

# ENSG - Terms of Reference

## Version 1.1

### Purpose

The ENSG's role is to help ensure that the ESO develops fair and transparent early competition and offshore coordination proposals that incorporate and balance feedback from all affected stakeholders. The group will do this through constructively challenging the content of the early competition plan and the outputs we develop in the offshore coordination project in addition to the ESO's approach to stakeholder engagement.

### 1. Membership

The group is representative of the ESO's role and the wider industry. The membership currently comprises the members below. This is subject to change as we await agreement with members:

Sector	Representative	Organisation
Chair	Dame Fiona Woolf	
Transmission owner	Hedd Roberts	NGET
Distribution network owner	Lynne Bryceland	SP Energy Networks
OFTO	James Dickson	Transmission Investment
Interconnector	John Greasley	NGV
Asset infrastructure investor	Darryl Murphy	Aviva Investors
Asset infrastructure constructor	Simon Rooke	Balfour Beatty
Technology provider	Marko Grizelj	Siemens
Existing service provider	Cathy McClay	SembCorp
Offshore Developer	Andy Paine	Vattenfall
Onshore Developer	Douglas Allan	SSE Renewables
Consumer representative	Ed Rees	Citizens Advice
Crown Estate / Crown Estate Scotland	Richard Clay	Crown Estate
Local environmental	Tania Davey	The Wildlife Trusts
Planning representatives	William Black	Energy Consents – Scottish Government

The ESO will be represented by Craig Dyke (Head of ESO Strategy and Regulation), Hannah Kirk-Wilson (Early Competition) and Alice Etheridge (Offshore Coordination) with additional representation as required to support the meetings.

Ofgem will be invited to nominate individuals to attend as observers to all meetings. Ofgem will be encouraged to periodically provide feedback on how the group is performing against its purpose.

Membership can be reviewed by the Chair in consultation with the group, Ofgem and ESO from time to time and if necessary adjusted to ensure suitable representation from across the ESO's stakeholders or to add particular areas of expertise in accordance with the agreed purpose of the group.

## **Chair**

The Chair will be appointed by the ESO, in consultation with Ofgem, in an open and transparent manner. The Chair shall act as an individual and not represent any particular organisation.

If the designated Chair is not available for part or all of a meeting, then a formal nominee shall be agreed at that meeting with group members and will be responsible for convening and conducting the relevant meeting or section of the meeting. This will be facilitated by the Technical Secretary and be referred to as the Alternate Chair. The Alternate Chair is responsible for informing the Chair as to the salient points and decisions raised and agreed at the meeting.

The Chair will attend National Grid ESO's Board meetings at least once a year to provide an update on the Stakeholder Group. The Chair and the Board will be free to discuss suitable topics. In addition, the Chair will attend the Early Competition Advisory Committees and occasional meetings with Ofgem and the Chairs of equivalent groups to discuss the progress of the group and to share any challenges or best practice examples.

The Chair, supported by the secretariat, will be responsible for providing Ofgem with formal reports on the group's views on the ESO's proposals at relevant points in the process.

The ESO cannot unilaterally dismiss the Chair without first notifying first both the group and Ofgem. Ofgem will need to understand the exact reasons for dismissal and may seek further information, including through direct contact with the Chair and other members of the group, ahead of any dismissal.

The Chair will receive remuneration to recognise the level of commitment required.

Requests for expenses and/or remuneration from other members of the group will be considered by the Chair and the ESO. Any remuneration and expenses that are agreed will be paid by the ESO.

## **Role of Stakeholder Group members**

Members of the Stakeholder Group are responsible for scrutinising and providing input and expert challenge to the Early Competition and Offshore Coordination projects. While members don't formally represent all of the organisations in their sector, we expect members' views to be influenced by the type of organisation they are from, and their experience of a particular sector. They should, to the best of their knowledge, attempt to reflect the views of as many stakeholders in their category or sector as possible in order to achieve as wide sector input as possible. Hence, we have made efforts to ensure a good range of representation across the different sectors.

In practice, this means individual members will:

- Bring their expertise, new insights and engagement skills.
- Consider and review all documentation circulated.
- Identify areas of agreement and disagreement, and input into the group's report to Ofgem.
- Sign on to an agreed programme of work / forward agenda for the group. This will be discussed and adjusted with agreement from the group as requirements change or are further understood.
- Be required to formally approve the group's Terms of Reference (i.e. this document).

## **2. Secretary**

The ESO will appoint a Technical Secretary who will report to the Chair. The Technical Secretary shall support the Chair in ensuring the smooth functioning of the group. The Technical Secretary will act as an independent support for the Chair and the group ensuring arm's length interactions with wider ESO employees. To provide further independence the Technical Secretary will be someone outside of the Strategy and Regulation department.

The Technical Secretary will be responsible for producing and circulating relevant materials as described in the sections below called "Inputs" and "Outputs".

## Inputs

For each meeting the Technical Secretary will produce a pack consisting of:

- Agenda and apologies for absence
- Minutes from the previous meeting
- Papers and other items for discussion, decision and noting (clearly demarcated)
- Actions log
- Challenge log

This pack will form pre-read material that will be circulated to the group at least one week in advance of each meeting. Materials will be sent to the group when and as available to give the group time to read all materials.

A skeleton forward agenda will be agreed at the preceding meeting and finalised and approved by the Chair through iteration and approval of inputs. The agenda for the first meeting will be drafted by the ESO and approved by the Chair.

At the beginning of each meeting the Technical Secretary should confirm with the group whether the minutes and action and challenge logs from the previous meeting are an accurate and complete record of the discussion that took place.

