

CACoP Forum meeting 16x

30 July 2020, 10:00 – 12:10

Teleconference

Minutes

Attendee	Representing
Paul Rocke (PR) (<i>Chair</i>)	Gemserv
Holly Burton (HBu) (<i>Secretary</i>)	Gemserv
David Kemp (DK)	SEC
Eugene Asante (EA)	MRA
Rachel Clarke (RCI)	IGT UNC
Sue Jackson (SJ)	Gemserv
Christopher McCann (CM)	DCode
Helen Bennet (HB)	UNC
Jennifer Groome (JG)	CUSC, Grid Code, STC
Fraser Mathieson (FM)	SPAA
Richard Colwill (RC)	DCUSA
Matt Woolliscroft (MW)	BSC
Rob Marshall (RM)	National Grid ESO
Rachel Hinsley (RH)	National Grid (Gas Transmission)
Angharad Williams (SW)	National Grid (Gas Transmission)

1. WELCOME AND INTRODUCTIONS

The Chair welcomed attendees to the meeting.

The Chair noted apologies from Kirsten Shilling (KS) and Jonathan Coe (JC).

2. SIMPLIFICATION OF PROPOSAL FORMS

The Chair highlighted previous exploration around the differences established with the modification and pre-modification processes across industry Codes. The CACoP Forum established the importance of removing barriers for those seeking to engage with Code change processes.

It was challenged whether exact alignment of templates should be sought but it was considered that a principle-based approach would be more flexible and effective. In turn, the CACoP Forum previously considered and welcomed a proposal to support identification of consumer impacts using Ofgem's consumer benefits framework.

The Chair clarified outputs from this workshop would look to design a set of principles which are fit for purpose and that can guide Code Administrators and Panels in the construction of their processes. The Forum will also look to discuss the template sections, in particular the information provided on the front page of the template and the information relating to Impact Assessments. Lastly, the Forum would look to how to socialise and roll out some of the changes to Code ways of working.

3. ESTABLISHING PRINCIPLES FOR TEMPLATES

The Forum noted that, rather than insisting on the use of a baseline template for modifications, the CACoP may be best served by designing a set of principles that Code Administrators can adopt within their modification processes. This would support the design of a minimum standard, whilst allowing Code Administrators to apply the principles flexibly and within the existing constraints of their evolved Code processes.

PRINCIPLE OF MINIMISATION OF INFORMATION AT ENTRY STAGE

The first drafted principle sets out the minimisation of information at entry stage. The idea is that Parties seeking to raise Code changes should be required to provide only a minimum level of information such as:

- An overview of the issue being faced (or opportunity identified)
- How the issue or opportunity relates to the Code
- The high level impacts the issue is having (and the impact of doing nothing)

This principle aims to reduce barriers that Code parties may have with raising a change, particularly benefitting smaller Code users or non-Code parties (where they have the right to raise Code changes).

Based on previous discussion, this principle reduces the amount of information the Code Administrators rely on receiving from Parties raising changes, which is intentional. The idea behind this is for Code Administrators to facilitate and progress change without a fully formed Code template being submitted at the first stage, making it easier for a Code user to enter the change process.

MW noted in principle this is an ideal approach and this is followed within the BSC to an extent. However, as additional requirements for the proposal form are set out in the BSC, there could be limited appetite for the BSC to progress a modification to change this. PR noted that although certain Codes require more information at the initial proposal stage, if Code Administrators are expected to ascertain this level of information from the Proposer, then Code Administrators are in

theory accepting responsibility to be able to work with the relevant bodies to bring the proposal up to the expected standard.

HB highlighted that from a UNC perspective, when a modification is submitted, the UNC expects to see as much information as possible (not a minimum level). This issue with the UNC's modification process has been raised previously, and HB believes the differences are a result of the way in which different Code Administrators operate. Several Code Administrators operate more as a 'Code Manager', whereas the UNC operate purely as a Code Administrator alongside their role as Critical Friend. PR noted all Code Administrators have a duty to make modification processes as easy as possible for Parties that wish to engage and make changes.

