

Representation received by Email

UNC Independent Panel Chair

Date: 10 February 2014

Organisation:

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Abstract:

1) What criteria do you consider to constitute an independent Chair?

EDF Energy believes that there should be a formal, rigorous and transparent procedure for the appointment of a Chair to the UNC Panel that industry parties can participate in. We do not consider it necessarily appropriate that an independent Chair is directly employed by the Gas Transporters, Shippers or the Regulator. However, we consider it valuable that an independent Chair has knowledge of the industry.

2.) Do you consider that the Joint Office Chief Executive, appointed from a Gas Transporter business, fulfils the Transporter's Licence obligation to appoint an independent chair, and why?

No, EDF Energy does not believe that the Gas Transporter's have demonstrated to the UNC Panel or industry that the UNC Chair is independent. The Gas Transporter's have not demonstrated that an open, formal recruitment process that involves the UNC Panel has been followed.

In addition, the roles of the Joint Office Chief Executive and the UNC Panel chair do not necessarily need to be carried out by the same individual.

3.) Do you have any views on the *process* of appointing the Independent Chair in this way?

As detailed in our response to question 1 there should be a formal, rigorous and transparent procedure for the appointment of a Chair to the UNC Panel. The appointment of an independent Chair should be made on merit and against an agreed well-defined criterion and for a defined fixed term. It may also be appropriate to ensure that there are processes and procedures in place to facilitate the orderly succession for future appointments of an independent Chair once the fixed term is complete.

4.) Are there any further examples or evidence you can provide to support the points made?

There are examples of processes to appoint an independent chair to a Panel. These processes range from a formal one as detailed in the Connection and Use of Systems Code (CUSC) and

Balancing and Settlements Code (BSC), through to a simple one as detailed in the Distribution Connection and Use of System Agreement (DCUSA) and Master Registration Agreement (MRA).

In addition, DECC has recently published its decision on the content of the new Smart Energy Code¹. The requirement for a process to appoint a Panel Chair is detailed within Smart Energy Code (C3.5). This follows on from DECC's consultations in 2012 which stated that the panel chair should always be independent and that this is consistent with the findings of Ofgem's Code Governance Review.

¹ <https://www.gov.uk/government/consultations/new-smart-energy-code-content-stage-2>