

# CUSC – Positives

Administered in an independent & objective fashion

- ◆ Working Groups chaired by Panel Members or National Grid
- ◆ Governance arrangements have evolved as issues arose
  - ◆ i.e. CAP160 - Working group process now aligned to the BSC

Rigorous and high quality analysis

- ◆ Large scale analytical support from National Grid
- ◆ Established Standing Groups that debate key wider issues. BSSG, GSG and Transmission Access

Promote inclusive, accessible and effective consultation

- ◆ Active engagement of Panel Members during the Amendment Process
- ◆ Joint working groups with the Grid Code

Cost effective

- ◆ Cost effective administration

# CUSC – Negatives

Sufficiently flexible to circumstances

- ◆ Difficulty in progressing fundamental change especially when there is an overlap with matters of public – i.e. CAP148
- ◆ Tight 'standard' timeframe for complex Amendments

Delivers a proportionate regulatory burden

- ◆ All details are within the codes, no procedures
- ◆ All Amendments approved by Ofgem – no self governance

Governed by transparent & easily understood rules and procedures

- ◆ Different governance terminology to other Electricity codes
- ◆ Potential for a significant number of alternatives (now reduced with the introduction of CAP160)
- ◆ RPI – X acts as a dis-incentive for expenditure on assessment and implementation

