

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.

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| Respondent: | Alan Creighton |
| Company Name: | Northern Powergrid |
| Do you support the proposed implementation approach? | No |
| 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> Neutral</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> Neutral</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> Neutral</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> |

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| | No. We believe this will add to the costs of managing the Grid Code that existing defects and benefits are unclear. |
| <i>Specific Questions for GC0086:</i> | |
| 1. Do you consider the Grid Code should be subject to Open Governance as discussed in paragraphs 4.5-4.6? | No. Whilst Open Governance would be more open and transparent than the present arrangement, it is unclear whether the defects cited in the report are theoretical defects or actual defects that have occurred in practice. We note that Ofgem's relatively recent Code Governance Review concluded that there were no specific defects in the operation of the GCRP. |
| 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? | We believe that workgroup Terms of Reference should include timescales and that these should be agreed by the GCRP. The target workgroup duration should be based on a realistic view of the technical complexity of the issue, the tasks that need to be complete, the resources required and the availability of that resource (particularly if there is an external resource requirement to carry out research). |
| 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? | It seems reasonable to us that Ofgem should be able to raise a Modification. |
| 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? | We believe that the general principle is that parties who are bound by the Grid Code should be able to raise a Modification either directly or indirectly via National Grid. |
| 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? | We are not convinced that operating a revised GCRP and new GCAF will be more efficient than the present arrangement, but recognise that if a new, smaller GCRP is formed then GCAF would provide a necessary vehicle for discussion. In the GCRP discussions on GC0074 there was a general feeling that the existing arrangements provided an efficient vehicle for discussing, developing and |

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| | progressing modifications. |
| 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? | We believe that the proposed composition of the panel seems reasonable. |
| 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? | We believe that the proposed election process seems reasonable. |
| 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? | We have no strong views on this provide the Chair has sufficient knowledge of the industry and that the overall cost don't increase. We are not aware of any concerns associated with the present arrangements for appointing the chair; clarity on the defect being addressed would be helpful. |
| 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? | It would seem reasonable to introduce self-governance and fast tracking as soon as possible as this is likely to improve the operational efficiencies of the panel. |
| 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? | We are not convinced that the additional bureaucracy operating the panel and the proposed new groups will be broadly neutral and believe that there is a risk that the overall industry costs could be higher under the proposed arrangements compared to the existing arrangements. |
| 11. Do you agree that there should be a specific NGET SO view set out in each Modification Report? | This proposal seems reasonable. |
| 12. Do you agree with the approach to legal text proposed in paragraphs 4.85 – 4.89? If not, do you have a different approach, and why? | We suggest that the legal text should be written as clearly and simply as possible so that can be easily understood by all users. |
| 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 | Unless there is a specific concern related an existing Modification progressing via the exiting process, we believe that it would be less confusing to apply any new process to new modifications. |

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| <p>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 fi so, why?</p> | |
| <p>Do you have any additional comments?</p> | <p>No</p> |