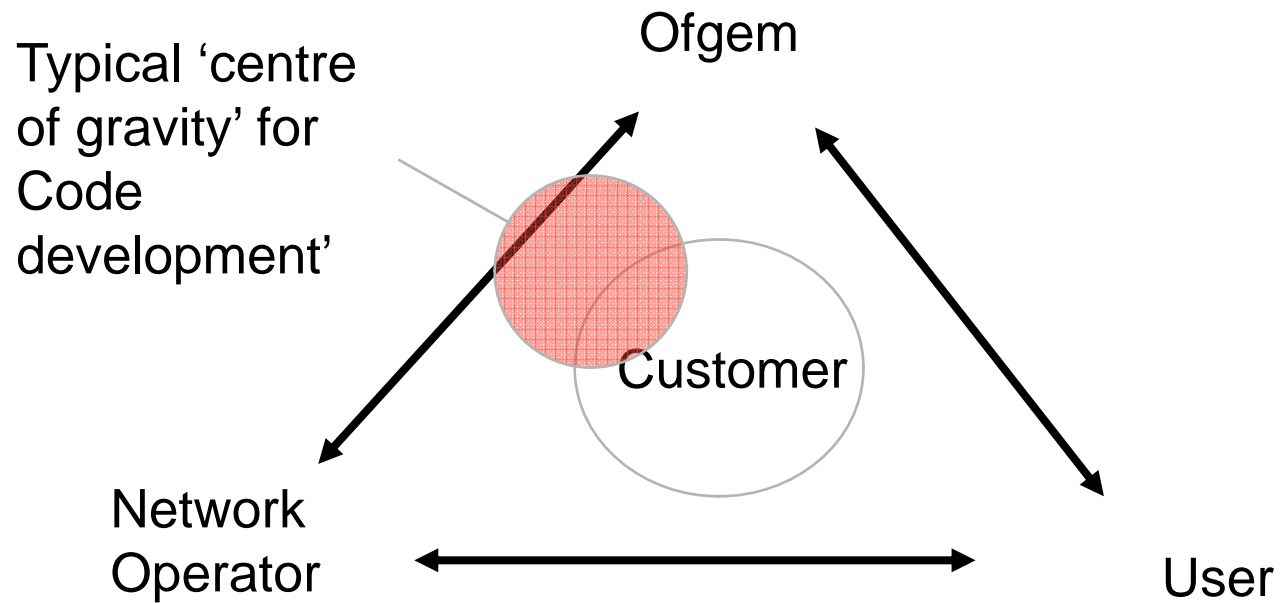




CAWG – A Users view of Code Administration

Peter Bolitho

Good Governance is about checks and balances



The Role of the Code Administrator

To act impartially

To ensure fair play

To provide expertise where they can

B

- Focusing on the “Rights of the Modification Proposer”
- Ensuring all affected parties have an opportunity to have their say
- Achieving reasonable satisfaction scores from the majority of players (not high satisfaction from some and low satisfaction from others)

Impartiality and Expertise

	Elexon BSC	Joint Office UNC	NG CUSC
Technical independence	'Arms-length' from NG	Owned by transporters	Directly controlled by NG
Expertise	Central Settlements view of world	Broad but relies on individual expertise	Greatest level of expertise but a monopolist's perspective
'Independence' in practice	Good but can be coloured by own agenda	Good but fragile as relies on individuals	Good - endeavour to do the right thing but will that always be the case?

Why do parties really put forward modification proposals?

1. To address a specific defect or issue
2. They are obliged or encouraged to
3. To mitigate the worst aspects of other proposals
4. Raise the profile of an issue

Mod processes are designed around 1!

Formulating a proposal

	BSC	UNC	CUSC
Test idea	Ad hoc standing issue meeting	Workstream to consider idea or draft proposal	Panel can refer issue to new or established standing groups e.g. Governance Group and BSSG.
Consult with code administrator	Advice on process and drafting mod	Advice on process and drafting mod	Keep 'powder dry' unless NG likely to be supportive
Define defect or issue	Great care is required	Something vaguely coherent	Reasonable care required
Timing	Separate proposal or use alternate process?	Submit fully drafted if 2, alternate if 3 but only late in process.	Separate proposal or use alternate process?

