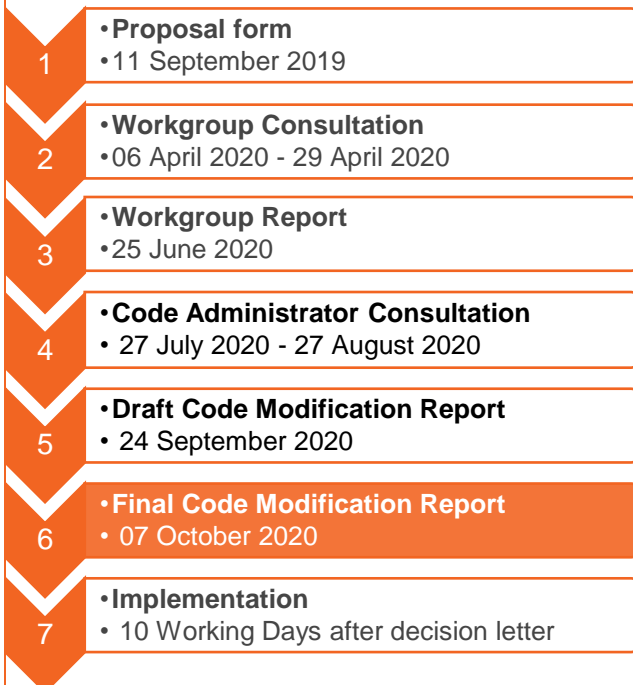


Final Modification Report

GC0131 'Quick Win' Improvements to Grid Code open governance arrangements

Overview: In advance of any outcome of the Energy Codes Review, this modification seeks to make minor 'quick win' changes to the Governance Rules.

Modification process & timetable



Have 5 minutes? Read our [Executive summary](#)

Have 20 minutes? Read the full [Final Modification Report](#)

Have 30 minutes? Read the full Final Modification Report and annexes.

Status summary: This Report has been submitted to the Authority for them to decide whether this change should happen.

Panel Recommendation: The Panel has recommended by majority that WAGCM1 is implemented.

This modification is expected to have a: Medium impact on All parties subject to the Grid Code.

Modification drivers: This modification seeks to make minor 'quick win' changes to the Governance Rules to implement improvements.

Governance route	This modification has been assessed by a Workgroup and Ofgem will make the decision on whether it should be implemented.	
Who can I talk to about the change?	<p>Proposer: Rob Wilson, National Grid ESO</p> <p>Robert.Wilson2@nationalgrideso.com</p> <p>Phone: 07799 656402</p>	<p>Code Administrator Chair: Nisar Ahmed</p> <p>Nisar.Ahmed@nationalgrideso.com</p> <p>Phone: 07773 043068</p>

Executive Summary

Since the implementation of open governance arrangements into the Grid Code in February 2017 working with the new processes has highlighted that improvements could be made to facilitate the smooth and efficient running of workgroups, and the progression of changes to the code making the best use of industry time.

In advance of any outcome of the Energy Codes Review, this modification seeks to make minor 'quick win' changes to the Governance Rules to implement improvements.

What is the issue?

Since the implementation of open governance arrangements into the Grid Code, the experience of working with the new open governance processes has helped to identify a number of areas where specific improvements could be made to the existing arrangements. These currently impact the smooth and efficient running of workgroups, and the swift progression of changes to the code and inhibit making best use of industry time.

The changes proposed by this modification will enable a better use of limited industry resources and will also enable the smoother and more effective progression of code modifications.

What is the solution and when will it come into effect?

Proposers solution:

The areas being addressed in this modification are as follows:

- Initial assessment of proposals
- Quoracy
- Assessment of alternatives
- Titles and summaries of proposals
- Role of the Code Administrator Consultation
- Production of draft legal text, which is provided as an Annex to this document.

Legal text to incorporate these changes into the Grid Code is included as an annex and would apply to all new and in-progress modifications following approval.

Other solutions:

There was one alternative raised by the workgroup, WAGCM1; the form for this alternate can be found in Annex 7 and the Legal Text can be found in Annex 9. This alternative will adopt all of the legal text changes from the original proposal shown in Annex 3 except for the changes to GR.20.18 (renumbered from the baseline text in which it is clause GC.20.15) which, will revert back to the unchanged baseline text of assessment of an alternative against the baseline (rather than the original modification as in the GC0131 proposal). The alternative legal text is therefore as set out below:

GR.20.18 If a majority of the members of the **Workgroup** or the chairman of the **Workgroup** believe that the **Workgroup Consultation Alternative Request** will better facilitate the **Grid Code Objectives** than the current version of the **Grid Code**, the **Workgroup** shall develop it as a **Workgroup Alternative Grid Code Modification(s)** or, where the chairman of the **Workgroup** agrees, amalgamate it with one or more other draft **Workgroup Alternative Grid Code Modification(s)** or **Workgroup Consultation Alternative Request(s)**;

Workgroup conclusions

The Workgroup unanimously agreed that the Original Proposal and WAGCM1 better facilitated the applicable Grid Code objectives than the Baseline.