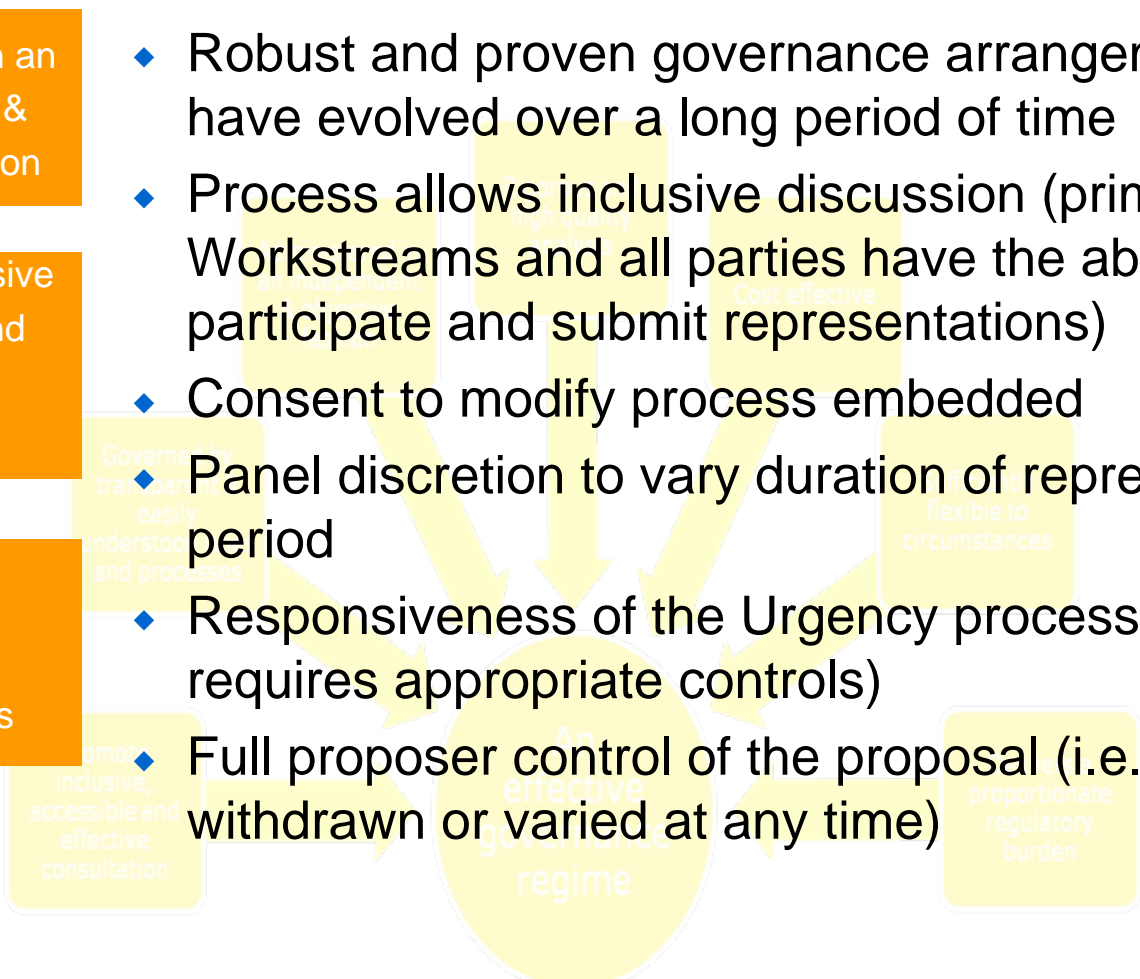
# UNC – Positives

Administered in an independent & objective fashion

Promote inclusive accessible and effective consultation

Sufficiently flexible to circumstances

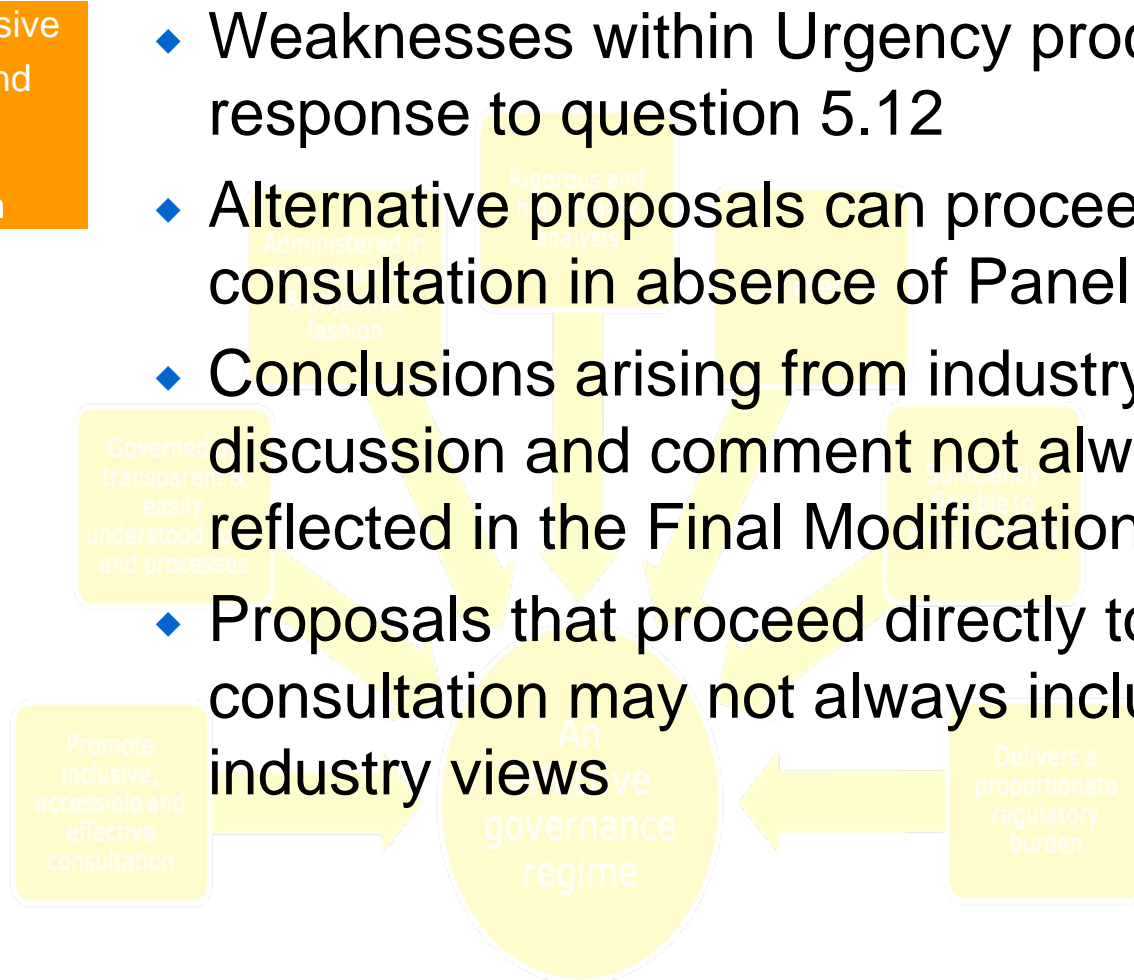
- ◆ Robust and proven governance arrangements which have evolved over a long period of time
- ◆ Process allows inclusive discussion (primarily within Workstreams and all parties have the ability to participate and submit representations)
- ◆ Consent to modify process embedded
- ◆ Panel discretion to vary duration of representation period
- ◆ Responsiveness of the Urgency process (though this requires appropriate controls)
- ◆ Full proposer control of the proposal (i.e. can be withdrawn or varied at any time)



