

## CUSC Workgroup Consultation Response Proforma

### CMP285 'CUSC Governance Reform – Levelling the Playing Field'

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses by **10 September 2018** to [cusc.team@nationalgrid.com](mailto:cusc.team@nationalgrid.com). Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Workgroup.

Any queries on the content of the consultation should be addressed to Shazia Akhtar at [Shazia.akhtar2@nationalgrid.com](mailto:Shazia.akhtar2@nationalgrid.com)

These responses will be considered by the Workgroup at their next meeting at which members will also consider any Workgroup Consultation Alternative Requests. Where appropriate, the Workgroup will record your response and its consideration of it within the final Workgroup Report which is submitted to the CUSC Modifications Panel.

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<b>Company Name:</b>	ELEXON Ltd
Please express your views regarding the Workgroup Consultation, including rationale.  (Please include any issues, suggestions or queries)	<p>For reference, the Applicable Standard CUSC objectives are:</p> <ul style="list-style-type: none"><li>(a) The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;</li><li>(b) Facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity;</li><li>(c) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and</li><li>(d) Promoting efficiency in the implementation and administration of the CUSC arrangements.</li></ul> <p>*Objective (c) refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).</p>

## Standard Workgroup consultation questions

Q	Question	Response
1	<p><b>Do you believe that CMP285 Original proposal, better facilitates the Applicable CUSC Objectives?</b></p>	<p>Yes, overall, but with reservations.</p> <p>We note that CMP285 seeks to enhance the independence and diversity of CUSC Panel members and ensure wider engagement from CUSC signatories. We agree that, overall, CMP285 will better facilitate the achievement of Applicable CUSC Objectives (b) and (d) by increasing the diversity and transparency of the CUSC Panel's constitution. However, we have some comments and concerns on specific aspects of the proposed solution. While we are not raising a Workgroup Consultation Alternative Request, we invite the Workgroup to consider whether to progress a Workgroup Alternative CUSC Modification in these areas.</p> <p>We give our views on each key aspect of CMP285 below. Our answers to Questions 5-13 provide more detail on these views. To add more context to our response, we also include a table (Attachment A) showing the key similarities and differences between the BSC, current CUSC and CMP285 Panel arrangements.</p> <p>Although the Proposer argues that CMP285 will increase engagement in CUSC Panel elections, we believe this has not been demonstrated and offer our further thoughts on this in our answer to Question 3.</p> <p><b><u>Election voting mechanism</u></b></p> <p>We note that the current voting mechanism for the CUSC Panel elections allows each individual CUSC signatory to cast one vote. We note that this results in larger corporate Party groups (who have multiple signatories) holding significantly more votes than smaller, single-signatory Parties. We agree that this voting design does not help promote a Panel constitution that is representative of the diverse electricity industry as a whole.</p> <p>We agree that, by capping the maximum number of votes per affiliated Party Voting Group to four, CMP285 will better facilitate the achievement of Applicable CUSC Objectives (b) and (d) compared with the current mechanism. However, it will still result in a larger Voting Group of affiliated CUSC signatories holding up to four times as many votes as a single-signatory or single-role Party. We believe that it therefore does not fully address the defect identified by CMP285, since the proposal states that 'It is unacceptable for any part of the industry to have a greater ability to select [Panel] members relative to other</p>

Q	Question	Response
		<p>industry parties’.</p> <p>We note that the BSC Panel Election rules deliver a level playing field by giving a small, non-vertically integrated Party an equal number of votes to a large, affiliated Trading Party Group. We believe that the BSC therefore goes further to promote a diverse Panel constitution and are unclear why the CMP285 Workgroup has ruled out adopting the same principle for the CUSC.</p> <p><b><u>Independent members</u></b></p> <p>We note that CMP285 will add two appointed, independent members to the CUSC Panel. As it will in parallel reduce the number of elected Users’ Panel Members from seven to five, it is difficult to say whether this will increase the CUSC Panel’s overall diversity in practice – since the total number of members will remain the same.</p> <p>However, we believe that the addition of the independent members is, in principle, a positive step forward that will better facilitate the achievement of Applicable CUSC Objective (d). The industry-elected BSC and CUSC Panel Members are already required to act impartially and not represent any particular interests. However, we believe that the BSC Panel’s Independent Members increase its diversity of background and perspectives by bringing a valued breadth of experience and insight.</p> <p>We also note that CMP285’s proposed split in numbers between the five industry-elected members, and the two appointed independent members, is the same as under the BSC.</p> <p><b><u>Terms served</u></b></p> <p>We note that CMP285 limits CUSC Panel Members to serving two consecutive terms at a time (although this will not apply retrospectively). We note that the Proposer believes this will increase the likelihood of securing wider views and backgrounds on the CUSC Panel and build a wider base of industry expertise year-on-year, by developing a wider group of individuals with experience of serving on the Panel. However, we believe that the Proposer and Workgroup have not demonstrated that this would occur, and therefore that this aspect of the proposal would better facilitate the achievement of the Applicable CUSC Objectives.</p> <p>In theory, limiting terms served could promote diversity in Panel election candidates if it encourages candidates from other organisations. However, there is no evidence to</p>