The Chair raised an example where a small Code user approached the UNC with raising a potential change that had a minimum level of information, highlighting they are aware of the impacted Codes but could not yet define a solution. Would the UNC go back to the Proposer asking them to further define the modification before re-submitting? HB confirmed the Proposer would have already been contacted by the UNC asking them to present their issue at the relevant Working Group. This is where the further level of detail would be sought and a potential solution developed.

HB confirmed the level of concern for UNC is in relation to the following statement 'Parties seeking to raise code changes should be required to provide only a minimum level of information', as this is not true to the UNC and could be misleading.

JG suggested to change the principle so that it seeks as much information as that Party can possibly provide. FM agreed instead of using the word 'minimum', the principle should state 'Parties seeking to raise code changes should be required to provide a certain level of information'.

HB concluded it was the word 'only' that was the issue. PR suggested the draft principle should state 'Code Administrators shall facilitate the progression of a change, providing a minimum level of information is provided to the Code'. The Forum was content with this wording.

RCI queried whether, when providing information as part of a change, the Proposer should indicate impacts against other Codes. If not in this section, then the Proposer should highlight this in the gathering of information. PR challenged whether a small party should be expected to have an understanding of the intricacies of other Codes and therefore be in a position to identify impacts on other codes at an initial stage. RCI noted that the people who usually raised changes to the IGT UNC were established participants who would likely know the other Codes impacted.

JG confirmed the National Grid-led Codes assist Proposers and provide guidance to complete areas where knowledge is reduced. The Chair clarified this principle should specify a minimum level of information that a Party needs to enter. If the Party cannot confirm how the issue relates to other Codes or confirm what the solution is, then the Code Administrator should facilitate this information being drawn out as the modification progresses through the process.

The Chair summarised the Forum should try to establish ground rules for what a Code user needs to be able to communicate to initiate the change process. Populating further information would happen throughout the process to the stage of finalising the modification proposal. Code Administrators would be expected to then work hand in hand to make sure the proposal is produced to the agreed standard. PR noted that the Codes' processes diverge between the raising of a proposal and the submission of the final modification report, and so it was not possible to derive a principle for this part.

PRINCIPLE OF MAXIMISATION OF INFORMATION AT CONSULTATION STAGE

The Forum noted a baseline level of information should be available for Parties to consider when impact assessing a change in the final consultation or decision period:

- Detailed description of the issue or opportunity
- Detailed description of the solution proposed – including business rules and code drafting changes
- Assessment of impacted parties and scale of impact
- Assessment of cost of making the changes
- Intended approach to implementation (including method and timeline)
- Capture of key discussions/decisions during the development of the change

This principle aims to ensure that parties are impact assessing potential changes from a sufficiently informed position to review the impacts on their businesses and on the wider industry.

RH questioned whether any engagement with customers had taken place, in particular seeking views on what sections are proving difficult to complete and any suggested changes. There is a feel that Code Administrators are second guessing what Parties can and cannot populate on the templates. RH acknowledged while not all the Codes could be fully aligned, consistency is a key factor. PR confirmed engagement has been received from Parties to standardise this work. Further evidence is based upon a consensus that these are the things Parties need additional support in. By doing so, this should reduce barriers to entering the change process.

JG highlighted the current forms have a lot of repetition. National Grid has recently updated its reports which have been re-branded and translated into plain English. National Grid has not yet made similar changes to its proposal forms, but is looking to update these imminently, once the baseline requirements need to be agreed upon. The Chair recognised certain Codes have already diverged a long way from the original baseline templates, and that it would be hard to reverse those changes to re-establish a baseline template. He expected there would be limited challenge from CACoP if National Grid were to update their template. JG noted they would not be that much different from before, just with the repetition removed.

Both JG and HB suggested CACoP are trying to approach a level of detail that not all Codes will be able to agree on. DK felt that the Forum should agree the level of detail that needs to be provided by the end of the process, which would cover the details people were seeking.