The Workgroup by majority agreed that WAGCM1 was better than the Original.

4 members voted for WAGCM1 as the best option, 1 member voted for Original.

The Workgroup Vote can be found in the impact section of this report. The Panel agreed at their June 2020 meeting that the Workgroup had met their Terms of Reference and that GC0131 could now proceed to Code Administrator Consultation.

Implementation date:

It is proposed that standard implementation timescales for this modification are employed meaning decision date + 10 after an Authority (Ofgem) decision or as otherwise directed.

The changes made in this modification would apply to any modifications in progress.

No significant costs are expected in implementation. In applying this modification to any work in progress efficiencies will begin to be achieved immediately.

Panel Recommendation

The Panel has recommended by majority that WAGCM1 is implemented

What is the impact if this change is made?

Who will it impact?

All parties subject to the Grid Code will be impacted by this modification proposal in a positive way as it will save time and allow modifications to the code to be progressed in a timelier manner.

Interactions

This modification does not impact any other codes. However, the CUSC Panel have requested to be kept informed of the development of the proposed changes since the CUSC uses similar governance rules.

Contents

- **What is the issue?**
- **What is the solution?**
 - Proposer's solution
 - Workgroup considerations and consultation summary
 - Alternative solutions
 - Legal text
- **What is the impact of this change?**
 - Workgroup vote
 - Code Administrator consultation summary
 - Panel recommendation vote
- **When will the change taken place?**
- **Acronym table and reference material**
- **Annexes**

What is the issue?

What is the issue?

Since the implementation of open governance arrangements into the Grid Code in modification [GC0086 'open governance'](#), the experience of working with the new open governance processes has helped to identify a number of areas where specific improvements could be made to the existing arrangements. These currently impact the smooth and efficient running of workgroups, and the swift progression of changes to the code making the best use of industry time.

Why is it an issue?

It has become apparent through working with the governance processes that certain further improvements could be made.

These improvements will help to ensure that the Grid Code Review Panel and workgroups are able to respond as quickly as possible to drivers for change and can make the best use of industry resources.

These improvements are broadly in line with the objectives of the [Ofgem Energy Codes Review](#), which is being undertaken by the Department for Business, Energy and Industrial Strategy (BEIS) and Ofgem. This is in response to feedback from many stakeholders in industry, who are critical of the existing system of codes and code governance (note also the publication by National Grid ESO of a [thought piece](#) on this). There is a growing consensus that action is necessary in order to create a regulatory framework capable of delivering transformative change. While Ofgem consulted on potential changes to arrangements over summer 2019, the minor changes set out in this modification proposal are felt to be in line with the direction of travel established in the tone of their work, and to be worth pursuing now ahead of any further conclusions as they are, in the view of the Proposer, quick wins and no regrets in nature and could be achieved ahead of any more comprehensive changes.

What is the solution?

Proposer's solution: Areas that this Grid Code Modification Proposal plans to address are as follows:

Initial assessment of proposals

On occasion proposals are raised where it is unclear at the outset what the issue actually is, what the solution might be, or which parties could be impacted. It was proposed to add a further option in Governance Rule GR.19.2 to clarify that the Panel, in their assessment of a proposal could choose to form a workgroup specifically to produce an initial assessment of a proposal then report back to the Panel. This would be in addition to their decisions on a modification's governance route and whether to form a workgroup to progress the proposal or to send it straight to the Code Administrator Consultation.

After development by the workgroup however, it was determined that the Panel can already require a workgroup to report on progress at any time and the creation of an 'initial assessment' workgroup was not felt to add value. This part of the proposal was therefore simplified to indicate that the Panel may on a single occasion as well as the existing options open to them for the development of a proposal invite the proposer to either clarify their proposal or withdraw it. To be clear however, in keeping with the principles of open governance, the proposer may choose to reject any advice from the Panel and proceed without any amendment to their proposal. However, the principle of this change is to try to

assist proposers in developing more competent proposals that ultimately stand more chance of success and to make better use of industry time, and to help clarify which Users will be impacted and may therefore take an interest or nominate themselves to be part of a subsequent workgroup.

