

GC0086 – Introducing Open Governance and Proposer Ownership and the concept of Workgroup Alternative Modifications

Summary

In order to raise a modification, it must be defined who can raise it and what process they follow. For the other codes that have open governance, this is clearly defined and set out. There must also be a commitment from the Proposer to attend the relevant Code Panel and Workgroup meetings if applicable. The Proposer will then have ownership of the modification. Proposer Ownership is a Principle contained in the Code Administration Code of Practice (CACoP) and allows the Proposer of a Modification to retain ownership of their proposal throughout the process, with or without the support of the Workgroup and to change the solution to the proposal prior to the Workgroup vote, if they so wish. This is to prevent the Proposer from effectively losing control of the proposal and the Workgroup taking ownership and potentially taking the proposal in a direction never intended by the Proposer.

An Alternative Modification can be raised during the Workgroup phase and can propose a different solution to the defect raised in the original proposal. It must be believed by the majority of Members of the Workgroup or by the Chairman of the Workgroup to better facilitate the Applicable Grid Code Objectives than the original proposal or the status quo.

Who can raise a Modification?

As per the GC0086 Issue Paper, it is suggested that licensed parties affected by the Code can raise changes. This includes persons authorised to supply or generate electricity, and groups representing Consumers (i.e Citizens Advice). The TEC Register and Embedded MW Register could be used to identify such parties. To be consistent with recent changes to the CUSC, BSC and STC in this respect, it is also suggested that the Authority may raise itself, or direct NGET to raise a Modification where it reasonably considers that such proposal is necessary to comply with or implement the Electricity Regulation and/or any relevant legally binding decisions of the European Commission and/or the Agency.

How is a Modification raised?

The CUSC very clearly sets out the rules and procedures for raising a Modification Proposal. The Grid Code could adopt this approach.

A Modification Proposal would be submitted in writing to the Panel Secretary. (See Appendix 1 below). For this to be considered at the next GCRP, it must be received ahead of papers day (2 weeks prior to the meeting). It should contain the following information:

1. Name of the Proposer
2. The name of the representative of the Proposer (and his alternate) who shall represent the Proposer in person at relevant meetings.
3. A description of the issue or defect which the modification seeks to address.
4. A description of the proposed modification and of its nature and purpose.
5. Where possible, an indication of those parts of the Grid Code which may require amendment and an indication of the nature of those amendments.
6. The reasons why the Proposer believes that the modification better facilitates the Applicable Grid Code Objectives as compared with the current version of the Grid Code.
7. The reasoned opinion of the Proposer as to why the modification should not

fall within a current SCR, whether it should follow the Self-Governance route or the standard route.

8. The reasoned opinion of the Proposer as to whether that impact is likely to be material, and if so an assessment of the quantifiable impact of greenhouse gas emissions.
9. Where possible, an indication of the modification on core industry documents.
10. Where possible, an impact of the modification on relevant computer systems and processes.

With regard to a Fast-Track proposal, the above items are not required.

Upon receiving a proposal form, the Panel Secretary must then check that all applicable fields have been populated. If not, the Panel Secretary may reject the proposal. Otherwise, it will be given a reference number and will be circulated on papers day for the next GCRP meeting, where the Panel will consider the proposal. It is expected that the Proposer (or representative) shall attend the GCRP to present their proposal and answer questions from Panel Members. The Panel must evaluate the proposal against the Self-Governance criteria.

The Panel must agree whether a Workgroup is required to develop the proposal, or whether it can progress straight to consultation. They must also consider whether it is appropriate to amalgamate the proposal with any other proposal that currently exists.

The Code Administrator will establish a timetable for consideration by the Workgroup to be approved by the Panel. Unless justification is provided and accepted by the Panel, this will be no longer than *4 months*.

Proposer Ownership Process

The Proposer has the ability to change their proposal by giving notice to the Chair of the Workgroup up to the point of the Workgroup vote (prior to the Industry Consultation). Where the Proposer makes changes, it may be necessary for the Workgroup to carry out further work and analysis. Where no Workgroup is established, the right of the Proposer to change their proposal lapses prior to the Consultation being published. See Appendix 2 below.

Workgroup Vote

A vote takes place between all eligible Workgroup Members on the proposal and each Alternative (if applicable). The Chair, Technical Secretary, and Ofgem Representative and any observers are not allowed to vote. The vote shall be decided by simple majority of those present at the meeting at which the vote takes place.

If an unlimited amount of Alternatives are allowed to be raised, the vote is as follows:

- *Vote 1: whether each proposal better facilitates the Applicable Objectives;*
- *Vote 2: where one or more Alternatives exist, whether each WACM better facilitates the Applicable Objectives than the original Modification Proposal;*
- *Vote 3: which option is considered to BEST facilitate achievement of the Applicable Objectives. For the avoidance of doubt, this vote should*

include the existing baseline as an option.

If not Alternatives exist, only Vote 1 and Vote 3 apply. (Vote 3 will be a preference between the original proposal and the baseline). Workgroup Members or their appointed alternate must have attended at least 50% of meetings to be eligible to vote.

Workgroup Members must be able to provide sufficient justification for their vote against each Objective. A simple 'yes' or 'no' is not sufficient. A Workgroup Member may vote that they are 'neutral' against one or more of the Objectives. This could be because the Objective is not relevant to the proposal, or that Workgroup Member feels that the proposal is not better or worse than what it is being compared to.

Process for other Codes:

BSC: A maximum of 1 Alternative is allowed.

CUSC: There is no limit to the amount of Alternatives allowed, however Members are asked to be mindful of the numbers raised in terms of efficiency.