RC noted there are some sections of the form that could be eliminated. He queried if the Forum should work back from the final Change Proposal. He wondered if it was a case of asking a Proposer to submit the issue and use Working Groups to further develop and define the issue and solution. PR agreed the first principle seeks the minimum level of information for a new change proposal, which can then be developed further. For some Codes, the pre-modification process is a mandated step in the overall framework, and that the proposal is built up as it progresses through the different stages.

The Chair clarified that providing a Code user provides a certain level of information that Code Administrators can work with, Parties should be able to enter the change process at any given stage. Making sure Code Administrators are consistent in how Codes allow Parties to enter the change process is key. Code Administrators should also remain consistent in seeking information and setting the baseline so that Code Panels and Ofgem have a consistent level of information to aid decisions. DK noted that the UNC's framework did seem to align with the first principle; if a Proposer identified just the points noted above, the UNC would direct them to a Working Group, meaning the Proposer would then have entered the UNC modification process. HB confirmed this seemed to be the case.

Within Section 4 of the CACoP, there is a common documented modification process that the Code users are expected to follow such as;

- The pre-change process
- Modification raised on template form
- Panel observed assessment or consultation
- Drafting of legal text
- Panel circulates for consultation

As some of these categories are much broader, this has resulted in different interpretations across Codes. DK questioned if a first step for sharing best practice is to map the different Code change processes to the diagram to identify gaps. This would also help with mapping any 'central' terminology to specific Codes' frameworks. He also queried if there is confusion between the terms 'proposal form' and 'modification report', and whether members were consistent in their use of these terms. He noted some Codes use the proposal form solely to initiate a proposal, after which it is discarded and all subsequent updates recorded through periodically updating the draft modification report. Others update the form throughout their process and prepare the modification report only at the very end.

RC noted whether the Forum should be looking at principles of developing information. He felt the principle should be that someone could come to a Code Administrator with an issue and would then enter a process that ultimately leads to the full proposal being developed, either directly or via a pre-modification process. A customer would know the specific steps will not be exactly the same from one Code to the next, but the principles would be the same. The only issue seems to be if Codes require different entry information, for example some Codes require a solution up front while others do not. Ideally a customer would know that whichever Code they are engaging with, they know what is needed.

The Chair queried if work should be undertaken to confirm what is a common process across all Codes. RC queried if the Forum needed to be reviewing the forms, or if it needed to look at the level above and agreeing common names for the process steps. The Chair concluded there seemed to be four stages: defining an issue; developing a solution; consulting on this; and implementing approved changes. Codes need to understand how their processes map to this.

CM noted CACoP has various areas to consider in that both large and small customers of the Code are able to raise changes. Most larger players seem to be aware of the process and know how to instigate change. However, communication with customers to the Code on where a change is in the process is vital. PR felt this comes back to the requirement to be a critical friend.

The Chair noted Ofgem had provided the following statement with regards to standardising modification template forms:

'We agree it's helpful to consider if the standard modification templates could be simplified to make them as user friendly as possible. As part of our work under [Code Governance Review \(Phase 3\) Final Proposals](#) (Page 39) we set out our view that a standard modification template be used across all codes, an approach supported by respondents. For this reason, we anticipate that any changes to the existing standard templates, or any new templates, will be adopted for all codes.'

The Forum acknowledged this but noted the divergence of different Codes since Ofgem's review and that getting everyone back in line would be challenging.

4. REDESIGNING TEMPLATE SECTIONS

The Chair informed the Forum that, rather than insisting on the roll-out of brand new templates which may conflict with some Code processes, there may be value in asking all Code Administrators to implement certain changes to existing templates.

As previously mentioned, there are areas of the existing modification proposal that could benefit from a closer look such as the front page and, the impacts section (including consumer impacts). The Forum noted several factors that should look to be included within the updated template, however, the two most useful pieces of information to consider including is the proposed implementation date and any other impacted Codes.

