

CACoP Forum meeting 15x

16 June 2020, 10:00 – 12:35

Teleconference

Minutes

Attendee	Representing
Paul Rocke (PR) (<i>Chair</i>)	IGT UNC
Holly Burton (HBu) (<i>Secretary</i>)	SEC
David Kemp (DK)	SEC
Eugene Asante (EA)	MRA
Matthew Woolliscroft (MW)	BSC
Kirsten Shilling (KS) (<i>part</i>)	CUSC, Grid Code, STC
Jennifer Groome (JG)	Grid Code
Fraser Mathieson (FM)	SPAA
Helen Bennett (HB)	UNC
Helen Cuin (HC)	UNC
Richard Colwill (RC)	DCUSA
Jonathan Coe (JC)	Ofgem
Rachel Hinsley (RH)	National Grid (Gas Transmission)
Angharad Williams (AW)	National Grid (Gas Transmission)

1. WELCOME AND INTRODUCTIONS

The Chair welcomed attendees to the meeting.

2. SIMPLIFICATION OF PROPOSAL FORMS

PR highlighted the outcome of this workshop is to agree a target set of information to be sought from a Proposer when raising a Modification that Code Administrators can move towards adopting. Members noted that work had been done around five years ago to make proposal forms more consistent. Since then, different forms have diverged for various reasons depending on the information needed under each Code for a Modification.

The Forum will look to collate and discuss answers to questions that were previously raised before discussing how proposal forms can be simplified and aligned across all Codes. The Forum will then discuss and agree what the baseline should look like and agree next steps.

The current approaches highlighted that Grid Code, MRA, UNC and DCUSA are broadly similar and largely align to the original template. The SEC only seeks information on the issue itself at early stages, due to the approach taken to SEC Modifications. The BSC takes a middle line approach in that they focus on the issue and proposed solution, with tabulated options for progress.

At the last CACoP Forum meeting in May 2020, four questions were agreed:

- 1) What is the minimum amount of information a Proposer would need to provide to allow a Modification to be initiated and progressed under your Code?
- 2) How much of this needs to be provided before the Modification is raised and how much could be provided later in the process?
- 3) What does your Code currently require a Proposer to provide when raising a Modification?
- 4) How easy would it be to change these requirements?

MW highlighted that when BSC proposal forms were updated, ELEXON considered the minimum amount of information required by the Proposer to start the process before raising a Modification Proposal. As a minimum, this should be submission of the issue that the Modification is trying to address, a draft solution to work towards with the Workgroup, and justification against the BSC objectives for why the draft solution will be beneficial. The BSC places other requirements on the contents of a Proposal form that would need a BSC Modification to amend. PR questioned whether it was consistently recognised whether the Proposer should understand the BSC objectives and their ability to assess the solution. It was confirmed that at this point in the process, the Code Administrator would provide input as a Critical Friend, in order to assess the solution against the objectives. Based on the involvement between the Proposer and the Code Administrator, there is also an obligation on the Workgroup under current governance to assess the solution against objectives. The BSC's rationale for this is that they want to ensure that those that are raising changes have thought through and considered what they are proposing beyond it being a 'good idea'.

Suggested areas that could be improved within BSC's processes are the impacts on User Groups within the industry or an assessment on consumer and financial impacts as well as cross-Code impacts, as it can be argued that this does not provide great value. PR suggested there is no emphasis or impetus on the Proposer of the change to identify impacts and queried if this was this deliberate in terms of omission. The BSC's view on their process is that as a Code Administrator, support would be offered as a Critical Friend for those that are not familiar with the process or may lack technical knowledge or experience to confirm who or what is impacted.

The Forum considered there could be more responsibility within the Critical Friend role and as Code Administrators to engage with Proposers regarding cross-Code impacts.

DK confirmed the SEC follow a similar strategy in what the Proposer will need to provide in order for the Modification to be developed. As part of the pre-Modification process, the Proposer must be able to highlight and understand the issue before the Modification is progressed to the next stage. In the role of Critical Friend, SECAS will then work with the Proposer to build a solution and develop the Modification. The SEC does not seek to capture impacted Codes within the proposal form as the

solution tends to be high-level at this stage, and specific information will be drawn out at the modification progresses; once a solution has been developed then the impacts it will have can be assessed. DK noted this approach seeks to answer the right questions in the right order, as experience had shown proposing a solution before the issue is clear tended to result in Parties focusing on the nuances of the solution rather than whether the issue was clear and was something that needed change at all.