This builds on the considerations in the [GC0124 'Critical Friend'](#) modification, approved by the Panel in May 2019, which adds a week to the lead time for submission of new modification proposals to allow the Code Administrator to work with the proposer, to help ensure that the modification proposal is clear and that all potentially impacted parties have been identified.

Quoracy

The current quoracy arrangements in the Governance Rules (GR.20.3) are that a workgroup and any workgroup meeting will only be considered quorate with five members (including the mandatory National Grid ESO workgroup member and in addition to the chair and any administration support). This has been a frequent barrier to progress, as all workgroups are tending to draw from the same limited pool of regular participants. Where a modification proposal is of interest to only a small subset of users, or is perceived as being a lower priority, quoracy is a particular problem and has prevented the timely development of modification proposals. Some flexibility in these arrangements is required to balance the need for participation from a representative cross-section of industry, with the need to be able to progress modifications in a timely manner.

Workgroup meeting quoracy

Where a specific workgroup meeting itself is not quorate (typically due to a late change in the availability of one or more members) it is proposed to clarify that attendance may be by phone (often currently the case), by participation in a webinar or video conference. Where a member is unable to attend by any means, they may send a substitute as long as the Code Administrator is informed of this. It should also be clarified that a workgroup is not limited to only progressing through physical meetings; it may develop a proposal through the use of webinars, video conferencing or by email circulation.

Where a workgroup meeting is still not quorate despite all efforts, it is proposed that the remaining parties may still meet as a workgroup to progress their work, if this is circulated to the full workgroup subsequently and the non-attending member(s) do not object to this. However, they would not be able to undertake any official workgroup actions such as the approval of reports or voting unless non-attending members gave their permission and also communicated their voting intent.

Workgroup membership quoracy

Where all efforts by the Code Administrator to establish quoracy in the membership of a workgroup are to no avail, this should not be a barrier to progressing the modification. An option, with the assent of the Panel, should be that a workgroup can be formed with less than the membership required for quoracy, but that in this case further checks and balances need to be in place as per the below.

Following discussion, the workgroup agreed that a lower level of participation in a limited membership workgroup of three parties, including the mandatory National Grid ESO workgroup member, could be allowed with appropriate checks in place, including that these parties should not be from affiliated companies or concerns.

The checks and balances should include, in addition to all standard workgroup obligations, that a non-quorate workgroup being permitted to continue should:

- Always comprise a minimum of three parties including the National Grid ESO member, provided that they are not from affiliated companies or concerns.
- Always hold a workgroup consultation in addition to the mandatory Code Administrator Consultation.
- Prior to the workgroup consultation, circulate a draft of this to the Panel for comment and approval.
- As part of the workgroup consultation, the Code Administrator should again formally seek workgroup nominations and then seek further advice from the Panel on how to proceed if quoracy is again not reached.
- If quoracy is still not reached, and the Panel advises the non-quorate workgroup to continue, then following the workgroup vote on whether their terms of reference have been fulfilled, and before submission of the final workgroup report to the Panel, a draft of the final workgroup report must be circulated to all stakeholders on the Grid Code mailing list for comment.

There is an acknowledged risk in the development of a proposal by a limited membership workgroup that it increases the potential for late comments by parties that are not involved. The Code Administrator should, in any communications during the process, highlight that further members are welcome to join a workgroup at any point.

Following feedback, a further protection has been added which is to allow Ofgem the right to veto a limited membership workgroup from progressing, to require a further review by the Panel, or to require the Code Administrator to make further efforts to achieve quoracy.

Assessment of alternatives

Governance Rule GR.20.18 (numbered as in the original proposal – which updates the baseline numbering of GR.20.15) allows for a workgroup to assess a potential alternative to a modification proposal identified within the workgroup phase against the Grid Code objectives. If it is judged by a majority of the workgroup, or the Chair, to be better than the baseline then it gets developed. To ensure a better use of time and resources it is proposed to change this to be an assessment of whether the alternative is better than the original proposal (which is the treatment used in the BSC), in which case it will then be progressed.

