Code administrators performance survey

Grid Code

National Grid Electricity Transmission plc

Introduction

As part of its 2016 Code Governance Review Final Proposals (Phase 3) (CGR3), it was decided that Ofgem should commission a standardised cross-code study to monitor and assess the performance of code administrators in their role in respect of each code that they administer.

The study evaluates the service provided by code administrators in accordance with the principles of the Code Administration Code of Practice (CACoP) which aims to align processes across the industry codes and identify areas of best practice.

This report looks specifically at the results for the Grid Code administered by the National Grid Electricity Transmission plc (National Grid) and all verbatim comments were provided in respect of the Grid Code and/or National Grid, however they may be more widely applicable.

Method

A mixed mode programme of research was conducted with organisations interacting with industry codes consisting of:

- 15 depth interviews to inform questionnaire design
- A core survey with 204 participants to measure experience and performance of code administrators (27 participants answering about the Grid Code)
- 22 follow-up depth interviews to get a more detailed understanding of drivers of satisfaction/dissatisfaction

Throughout the report, results are shown:

At a total level (aggregated results for all codes)

At a total for the Grid Code (due to small base sizes, results are not broken down by subgroup)

If Grid Code results are significantly higher than the average, the total is shown in **green**

If Grid Code results are significantly lower than the average, the total is shown in **red**

Where percentages do not sum to 100%, this could be due to rounding or the exclusion of 'Don't know' or 'Not applicable' responses

Quotes from respondents included in the report and are not intended to be representative of the range of views, but rather offer a range of opinions, feedback and suggested improvements

Where base sizes are small, this is shown by an * *for bases less than 30 and* ** *for bases less than 15. This indicates that the data should be treated with caution*

Industry context

It is important that the structure and perceptions of the energy industry in which organisations operate are taken into account when interpreting survey results.

Organisations recognise that the energy market is going through a transitional phase and that the changes occurring may affect how they interact with codes. Highlighted changes include:

- Requirement for codes to be in line with European legislation
- Prevalence of new entrants into the market

- Attempts to streamline processes, such as the Code Administrators Code of Practice

Some feel that the market is getting more complex and there are occasions when Ofgem can add to the complications of processes associated with codes.

Codes are perceived as complex and typically very different, with some being more technical than others. Organisations highlight that increased cross-code coordination overall and simplifying operational aspects of codes would greatly assist them. For example, when changes to one code affect another, communications and associated processes should be in place for all the codes that are impacted. There is also a call for a cross-code accession process (to avoid having to provide the same information to each code administrator).

Some organisations believe that industry-wide interventions could be initiated centrally to help streamline processes. These external factors can influence how organisations perceive the service provided by code administrators. Nonetheless, they are generally considered to be performing well.

Executive summary

Overall perceptions of National Grid are mixed:

- Three in five organisations are satisfied with the service provided to their organisation by National Grid regarding the Grid Code and around two-thirds are satisfied with the support provided.
- Four in five customers feel they are kept informed about Grid Code. However, only around half find it easy to interpret the information about the code.
- Email from National Grid relating to the Grid Code are positively.
- However, there is some dissatisfaction expressed in relation to the website, particularly around the ease of finding information and interpreting information.
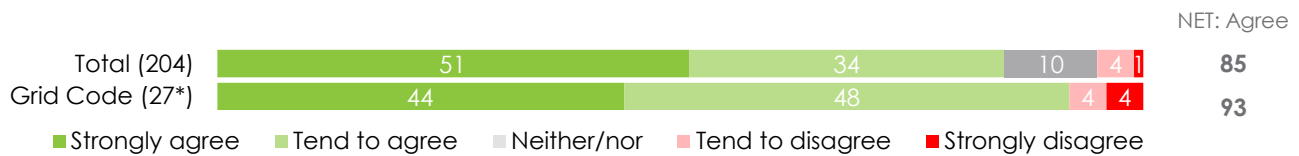
Organisation profiling

ORGANISATION'S SIZE

	No. of employees			
	0-49	**50-249**	**250-999**	**1,000+**
Total (204)	27%	17%	15%	38%
Grid Code (27*)	15%	19%	22%	44%