PR noted there are differences in the way that Codes manage their modification process. For some Codes, a pre-Modification process is used to fully develop a change before the formal proposal form is submitted, while for others, the proposal form is the first opportunity to raise an issue or a proposed solution for consideration.

EA confirmed depending on the change being raised within the MRA, Proposers are encouraged to raise the issue first before discussing a solution. The Proposer can raise an MRA Issue Form (MIF) which will then be discussed at the Issue Resolution Expert Group (IREG) with representation from impacted Codes. The MRA holds several pre-sessions and discussions before taking any issue to the MRA Development Board (MDB).

HB clarified that under the UNC, a pre-Modification discussion will take place at a specific Workgroup where the Proposer will discuss the intent of the modification along with the issue. Following this discussion, the Proposer will then submit a Modification proposal to the Joint Office which will follow the usual procedure. The Joint Office will then step in as Critical Friend and send the modification back to the Proposer with any amendments. However, the Proposer must first and foremost provide the intended solution and what the issue is before anything can be sent to the UNC Panel. The UNC Panel will then decide whether this Modification requires further development via a Working Group.

The Joint Office has a review process whereby a Proposer can raise an issue where a potential solution is unknown. This can be circulated to several different Working Groups to discuss solutions before a Modification is raised. PR questioned whether Parties use this approach and why it was created. HC advised review groups were held many years back which simply changed into a request. The request is submitted to the Joint Office where the Proposer has identified an issue needing review but does not have a clear solution in mind, and wants to seek Industry views on possible solutions. The information is discussed at high level, and the Joint Office would not expect a high level of detail within the request but just a simple dialogue which can then be forwarded to the group. This is a pre-Modification process that is used regularly, but not as frequent as a normal Modification procedure.

PR highlighted the pattern in pre-Modification processes and questioned if there was a benefit to standardising the pre-Modification processes. The differences in these processes could have been a catalyst for the divergences in the proposal forms. EA questioned whether requirement for a pre-Modification process was based on the complexity of the change, as some are simple housekeeping changes which are not required to go through the pre-Modification process. There was further question around how a Proposer knows what information is needed for the pre-Modification process. As such, there needs to be a steer in direction and formality to when pre-Modifications processes are required and when change can be submitted straight to a full proposal.

HC advised the pre-modification process idea would need to be taken back to the Joint Office for consideration to avoid over-complication. The Joint Office would be hesitant for Proposers to

complete a pre-Modification proposal form before converting this into an actual Modification proposal; the process needs to remain as simple as possible. The Joint Office encourages dialogue when raising a change to help engage conversation within the industry. Once the Proposer has passed the thought process of putting 'pen to paper', a modification form will then be submitted as a draft modification.

PR clarified Code Administrators will provide an expectation on Parties when submitting a change proposal within the pre-Modification process. However, this needs to be rolled out across Code Administrators so that consistent information is being requested by a Proposer, in order to better assist the development stage. This process will help the Proposer on issuing changes and to consistently interpret what is required when discussing issues through Codes.

DK questioned what the proposal form is used for once the Modification has been raised. as under the SEC the form only initiates the process of a new Modification. After that all developments and updates are compiled directly into the draft Modification Report, and the form is no longer used. HB clarified the form is what is refined throughout the UNC's process. Only once the modification is stabilised through several iterations will it then be transplanted into the modification report issued to the UNC Panel. The MRA echoed the process in that the form is a working document which moves through the process in its entirety.

EA questioned whether other Codes Administrators publish guidance on how Proposers can complete the form. This is something else that could be provided when trying to align the guidance of proposal forms.

PR highlighted the actual change processes are quite different. For example, some have a formal pre-Modification process while others do not. Some have Workgroups while others do not. Some have two consultations while others have one. He considered the original aim of the CACoP in standardising processes does not seem to be working but felt it would be hard to unpick these. Furthermore, if the Forum were to try to change processes then individual Panels will likely push back.

HC queried whether CACoP needed to identify the minimum expectations. The UNC would have a large amount of resistance to stripping back what they have put in place due to complexities which are unique to each Code. There will never be an all-encompassing process covering all situations.

PR queried whether the original process was not to better align the Codes. He asked whether there is a new process baseline that could be adopted where if Parties have an issue or idea then there is a chance to engage by providing basic information. The Code Administrators can then facilitate developing solutions to resolve that. Consequently, there would be low levels of expectation on a Party when entering the process. DK agreed with this view, though HB disagreed noting the UNC does not help Proposers with their solutions.

