

Code Administrators Working Group (CAWG) Issues Log

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Issue No:	Description:
5.1	<p>Do the current modification rules adhere to the principles set out in the November letter?</p> <p>(Reminder, these principles were:</p> <ol style="list-style-type: none"> 1) promote inclusive, accessible and effective consultation; 2) be governed by rules and processes that are transparent and easily understood; 3) be administered in an independent and objective fashion; 4) provide rigorous and high quality analysis of the case for and against proposed changes; 5) be cost effective; 6) contain rules and processes that are sufficiently flexible to circumstances that they will always allow for efficient change management; and 7) be delivered in a manner that results in a proportionate regulatory burden).

Code	Current Process	Pro's	Con's
UNC	See below		
BSC	As above		
CUSC	As above		
Other codes	As above		

Preference:					
<p>We are concerned with the issue of the development of large scale and/or broad changes which cut across two or more industry codes and licences, such as DN Sales and Access reform. The governance arrangements work well for assessing incremental changes and/or discreet packaged changes but can start to struggle to accommodate and take account of such wider complications or fundamental changes. However this is to be developed in another workstream.</p> <p>Overall we believe that the principles are being meet by the current code arrangements but best practice both working practice and formal rules should be shared and developed within the industry and incremental improvements made were appropriate.</p>					
Means of implementation:					
Custom and practice	x	Mod rules change	x	Licence modification	x
Details:					
This is likely to be all three and linked with the other workstream					

Issue No:	Description:
5.1.1	In what areas does each code work well / not so well?

Code	Current Process	Pro's	Con's
UNC			
BSC			
CUSC			
Other codes			

<p>Preference:</p> <p>See slides attached</p>
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Means of implementation:			
Custom and practice		Mod rules change	Licence modification
Details:			

Issue No:	Description:
5.2	How does small party, new entrant and consumer representation vary across the codes?

Code	Current Process	Pro's	Con's
UNC	Consumer Focus has no voting Panel seats; but can appoint two non-voting representatives. Can raise information provision mods only.		
BSC	Consumer Focus has 2 voting Panel seats, and can raise any kind of mod.		
CUSC	Consumer Focus has 1 voting Panel seat, and can raise any kind of		

	mod.		
Other codes			

Preference:

We understand the difficulties that the scale of the industry and governance arrangements present to small players and the gas and electricity industries by their nature are complex. We believe there is information and support for all parties, including smaller players, on how changes to the various "codes" can be progressed and indeed we often provide direct support in this area when asked. However, we consider there is room for improvement and application of best practice.

For example we believe that a code of practice to aid and support small parties could introduced for code administrators. In addition, there could be a greater use of associations amongst parties.

Means of implementation:

Custom and practice	X	Mod rules change		Licence modification	
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Details:

Issue No:	Description:		
5.2.1	What aspects of the arrangements do small parties, new entrants and consumer representatives find to be a particular burden?		
Code	Current Process	Pro's	Con's
UNC	[Please replace this text with examples of any (governance, rather than market design) problems with this code that you think may inhibit these groups from participation]		
BSC	As above		
CUSC	As above		
Other codes	As above		

Preference:

N/A for National Grid to comment

Means of implementation:

Custom and practice		Mod rules change		Licence modification	
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Details:

Issue No:	Description:
5.2.2	In which aspects are the codes sufficiently transparent or need to improve?

Code	Current Process	Pro's	Con's
UNC	[Please replace this text with examples]		
BSC			
CUSC			
Other codes			

Preference:

All codes stated above are transparent however all in a different way, consequently improvements could be made, as per the slides on 28th August. Suggestions included:

- ◆ Common code terminology for governance – All codes
- ◆ Common templates for modification documentation i.e. reports, proposal forms etc
- ◆ Periodic education seminars – All relevant codes together
- ◆ Code user guides and Amendment guidance/FAQ's in a common format – E.G. guidance on the CUSC website on how to complete a proposal form
- ◆ Plain English for reports and codes (where appropriate to do so without affecting the legal status of the code) e.g. Crystal marks

Means of implementation:				
Custom and practice	x	Mod rules change	x	Licence modification
Details:				

Issue No:	Description:
5.2.2.1	Should websites conform to agreed standards/principles?