Q	Question	Response
		<p>suggest this would occur. As the restriction is on the individual (not their employer), it could simply result in different individuals standing from the same companies. There is also a risk that it reduces the number of potential candidates, which historically has not been large. Finally, it would limit the Panel's ability to benefit from the valuable continuity of experience provided by long-term members. We note that the BSC does not restrict the number of two-year terms that Panel Members can serve – enabling the Panel (and industry) to benefit from this continuity.</p> <p><b><u>Alternates</u></b></p> <p>We note the new rules proposed by CMP285 regarding the use of Panel Alternates. We are unconvinced that these are more efficient than the existing arrangements, since they could create an administrative burden for the Panel Chairman and Secretary in deciding which elected Alternate to appoint for an absent member.</p> <p>In theory, the use of the proposed experience/rota system could help keep all elected Alternates engaged in Panel business. However we note that this, like the current CUSC rules, relies on there being a sufficient number of unsuccessful election candidates to form an available 'pool' of Alternates. This has not always been the case in past CUSC Panel elections and CMP285 could reduce the number of Alternates further by restricting the number of terms they can serve.</p> <p>We therefore believe that the Proposer and Workgroup have not demonstrated that this aspect of CMP285 would better facilitate the achievement of the Applicable CUSC Objectives.</p> <p><b><u>Publication of election results</u></b></p> <p>We note that the CUSC does not currently require the publication of any election results beyond the names of the new Panel Members/Alternates. We agree that, by requiring publication of the number of votes cast for each candidate, CMP285 will increase the transparency of CUSC Panel election results in line with the existing transparency of the BSC. Increasing the visibility of the potential for their votes to influence results may also encourage Parties' engagement in the election process.</p> <p>We therefore agree that this aspect of CMP285 will better facilitate achievement of Applicable CUSC Objective (d).</p>

Q	Question	Response
2	<b>Do you support the proposed implementation approach?</b>	<p>Yes, on the basis that (if CMP285 is approved) this allows implementation in time for the next CUSC Panel election in mid-2019.</p> <p>We note that a year has elapsed since CMP285 was raised. We would therefore not wish to see implementation of any benefits delayed until the subsequent 2021 election.</p>
3	<b>Do you have any other comments?</b>	<p>Yes, see below.</p> <p><b><u>Engagement in code panel elections</u></b></p> <p>We note the statistics provided by the Proposer (obtained under a Freedom of Information Request) on the low number of candidates for, and turnout in, past CUSC Panel elections.</p> <p>The Proposer believes that CMP285 will increase the number/diversity of election candidates and increase voter turnout among small Parties. We note that the Workgroup has not presented any evidence for or against this view, despite being tasked with demonstrating this as part of its Terms of Reference.</p> <p>We would advise that, although the BSC arrangements already exhibit many of the features proposed by CMP285, BSC Parties' engagement in Panel Elections is also low. In the latest 2018 election, eight candidates were nominated for five Industry Member seats. Of these candidates, one subsequently withdrew due to conflicting work priorities, meaning seven were put forward for election. Three of these seven candidates were existing Industry Members standing for re-election. The turnout amongst those Trading Party Groups eligible to vote was approximately 20%.</p> <p>For the same five Industry Member positions, there were six candidates in both the 2016 and 2014 elections. In the 2012 election, only five candidates were nominated and so were elected without a voting process. In 2010 there were eight candidates, though one subsequently withdrew. Between 2010-2018, two Industry Members served four consecutive two-year terms, two Industry Members served three consecutive two-year terms and one served two consecutive two-year terms. You can find more information at: <a href="https://www.elexon.co.uk/group/the-panel/bsc-panel-elections/">https://www.elexon.co.uk/group/the-panel/bsc-panel-elections/</a>.</p> <p>The BSC's own candidate/turnout figures are therefore broadly comparable to those under the CUSC. We have observed that the BSC turnout amongst small Parties does vary between elections, possibly due to differences in the candidates standing in a given election and/or the</p>