Code Administrators were asked what their submission date is defined as. Some Codes use this as the date the proposal was first submitted to them whereas, other Codes put this as the date in which it was published to the first Working Group. The submission date for the SPAA is the date in which the proposal is first sent to the Board for consideration.

HB confirmed the UNC uses a footer which includes the version and publication date of the document and is updated when required. HB requested sight of a template which includes the date of publication in order to incorporate onto their modification templates.

The Chair presented an example template for the first page of the proposal form. This highlighted the expected implementation date and other elements to consider, such as other impacted Codes. All other key information that should be included within the template will remain the same.

FM highlighted the proposal form presented does not include an 'impacted schedules' section as it does in the SPAA form. The industry has found this information useful in the past. The Chair agreed to update the proposal template form to include 'Impacted Clauses' which will consist of the main Code sections, schedules etc. impacted by the modification.

Post Meeting Note: The CACoP Updated Template Modification Proposal was circulated to the Forum on Thursday 30 July 2020 for review.

JG questioned whether there is a current requirement to use CACoP branding within the modification proposal forms or whether Codes should use their own Code branding. PR noted this would feed into Ofgem's comments about the use of a standard modification process template. It

could be deemed useful for users to have documents with the same look and feel however, the preferred decision is for Codes to use their own branding so long as the level of information requested is in parallel with other Codes.

5. ASSESSMENT OF CONSUMER IMPACTS

The Chair noted there is a need to introduce any consumer benefit analysis model in a way that is consistent with the existing approach for relevant objectives. The form should include the consumer benefit category and the identified impact, whether this be positive, negative or none. In addition, the Proposer should look to justify assessment of how the change impacts a consumer benefit category, through inclusion of a qualitative and – if available – quantitative statement. The Chair highlighted that the CACoP should be the driver for drafting explanatory notes of each consumer benefit category. RH suggested a third text box should be included to enforce the Proposer's justification for why the category has been identified as a positive impact.

RH noted that National Grid has received some challenge around defining what an end consumer is. A follow up call is being held on Monday 3 August 2020 with Citizens Advice and National Grid Gas Transmission to talk through ideas. SJ noted that work is already being undertaken with Citizens Advice for modifications within the SEC. Feedback has been received which will prove useful, and agreed to circulate this advice to National Grid after the meeting.

The Chair noted the following feedback was sent to National Grid via Ofgem:

'We agree that additional information on the impact that industry parties consider a modification would have on consumers may be helpful in allowing industry to assess modifications that will come to us for decision. We also welcome this work being brought to the CACoP Forum for discussion. In our CGR3 Final Proposals, we set out our view that the standardised modification proposal template should include a section considering consumer impacts. Again, this was supported by respondents. We consider that, by including such a section in the template, it should mean that at all stages of the modification process the question should be asked as to what the impacts of the proposal could be on consumers. We also set out that it would be helpful for the CACoP Forum to play a role in determining how consumer impacts should be considered. It is important to note however, when considering how best to do this, that this information would not replace our wider assessment.'

FM recognised the work that has been undertaken by National Grid which now provides a structure of consumer benefits which can be fed back to Ofgem when making decisions. In terms of defining an end consumer, the SPAA see this as the individual who is paying the bill who gets the supply to their home or business. The Chair agreed there is a need to reflect that every change in the industry ultimately has an impact on the bill payer or customer, and that Code Administrators should be looking to identify the scale of these impacts.

ACTION 16x/01: Code Administrators to confirm their definition of what an 'end consumer' is by the next CACoP Forum in August 2020.

6. CODE USER ENGAGEMENT

The Chair noted work is still required to better simplify Code modification proposal forms. He questioned whether the Forum felt there was interest in consulting more widely on any changes that the Codes intends to make to their templates.

The Forum agreed that no formal consultation of changes to the proposal forms is needed, although Codes should inform their customers of any changes before they are rolled out.

7. ANY OTHER BUSINESS

No further items of business were raised.

8. SUMMARY AND MEETING CLOSE

The next CACoP Forum meeting will be held on 11 August 2020.

The Chair thanked everyone for attending and closed the meeting.