

## 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](mailto: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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| <b>Respondent:</b>   | <i>Graeme Vincent<br/>(<a href="mailto:graeme.vincent@scottishpower.com">graeme.vincent@scottishpower.com</a>)</i>   |
| <b>Company Name:</b>   | <i>SP Distribution &amp; SP Manweb</i>   |
| <b>Do you support the proposed implementation approach?</b>                                | <i>No</i>  |
| <b>Do you believe that GC0086 better facilitates the appropriate Grid Code objectives?</b> | <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> <p><i>Whilst Open Governance (compared to the existing processes) is neutral to most of these, it will add</i></p> |

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|   | <i>costs to both NGET as Code Administrator and other industry participants.</i>   |
| <b>Specific Questions for GC0086:</b>   |  |
| <b>1. Do you consider the Grid Code should be subject to Open Governance as discussed in paragraphs 4.5-4.6?</b>  | <i>Whilst recognising that the introduction of Open Governance may be beneficial, it is still unclear what defects that this will resolve that could not be catered for within the existing working practices of the Grid Code Review Panel.</i>   |
| <b>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?</b>  | <i>Given the very technical nature of some of these proposals and the requirement for engagement with all relevant industry parties including the need to undertake specific research, then the Workgroup should be given adequate time to consider the issues rather than perhaps making a rash decision based on the need to meet a standard process deadline.</i>                                 |
| <b>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?</b>         | <i>Yes –the Authority should have the ability to direct changes in order for it to comply with its legal obligations but we would also expect this is to be considered under the current arrangements as well.</i>   |
| <b>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?</b> | <i>All relevant stakeholders should be able to raise (by themselves or via a panel representative) a modification proposal. This is particularly applicable to those small generators which will be captured by the new European Network Code requirements.</i>  |
| <b>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?</b>  | <i>The application of Open Governance arrangements may make this an appropriate group to discuss more detailed technical issues but does seem slightly bureaucratic in that Open Governance requires one Panel to be replaced by two separate fora. This may not result in the best use of current limited industry resource especially as only one of the two will have decision making powers.</i> |
| <b>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</b>   | <i>Currently Relevant Transmission Licensees (TOs) are limited to only certain Grid Code clauses; therefore having two representatives does seem excessive as the TO/SO interface is via the STC pane. As the Grid Code is an SO document it may be more appropriate for the SO to have more than</i>  |

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| <b>conclusions), and why?</b>  | <i>one representative rather than the TOs.<br/>Apart from the above comments I have no strong views on the proposed voting membership other than whichever structure is adopted should ensure that that there is an appropriate balance between all sides in the industry.</i>   |
| <b>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?</b>                        | <i>It is important that the interests of smaller players are adequately taken into consideration during this process and this would probably lend itself better through trade associations rather than individual nomination/election, which risks excluding some parties from the process.</i>  |
| <b>8a Do you agree that an Independent Chair should be appointed to the GCRP as set out in paragraphs 4.60 - 4.65?</b><br><b>8b How should a casting vote be dealt with for an Independent GCRP Chair?</b> | <i>No. No clear cost benefit for establishing an independent chair has been presented. Whilst it is acknowledged that there will be costs associated with an independent chair, it is suggested that these would be offset by NGET no longer requiring to provide a chair. However, the establishing of the GCAF re-establishes the need for another Chair (which would most suitable be filled by an NGET representative) - so overall there is still a cost increase to the industry of establishing this open governance arrangement.</i> |
| <b>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?</b>   | <i>The proposals for Self Governance and Fast Track seem sensible and should be introduced in go.</i>  |
| <b>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?</b>             | <i>The additional costs of providing an Independent Chair will increase costs. It is also quite feasible that the additional administration involved with the new Panel, GCAF and the working group processes will lead to an increase in costs for industry participants.</i>   |
| <b>11. Do you agree that there should be a specific NGET SO view set out in each Modification Report?</b>  | <i>Yes –we agree as the SO is responsible for the Grid Code and also for the operation of the total system then they should be provided a means to express their view.</i>   |
| <b>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?</b>   | <i>Whilst we appreciate that utilising text already existing in the CUSC would speed the legal drafting process up, it is important to ensure that the CUSC drafting does indeed work in respect of the Grid Code. It would, therefore, perhaps be a better approach to start with a blank sheet of paper and draft the text to meet the requirement of the Grid Code rather than adapt an existing set of rules and possibly missing certain aspects. Of course, the</i>  |

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|   | <i>existing CUSC would be a useful reference point for establishing the Grid Code text.</i>   |
| <b>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?</b> | <i>Don't agree that existing modifications should switch to the new process. It would seem more sensible to let the existing modifications (and associated working groups) progress to completion under the terms of reference that they were originally established. Any new modifications from the date of GC0086 implementation should adopt the new approach.</i> |
| <b>Do you have any additional comments?</b>   | <i>The Working Group consultation wasn't the easiest of documents to follow given the multiple Appendice(s) 1 which appeared throughout each of the individual Annexes.</i>   |