The provisions for alternatives are set out in the [Transmission Standard Licence Conditions](#) for the Grid Code (C14) as presented below:

C14.2A. The licensee shall establish and operate procedures for the modification of the Grid Code (including procedures for modification of the modification procedures themselves), so as to better facilitate achievement of the applicable Grid Code objectives, which procedures shall provide:

(v) for the development and consideration of any alternative modification which may, as compared with the proposed modification, better facilitate achieving the applicable Grid Code objective(s) provided that:

- the alternative proposal is made as described in the Code of Practice and as further specified in the Grid Code; and

- unless an extension of time has been approved by the panel and not objected to by the Authority after receiving notice, any workgroup stage shall last for a maximum period (as specified in the Grid Code) from the date on which the original modification was proposed,

Very similar provisions are made in the licence conditions covering the BSC (C3) and the CUSC (C10). The BSC takes the interpretation that the assessment of an alternative proposal is against the original proposal and not the baseline as in this extract from the BSC section F:

2.6.4 The Workgroup shall:

(a) evaluate the Modification Proposal for the purpose set out in paragraph 2.6.2;

(b) where appropriate, develop an alternative proposed modification (the "Alternative Modification") which, as compared with the Proposed Modification, would better facilitate achievement of the Applicable BSC Objective(s);

Making this change would therefore also achieve consistency with the BSC (although not with the CUSC) and would actually also appear in the view of the Proposer to be legally correct.

Titles and Summaries of Proposals

Once a proposal has been received, the Panel Secretary allocates it a number and enters its details on the code modification register. An amendment to Governance Rule GR.15.7 is proposed to allow the Panel Secretary to amend the title or summary of the proposal to better reflect its content or intent and to aid in the gaining of members for a workgroup. This would normally be undertaken in agreement with the Proposer but would be subject to approval by the Panel where agreement could not be achieved.

Role of the Code Administrator Consultation

The Code Administrator Consultation is mandatory for all modifications whether or not a workgroup had been established and whether or not a workgroup consultation had been held. The intention of the Code Administrator Consultation is not to solicit further comments on the solution but to check that the governance process has been correctly followed, that all stakeholders are aware of the proposed change, that impacts have been fully understood, and that their input has been sought where necessary. Detailed comments related to the solution itself are not generally sought as they should either have been dealt with during the workgroup development and consultation (including completion and sign-off of the workgroup report by both the workgroup and the Panel), or, if a workgroup had not been formed, they should have been dealt with because the solution was agreed to be fully developed and was felt by the Panel to not need further scrutiny.

Encouraging stakeholders to engage earlier in the process can't easily be codified. However, one area of clarification is that there needs to be a route to consider changes to the solution where these are identified in the Code Administrator Consultation, or Panel discussions where a workgroup had not been formed. A new clause has been proposed in Governance Rule GR.22.4(iii) to allow the Code Administrator, working in conjunction with the Proposer, to consider any changes required in such a situation and develop an appropriate solution before rerunning the Code Administrator Consultation where necessary and seeking Panel approval in the form of their recommendation vote.

It is also proposed to allow the Panel to specify that a workgroup could be formed where one did not exist previously to consider the solution and any changes that might be required before rerunning the Code Administrator Consultation. It is envisaged that this could be required where a proposal that seemed straightforward and fully developed turns out not to be.

Production of Draft Legal Text

There is a requirement for clarity in the responsibilities for the production of legal text to support a modification proposal or alternative.

Under open governance, the proposer of a modification or alternative should own their solution (although this may be developed through a workgroup) and may wish to draft the legal text to enable this. However, the drafting of competent legal text can be far from trivial given the acknowledged complexities of the Grid Code. As such it is appropriate that the Code Administrator, acting on behalf of National Grid ESO, (which as the licensee owns the legal text of the Grid Code), should have ultimate responsibility for changes to the text.

Legal text cannot sensibly be produced until a sufficiently detailed solution is produced by the proposer and/or workgroup to enable this. The ideal time for the production of legal text is once a solution is finalised and complete and no further workgroup development is thought to be required. This would usually be before running a workgroup consultation.

An additional clause GR.15.11(d) has been included to outline this responsibility and indicate the requirement for the legal text to be based on a completed solution (sometimes expressed as 'business rules' to enable the solution) but generally as early as possible, as the legal text provides clarity to code users about the proposed change.

Workgroup Considerations

The Workgroup convened four times, once in December 2019, once in January 2020 to discuss the perceived issue, detail the scope of the proposed defect, devise potential solutions and assess the proposal in terms of the Applicable Grid Code Objectives and once in May 2020 to discuss the Workgroup Consultation Responses and finalise legal text. There was a fourth meeting in June 2020 to carry out the Workgroup Vote.

The Workgroup held the Workgroup Consultation between 06 April and 29 April 2020 and received two responses. The full responses and a summary of the responses can be found annexes 4 and 5.

After the workgroup consultation stage there was one alternative raised. This alternative will adopt all of the legal text changes from the original proposal shown in Annex 3 except for the changes to GR.20.18 (renumbered from GR.20.15 in the baseline text) which will revert back to the baseline text in which an alternative is assessed against the baseline rather than the original proposal.