Code	Current Process	Pro's	Con's
UNC	Not subject to external agreed standards / principles. Content is "open-to-all" – passwords not needed to access content.	All information available	
BSC	Same as UNC.	Same as UNC.	
CUSC	Same as UNC.	Same as UNC.	
Other codes	Not subject to external agreed standards / principles. On most code websites content is "open-to-all", though there are issues around constrained access to the DCUSA website.		

Preference:

A Code of Practice would be useful in conjunction with the ideas stated above. However, flexibility is required as each code may use different software programmes and the visual representation may be linked to the site which hosts the information i.e. CUSC, Grid Code and STC is hosted on National Grid's website. In addition, changes to websites can be expensive therefore the benefits must be greater than the costs.

However, we do believe that minimum standards of information should be considered which is applicable to all codes.

Means of implementation:

Custom and practice	x	Mod rules change	x	Licence modification	
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Details:

Limited code change as the website format is not prescribed within the codes.

Issue No:	Description:
5.2.3	Do small parties, new entrants and consumer representatives consider that enough assistance is available to them in order to participate [in code governance and modification processes]?

Code	Current Process	Pro's	Con's
UNC	[Please replace this text with examples]		
BSC			
CUSC			
Other codes			

<p>Preference:</p> <p>N/A for National Grid to comment</p> <p>National Grid and the Joint Office of Gas Transporters do provide advice to parties on request in terms of the process and context of the modifications for both gas and electricity codes.</p>

Means of implementation:			
Custom and practice		Mod rules change	Licence modification
Details:			

Issue No:	Description:
5.2.3.1	If further assistance would be helpful [to small parties, new entrants and consumer representatives], in what areas?

Code	Current Process	Pro's	Con's
UNC	<p>Informal assistance from code administrator prior to raising mods (i.e. chat through issues).</p> <p>Plus access to National Grid internal experts if requested and required</p>		
BSC	<p>Informal assistance from code administrator prior to raising mods (i.e. chat through issues). Periodic education seminars for new joiners to industry. Range of information sheets and publications on website. Plain English summary of the code maintained (as code requirement?).</p>		
CUSC	<p>Informal assistance available from NG as administrator</p> <p>Plus access to National Grid internal experts if requested and required</p>		
Other codes			

<p>Preference:</p> <p>N/A for National Grid to comment</p>
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Means of implementation:				
Custom and practice		Mod rules change		Licence modification

Details:

Issue No:	Description:
5.3	What role do code administrators play in developing or bringing forward proposals?

Code	Current Process	Pro's	Con's
UNC	JO has drafted changes to the modification rule sin line with governance workstream discussion – Party must then formally raise it. JO can request a consent to modify typo's etc.		
BSC	Asks Panel to raise housekeeping mods as needed. Provides informal support to proposers prior to submission (help with framing the issue etc).		
CUSC	NG can not raise mods as administrator but can and does as a CUSC party.		
Other codes			

Preference:

Proposals must be raised by a party to the code as this is a fundamental principle of all codes. The code administrator role should not be extended to raising modifications however their views are vital in relation to the governance regime, which then may prompt a party to initiate a Modification.

Means of implementation:

Custom and practice		Mod rules change		Licence modification	
Details:					

Issue No:	Description:
5.3.1	Should the Panel's ability to raise proposals be limited to housekeeping and governance?

Code	Current Process	Pro's	Con's
UNC	Panel cannot raise proposal in its own right – requires a 'sponsor'		
BSC	Panel can raise housekeeping mods, plus more material mods in limited circumstances specified within the code (i.e. to cater for changes to Fuel Security Code, the introduction of Euro).		
CUSC	Ambiguous if Panel can raise mods. Power to do so does exist ¹ but unclear in what circumstances it can be exercised.		
Other codes			

Preference:

We should consider why it should be necessary for panels to have the ability to raise a modification proposal, the benefit of such and what it would be used for, especially given that Panel members can often raise a modification proposal in their own right (as an individual party to the respective codes)?