Q	Question	Response
		<p>candidates' engagement with voting Parties.</p> <p>We consider that the reasons for low engagement in code panel elections are likely to be complex, may not be directly related to Panel constitution, and may therefore not be solved by CMP285. We believe that many small Parties rarely engage directly in the industry codes, if at all – though some may engage indirectly through trade associations and consultancies. This is likely to be due to lack of time and resources and, we suggest, the sheer variety of codes, panels and change processes to contend with. We therefore continue to argue for greater alignment between, and consolidation of, industry codes, code bodies and code objectives. We would also encourage Ofgem to provide its view on the optimum Panel constitution among the many existing models, to encourage convergence in governance arrangements.</p> <p>For CMP285, we note the Proposer's desire to learn any lessons from the governance of other industry codes, such as the BSC. We also note the similarities between the BSC and CUSC Panels' existing governance arrangements (as outlined in Attachment A), and that CMP285 seeks to increase these similarities. We therefore encourage the Workgroup to minimise any unnecessary differences between the two in the detail of the CMP285 solution.</p> <p><b><u>Panel governance and operating practices</u></b></p> <p>We believe that a Panel's constitution is not the only factor in determining whether it is perceived to act with integrity, with independence from vested interests, and in the furtherance of the code's Applicable Objectives and the best outcome for consumers. The perceived credibility of, and Parties' confidence in, the Panel also depends on its operation, conduct, and openness – for example in the transparency of, and provision of justification for, its decisions. The robustness of its decisions also depends on the quality of papers and analysis provided by the code administrator, the code administrators' role as 'critical friend' in ensuring that all industry views are included/ presented, and the independent Chairman providing constructive challenge and ensuring that all views are considered.</p> <p>We note that the Proposer's original suggestion of an</p>

Q	Question	Response
		<p>independent review of CUSC Panel governance, similar to the 2013 Knight review of BSC governance<sup>1</sup>, appears not to have been progressed under CMP285. The Knight review focused on the governance of BSCCo (ELEXON), especially the relationship between ELEXON, its Board and the Panel. In light of the Knight report's findings, the BSC Panel undertook a detailed review of its own governance during 2014/15. The output was a variety of Panel thought pieces on its responsibilities and operating practices, which you can find here: <a href="https://www.elexon.co.uk/group/the-panel/panel-strategy-governance/">https://www.elexon.co.uk/group/the-panel/panel-strategy-governance/</a>. We note that the CUSC Panel could undertake a similar exercise, regardless of whether it is required to do so by CMP285.</p> <p><b>Deputy Panel Chairman</b></p> <p>Currently, the independent CUSC Panel Chairman can appoint a senior employee of National Grid to act as their alternate in the event of their unavailability for a meeting. Under the BSC, and after consultation with Ofgem, the independent Panel Chairman may appoint one of the Independent Members to act as the Deputy Panel Chairman. We believe that the BSC arrangements better promote perceptions of independence in Panel chairmanship and should therefore be adopted under CMP285, in parallel with the introduction of the independent CUSC Panel members.</p> <p><b><u>National Grid Panel members</u></b></p> <p>We note that the CUSC Panel's constitution includes 'two persons appointed by The Company' (currently National Grid Electricity Transmission, NGET). These National Grid Panel members can cast one joint vote between them on all CUSC Panel decisions, including on CUSC Modifications.</p> <p>We note that CMP285 does not propose to change the arrangements for National Grid Panel members. However, we understand that CMP293 and CMP294 will separately modify the CUSC to reflect the creation of a new National Grid Electricity System Operator (NGESO) that is legally separated from NGET Limited. We note that, under CMPs 293/294, 'The Company' will now be defined as the new NGESO. This means that the NGESO will have two Panel members with one combined vote. It is unclear if the CMP285 Workgroup has considered whether this is</p>

<sup>1</sup> The Knight report is available at: <https://www.elexon.co.uk/about/who-we-are/elexon-governance-financial-reports/>.

Q	Question	Response
		<p>appropriate for the role of the NGESO.</p> <p>We do not believe that National Grid Panel Members should be able to vote at the CUSC Panel at all. We do not believe it to be appropriate for National Grid, as the Party responsible for implementing such changes, to have the ability to be a part of the decision-making process for these changes. Under the BSC, the Transmission Company Representative is not able to vote on Modifications business. We believe that this approach should also be adopted under the CUSC. Under the BSC, the Transmission Company Representative is able to openly provide their views for discussion but is not able to advocate a vote. There has been no issue with this to date and as such, we propose that this same approach is taken by the CUSC Panel.</p> <p>Similarly, CMPs 293 and 294 will result in a senior employee of the NGESO fulfilling the role of alternate CUSC Panel Chairman, unless CMP285 introduces different provisions for a Deputy Panel Chairman. We believe that the Deputy Panel Chairman should also be independent and not an employee of National Grid.</p>
4	<b>Do you wish to raise a WG Consultation Alternative Request for the Workgroup to consider?</b>	No. However, we invite the Workgroup to consider our comments/concerns on specific aspects of CMP285 and decide whether to progress a Workgroup Alternative CUSC Modification in these areas.