ORGANISATION'S ENERGY MARKET EXPERIENCE

	0-5 years	**6-9 years**	**10+ years**
Total (204)	13%	10%	76%
Grid Code (27*)	15%	7%	78%

Across all codes, there are some broad differences between organisations of different sizes and their length of operation in the energy market. Individuals employed by small organisations (0-49 employees), or new entrants to the market (within the last 5 years) tend to express slightly lower levels of contentment throughout the survey across all codes. It is likely this is due to lack of resource and expertise, which are more frequently highlighted as issues by these groups. However, even those working for larger organisations say they sometimes face challenges when interacting with codes.

SUFFICIENT ORGANISATIONAL EXPERTISE TO DEAL WITH CODES

NET: Agree

	Strongly agree	Tend to agree	Neither/nor	Tend to disagree	Strongly disagree	
Total (204)	51	34	10	4	1	**85**
Grid Code (27*)	44	48		4	4	**93**

■ Strongly agree ■ Tend to agree ■ Neither/nor ■ Tend to disagree ■ Strongly disagree

Q1. To what extent would you agree or disagree that your organisation has sufficient expertise to enable you to deal with the codes you are responsible for or interact with? Base: All responses for those involved with code (number of respondents in brackets) (results in %)

ORGANISATION'S RESOURCE

NET: Agree

	Strongly agree	Tend to agree	Neither/nor	Tend to disagree	Strongly disagree	
Total (204)	23	41	11	21	4	**64**
Grid Code (27*)	22	44	19	15	0	**67**

■ Strongly agree ■ Tend to agree ■ Neither/nor ■ Tend to disagree ■ Strongly disagree
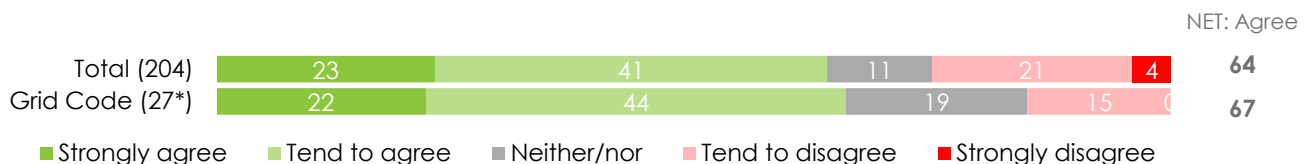
Q2. And to what extent would you agree or disagree that you have enough resource within your organisation to sufficiently deal with the codes you are responsible for or interact with? Base: All responses for those involved with code (number of respondents in brackets) (results in %)
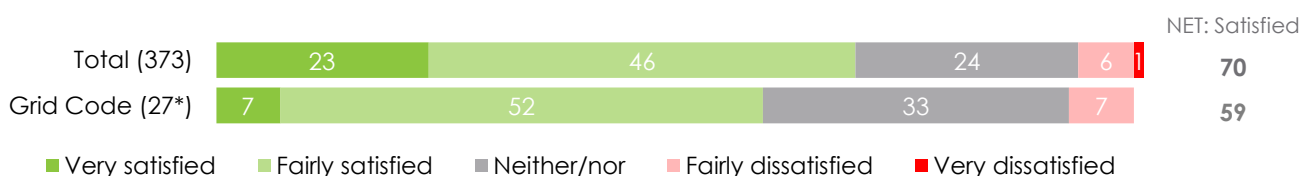
Key findings

KPIS

The survey collected three measures of satisfaction:

1. Overall satisfaction with the service provided to their organisation
2. Satisfaction with the provision of support
3. Satisfaction with support received when requested

OVERALL SATISFACTION

Three in five (59%) are satisfied with the overall service from National Grid, whilst dissatisfaction is low. A third of organisations feel neutral about National Grid's service as regards the Grid Code.