It is important that the panels act in an impartial manner and if they did have the ability to raise any modification proposals, they would need to be free from undue bias or preconceived opinions. We believe that a key role of the panel is to conduct an unprejudiced appraisal of the pros and cons of any modifications raised by the industry and ensure due process is followed. We believe that a clear case needs to be made in terms of the benefit this would bring prior to making any change to this role. Also please refer to our response in 5.3.

Means of implementation:

¹ Paragraph 8.15.1

Custom and practice		Mod rules change		Licence modification	
Details:					

Issue No:	Description:
5.4	Who should be responsible for the production of legal text?

Code	Current Process	Pro's	Con's
UNC	The Transporters, who take it in turns.		Potential inconsistency across in style. Experience not retaining with one party
BSC	The code administrator, ELEXON.		Cost compared to other codes
CUSC	National Grid.	Consistency in legal drafting style and in house experience Lower costs as under a RPI – X formula and in house	
Other codes			

Preference:

We believe that the principle party or parties to the code should be responsible for legal drafting i.e. BSC Elexon, CUSC National Grid, and UNC transporters.

In addition we are unclear as to the current issue identified with legal text production in the current rules and would wish to debate this further within the group.

Means of implementation:			
Custom and practice		Mod rules change	Licence modification
Details:			

Issue No:	Description:
5.4.1	When should legal text be produced?

Code	Current Process	Pro's	Con's
UNC	If a GT proposal included from the outset, otherwise at panel or Authority request	More efficient use of legal resources	If legal text is not included, it may place greater emphasis on the modification report to clearly identify the UNC changes required.
BSC	For housekeeping or self evident proposals, during the Report Phase. For other proposals, during the Assessment Procedure.	Provides parties the opportunity to comment Aids understanding of the modification during the consultation phase for all to assess the impacts	Less efficient use of legal resource if modification is unlikely to be implemented
CUSC	Prior to the Company consultation. Usually as a working practice legal text is produced during the working group stage	Provides parties the opportunity to comment Aids understanding of the modification during the consultation phase for all to assess the impacts	Less efficient use of legal resource if modification is unlikely to be implemented
Other codes			

Preference:

We believe that there should be flexibility in this matter as we recognise that it may be difficult to develop legal text prior to consultation. However, we believe that as a minimum suggested legal text or detailed business rules should be developed for inclusion within the Modification Report prior to consultation to aid understanding. In addition, the Panels should ensure that any Modification Proposal has sufficient information to enable parties to fully assess the impact of the proposed change prior to consultation. If the information is lacking then it is the Panels' responsibility to request that additional development of the proposal is undertaken prior to allowing it to proceed to consultation.

It is our view that the respective Modification Panels should play a key decision making role in respect of the progress of proposals through the relevant governance process.

Means of implementation:				
Custom and practice		Mod rules change		Licence modification
Details:				

Issue No:	Description:
5.4.1.1	Should legal text be consulted on [before a proposal is sent to the Authority]?

Code	Current Process	Pro's	Con's
UNC	This rarely happens. Often legal text is only produced after an FMR is sent to the Authority, at the Authority's request.		
BSC	In principle, this step is not 100% guaranteed ² . But generally legal text is consulted on at least once (in the Report Phase) and often several times (where a mod has gone to a work group).		
CUSC	If a mod goes to WG, the WG usually agree the legal text. It is then consulted upon during the Company (panel) consultation.		
Other codes			

<p>Preference:</p> <p>Please refer to response in 5.4.1</p>
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Means of implementation:			
Custom and practice		Mod rules change	Licence modification
Details:			

² The BSC does provide that the Panel may consult the Authority on whether legal text is needed for a mod, but the Panel has shown no appetite to make such requests, and it is unlikely that the Authority would accede to any such request on any proposal that had a credible chance of being approvable.