FM noted the SPAA tends to ask the Proposer to submit sufficient detail of a solution that can be put forward. However, it would not be reasonable to expect Parties to have the time and resources in the near future to develop a detailed solution. Code Administrators will be responsible for providing technical knowledge to aid the creation of a solution. A noticeable trend within the SPAA is once they engage with a Party who has raised an issue to raise a Change Proposal, often the Party will draw back meaning the change would not necessarily be raised. The SPAA undertakes an account management process whereby it engages closely with Parties that have issues and try to get them towards an understanding where the solution may lie. The complexity of a Change and getting

Parties to agree and understand how the solution can be put into place is a restriction within the industry.

JC suggested as previously seen across the Industry, it is beneficial for Codes to set out what should be included within a Modification Proposal when formally submitted. A question to consider is where the Modification process starts; it might not start at the point an issue is raised. Ofgem still expects a Modification Proposal to be submitted which should include all information that the Code stipulates; there is a role for Code Administrators to manage this process. PR noted the CACoP lays out a 'common process' to follow for Modifications. JG was concerned about formalising steps as it may be obvious that a particular change would not require the pre-Modification process, for example.

RC confirmed the process for DCUSA where certain Modifications are raised by experienced industry members who provide a solid change proposal which can then be sent straight to the Panel. Other Modifications require extra guidance due to the Proposer not being as familiar, or they know there is an issue but are unsure of the solution. The standard issues group are scheduled monthly and work to define whether there is an issue and work towards developing a solution. PR agreed there should be more active assistance to change expectations in the role of what a Code Administrator is expected to do as standard. However, he noted not every Code Administrator is resourced to be able to go beyond the core requirements. RC noted even some experienced industry members are put off filling in the existing template as it can be quite repetitive, meaning some issues never get taken forward. The form should be as simple as possible.

PR highlighted the process should remain as simple as possible for Parties to engage by formalising a standard process. He proposed a way forward whereby a Party begins by simply raises an issue with the Code Administrator. Where a Party has spotted an opportunity or issue, it will be asked to submit a basic level of information which essentially highlights the problem and a rough level of solution identified. Then there should be a process whereby the Code administrator would have a role to identify whether the issue raised is complex enough to require a pre-Modification process or, whether it is clear enough to be easily developed to enter the formal Modification process. After that, the basic information provided by the Party would be developed by a working group to fill potential gaps in the proposal.

HB confirmed the Joint Office follow this process, but usually bypasses the first step where a Proposer identifies an issue as the Proposer normally attends the working group with the pre-Modification in hand. HC clarified the UNC does not offer the opportunity for Parties to formally raise issues, but can simply raise an issue in any form (email, telephone or meeting attendance). The UNC have a process where the problem is logged on an issues matrix which will then be assigned to a workgroup to address and discuss. However, this is not used very often. An issue being raised will not always end up as a Modification as some are operational issues which can be addressed offline.

PR clarified the first stage of the process should consist of a Party being made aware. They should be encouraged that if they identify an issue that doesn't work for them within the Code, they can liaise with the Code Administrator to describe the issue and a hopeful resolution. The Code Administrator can then facilitate bringing them into the Modification process. The aim is to standardise a way for industry to engage with Code Administrators to find the best route to enter the change proposal process if required.

CONSUMER BENEFIT ANALYSIS

RH provided an update on work that National Grid Gas Transmission has done on identifying consumer impacts and benefits from changes. She presented the Forum with an outline of the Consumer Benefit Analysis proposal and potential impacts on the Modification template, and a sample of stakeholder feedback received to date.

The desired outcome for this is to develop a consumer benefit analysis approach which can be used when delivering change to demonstrate impact on end consumers. National Grid proposed structuring industry feedback and analysis for change using the five Ofgem consumer benefit categories, before feeding this into the relevant decision makers to reflect how the change will impact end consumers.

The five categories recognised by Ofgem cover a broad spectrum of benefits for consumers have been tailored by National Grid:

- Improved safety and reliability
- Lower bills than would otherwise be the case
- Benefits for society as a whole
- Reduced environmental damage
- Improved quality of service

Qualitative analysis against these categories would be obtained to describe how the change would impact these areas. Likewise, quantitative ways would question whether the value of the change can be identified. National Grid has received pushback from stakeholder feedback against the quantitative benefits as carrying these out would provide a barrier for new entrants. This would also provide a barrier for smaller market participants that could not afford an independent assessment and whether this would be biased.