The changes made to the Grid Code Governance Rules I5R37_GC0131 since the version that was consulted on are as follows:

- **'Non-quorate Workgroup'** defined term changed to 'Limited Membership Workgroup' which the Workgroup agreed was much clearer.
- **'Proposer'** was added as a defined term as per the CUSC definition. The Workgroup thought that this should have been included in the Open Governance

modification but was missed. A few changes were made throughout the GR section as '**Proposer**' and 'proposer' seemed to be used interchangeably.

- The proposed new requirements in GR.19.2 and 19.6-7 were discussed in the workgroup and amended to remove the option for Panel to create a Workgroup specifically to carry out an initial assessment. It was discussed in the post Workgroup Consultation meeting that this didn't seem to add much value and would cause delay. This still provides Panel the ability to advise a proposer to clarify their proposal and/or withdraw it. This gives the Panel a little more discretion than currently available, as currently their only choice is whether to send to workgroup or CAC. Panel still cannot compel a Proposer to follow this advice since that would be against the principle of Open Governance.
- The proposed new requirements in GR.20.6(b) were discussed in the workgroup and amended to specify that the Panel can at any point require a 'Limited Membership Workgroup' to report on progress.
- GR.20.18 - which as part of the solution is changed such that the workgroup will develop an alternative where in their view this 'will' be better than the original rather than the baseline - further amended to be where it 'may' be better than the original. This matches the wording in the Transmission Licence Condition. During the discussion one Workgroup member had a fundamental difference in opinion surrounding the assessment of the interpretation of the changes to GR.20.18 which they believed could have implications on Open Governance by making the criteria too restrictive. This led to the proposal of the alternative.
- GR.22.4(iii) – which deals with how to make changes to a solution post-CAC in cases where there wasn't a workgroup - amended so that instead of saying that 'all parties' should be in agreement for a change to be treated as minor, it should be the Panel, the Code Administrator and the Proposer.
- Amended the transitional arrangements clause to leave GR.25.6 alone – as this has now been amended by GC0132 – and instead add a new clause GR.25.7 which does the same thing. This was to get the two to work in conjunction and to avoid overwriting.

Workgroup Consultation Summary

Alan Creighton, Northern Power Grid

- The treatment of alternatives could be material and needs further consideration.
- In the past some WAGCMs have been developed, causing additional pressure on industry resource, which under this proposed change may not have been developed.
- Whilst the proposed treatment of WAGCMs may align with the BSC, it doesn't align with CUSC.
- The proposal is aligned to the transmission licence to some extent; one difference is the transmission licence uses the phrase 'may...better facilitate' whereas the proposal uses the phrase 'will...better facilitate'.

- As drafted the change relates to a Workgroup Consultation Alternative Request, whereas a Workgroup Alternative Grid Code Modification may be put forwards at any stage in the workgroup process. Assuming there is a defect to be addressed, the proposed change may not be sufficient.
- There is also a lack of alignment with the definition of a WAGCM where the test is that a WAGCM should better facilitate the Grid Code Objectives than either the existing Grid Code or the proposal.
- Several minor typographical errors and points of clarification on a marked up version of the draft legal text.

Rob Wilson, National Grid ESO

- The CUSC panel have asked to be kept informed of progress to consider alignment of positive changes.
- A number of amendments have already been made to the original proposal and areas without support removed or modified.
- This modification changes the test for an alternative to be developed to be better than the original proposal (rather than the baseline) which while not agreed by all parties is actually correct – it matches with the treatment in the BSC and also with the Transmission Standard Licence Conditions for the Grid Code (C14).
- The legal text in the proposed GR.22.4 (iii) which clarifies the route by which a modification can be amended due to issues highlighted as part of the CAC has also been used in modification GC0132. There is no conflict here but this and a number of other changes made to the Governance Rules section in GC0132 are likely to change the baseline for GC0131 before it is submitted and care in implementation will be required.

Legal text

Legal Text changes were made to the baseline text used for GC0131 in modification GC0132 'Updating the Grid Code governance process to ensure we capture EBGL change process for Article 18 Terms and Conditions (T&Cs)'; the GC0131 legal text was therefore re-baselined against this version of the code post-GC0132 implementation on the instruction of the Panel. There is no overlap in terms of the defects that both modifications seek to address.

The legal text for the changes for the Original Proposal can be found in Annex 3 - Grid Code Governance Rules I5R37_GC0131

The legal text for the changes for WAGCM1 can be found in Annex 9 - Grid Code Governance Rules I5R37_GC0131_WAGCM1

What is the impact of this change?

Who will it impact?

All parties subject to the Grid Code will be impacted by this modification proposal in a positive way, as it will save time and allow more appropriate modifications to the code to be progressed in a timelier manner.