Issue No:	Description:
5.4.2	Should legal text be flexible (i.e. a “work in progress”) until a decision to approve or reject is made)?

Code	Current Process	Pro’s	Con’s
UNC	Legal text generally isn’t developed during the industry process and is often only provided at the Authority’s request after the Panel recommendation. Legal text is effectively flexible up to point of Authority decision.		
BSC	Legal text is flexible up to the point when FMR sent to Authority. After that point it cannot be changed.		
CUSC	Same as BSC		
Other codes	Problems have arisen under DCUSA where changes raised to common area of code, but legal text of each does not recognise the other, even post direction to implement. Grid Code – has flexibility to amend legal text prior to a decision.	Drafting errors, cross referring etc plus changes introduced by another modification can be address and reduces the need for housekeeping changes. A	No industry consultation or panel involvement

Preference:

Greater flexibility with legal text should reduce the need for housekeeping changes and provide a means to effectively manage modifications at different stages in the process which have an impact on the same sections of the relevant Code. For example, the recent changes to update references to ‘Energywatch’ to the ‘National Consumer Council’. If a Modification Proposal with Ofgem awaiting a decision referenced the old term, is it not more efficient to update the text prior to approval? However, clear rules and checks and balances would be required to allow this to be implemented.

It should be noted that this issue is of lesser concern in the UNC due to the current flexibility and the consent to modify process.

Means of implementation:				
Custom and practice		Mod rules change		Licence modification
Details:				

Issue No:	Description:
5.5	How long should consultation period be?

Code	Current Process	Pro's	Con's
UNC	Ordinarily 15 working days, can be varied by the panel.		
BSC	Not prescribed within the code. Working practice varies from a few days to a couple of weeks during Definition or Assessment Procedure, normally about a fortnight during Report Phase.		
CUSC	The WG phase incorporating consultation can be no longer than 4 months – unless extension approved, consultation element usually between 3 and 4 weeks. Company consultation usually 2 weeks.		
Other codes			

Preference:

The consultation period will depend heavily on the complexity of the modification. Simple or straightforward changes should require 10 business days though more complex changes require longer to allow industry parties the ability to consider the amendment, formulate views and obtain internal sign off, i.e. 4 to 12 weeks.

We believe that the key factor is flexibility in respect of the duration of the consultation but with a minimum period for consultation explicitly stated within the codes, i.e. 10 business days.

Means of implementation:			
Custom and practice		Mod rules change	Licence modification
Details:			

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Issue No:	Description:
5.5.1	Should the Panel have discretion over how long the consultation period is for each proposal?

Code	Current Process	Pro's	Con's
UNC	Full discretion. Often ties in with concurrent consultations.	Flexible	
BSC	Full discretion. Usually varies from a few days to a couple of weeks. Complexity, public holidays and the volume of other work the industry and ELEXON has on may influence this duration.	As above	
CUSC	Full discretion subject to a minimum of 10wd for housekeeping amendments.	As above	
Other codes			

<p>Preference:</p> <p>See comments in 5.5</p>
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Means of implementation:			
Custom and practice		Mod rules change	Licence modification
Details:			



Issue No:	Description:
5.6	How should implementation dates be determined?

Code	Current Process	Pro's	Con's
UNC	Can be day after Authority approval. Systems implementation often divorced from mod process – determined by consensus at UK Link committee after direction to implement issued.		
BSC	Determined by Panel prior to an Authority decision. Panel recommendation is generally based on mod group recommendation, which in turn is influenced by the results of industry impact assessments.		
CUSC	Date recommended by NG and included in consultation. Where respondents disagree with NG recommendation, date determined by the Panel.		
Other codes			

Preference:

We believe that it is appropriate for the principle party(s) and parties to the code affected by the Modification to determine implementation dates. To remove this could place unacceptable risk on parties that may not be able to implement in line with the prescribed timetable.

Means of implementation:			
Custom and practice		Mod rules change	Licence modification
Details:			

Issue No:	Description:
5.7	Should there be fast-track process for housekeeping / non-contentious modifications?