## Outputs

The Technical Secretary will circulate to the group the following materials no later than one week after each meeting, for comment:

- Meeting minutes (including decisions made, items discussed and noted, and recommendations).
- Actions and challenge log.
- Skeleton agenda for next meeting.

The minutes should anonymise or redact any commercially sensitive information.

## 3. Quorum

At least seven members of the group, including the Chair or Alternate Chair, shall be required to constitute quorum for each group meeting, or part of a group meeting.

### Non-disclosure and declaration of interests

Each member of the group is required to sign a non-disclosure agreement (NDA) that prohibits the use of information marked as “CONFIDENTIAL” that they obtain in their role on the group for any other purpose (including commercial purposes).

Each member of the group is required to complete a Declaration of Business Interests form that requires them to disclose any business interests (including, but not limited to, shares, consultancy arrangements, directorships) that they or their partner or spouse have in National Grid. The Chair, in consultation with the ESO, shall consider any interests disclosed before making a final decision on the individuals’ appointment to the panel and/or to share any information with them.

Where there are individuals where there is an increased risk of a perceived conflict (such as individuals who work for an organisation that supplies services to National Grid) the ESO will on a case by case basis assess whether it is appropriate for that individual to be excluded from forming part of the team that bids for or supplies services to National Grid ESO.

At the beginning of each meeting the Chair and the group shall ascertain with the assistance of members the existence of any conflicts of interest. The agenda (including the participation of members with identified conflicts of interest in relevant agenda items) and circulation of materials will be managed to ensure that these issues are managed appropriately.

## 4. Fast Track Advice Process

Where urgent advice is required of the ENSG prior to the next scheduled meeting, views will be sought from all board members with clear timeframes for response.

## 5. Frequency of meetings

Members of the group will serve from July 2020 until April 2021 (allowing for further questions from Ofgem following submission of the projects in February and March 2021).

Members must advise the Chair of any change in their circumstances as the earliest opportunity. The expectation is that all members will make every effort to attend all meetings. Any proposal (by Ofgem, the ESO or otherwise) to extend the commitment of the group will be discussed and agreed by the group.

Members are expected to propose a delegate/ substitute should they be unable to attend a meeting. Members must appoint a delegate / substitute who is equally representative of their sector.

The group shall typically meet for a half day 5 to 6 times during the period<sup>1</sup>. Meetings will ordinarily take place at a suitable location in central London and/or via Microsoft Teams and will be arranged by the Technical Secretary. Meetings may occasionally be moved to a different date, held at other locations or last longer, after appropriate consultation with the group. Members shall confirm notice of attendance or apologies of absence to the Technical Secretary no less than a week in advance.

## 6. Minutes of Meetings

Minutes from the sessions will capture key decisions, messages and required actions from the meetings.

The minutes of each meeting shall be prepared by the Technical Secretary.

Full copies of the minutes, including attachments, shall be provided to all members no later than five working days following each meeting.

The Technical Secretary shall also maintain an action item list annotated with progress milestones and/or completion dates.

The minutes of each meeting will be monitored and maintained by the Technical Secretary as a complete record. Unless otherwise agreed, all agendas, minutes and action lists shall be electronically filed and accessible only by authorised personnel.

## 7. Advisory Committee function

### Roles and Responsibilities

#### *For Early Competition:*

- Challenge whether the views of all stakeholder groups have been fairly considered in developing proposed competition models.
- Challenge whether a level playing field is being created and barriers to entry removed where possible.
- Challenge whether stakeholder views have been fairly reflected in the ESO's proposed roles and responsibilities for the ESO and other industry parties.
- Challenge whether the ESO's proposed funding arrangements represent value to customers.

#### *For Offshore Coordination:*

- Challenge whether stakeholders' views have been fairly reflected in the review of technology readiness, the development of offshore conceptual designs and the impact on the onshore network.
- Challenge whether the views of stakeholders have been fairly taken into account in the development of the cost benefit analysis framework and results. Provide constructive challenge on the development and outputs of the cost benefit analysis.
- Challenge whether all areas important to stakeholders have been covered by gap analysis.
- Challenge the proposed scope for the second phase of the project.

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<sup>1</sup> Given current COVID restrictions, initial meetings may be by video conference.

*In general:*

- Provide an independent viewpoint on any questions from Ofgem.
- Provide the ESO with feedback from a stakeholder perspective on the effectiveness and strategic direction of its work.
- Provide a final view to Ofgem on the quality of ESO stakeholder engagement on Early Competition and whether a level playing field is being created. A report is not required for the Offshore Coordination project.

### **Relationship between ENSG, ERSG and the project Advisory Committees**

The ENSG has autonomy to form opinions in regard to its described purpose and to report its view directly to Ofgem. The Early Competition Advisory Committee and ERSG will be updated of ENSG's views after each meeting, which will feed in to ERSG's overall views on the effectiveness of ESO engagement. Should the ENSG have any significant concerns with regard to the Early Competition Plan that cannot be resolved these can be escalated for discussion at ERSG.

Potential roles the ESO might take on in RIIO-2 in regard to early competition may impact on the broader 'competition everywhere' roles. Therefore, when considering 'competition everywhere' ERSG may need to have regard to the Early Competition Plan and potential roles that arise from it.

### **Constitution**

The ENSG is an independent body, comprising members with a wide range of expertise who collectively represent the views and interests of customers, service providers, consumers and other stakeholders.

## **8. Authority**

A duly convened meeting of the ENSG at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the board. In case of a split vote, the Chairperson shall have the casting vote.

## **9. Review Timetable**

Members will review these Terms of Reference and the effectiveness of the committee 6 monthly, or more frequently at the request of the Chair.