

PUBLIC

CACOP ANNUAL REVIEW 2014 FINAL REPORT



21 November 2014

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OVERVIEW

The 2014 Code Administrator Code of Practice (CACoP) annual review meeting was held on 6 October 2014. During the meeting the Code Administrators (CA) discussed general customer feedback regarding the CACoP and cross Code Administration matters. This report provides details of the meeting discussions and CAs' recommended changes to the current CACoP (Version 3.0).

ATTENDEES AND APOLOGIES

Members	Simon Fox	SF	Chair (ELEXON)
	Oliver Xing	OX	Technical Secretary (ELEXON)
	David Kemp	DK	BSC (ELEXON) Representative
	Bob Fletcher	BF	Joint Office of Gas Transporters Representative
	Stephanie Catwell	SC	MRA (Gemserv) Representative
	David Barber	DB	SECAS (Gemserv) Representative
	Paul Roche	PR	iGT UNC (Gemserv) Representative
	Karin Johnson	KJ	SPAA (ElectraLink) Representative
	Michael Walls	MW	DCUSA (ElectraLink) Representative
	Jade Clarke	JC	CUSC, Grid Code, STC (National Grid) Representative
	David Spillett	DS	Distribution Code (Energy Networks) Representative
	Roberta Fernie	RF	Ofgem Representative
	Lisa Charlesworth	LC	Ofgem Representative
	Attendees	Bob Weaver	BW

AREAS DISCUSSED

1. Specific CACoP Review Feedback

- 1.1 A member raised a concern from customer feedback that CAs have not fully achieved the principles laid out in the CACoP document. Ofgem recognised that each industry Code is different, and that the CACoP document defines high level principles that CAs are required to follow. It also provides "best practice" guidance underneath these principles on how that could be implemented. It is expected that the best practice guidance will be followed unless there is a clear and justifiable reason for any deviation.
- 1.2 A member commented that some customer comments, from each CA's CACoP consultation, were around some CAs not achieving best practice rather than breaching their obligations.

2. Future CACoP Review Consultation Coordination

- 2.1 A member suggested that the CACoP customer survey should be issued centrally by the host CA going forward, which allows feedback to be centrally collected.
- 2.2 Another member questioned whether CAs' mailing lists should be revealed to the host CA due to data protection. The group concluded that each CA could forward the survey link to their own customers and all the survey feedback will be centrally submitted to the host CA.
- 2.3 A member had concerns over the amount of work for the host CA to collate the survey results. Another member advised that, looking at the number of responses received this year (around a dozen in total across all CAs), it is unlikely that there will be a large number of responses in the future, and that the workload should therefore be manageable.

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2.4 A member advised that the CACoP survey should be separate to the individual CA's surveys and that the CACoP survey should be at a higher level rather than focusing on individual Codes. CAs could have pre-meetings to discuss any issues identified and find the right path to address them.

3. Industry and Customer Engagement in Code Modification Process

3.1 The Attendee raised a concern (particularly in relation to Distribution Charging Use of System Agreement (DCUSA)) that customers' views have not been easily voiced to CAs, as some Codes prohibit non-Code Parties from voting in Modification Workgroup meetings.

3.2 A member advised that DCUSA is currently reviewing their voting rules under DCUSA Change Proposal (DCP) 214 and that there are opportunities to take different views to the Panel.

3.3 A member encouraged that CAs should try to have all customers engaged as some interested customers did not receive consultations. Another member advised that consultation contacts include Citizens Advice and Citizens Advice Scotland but no consultation responses were received from these contacts.

3.4 A member recommended that the general awareness of the CACoP should be increased as the CACoP document is currently not published on some CAs' websites. Ofgem commented that the CACoP was designed by users for users and supported that CAs should have the CACoP published on their websites.

3.5 A member advised that some Panels have consumer representatives and others don't. However, as the number of consultation responses from consumers and consumer representatives is very small, this may indicate a lack of interest. Another member stated that this may be due to consumers not understanding the impacts of industry Code modifications.

3.6 A member questioned whether independent customers should be funded to attend Workgroup meetings. Another member noted that all CAs are trying to cut down costs, but the point could be noted in the report that will go to each Code Panel. Each Code Panel could then consider funding independent customers who wish to attend Workgroup meetings. Another member cautioned that independent customers may not have sufficient knowledge about the Codes since some of them are very technical.