The changes proposed are only to the Governance Rules section of the Grid Code; as the changes to this implemented through the Open governance arrangements were drawn from the CUSC section 8, the changes proposed in this modification should also be shared with the CUSC panel for their consideration.

As identified elsewhere in this document, there is an overlap with the Ofgem Energy Codes Review work. However, the changes proposed here are relatively minor improvements and can be undertaken in advance of any more comprehensive changes that result from this.

What are the positive impacts?

In improving the efficiency and quality of the code modification process, this proposal will save industry time and allow changes to the code to be addressed in a timelier manner. This will ultimately save consumers money and will ensure that the limited industry resources in this area can work on the genuinely highest priority issues. By allowing better use of time it will also mitigate a perceived barrier to participation, particularly from smaller parties.

Proposer's Assessment against Grid Code Objectives

Impact of the modification on the Code objectives:	
Relevant Objective	Identified impact
(i) To permit the development, maintenance and operation of an efficient, coordinated and economical system for the transmission of electricity	Positive
(ii) Facilitating effective 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);	Positive
(iii) Subject to sub-paragraphs (a) and (b), 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;	Positive
(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; and	Positive
(v) To promote efficiency in the implementation and administration of the Grid Code arrangements	Positive

Standard Workgroup Consultation question: Do you believe that GC0131 Original proposal better facilitates the Applicable Grid Code Objectives?

In improving the efficiency of code modification arrangements this modification directly improves objectives (d) and (e). It should also have a positive impact against objectives (a) – (c) in facilitating quicker and more appropriate changes to the code.

competition in the sale, distribution and purchase of electricity;

(b) That compliance with the use of system charging methodology results in charges which reflect, as far as is reasonably practicable, the costs (excluding any payments between transmission licensees which are made under and accordance with the STC) incurred by transmission licensees in their transmission businesses and which are compatible with standard licence condition C26 requirements of a connect and manage connection);

(c) That, so far as is consistent with sub-paragraphs (a) and (b), the use of system charging methodology, as far as is reasonably practicable, properly takes account of the developments in transmission licensees' transmission businesses;

(d) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency. These are defined within the National Grid Electricity Transmission plc Licence under Standard Condition C10, paragraph 1 *; and

(e) To promote efficiency in the implementation and administration of the Grid Code arrangements

Workgroup vote

The workgroup met on 03 June 2020 to carry out their workgroup vote. The full Workgroup vote can be found in Annex 6. The table below provides a summary of the Workgroup members view on the best option to implement this change.

The Applicable Grid Code Objectives are:

Grid code

- a) To permit the development, maintenance and operation of an efficient, coordinated and economical system for the transmission of electricity
- b) Facilitating effective 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);
- c) 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;
- d) 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; and
- e) To promote efficiency in the implementation and administration of the Grid Code arrangements

The Workgroup concluded by majority that the WAGCM1 better facilitated the Applicable Objectives than the Baseline.

Option	Number of voters that voted this option as better than the Baseline
Original	1
WAGCM1	4

Code Administrator Consultation Summary

The Code Administrator Consultation was issued on the 24 July 2020 closed on 24 August 2020 and received 2 responses. A summary of the responses can be found in the table below, and the full responses can be found in Annex 8.

Code Administrator Consultation summary	
Question	
Do you believe that the Grid Code Original Proposal or WAGCM1 better facilitates the Grid Code Objectives?	<p>One respondent believed that the Original and WAGCM1 would both improve the efficient development of modifications by clarifying the process and providing additional governance flexibility but they had the view that WAGCM1 better facilitates the Grid Code objectives as a whole.</p> <p>One respondent believed that both the original and WAGCM1 better facilitate objective (v) in improving the administration and efficiency of the Grid Code arrangements. In facilitating a more efficient code modification process and removing blockers they will also help in the development of the system so improving objective (i).</p>
Do you support the proposed implementation approach?	Both respondents supported the proposed implementation approach.
Do you have any other comments?	One respondent identified that there are a small number of minor editorial errors in the proposed legal text. There was one area where the group could not agree which then led to WAGCM1 being raised, which was based on a difference in legal interpretation around the treatment of alternatives (fuller details can be found in Annex 8 on the NGESO Response)
Legal text issues raised in the consultation	
Minor editorial corrections were suggested by one respondent (these are found in Annex 8)	

Panel recommendation/determination vote

The Panel met on the 24 September 2020 to carry out their recommendation vote.

They assessed whether a change should be made to the Grid Code by assessing the proposed change and any alternatives against the Applicable Objectives.

Ahead of the recommendation vote taking place, the Panel considered the legal text amendments proposed as part of the Code Administrator Consultation and agreed that they were typographical. The changes made can be found in Annex 3.