Code	Current Process	Pro's	Con's
UNC	Consents process available for housekeeping changes. Does not need to be assessed against code objectives.		
BSC	Raised by Panel on ELEXON request, proceeds directly to Report Phase. Recommendation and Ofgem decision made against code objectives.		
CUSC	Where Panel agree a mod is HK, then mod is posted on NG website for minimum 10 business days. HK report drafted and submitted to Ofgem for decision. Licence drafting under CUSC similar to UNC, so consent process possible, but never used in practice.		
Other codes			

Preference:

The UNC process appears to be the most efficient for housekeeping changes and should be adopted by other codes.

We believe that the current processes (with any enhancements identified by the group) should be followed for all modifications as it is very difficult to determine what is non-contentious and the panels have the flexibility to reduce the timescales, i.e. issue a modification straight to consultation or vary the consultation period.

Means of implementation:

Custom and practice		Mod rules change		Licence modification	
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Details:

Issue No:	Description:
5.7.1	What unnecessary process steps could be removed/made conditional on nature of proposal?

Code	Current Process	Pro's	Con's
UNC	[Please replace this text with examples of steps in the mod process you think could be optional or removed (please specify which) for this code]		
BSC			
CUSC	As above		
Other codes	As above		

Preference:

As previously stated it is important that the code governance arrangements are flexible and proportionate for the type of modifications being assessed.

Means of implementation:			
Custom and practice		Mod rules change	Licence modification
Details:			

Issue No:	Description:
5.8	Should current customs and practice be codified?

Code	Current Process	Pro's	Con's
UNC	[Please replace this text with any examples of working practices you think should be codified, or otherwise formalised]		
BSC	As above		
CUSC	As above		
Other codes	As above		

Preference:

We believe that this would not be beneficial as this would increase the size of codes, increase complexity and remove flexibility. As previously stated, we believe that there are merits in a code of practice for all codes, which is flexible and inspirational with any required minimum standards (i.e. consultation period) set out in the code.

Means of implementation:				
Custom and practice	x	Mod rules change	x	Licence modification
Details:				
As stated above.				

Issue No:	Description:
5.9	How can the independence of the code administrator be assured?

Code	Current Process	Pro's	Con's
UNC	Joint Office staff are currently on secondment from NG but could be from other parties , JGA stipulates they should act independently.		
BSC	ELEXON is 100% owned but uncontrolled subsidiary of NG ("at arms length"). Neutral in sense that non-affiliated and not-for-profit, but may be affected by mods insofar as they affect their scope, processes, and credibility.		
CUSC	NG are CUSC party and sole administrator of the CUSC.		
Other codes			

Preference:

As previously stated we believe a code of practice for code administrators would be beneficial and would aid the assurance of independence by encouraging greater transparency and consistency where possible, which in turn would increase accountability.

However, it is important to make the distinction between independent administration and analysis. We do not believe that the analysis should or could be undertaken by an administrator in the UNC or CUSC as data and key expertise is within the Network Operators. In requiring the administrator to undertake such analysis it would increase the cost of the governance (administration and analytical) function, duplicate resources, may reduce quality of analysis due to a lack of expertise, create confidentiality issues and change the nature and independence of the administrative function.

Means of implementation:			
Custom and practice		Mod rules change	Licence modification

Details:

Issue No:	Description:
5.10	Who should 'own' modification proposals during the process?

Code	Current Process	Pro's	Con's
UNC	The proposer		Can lead to questions of who should conduct / meet the costs of analysis.
BSC	'Rights, IPRs and moral rights' assigned to code administrator, ELEXON ³ .		
CUSC	Rights, IPRs and moral rights' assigned to all CUSC parties ⁴ But the proposer keeps control throughout the process		
Other codes			

Preference:

We believe that the proposer should retain control over the details of the proposal. In the event of withdrawal by the proposer, rights of other parties to adopt the proposal should continue in the CUSC and UNC, this mitigates any concerns of "wasting industry resource" in development of the proposal which the proposer then may withdraw.