NET: Satisfied

	Very satisfied	Fairly satisfied	Neither/nor	Fairly dissatisfied	Very dissatisfied	
Total (373)	23	46	24	6	1	**70**
Grid Code (27*)	7	52	33	7		**59**

■ Very satisfied ■ Fairly satisfied ■ Neither/nor ■ Fairly dissatisfied ■ Very dissatisfied

Q10. Thinking about all aspects of your dealings with the code administrator in relation to <this/these> codes, overall how satisfied are you with the service provided to your organisation? Base: All responses for those involved with code All responses for those involved with code (number of respondents in brackets) (results in %)

To understand the aspects of service delivery that most impact overall satisfaction, key driver analysis (KDA) was conducted.[1] The aspects of service that have the greatest impact on overall satisfaction are:
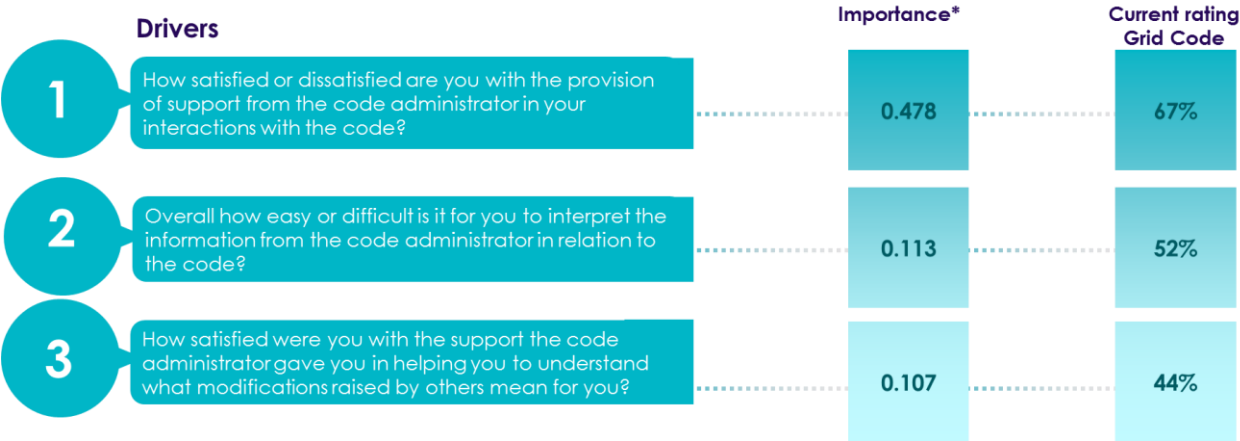
* The importance value will always have a value between -1 and +1, where, a large positive correlation means two ratings 'move together' and a negative correlation means the ratings move in the opposite direction. A correlation of 1 means an exact linear relationship (i.e. everyone gives the same rating for overall satisfaction as for provision of support.)

Due to the small base sizes, it is not possible to identify the key drivers for individual codes. The importance scores are based on the combined total for all codes and the current rating is specific to the Grid Code. While National Grid receives a very strong overall satisfaction score, aspects of service like interpreting information are not rated as highly.

Some customers are concerned about the possibility of a conflict of interest between National Grid's commercial arm and the code administrators.

"If we're trying to find out further information on a potential modification we would prefer the commercial arm of National Grid not to know, so impartiality is especially an issue."

SATISFACTION WITH PROVISION OF SUPPORT

Generally, organisations acknowledge the need for comprehensive detail from administrators. However additional support in interpreting this information is appreciated, particularly for small organisations or those new to the market. National Grid Code administrators are rated highly for providing support in relation to the Grid Code.

National Grid customers are generally satisfied with the provision of support in relation to their interaction with the Grid Code (67%).
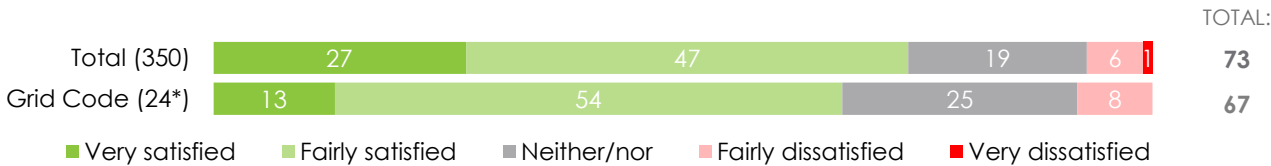
Q11a/Q11c. How satisfied or dissatisfied are you with the provision of support from the code administrator in your interactions with the <code>? Base: All responses for those involved with code (number of respondents in brackets) (results in %)