Tackling the Modification process

	BSC	UNC	CUSC
Presentation to Panel	Pitch is important as ToR can scupper proposal. Beware Elexon IA	Not necessary Don't worry ToR rarely limit debate	Attendance is required and a presentation is usual.
Membership of Mod Group	Only 'experts' appointed by Panel can vote	Open door policy	Volunteers approved by Panel
Mod Development	Driven by Elexon	Proposer must champion proposal with support form JO	Proposer must champion proposal with support from workgroup Chair (who is not necessarily an NG employee).
Flexibility to refine/vary proposal	Ownership of proposal lost to workgroup giving ample opportunity to scupper proposal. Cannot withdraw proposal	Proposer can make changes in light of discussions. Non viable proposals can be withdrawn	Refinements usually allowed by Modification Group . Proposer can withdraw proposal.

Tackling the Modification process continued

	BSC	UNC	CUSC
Alternative proposals	One chance at the discretion of Mod Group members	Any number but late in process - so quality can be poor if draft proposal not tabled in advance	Any number but must be accepted by Modification Group by majority or by the chairman.
Consultation	Fill the boxes given	Free-form responses	Moving towards box filling.
Mod Group Report	Elexon write report with Mod group	Report largely a summary of consultation responses without critical assessment of arguments	Chair of group writes report with Mod Group. Chair is not necessarily NG.
Mod Group Recommendation	By vote	Consensus	May go to a vote

Panel Recommendations

	BSC	UNC	CUSC
Panel	Members typically NOT involved in modification group meetings. Customer reps, small and special interest groups well represented.	Panel members typically involved in modification group meetings. No voting customer rep under UNC. 'Bock-vote' of transporters can be a problem.	Panel members typically involved in modification group meetings.
Can a proposer address the Panel	Not typical. Presentations made by Elexon Officials	Proposer would generally be allowed to address the Panel and comment on particular discussions.	
Recommendation	Detailed Panel debate and rational for decision. 'Decision-by' implementation dates linked to system releases.	Limited Panel debate given workgroup involvement. Panel rational not generally recorded. No 'decision-by' implementation dates. Individual votes recorded.	Limited Panel debate given workgroup involvement. Detailed Panel rational not generally recorded. Implementation set by NG - typically a defined period after decision. Also separate NG Recommendation.