Means of implementation:

Custom and practice		Mod rules change		Licence modification	
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Details:

³ BSC F2.1.11

⁴ CUSC 8.15.7

Issue No:	Description:
5.11	Should proposers have the right to withdraw proposals?

Code	Current Process	Pro's	Con's
UNC	Allowed, no time constraint . any time up to issue of Final Modification Report to Ofgem.	Supports proposer ownership principle.	Risk of wasted industry resource in development - but adoption rights mitigates this risk (ie: another party can sponsor).
BSC	Allowed, subject to time constraint.		Once a modification is in the process no way to stop it even if not workable or possible
CUSC	Allowed, no time constraint but there is a process for withdrawal		Process for withdrawal is cumbersome
Other codes			

<p>Preference:</p> <p>See comments in 5.10</p>

Means of implementation:			
Custom and practice		Mod rules change	Licence modification
Details:			

Issue No:	Description:
5.11.1	If proposers should have the right to withdraw proposals, up to what point should this right exist?

Code	Current Process	Pro's	Con's
UNC	Can be withdrawn at any point to submission of FMR to the Authority.		
BSC	Can only be withdrawn up to the point where first presented to Panel ⁵ (for it to consider whether to send to WG or straight to report).		
CUSC	Can be withdrawn at any point.		
Other codes			

Preference:

The right to withdraw a proposal is a necessity if the proposer is to retain control over the modification proposal; we therefore support the continuation of such rights in the UNC and CUSC. Also please refer the our response to 5.11.2

Means of implementation:

Custom and practice		Mod rules change		Licence modification	
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Details:

⁵ BSC F2.1.12.

Issue No:	Description:
5.11.2	If proposers should have the right to withdraw proposals, should other parties be able to adopt the proposal at this point?

Code	Current Process	Pro's	Con's
UNC	Allowed.	Mitigates risk of wasted industry resource (development of proposal). More efficient than a separate proposal being raised on same subject matter.	
BSC	Not allowed.		
CUSC	Allowed. Must do so within 5 BD following withdrawal.	Same as UNC	
Other codes			

Preference:

We believe to disallow the right in CUSC and UNC, would be a form of restricting the right of a UNC/ CUSC party to propose a change, (which is a fundamental principle of all codes, i.e. any party to the code can raise a change.) In any event the subject matter of the proposal could be raised in a new proposal but this would potentially be inefficient as this latter proposal would need to retrace the governance steps of the original proposal.

Means of implementation:

Custom and practice		Mod rules change		Licence modification	
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Details:

Issue No:	Description:
5.12	Are modification processes appropriate for urgent proposals?

Code	Current Process	Pro's	Con's
UNC	[Please replace this text with examples of where you think the urgency procedures could be improved]		
BSC			
CUSC			
Other codes			

<p>Preference:</p> <p>We believe that the current rules are appropriate with the adoption of the following best practice across all codes.</p> <p>Criteria for urgent proposals are included within the codes.</p> <p>Panel acts as a control point for urgent proposals before initial Ofgem decision in respect of the urgent status of the proposal. At this point, the Panel should recommend:</p> <ol style="list-style-type: none"> 1. whether the proposal is urgent in accordance with the relevant criteria and therefore should it request Ofgem permission to treat the modification as urgent? 2. a timetable (based upon the current modification rules) for the modification taking into consideration, but not limited to: <ul style="list-style-type: none"> ▪ the level of urgency, ▪ the complexity and impact on all network users, ▪ the clarity of the proposal – i.e. is a working group required to undertake analysis to define the proposal. 3. whether it believes the proposal is sufficiently clear to enable code parties to fully assess the impacts and submit robust representations.

Means of implementation:				
Custom and practice		Mod rules change	x	Licence modification
Details:				

Issue No:	Description:
5.12.1	Should all urgent proposals be subject to a minimum period of consultation?

