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18th June 2002

Dear Mr Dickinson,

Governance of electrical standards (April 2002)

British Gas welcomes the opportunity to comment on Ofgem's consultation on the governance of electrical standards.

With the electricity market continuing to change and radically develop to meet the growing need for distributed and renewable generation it is clear that the electrical standards designed to maintain the network systems are no longer appropriate to meet today's demands for a more active dynamic system. It is therefore appropriate to review the relevance of these standards and to implement a robust industry change control process to maintain them in light of heightened market expectations.

We believe one of the first questions that needs addressing is who currently owns the rights for the existing standards and are these managed centrally. The consultation document seems to suggest that it is the Electricity Association who hold the copyrights for the majority of these electrical standards. If this is the case then the question that then follows is are they the most appropriate body to continue managing the industry change of these standards. As a Trade Association the Electricity Association's review process appears to be restricted to its members who may not be fully representative of all interested and market participants to these standards.

Our view is that whilst the Electricity Association provide a valuable service to the industry and are recognised for their expertise in this area there is a lack of visibility to the market place in the design and maintenance of these standards. If the Electricity Association are no longer the appropriate body to carry out this function, which would appear to be the case, then how can these standards be transferred over to a more suitable body designated to tackle the job of change control for the industry.

A number of possible options are suggested and questions asked in the consultation paper to take the issue forward on the governance of electrical standards. We are also aware that work to review some of the standards

is being undertaken by the Technical Group of the joint DTI/Ofgem Distributed Generation Co-ordinating Group. This consultation needs to take into consideration the work being undertaken by this Group.

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Our preference for the governance of the electrical standards would be to see the remit and responsibility for these given to the appropriate Network Operators. However, we can envisage the Electricity Association still providing an important support function to the Network Operators, particularly during any transition phase.

We note that for the technical and operational requirements for maintaining and running the transmission systems the conditions are set out in the relevant Grid Codes. These Codes are owned and kept up to date by NGC and the Scottish Transmission Businesses who review and maintain the Codes through constituted and User representative Panels. Changes to the conditions in the Codes are discussed by the relevant Panels and are additionally circulated as consultation papers to Network Users for their comment and consideration. Similar arrangements are put in place by the Distribution Businesses for their systems.

It would seem appropriate to capture and to restrict for the time being the governance of the electrical standards under the relevant Code Review Panels (i.e. Grid and Distribution), subject to a review of the Panels. Any review of the Panel would need to ensure that suitable checks and balances are in place in respect of the Panel members' role and responsibilities and with the make up of the Panel's membership to allow for participative industry representation. In our experience the Panels presently work effectively and consult with those affected parties.

Technical issues raised in respect of the electrical standards could be referred to specifically set up Industry Expert Groups reporting to the Panel. Commercial and other issues could be brought out from the circulation of consultation papers to all Network Users or interested parties on the proposed changes to the electrical standards. This proposed way forward would appear to fit most closely to Option 1 outlined in the consultation paper.

As a final point we would welcome consultation papers and electrical standards being made publicly available on a dedicated page on the Network Operators' websites. Further consideration would be required to determine how this would work in practice for Distribution Businesses.

If you wish to discuss any aspect of our response in more detail please do not hesitate to contact me directly.

Yours sincerely,

Brian Sequeira
Senior Account Manager

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