3.7 A member suggested widening CAs' mailing lists to engage more independent customers.

3.8 A member questioned whether there is a good representation from a range of industry stakeholders in Workgroup meetings held by CAs. The group noted that all CAs try to include a mixed range of stakeholders in their Workgroup meetings, but in some circumstances they would also need to balance it with the meeting quorum requirements.

3.9 A member voiced that currently there is no voting right for independent customers in Workgroup meetings for certain industry Codes and argued that there should be equal voting rights. Another member advised that Ofgem will always consider the impacts on wider customers when deciding whether to approve a Modification and it has the right to disagree with Panels' recommendation if it believes any Modification would damage the interest of customers.

3.10 The group agreed to provide further clarity on equal opportunity of Workgroup invitations where practically possible.

3.11 The group also noted about transparency over decision making. CAs should publish non-confidential consultation responses and provide discussion details.

3.12 The group noted the possibility of having webinars, in addition to the current teleconferencing facilities. Workgroup chairs should proactively invite members on the telephone to comment during Workgroup discussions.

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- 3.13 The chair sought the group's view on whether the Cross-Code Forum should be resurrected. The group recognised that CAs have been proactively working with each other quite well, an example being BSC Modification P300 and DCP179. CAs should contact each other at an early stage when there are cross-Code impacts. A member advised that communication between CAs should go beyond just "inform" and suggested that back-to-back meetings could be a more efficient path. The CAs have agreed that when a modification impacts cross Codes, CAs should coordinate and keep each other informed.
- 3.14 The group agreed that having a high level generic modification process summary pack/guide including a simple overview that picks up on any specifics relating to each Code and having CACoP headline principles on individual CAs' websites would be useful to stakeholders.

4. Principle 7 and Alternative Modifications

- 4.1 The group discussed the number of possible Alternative Modifications that is allowed to be raised. A member advised that the number of Alternative Modifications that can be raised varies between different Codes, for example the BSC only allows for one Alternative Modification to be progressed beyond the Assessment Procedure. An extreme example was highlighted where BSC Modification P304 could put forward every possible alternative Price Average Reference (PAR) value between 1MWh and 499MWh, which could potentially have created 498 possible Alternative Modifications. However, while only one Alternative Modification can be raised under the original Modification number, there is nothing to stop BSC Parties from raising a subsequent Modification to progress further alternative solutions, which has occasionally happened in the past. The member advised the group that the BSC Panel will review its modification process next year.
- 4.2 A member made an observation on the Connection Use of System Code (CUSC) process that the CUSC chair has the power to present a Workgroup Alternative CUSC Modification (WACM) from being progressed if the chair believes that it is not appropriate to do so.

5. Discussion of CACoP Changes

- 5.1 A member suggested that the legal text for housekeeping changes such as changing contact details should be exempt from industry consultation. This would require amendments to Principle 9. The group noted that Principle 10 talks about Fast Track Self-Governance Modifications being excluded from the consultation process, but agreed that clarity also needs to be provided in Principle 9.
- 5.2 The group agreed that the host CA of the annual CACoP review will keep the live CA contacts updated.
- 5.3 A member stated that a new KPI should be added to CAs' report which summaries the number of Fast Track Modifications that have been raised.
- 5.4 ELEXON agreed to review the general format of each Principle for further clarification.
- 5.5 A member questioned about the timetable and when a report should be produced. The chair advised that the final CACoP review report will be produced by 27 October 2014 for the CAs.
- 5.6 The group agreed that the CACoP principles could be reviewed more often if it is felt that more changes are needed.
- 5.7 Ofgem commented that having KPI data that can be compared across CAs would be useful for identifying issues arising. It is advisable to provide commentary with the KPI reports where relevant as situations may differ from case to case. The group has agreed to recommend that KPI in Principle 12 should be changed to measure/metric.
- 5.8 The group agreed that quarterly KPIs should be collated and published following the next review.

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RECOMMENDED CHANGES

The Code Administrators recommended the below changes to be made to the CACoP:

- Provide clarification in Principle 9 to allow Fast Track Self-Governance Modifications to be exempted from consultation on legal text changes;
- Include provision of equal opportunity to join Modification Workgroups in Principle 9; and
- Rename the Principle 12 to refer to 'metrics' rather than KPIs
- Include a metric on the number of Fast Track Modifications raised.