Code	Current Process	Pro's	Con's
UNC	Urgency timetable is determined by Authority, although fed into by the views of the UNC Panel. No minimum period.	Affords the necessary flexibility to the industry.	Can lead to extremely short consultation periods.
BSC	Urgency timetable is determined by Authority, although fed into by the views of the BSC Panel.	As above	As above
CUSC	Urgency timetable is determined by Authority, although fed into by the views of the CUSC Panel.	As above	As above
Other codes			

Preference:

We believe that this not necessary. The key requirement is flexibility within the governance process to allow the industry to address issues urgently and implement appropriate remedies unconstrained by these processes. This process flexibility needs appropriate controls which the existing urgency criteria/Ofgem sanction affords.

Means of implementation:

Custom and practice		Mod rules change		Licence modification	
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Details:

Issue No:	Description:
5.13	Should proposer be able to speak at a panel where a recommendation is to be made on their proposal?

Code	Current Process	Pro's	Con's
UNC	No specific rule – allowed at Panel/Chairs discretion		
BSC	Proposer is allowed to present when mod is raised, but has no guaranteed right to speak when final recommendations are made. Rules appear to allow for the Chair to give permission for floor to speak ⁶ .		
CUSC	As BSC In practice no one has ever been refused and is therefore able to attend all Panel meeting which their modification is discussed		
Other codes			

Preference:

Custom and practice should continue to advocate this to increase transparency and access to all. This could be an area to consider in the code of practice.

Means of implementation:

Custom and practice		Mod rules change		Licence modification	
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Details:

⁶ BSC B4.5.1 http://www.elexon.co.uk/documents/BSC_and_Related_Documents/BSC_-_Live_Version/Section_B_v14.0.pdf

Issue No:	Description:
5.14	How should changes originating from outside the code [i.e. consequential changes that are “driven” by changes to licences, other codes or legislation] be dealt with?

Code	Current Process	Pro’s	Con’s
UNC	Less of an issue as UNC a more holistic code. All material changes must be assessed against relevant objectives and follow normal mods route – changes can be directed by SoS where specific powers to do so.		
BSC	Some major statutory changes may be enacted by Secretary of State (i.e. BETTA). But most changes enacted by normal mods route. Timing varies – sometimes coterminous FMRs and decisions are possible, more often there is a lag as one or more codes “catch up”.		
CUSC	As BSC		
Other codes			

Preference:

We believe that this topic forms part of the wider issues workstream. However, more cross code groups etc would be an improvement in the current processes.

Means of implementation:			
Custom and practice		Mod rules change	Licence modification
Details:			

Issue No:	Description:
5.14.1	Should consequential changes be assessed simply on the basis of consistency rather than assessing them against the relevant code objectives?

Code	Current Process	Pro's	Con's
UNC	Depends on nature of changes. Housekeeping can be dealt with under consents route. More material changes assessed against objs.		
BSC	All mods must be assessed against code objectives.		
CUSC	All mods must be assessed against code objectives.		
Other codes			

Preference:

Each code has relevant objectives, consequential changes should not be made without assessment against those objectives, just because it is consistent does not mean it is correct, as expertise in each Panel and the users who are involved in the process differ. For example, a change in the BSC which has an impact on Grid Code would need to be assessed as the BSC does not necessarily have the skills to fully understand the technical impact upon the Grid Code. As stated above greater cross code involvement would improve the status quo.

Means of implementation:			
Custom and practice		Mod rules change	Licence modification
Details:			

Issue No:	Description:
5.15	Is the membership of modification groups appropriate?

Code	Current Process	Pro's	Con's
UNC	Panel may approve composition. Must be at least 2 Users and 2 GTs. Proposer has right to appoint one individual. Non code Parties may become member by invitation. In practice, open door policy.		
BSC	Selected by Panel upfront from standing lists of volunteers who are considered to have relevant technical expertise. Must have at least five members. Proposer, NG and ELEXON have automatic membership rights. Others can attend, but cannot vote ⁷ . The code compels members to impartiality – this does not apply to attendees.		
CUSC	Selected by Panel upfront from standing lists of volunteers who are considered to have relevant technical expertise. Must have at least five members. Proposer, NG have automatic membership rights. Others can attend, but cannot vote.		
Other codes			

⁷ Although it should be noted that the code appears to envisage that mod groups could conduct business without the need for formalised voting processes, i.e. F2.4.18 *'[...] if the Group's terms of reference provide for voting [...]'* (which suggests that the need for groups to vote was not considered self-evident when the code went live). In practice, voting does take place to determine recommendations, whether to progress an alternative modification, and to resolve matters where there is no general consensus.