Stakeholder feedback provided an example of what to expect should this be rolled out across the industry. Feedback highlighted whether these could become part of the terms of reference for Modification Workgroups as opposed to a change to the template. RH clarified this may not work for all Codes as terms of reference are set in different ways.

Another participant questioned whether Parties do enough to demonstrate direct and indirect benefits and consequences of changes introduced now, not just regarding end consumers. There was a big concern around avoiding this being a box ticking exercise, specifically to not add another layer and add more time. More feedback questioned whether the consumer objectives could be mapped to the relevant objectives already within each Code.

National Grid was keen to understand what changes are proposed to the consumer impacts section of the Modification template. Another question is whether there are identified categories of consumer benefit and are the definitions appropriate. National Grid was seeking views on whether this should be introduced for Modification proposals, and whether this would be a welcome addition to the consumer impacts section in the Modification template, before confirming whether the proposed approach would work and if not what the alternative solution might be.

PR highlighted this was a good way to populate parts, adds structure and fits in with the way objectives work. It would not be a departure from the way templates are used now. MW agreed, noting the BSC has a section for consumer impacts within its templates but there is little structure to filling this in. Furthermore, a Party questioned at the last BSC Panel meeting whether the BSC undertakes analysis regarding achieving net zero. The BSC has an environment impact section within the template, but most Modifications do not have an impact, or the information submitted is not highly useful. A structure like what was proposed will help reduce the feel of a box ticking exercise.

FM acknowledged this is a well-formed idea about how to guide Parties into understanding what consumer impacts are, as this has always been a consistent issue for Parties. Guidance notes are provided within change proposal templates but there is no current guidance on consumer impacts. These are a perfect set of questions to help prompt thinking. The environmental impacts also pose interest to help consider the priorities that Ofgem and the wider industry are looking at. FM agreed to take the analysis away with the view to incorporate into ElectraLink's templates.

RH confirmed this has been sent to Ofgem for feedback, and it would be worth waiting for this input before proceeding more formally. JC noted Ofgem will endeavour to provide feedback as soon as possible. As such, it would be worthwhile to bring this back to a future Forum meeting to seek views from all Codes as a collective based on the comprehensive work. RH confirmed National Grid was happy for the CACoP Forum to develop this proposal further.

PR thanked RH for the work done. He noted it would provide helpful guidance to Proposers and Working Groups in assessing the benefits of change. He also noted that a change may be neutral to the five consumer objectives but still be seen as a good change overall.

NEXT STEPS

Based on outputs from the workshop, the Forum has begun to establish consistency around pre-Modification processes and how to communicate consistency. However, work needs to be done on the specific changes to the proposal form itself. The Forum agreed to focus on specific changes to the template as part of an additional ad-hoc workshop.

PR and DK agreed to investigate how to incorporate the additional pre-Modification process and the work undertaken by National Grid into the proposal form template. They will also consider how to take this forward and engage with the industry to actually implement into a new proposal. There is potential to invite Code Panel chairs to discuss the proposed changes so that they can facilitate future changes.

ACTION 15x/01: Gemserv to hold an offline discussion for how to incorporate the additional pre-Modification process and work undertaken by National Grid into the proposal form template.

ACTION 15x/02: The Secretary to seek Code Administrator availability for the week commencing 27 July 2020 to hold an additional ad-hoc workshop to specifically amend proposal forms, and to circulate an invite.

ACTION 15x/03: Gemserv to invite National Grid (RH & AW) to the next CACoP Forum meeting in July 2020, and the additional workshop in July to further input on views on changes to proposal forms.

3. ANY OTHER BUSINESS

One item of business was raised by JC in relation to the annual Code Administrators survey that is undertaken by Ofgem. During the current Covid-19 pandemic, Ofgem has delayed work on this. However, based on recent government measures to relax lockdown, Ofgem is starting preparation for the next survey. JC questioned whether there is capacity for Code Parties to participate at this time, or whether this would add additional work to Parties during Covid-19. Members highlighted, based on previous correspondence, there is consensus that Parties will likely de-prioritise this survey based on the lack of full operation. Ofgem will be presenting this to Code Panels to seek views on capacity.

No further items of business were raised.

4. SUMMARY AND MEETING CLOSE

The next CACoP Forum meeting will be held on 14 July 2020.

The Chair thanked everyone for attending and closed the meeting.