# UNC – Negatives

Promote inclusive  
accessible and  
effective  
consultation

- ◆ Weaknesses within Urgency process – see response to question 5.12
- ◆ Alternative proposals can proceed to consultation in absence of Panel approval
- ◆ Conclusions arising from industry discussion and comment not always reflected in the Final Modification Report
- ◆ Proposals that proceed directly to consultation may not always include wider industry views



# Grid Code – Positives

Sufficiently flexible to circumstances

Administered in an independent & objective fashion

Promote inclusive accessible and effective consultation

Delivers a proportionate regulatory burden

Cost effective

- ◆ Flexible governance arrangements – i.e. able to change legal text once an Amendment is with Ofgem

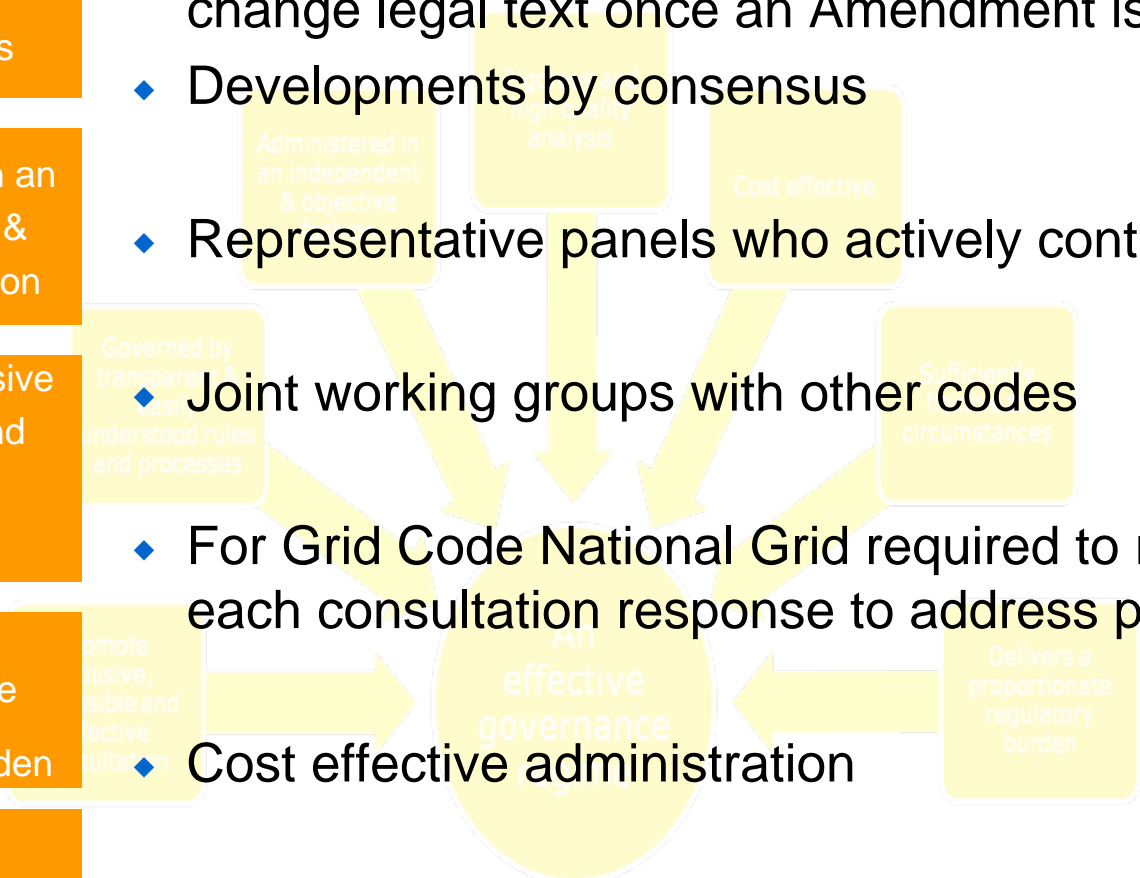
- ◆ Developments by consensus

- ◆ Representative panels who actively contribute

- ◆ Joint working groups with other codes

- ◆ For Grid Code National Grid required to respond to each consultation response to address points raised