STC: Same as CUSC

Workgroup Consultation Alternative Request

In other codes, a route exists for other parties to request that an Alternative be considered by the Workgroup. This is raised as part of the response to the Workgroup Consultation and needs to contain sufficient detail to enable consideration of the request including how it better facilitates the Applicable Objectives. The Workgroup then consider this request and if the majority of the Workgroup or the Chairman believes that it better facilitates the Applicable Objectives than the current version of the code, then it may be developed as a formal Alternative.

Grid Code Modification Proposal Form

GCXXXX

nationalgrid

Title of the Grid Code Modification Proposal

This is a mandatory section. The title should clearly identify the issue being raised and be unique to the modification.

Submission Date

This is a mandatory section. Enter the date the proposal is sent to the Panel Secretary.

Description of the Issue or Defect that the Grid Code Modification Proposal seeks to address

This is a mandatory section. You should clearly describe the issue or defect that you believe exists and include any direct and indirect consequences of implementing or not implementing the Proposal.

Description of the Grid Code Modification Proposal

This is a mandatory section. You should clearly describe what the modification aims to achieve & how it will address the issue(s) / defect(s) identified above and the background surrounding the modification.

Impact on the Grid Code

This is an optional section. Please indicate the sections and clauses of the Grid Code which would be affected by the modification or the general area in the Grid Code if specific impacts are not yet known.

Do you believe the Grid Code Modification Proposal will have a material impact on Greenhouse Gas Emissions? Yes / No

Include your view as to whether this Proposal has a quantifiable impact on greenhouse gas emissions. If yes, please state what you believe that the impact will be.

You can find guidance on the treatment of carbon costs and evaluation of the greenhouse gas emissions on the Ofgem's website:

<http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=196&refer=Licensing/IndCodes/Governance>

Impact on Core Industry Documentation. Please tick the relevant boxes and provide any supporting information

BSC ☐

CUSC ☐

STC ☐

DCUSA ☐

Other ☐
(please specify)

This is an optional section. You should select any Codes or state Industry Documents which may be affected by this Proposal and, where possible, how they will be affected.

Urgency Recommended: Yes / No

This is an optional section. You should state whether you believe this Proposal should be treated as Urgent.

Justification for Urgency Recommendation

If you have answered yes above, please describe why this Modification should be treated as Urgent.

An Urgent Modification Proposal should be linked to an imminent issue or a current issue that if not urgently addressed may cause:

- a) A significant commercial impact on parties, consumers or other stakeholder(s); or*
- b) A significant impact on the safety and security of the electricity and/or gas systems;*
or
- c) A party to be in breach of any relevant legal requirements.*

You can find the full urgency criteria on the Ofgem's website:

<http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=213&refer=Licensing/IndCodes/Governance>

Self-Governance Recommended: Yes / No

This is an optional section. You should state whether you believe this Proposal should be treated as Self-Governance.

Justification for Self-Governance Recommendation

If you have answered yes above, please describe why this Modification should be treated as Self-Governance.

A Modification Proposal may be considered Self-governance where it is unlikely to have a material effect on:

- Existing or future electricity customers;
- Competition in generation or supply;
- The operation of the transmission system;
- Security of Supply;
- Governance of the CUSC
- And it is unlikely to discriminate against different classes of CUSC Parties.

Should this Grid Code Modification Proposal be considered exempt from any ongoing Significant Code Reviews?

Please justify whether this modification should be exempt from any Significant Code Review (SCR) undertaken by Ofgem. You can find guidance on the launch and conduct of SCRs on Ofgem's website, along with details of any current SCRs at:

<http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=197&refer=Licensing/IndCodes/Governance>.

For further information on whether this Proposal may interact with any ongoing SCRs, please contact the Panel Secretary.

Impact on Computer Systems and Processes used by CUSC Parties:

This is an optional section. Include a list of any relevant Computer Systems and Computer Processes which may be affected by this Proposal, and where possible, how they will be affected.

Details of any Related Modification to Other Industry Codes

This is an optional section. You should list any other simultaneous modifications being proposed to other Industry Documents and Codes that you are either aware of or have raised.

Justification for Grid Code Modification Proposal with Reference to Applicable Grid Code Objectives:

This section is mandatory. You should detail why this Proposal better facilitates the Applicable Grid Code Objectives compared to the current baseline. Please note that one or more Objective must be justified.

Please tick the relevant boxes and provide justification:

☐ (i) to permit the development, maintenance and operation of an efficient, coordinated and economical system for the transmission of electricity,

☐ (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,

☐ (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 operator area taken as a whole; and

☐ (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.

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Additional details

Details of Proposer: (Organisation Name)	
<i>Capacity in which the Grid Code Modification Proposal is being proposed:</i>	
Details of Proposer's Representative: Name: Organisation: Telephone Number: Email Address:	
Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address:	
Attachments (Yes/No): If Yes, Title and No. of pages of each Attachment:	

Contact Us

If you have any questions or need any advice on how to fill in this form please contact the Panel Secretary:

E-mail grid.code@nationalgrid.com

Phone: 01926 655233

Submitting the Proposal

Once you have completed this form, please return to the Panel Secretary, either by email to emma.radley@nationalgrid.com and copied to grid.code@nationalgrid.com, or by post to:

Emma Radley
Grid Code Panel Secretary, TNS
National Grid Electricity Transmission plc
National Grid House
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA

If no more information is required, we will contact you with a Modification Proposal number and the date the Proposal will be considered by the Panel. If, in the opinion of the Panel Secretary, the form fails to provide the information required in the Grid Code, the Proposal can be rejected. You will be informed of the rejection and the Panel will discuss the issue at the next meeting. The Panel can reverse the Panel Secretary's decision and if this happens the Panel Secretary will inform you.

Appendix 2: Process for Proposer Ownership