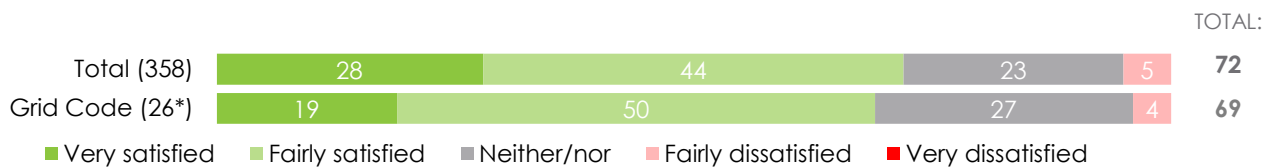One organisation called for greater clarity around the provision of support.

"More defined and timely processes."

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[1] KDA tests the strength of the correlation between ratings of core metrics against perceived level of satisfaction by which we can derive which factors have the greatest impact on overall attitudes – this is a subconscious measurement rather than a stated level of importance.

SATISFACTION WITH SUPPORT RECEIVED WHEN REQUESTED

Seven in ten organisations are satisfied with the support they receive from National Grid when they request it.

TOTAL:

Total (358)	28	44	23	5		**72**
Grid Code (26*)	19	50	27	4		**69**

■ Very satisfied ■ Fairly satisfied ■ Neither/nor ■ Fairly dissatisfied ■ Very dissatisfied

Q13/Q13b. And when you request support from the code administrator in relation to the <code> how satisfied or dissatisfied are you with the support you receive? Base: All responses for those involved with code (number of respondents in brackets) (results in %)
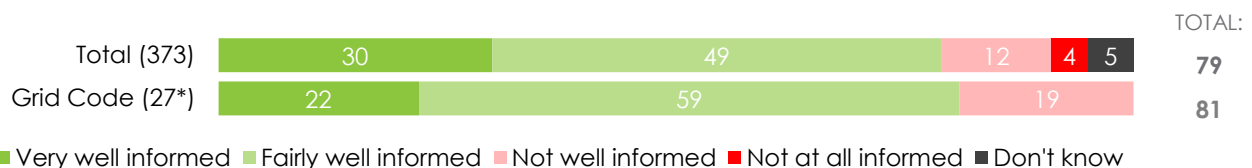
Perceptions of information provision

On average, organisations receive information about the Grid Code from National Grid once a week and for the majority (84%), this frequency is about right.

KEPT INFORMED ABOUT THE CODE

At an overall level, there is correlation between the experience and size of an organisation and perceptions of being informed about the codes. This demonstrates that resource and familiarity tend to produce a more comfortable position in which to deal with code processes.

National Grid performs well in this area; four in five feel 'very' or 'fairly' well informed about the Grid Code.

TOTAL:

Total (373)	30	49	12	4	5	**79**
Grid Code (27*)	22	59	19			**81**

■ Very well informed ■ Fairly well informed ■ Not well informed ■ Not at all informed ■ Don't know
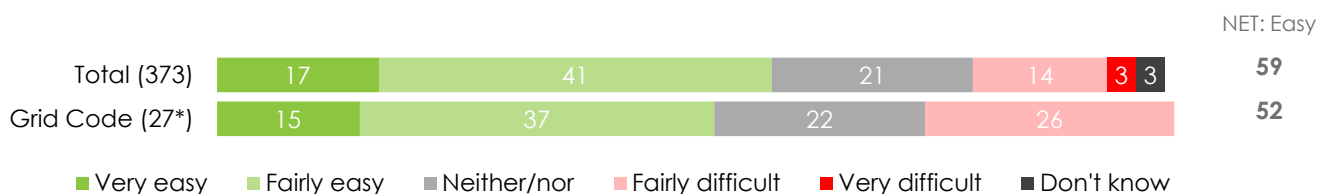
Q14/Q14b. How well do you feel your code administrator keeps you informed about the <code>? Base: All responses for those involved with code (number of respondents in brackets) (results in %)

EASE OF INTERPRETING INFORMATION

At an overall level, those with more experience of industry codes find it easier to interpret related information. While organisations face some challenges with interpretation across all codes, they acknowledge that it may be difficult to simplify information due to the complexities of the code itself.