- ◆ Cost effective administration



# Grid Code – Negatives

- ◆ Modifications can take a long time



# BSC – Positives

Administered in an independent & objective fashion

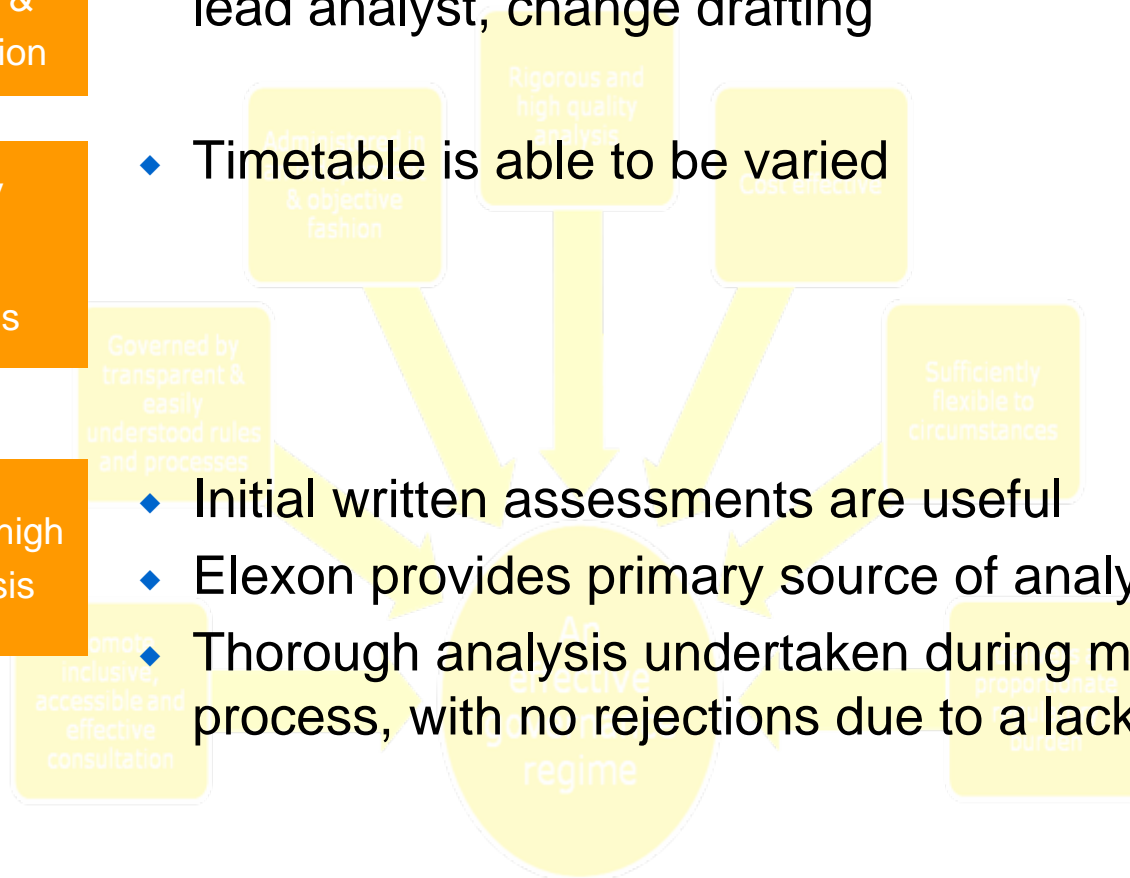
- ◆ Elexon provide facilities, services, secretariat, chair, lead analyst, change drafting

Sufficiently flexible to circumstances

- ◆ Timetable is able to be varied

Rigorous and high quality analysis

- ◆ Initial written assessments are useful
- ◆ Elexon provides primary source of analysis
- ◆ Thorough analysis undertaken during modification process, with no rejections due to a lack of analysis



# BSC – Negatives

Sufficiently flexible to circumstances

- ◆ All modifications approved by Ofgem – no self governance including for housekeeping
- ◆ Modifications cannot be terminated once raised
- ◆ Restriction on the number of alternatives (only 1 for each proposal) reduces flexibility and increases number of modifications raised

Cost effective

◆ Relatively high cost for administration

Rigorous and high quality analysis

- ◆ Requirement to outsource expertise in some instances

Promote inclusive accessible and effective consultation

- ◆ Initial assessment not always adequately defined including background to facilitate understanding

