Parties entitled to vote in the election and that Ofgem could ensure representation for Parties not entitled to vote via the Materially Affected Party appointment. Parties should only be able to nominate Panel members from their own "class" i.e. Suppliers can only nominate for the Supplier position. We agree with the voting process as outlined at 4.53</i>
8a Do you agree that an Independent Chair should be appointed to the GCRP as set out in paragraphs 4.60 - 4.65? 8b How should a casting vote be dealt with for an Independent GCRP Chair?	<i>ScottishPower would prefer to see an Independent Chair appointed to the GCRP. On balance we would prefer the approach to a casting vote adopted in the UNC i.e. if the vote is tied, then the case for change has not been made and the Grid Code objectives would not necessarily be better facilitated by making the change.</i>
9. Do you think there should be a phased or separate approach to introducing Self-Governance and Fast-Track as set out in paragraph 4.69?	<i>We do not see the need for a phased approach to the introduction of Self-Governance and Fast-Track processes and believe that both should be introduced from the commencement of Open Governance arrangements. If the Panel have any initial concerns over the use of these processes then they will be free to use the standard modification process.</i>
10. Do you agree that the cost of Open Governance is likely to be broadly neutral as set out in paragraphs 4.73-4.77? If not, what do you believe the impact will be on costs, and why?	<i>Open Governance will result in the role of the GCRP changing from one of issue discussion and decision to simply one of decision on better developed modifications. This will result in process efficiencies. We agree with the Workgroup that the cost of Open Governance will be broadly neutral. The cost of providing an Independent Chair (other than recruitment) may be offset by savings within National Grid from not providing a Chair. The overall resource required from industry to attend issue groups and GCAF is likely to be broadly similar to the current requirements.</i>
11. Do you agree that there should be a specific NGET SO view set out in each Modification Report?	<i>Given the particular licence responsibilities of the NETSO we consider it would be appropriate for the SO to state their view within the final Modification Report submitted to the Authority.</i>
12. Do you agree with the approach to legal text proposed in paragraphs 4.85 –	<i>Parties will benefit from achieving the maximum commonality between the change processes in the CUSC and the Grid Code. We agree that a</i>

<p>4.89? If not, do you have a different approach, and why?</p>	<p><i>standalone “Governance” section should be created within the Grid Code and the, where practicable, the CUSC legal text should be used as much as possible to enable Parties familiar with one Code process to apply it to the other Code. However, any opportunities should be taken to simplify or streamline the CUSC text.</i></p>
<p>13. Do you agree with the implementation approach set out in paragraphs 4.93-4.95? In particular do you agree that existing modifications currently progressing through the Grid Code change process, at the time that GC0086 may be implemented, would adapt to the new approach? If not do you have a different approach to implementation and if so, why?</p>	<p><i>ScottishPower agrees with the Workgroup that a ‘cut over’ to the new arrangements would be the most efficient implementation route with existing modifications being adopted into the new process and National Grid being designated as their Proposer.</i></p>
<p>Do you have any additional comments?</p>	<p><i>No.</i></p>