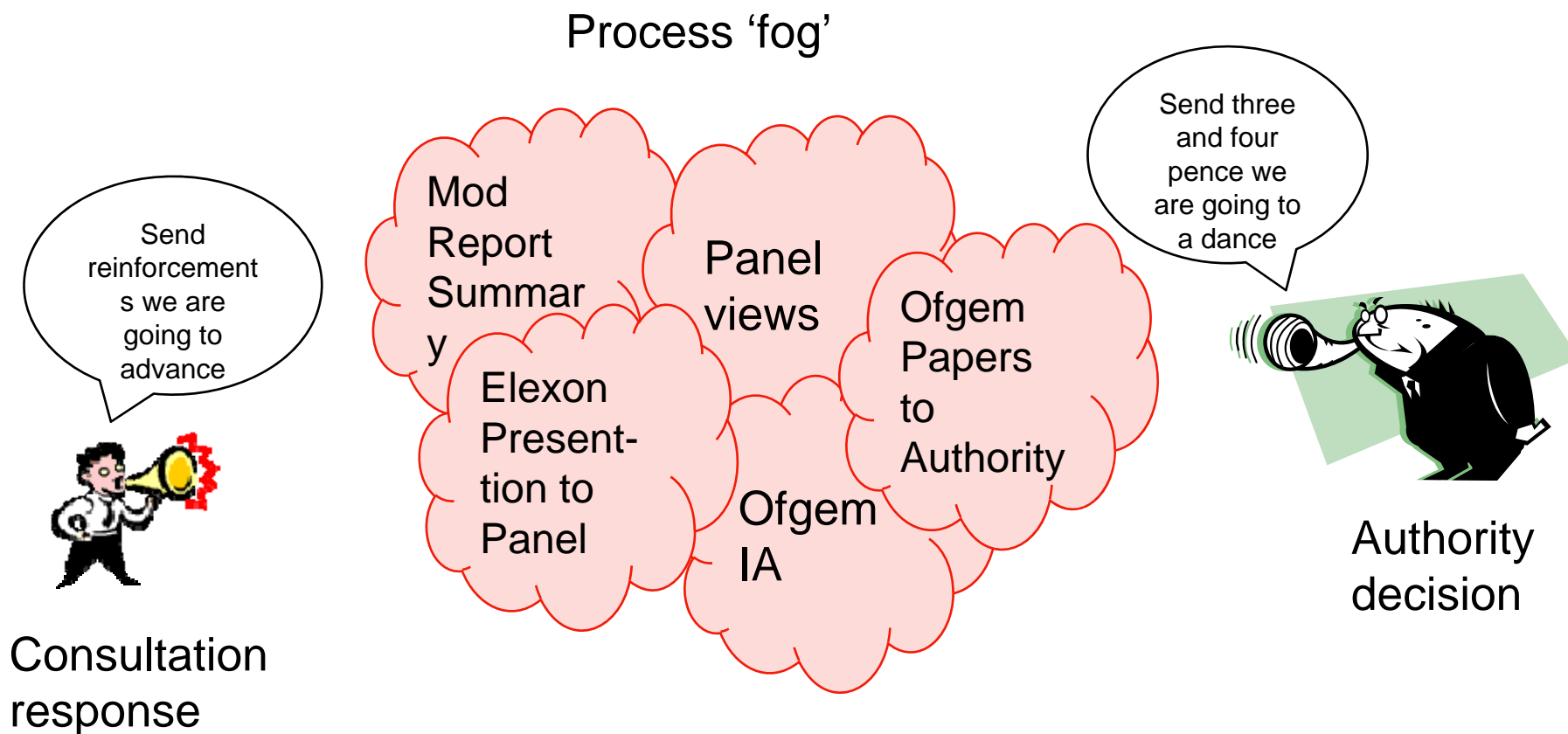
Panel Recommendations

	BSC	UNC	CUSC
Consultation on recommendation	Yes –but rarely changes	No	No
Legal text <i>(Parties are free to provide their own legal text if they wish)</i>	If required by Ofgem and drafted by Elexon	Can be requested by Panel but slows process. Ofgem request drafting. Legal drafting by transporters may not always be impartial.	If required by Ofgem and drafted by NG. Panel have to right to be consulted on whether legal drafting is required. Drafting almost inevitably reflects an NG view of the world.

Ofgem decisions

	BSC	UNC	CUSC
Need for IA	Necessary for controversial or high impact proposals – better Mod group analysis might expedite process but often depends on parties volunteering information.		
Open-ended decisions	No – constrained by reasonable decision by dates	Yes but re-consultation possible at Panel discretion if decision delayed by more than 4 months)	Yes - recommended implementation a minimum period of time after decision date.
Timing of decision	Careful timing of decision can allow regulator to veto an appeal.		
Grouping of decisions	Alternatives under same number must be considered together, other grouping of proposals under the “one decision” banner can limit scope for appeal		
Transparency	Authority meetings are closed, individual voting is not known and papers on modification business are not published		

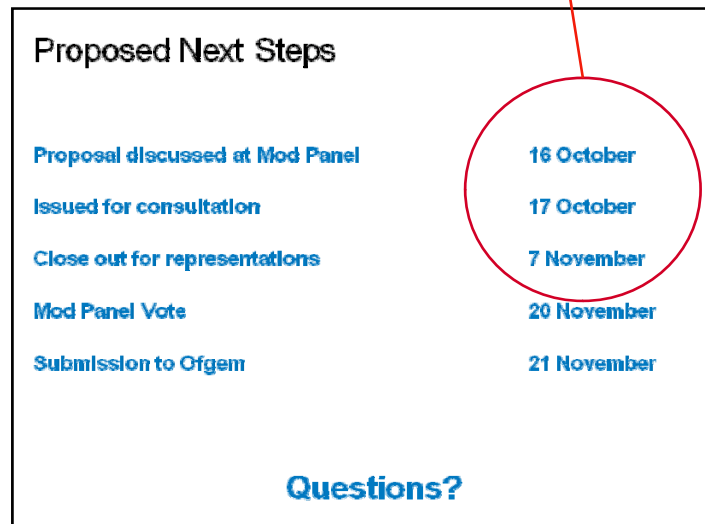
Does the message get distorted?



Should parties be allowed to ‘steamroller’ Modifications through process?

Proposal “Moving the QSEC
and AMSEC Auctions”

No effective discussion
on
Modification proposal



Wish list of Modification Process changes?

UNC

1. Establish a minimum assessment period (say 3 months) for all non urgent proposals
2. Allow submission of alternates earlier in the process
3. JO to become responsible for legal text.
4. Panel to set implementation dates linked to system releases.

BSC

1. 'Ownership' of mod should reside with proposer, allowing variations/ refinements and right to withdraw proposal.
2. Remove unnecessary process, e.g. Elexon IA, the separate 'definition' phase and the final consultation on the Panel Recommendation
3. Establish right of proposer to address Panel at meetings where recommendation is to be made.

CUSC

1. Remove NG recommendation from Workgroup report

Ofgem

1. Authority modification business to be conducted in open-session, Ofgem reports and papers to be published and voting recorded.

Good Governance where do the particular codes sit?