Half of organisations find Grid Code information to be asy to understand but a sizeable minority (26%) disagree.

NET: Easy

Total (373)	17	41	21	14	3	3	**59**
Grid Code (27*)	15	37	22	26			**52**

■ Very easy ■ Fairly easy ■ Neither/nor ■ Fairly difficult ■ Very difficult ■ Don't know

Q15/Q15b. Overall how easy or difficult is it for you to interpret the information from the code administrator in relation to Base: All responses for those involved with code (number of respondents in brackets) (results in %)

There is a call for clearer communications around the Grid Code.

"Greater clarity needs to be given in a lot of the communications that come out. The issues discussed are complex and the level of detail is not sufficient."

Perceptions of direct services

EMAIL

Generally, organisations prefer to receive information via email so they do not have to manually search through websites to keep track of developments. It helps them to stay on top of changes to the code and provides a ready-made audit trail they can reference.

Some emails are considered too content heavy and the volume of information can be hard to digest for those with limited resource. Organisations mention difficulties in identifying which emails require immediate action or contain information that is relevant to them. This can lead to important information being missed. There is appetite for a more tailored service, such as mailing lists that are specific to company type (such as generators or suppliers) or company size across all codes.

There is a high level of agreement that National Grid's emails are easy to understand (80%) and clear when action needs to be taken (85%).

'The emails I receive are easy to understand'

NET: Agree

						NET: Agree
Total (297)	25	49	8	10	3	5	**73**
Grid Code (20*)	30	50	10	10			**80**
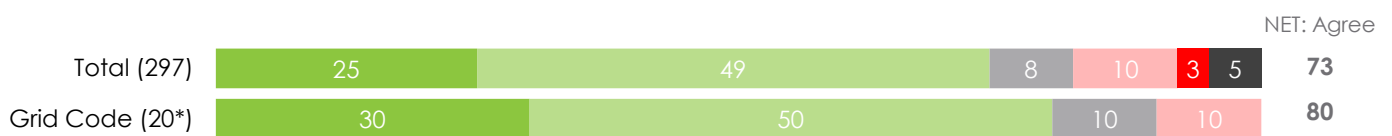
'The emails I receive make it clear when action needs to be taken'

NET: Agree

						NET: Agree
Total (297)	38	38	7	10	2	5	**76**
Grid Code (20*)	40	45	15				**85**

■ Strongly agree ■ Tend to agree ■ Neither/nor ■ Tend to disagree ■ Strongly disagree ■ Don't know

Q19. To what extent do you agree or disagree with the following in relation to the <code/codes>? Base: All responses for those receiving information from code administrator (number of respondents in brackets) (results in %)
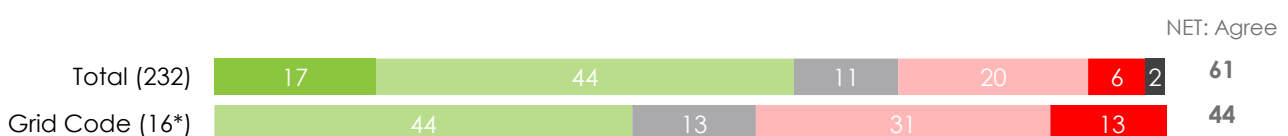
WEBSITES