Vote 1: Does the Original, WAGCM1 facilitate the objectives better than the Baseline?

Panel Member: **Alan Creighton** - Network Operator Representative

	Better facilitates AO (a)?	Better facilitates AO (b)?	Better facilitates AO (c)?	Better facilitates AO (d)?	Better facilitates AO (e)?	Overall (Y/N)
Original	Neutral	Neutral	Neutral	Neutral	Yes	Yes
WAGCM1	Neutral	Neutral	Neutral	Neutral	Yes	Yes

Voting Statement

The Original and the WAGCM would both improve the efficient development of modifications by clarifying the process and providing additional governance flexibility. The Original proposal seeks to change the fundamental test in the assessment of an Alternative in that the Alternative would be compared against the Original proposal rather than the Grid Code baseline. It is unclear what the defect is that the Original proposal addresses in this area and there is the possibility that it could adversely affect the principles of Open Governance. For this reason, the WAGCM is the best option.

Panel Member: **Alastair Frew** – Generator Representative

	Better facilitates AO (a)?	Better facilitates AO (b)?	Better facilitates AO (c)?	Better facilitates AO (d)?	Better facilitates AO (e)?	Overall (Y/N)
Original	Neutral	Neutral	Neutral	No	Yes	Yes
WAGCM1	Neutral	Neutral	Neutral	Neutral	Yes	Yes

Voting Statement

Whilst I agree with most of the changes proposed in the original modification proposal, I think the original modification proposal will limit the opportunity to raise alternative modification proposals and goes against the principles of open governance, the alternative modification proposal introduces most of the changes and retains the current arrangements for alternative modification proposals

Panel Member: **Christopher Smith** - Offshore Transmission Operator Representative

	Better facilitates AO (a)?	Better facilitates AO (b)?	Better facilitates AO (c)?	Better facilitates AO (d)?	Better facilitates AO (e)?	Overall (Y/N)
Original	Neutral	Neutral	Neutral	Neutral	Yes	Yes
WAGCM1	Neutral	Neutral	Neutral	Neutral	Yes	Yes
Voting Statement						
As noted by the WG members WAGCM1 allows for a more comprehensive set of alternatives to be considered in the Mod.						

Panel Member: **Damian Jackman** – Generator Representative

	Better facilitates AO (a)?	Better facilitates AO (b)?	Better facilitates AO (c)?	Better facilitates AO (d)?	Better facilitates AO (e)?	Overall (Y/N)
Original	Neutral	Neutral	Neutral	Yes	Yes	No
WAGCM1	Neutral	Neutral	Neutral	Yes	Yes	Yes
Voting Statement						
<p>Whilst the original provides a number of benefits, it may appear to conflict with the Transmission Standard Licence Conditions for the Grid Code (C14.2A (v)).</p> <p>But irrespective of the possible conflict with the licence requirements, the legal text in the Original solution would only permit alternatives that are - in the view of the majority of the workgroup - deemed 'better' than the original solution. On this basis, alternatives which could still be 'better' than the Original proposal would not be presented for consideration if they have support of less than the majority of the workgroup. As we have seen occasions in workgroups where alternatives that have not had the majority support of the workgroup taken forward as the solution by the Authority, such a restriction would limit the ability of the Authority to select the best option. This is particularly important where a workgroup is tasked to implement a new piece of legislation where there is ambiguity about the intent of the legislation and the 'correct' view may be only supported by a minority of the workgroup.</p> <p>The WAGCM1 is better since it still permits alternatives that are 'better' than the Original whilst not having the majority support of the workgroup.</p>						

Panel Member: **Guy Nicholson** - Generator Representative

	Better facilitates AO (a)?	Better facilitates AO (b)?	Better facilitates AO (c)?	Better facilitates AO (d)?	Better facilitates AO (e)?	Overall (Y/N)
Original	Neutral	Neutral	Neutral	Neutral	Yes	Yes
WAGCM1	Neutral	Neutral	Neutral	Neutral	Yes	Yes
Voting Statement						
I agree with the majority of the working group.						

Panel Member: **Joe Underwood** - Generator Representative

	Better facilitates AO (a)?	Better facilitates AO (b)?	Better facilitates AO (c)?	Better facilitates AO (d)?	Better facilitates AO (e)?	Overall (Y/N)
Original	Neutral	Neutral	Neutral	Neutral	Yes	Yes
WAGCM1	Neutral	Neutral	Neutral	Neutral	Yes	Yes
Voting Statement						
It is clear that GC0131 will save industry time and resource by improving the efficiency of the Grid Code change process. WAGCM1 is best as it will allow for a broader range of Alternative proposals to be developed and put to Ofgem for consideration.						