Preference:

We generally believe that the membership of modification groups is appropriate. The current arrangements enable a cross section of impacted parties to attend and there is enough flexibility allowed to enable other experts/interested parties to be included where their input is of value.

Means of implementation:

Custom and practice		Mod rules change		Licence modification	
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Details:

Issue No:	Description:
5.15.1	Should there be greater scope for consultancy support for modification/working groups?

Code	Current Process	Pro's	Con's
UNC	None provided centrally – if desired, must be funded by the party that wants it.		
BSC	Provided on a case-by-case basis, usually only for high materiality or complex mods. ELEXON would seek Panel authorisation to spend funds.		
CUSC	Does not seem to be anything in the rules to prevent such support being taken on. However do not recall any occasions when such support has been employed. Unclear who would pay.		
Other codes			

Preference:

Consultancy support should be used when appropriate but not be made mandatory and any cost consequences would need to be considered further.

Means of implementation:			
Custom and practice		Mod rules change	Licence modification
Details:			

Issue No:	Description:
5.16	Should alternative proposals be treated in a standard manner across all codes?

Code	Current Process	Pro's	Con's
UNC	Uncapped number of alternatives allowed. Do not require majority support to raise. Alts must be raised within defined time-window of 5 days from original going out to consultation	Allows all parties to table alternative solutions with the Authority. The ability to raise alternatives is particularly important where a party has had a differing view to the consensus held by a workgroup/workstream.	Alternate proposals can proceed to consultation in absence of Panel approval. Can increase complexity/timescales.
BSC	Only one alternative allowed – if more competing concepts then further mods must be raised. WG by majority has to consider the alt better than the original if they are to develop it. Alt can be raised at any time whilst still with WG.	Alternatives are limited therefore reduces complexity Alternatives are discussed early in the process to ensure require analysis is undertaken	Potentially increases the number of modifications e.g. Cash out and losses
CUSC	Uncapped number of alternatives allowed. Respondents can only raise consultation alternative requests during the WG consultation and WG has complete discretion whether a request is formally taken forward as an alternative – WG chair has an over-riding discretion.	CAP160** has ensured alternatives are raised early in the process to ensure require analysis is undertaken Potentially reduces the number of modifications raised	Unlimited number can increase complexity
Other codes			

** Further developments and refinements are required to the CAP160 process. The Governance Standing Group in the CUSC is planning to undertake a review early next year following Transmission Access modifications.

Preference:

We believe that there is a place for alternatives as this aids efficiency and reduces the requirement for additional modifications. However, we believe that alternatives need to be raised early in the process to ensure due consideration and analysis is undertaken by the industry prior to formal consultation. In addition, we believe that this is area where best practice should be applied and reviewed on a regular basis cross all codes.

Means of implementation:

Custom and practice		Mod rules change		Licence modification	
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Details:

Issue No:	Description:
5.17	Should greater rationale/detail accompany panel recommendations?

Code	Current Process	Pro's	Con's
UNC	Both licence and rules require 'factors which justify' the Panel's recommendation – reference to Relevant Objectives not stipulated.		
BSC	Obligation under rules is specifically upon the Modification Group rather than Panel to justify opinion against relevant objectives ⁸ .		
CUSC	Only details of the outcome of the recommendation vote need to be provided in the FMR. Panel members can submit views as panel members during the consultation. This rarely happens.		
Other codes			

Preference:

Yes, we believe more information should be made available and greater transparency should increase accountability of the Panel's. As previously stated we believe that a code of practice would be beneficial which could cover such issues.

Means of implementation:

Custom and practice		Mod rules change		Licence modification	
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Details:

⁸ See Clause F 2.6.4