At an overall level, those accessing specific code websites more regularly find them easier to navigate, while those less familiar feel it can be difficult to find the information they are looking for. Code administrator websites are thought to vary in quality and some are not updated as frequently as others.
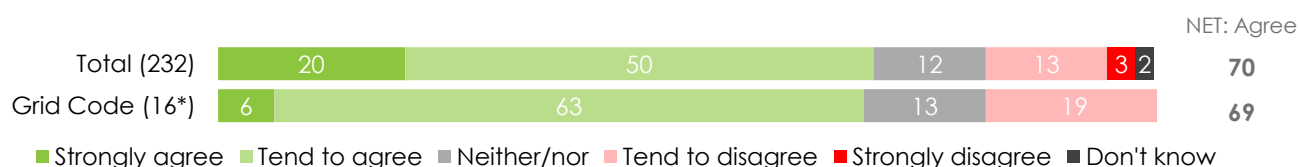
Seven in ten agree that the information on the National Grid website is easy to understand. However, there is some dissatisfaction expressed around ease of finding information on the National Grid website: over two in five disagree that it is easy.

National Grid's website is consistently highlighted as being in need of improvements. Organisations say it is difficult to navigate unless you are familiar with the code and it is slow to be updated. There are also some issues around who to contact with code-related queries, which is not clear on the website.

'I am able to easily find information on the website'

NET: Agree

						NET: Agree
Total (232)	17	44	11	20	6	2	**61**
Grid Code (16*)		44	13	31	13		**44**

'The information on the website is easy to understand'

NET: Agree

	Strongly agree	Tend to agree	Neither/nor	Tend to disagree	Strongly disagree	Don't know	
Total (232)	20	50	12	13	3	2	**70**
Grid Code (16*)	6	63	13	19			**69**

■ Strongly agree ■ Tend to agree ■ Neither/nor ■ Tend to disagree ■ Strongly disagree ■ Don't know

Q20. To what extent do you agree or disagree with the following in relation to the <code/codes>? Base: All responses for those using code administrator website (number of respondents in brackets) (results in %)

"They need to improve their website, look to what the BSC does in all areas."

MEETINGS

Overall, meetings and workshops are perceived as well run and useful. Introductory sessions are valuable for new entrants, chairs are generally impartial and effective, and organisations find it easy to contribute. Organisations indicate that code administrators try to encourage attendance from stakeholders.

However, organisations say it can be difficult to attend all meetings due to resource and financial constraints. Meetings are perceived as mainly London centric, which can be problematic for those not based in the capital.
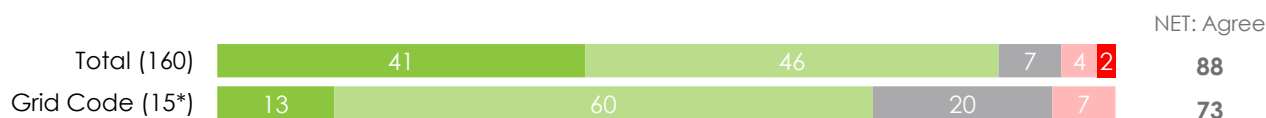
Teleconference facilities can be problematic due to audio problems (hearing and being heard), and confusion about who is talking.

The proportion of those who have attended a meeting or workshop about the Grid Code in the last 12 months is higher than average at 56%. At an overall level, 43% have attended a meeting or workshop in relation to the code they interact with. Most organisations (73%) say the materials they receive for the Grid Code meetings are sufficiently detailed.
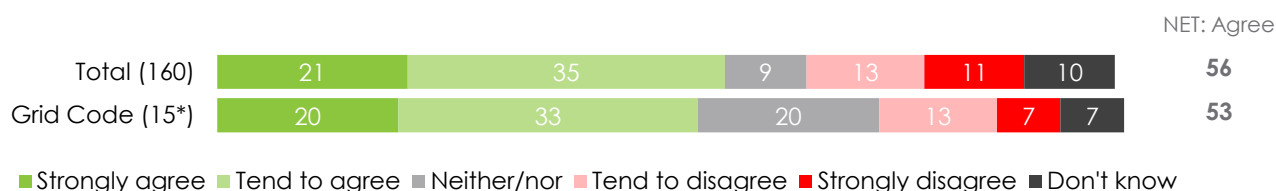
'It is easy for me to actively participate in the discussion'

NET: Agree

	Strongly agree	Tend to agree	Neither/nor	Tend to disagree	Strongly disagree	
Total (160)	44	44	3	8	1	**88**
Grid Code (15*)	27	60		13		**87**