Panel Member: **Rob Wilson** – National Grid ESO Representative

	Better facilitates AO (a)?	Better facilitates AO (b)?	Better facilitates AO (c)?	Better facilitates AO (d)?	Better facilitates AO (e)?	Overall (Y/N)
Original	Yes	Neutral	Neutral	Neutral	Yes	Yes
WAGCM1	Yes	Neutral	Neutral	Neutral	Yes	Yes
Voting Statement						
Both the original and the WAGCM facilitate a more efficient code modification process and remove blockers. We prefer the original as in our view it is based on the correct legal interpretation of the relevant licence condition on consideration of alternatives.						

Panel Member: **Richard Woodward** (Alternate for **Ross McGhin**) Onshore Transmission Operator Representative

	Better facilitates AO (a)?	Better facilitates AO (b)?	Better facilitates AO (c)?	Better facilitates AO (d)?	Better facilitates AO (e)?	Overall (Y/N)
Original	Neutral	Neutral	Neutral	Neutral	Yes	Yes
WAGCM1	Neutral	Neutral	Neutral	Neutral	Yes	Yes

Voting Statement

Both proposals are an improvement on the baseline. We believe WAGCM1 presents a more comprehensive assessment of alternative mod proposals. It avoids the unforeseen consequence of legitimate alternative proposals being inadvertently dismissed by workgroups.

Panel Member: **Robert Longden** – Supplier Representative

	Better facilitates AO (a)?	Better facilitates AO (b)?	Better facilitates AO (c)?	Better facilitates AO (d)?	Better facilitates AO (e)?	Overall (Y/N)
Original	Neutral	Neutral	Neutral	Neutral	Yes	Yes
WAGCM1	Neutral	Neutral	Neutral	Neutral	Yes	Yes

Voting Statement

In so far as the proposal facilitates efficiency, it furthers applicable objective 5. The test should be that proposed alternatives are considered potentially better than the baseline. The work group should not carry the responsibility for assessing which of any competing potentially "better" alternatives are rejected. That is a matter for the Authority. Nothing in this modification should limit the ability of relevant parties to bring forward Alternatives, compared with the process currently in place. WAGCM1 is the preferred option.

Panel Member: **Steve Cox** - Network Operator Representative (Not present)

	Better facilitates AO (a)?	Better facilitates AO (b)?	Better facilitates AO (c)?	Better facilitates AO (d)?	Better facilitates AO (e)?	Overall (Y/N)
Original	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
WAGCM1	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>

Voting Statement

Not present at the Panel Meeting

Vote 2 – Which option is the best?

Panel Member	BEST Option?
Alan Creighton	WAGCM1
Alastair Frew	WAGCM1
Christopher Smith	WAGCM1
Damian Jackman	WAGCM1
Guy Nicholson	WAGCM1
Joe Underwood	WAGCM1
Rob Wilson	Original
Richard Woodward (Alternate for Ross McGhin)	WAGCM1
Robert Longden	WAGCM1
Steve Cox	<u>Not present at Panel Meeting</u>

Panel conclusion

The Panel, by majority recommended that WAGCM1 should be implemented.

When will this change take place?**Implementation date:**

It is proposed that standard implementation timescales for this modification are employed meaning decision date + 10 working days after an Authority (Ofgem) decision or as otherwise directed.

Implementation approach:

The changes made in this modification should apply to any new modifications and any existing modification in progress.

No significant costs are expected in implementation. In applying this modification to any work in progress efficiencies will begin to be achieved immediately.

Acronyms, key terms and reference material

Acronym / key term	Meaning
Baseline	The code as it is currently
BEIS	Business, Energy and Industrial Strategy
BSC	Balancing Settlement Code
EGBL	European Balancing Guidelines
GR	Governance Rules
SCR	Significant Code Review
T&Cs	Terms and Conditions

Annexes

Annex	Information
Annex 1	Proposal form
Annex 2	Terms of Reference
Annex 3	Grid Code Governance Rules I5R37_GC0131
Annex 4	Workgroup Consultation Responses
Annex 5	Summary of Workgroup Consultation Responses
Annex 6	Workgroup vote
Annex 7	WAGCM1 Alternative Form
Annex 8	Code Administrator Consultation Responses
Annex 9	Grid Code WAGCM1 Governance Rules I5R37_GC0131_WAGCM1

All annexes can be found at the following link;

<https://www.nationalgrideso.com/codes/grid-code/modifications/gc0131-quick-win-improvements-grid-code-open-governance-arrangements>