'The materials that I receive prior to the meeting(s) provide me with enough information about the objectives'

NET: Agree

	Strongly agree	Tend to agree	Neither/nor	Tend to disagree	Strongly disagree	
Total (160)	41	46	7	4	2	**88**
Grid Code (15*)	13	60	20	7		**73**

'Teleconference facilities are fit for purpose'

NET: Agree

	Strongly agree	Tend to agree	Neither/nor	Tend to disagree	Strongly disagree	Don't know	
Total (160)	21	35	9	13	11	10	**56**
Grid Code (15*)	20	33	20	13	7	7	**53**

■ Strongly agree ■ Tend to agree ■ Neither/nor ■ Tend to disagree ■ Strongly disagree ■ Don't know

Q22. To what extent do you agree or disagree with the following in relation to the <code/codes>? Base: All responses for those attending meetings (number of respondents in brackets) (results in %)

"Some chairs actively discourage teleconference facilities which is not in keeping with the spirit of an all inclusive equal opportunity industry."

"they need to adhere to the meeting agenda and manage people participation, some attendees take too much time to discuss about very small issues."

RAISING MODIFICATIONS

A few organisations mentioned that only National Grid were able to raise modifications in relation to the Grid Code which was felt to be a conflict of interest and raised questions around National Grid's impartiality as a code administrator. However, there is a view that the process is being opened up.[2]
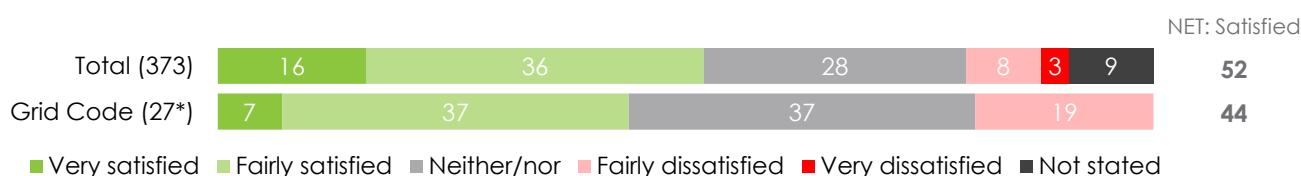
"Open governnance processes: establishing formal right of parties to propse changes."

"I'd have given the Grid Code a lower overall satisfaction score primarily due to the fact only National Grid can raise modifications for this code, whereas anyone can raise modifications for CUSC."

UNDERSTANDING MODIFICATIONS

Overall, half of organisations are satisfied with the support their code administrator provides to help to understand what modifications raised by others mean for them.

A minority of organisations (44%) are satisfied with the support National Grid give them to help them understand modifications. Over a third (37%) are neutral and one in five (19%) is dissatisfied.

NET: Satisfied

	Very satisfied	Fairly satisfied	Neither/nor	Fairly dissatisfied	Very dissatisfied	Not stated	NET: Satisfied
Total (373)	16	36	28	8	3	9	**52**
Grid Code (27*)	7	37	37	19			**44**

■ Very satisfied ■ Fairly satisfied ■ Neither/nor ■ Fairly dissatisfied ■ Very dissatisfied ■ Not stated

Q28. How satisfied were you with the support the code administrator gave you in helping you to understand what modifications raised by others mean for your organisation? Base: All responses for those involved with code (number of respondents in brackets) (results in %)

Organisations put forward specific suggestions around modifications.

"We need more notice of when things are going to change."

"Maybe include in the notifications what industries or areas are affected by any changes, what actions are required and timeframes."

ACCESSION PROCESS

Organisations do not accede to the Grid Code, and so no findings are presented here.

Conclusions

- Perceptions of National Grid in relation to the Grid Code are mixed.

- There are aspects of the website that are identified as in need of attention; particularly the ease of finding information, and there is scope to improve the ease of interpreting information.

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[2] Grid Code Modification Proposal GC0086: Grid Code Open Governance was approved in February 2017

- Likewise, organisations would appreciate it if National Grid could distinguish more clearly between the commercial and the code administration aspect of the business; making clearer who they need to approach depending on their query.