#### Specific questions for CMP285

Q	Question	Response
5	<b>Do you think the draft legal text delivers the intent of the revised Proposal?</b>	<p>Yes, mostly. However, in preparing our response we have spotted some inconsistencies between the solution described in the Workgroup's consultation document and the detail of the legal text. For example:</p> <ul style="list-style-type: none"> <li>• The consultation document refers to grouping 'affiliated' CUSC Parties using definitions of different tiers of subsidiaries. The legal text instead matches the BSC's own definition of 'Affiliate', which we agree is clearer.</li> <li>• The consultation document refers to independent Panel members' remuneration arrangements being in the legal text, but we could not find these provisions.</li> <li>• The consultation document refers to Panel Members</li> </ul>



Q	Question	Response
		<p>providing five Working Days' notice of planned absence for a meeting, but the legal text says three Working Days.</p> <p>We suggest that the Workgroup therefore undertakes a further consistency review.</p>
6	<p><b>As per the revised Proposal, do you believe that CUSC signatories owned under a controlling parent company structure should be grouped into voting groups to limit their votes to a maximum of four votes for the CUSC panel elections?</b></p>	<p>Yes and no.</p> <p>We agree with the proposal to use voting groups to avoid the risk of larger corporate Party groups (i.e. Parties with multiple CUSC signatories) dominating the election outcome by exercising the majority of votes.</p> <p>However, we note that the CMP285 Modification Proposal states that 'It is unacceptable for any part of the industry to have a greater ability to select [Panel] members relative to other industry parties'. We consider that the proposed solution does not fully address this issue as it still leaves larger Voting Groups of affiliated CUSC signatories holding up to four times as many votes as a single-signatory or single-role Party.</p> <p>We therefore do not agree that introducing the proposed four voting roles fully addresses the defect identified by CMP285.</p> <p>See also our answer to Question 1 above.</p>
7	<p><b>Do you have any alternative suggestions on how to ensure that some parent companies of CUSC parties are not able to potentially exercise overwhelming control over cumulative CUSC panel votes?</b></p>	<p>Yes.</p> <p>We are unclear why the Workgroup has ruled out adopting the BSC's principle of a level playing field – under which the BSC gives a small, non-vertically integrated Party an equal number of votes to a large, affiliated Trading Party Group. We believe that the BSC approach goes further to achieving a diverse Panel constitution.</p> <p>See also our answer to Question 1 above.</p>
8	<p><b>As per the revised Proposal, do you support an independent model i.e. two independent (and salaried) panel members to join the remaining five user elected panel members?</b></p>	<p>Yes, we agree that this will, in principle, increase the diversity of the Panel for the reasons given in our answer to Question 1.</p> <p>However, we are unsure why the legal text refers to National Grid appointing the independent members (albeit with Ofgem's approval). Under the BSC, the independent Panel Chairman appoints the Independent Members. We believe that this goes further to promote perceptions of independence and we therefore suggest that the CUSC follows the same principle.</p> <p>We note that the CMP285 Workgroup has construed the BSC's definition of 'independent' member as meaning no energy industry experience. While the BSC's Independent Members often bring valuable insight from other industries or academia, it is not necessarily the case that they lack energy industry knowledge. Both of the current Independent Members on the BSC Panel have energy industry experience (you can</p>

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		<p>find their career details on our website at <a href="https://www.elexon.co.uk/group/the-panel/group-members/">https://www.elexon.co.uk/group/the-panel/group-members/</a>).</p> <p>The BSC simply requires that Independent Members have not been employed by a BSC Party or participated in a licensable BSC activity in the year preceding their appointment. The BSC and proposed CUSC definitions of 'independent' member therefore appear to have similar practical effect.</p>
9	<p><b>As per the revised Proposal, do you believe that the independent panel members should be remunerated for their services and do you believe the proposed remuneration arrangements are appropriate?</b></p>	<p>Yes, with some reservations as set out below.</p> <p>The proposed remuneration arrangements set out in the consultation document seem similar to those under the BSC. However, we could find no reference to them in the CMP285 legal text. Is this an oversight, as the consultation document refers to arrangements specified in the legal drafting?</p> <p>The only significant differences between the BSC and proposed CUSC arrangements appear to be that:</p> <ul style="list-style-type: none"> <li>• ELEXON is required to publish its remuneration to independent Panel members while National Grid is not. We see no reason why National Grid should not also be required to publish this for transparency.</li> <li>• CMP285 appears to give National Grid discretion to determine the remuneration provided to independent Panel members. The BSC's remuneration for Independent Members is determined by the Panel Chairman in consultation with the Panel. We see no obvious reason for the difference in approach and believe that the BSC's approach is more transparent.</li> </ul>
10	<p><b>As per the revised Proposal, do you agree that the consecutive terms of office of panel members should be time limited? If so, is the proposed two consecutive term limit (i.e. four years before a panel member would have to take a one term break before standing for election again) appropriate?</b></p>	<p>No, for the reasons given in our answer to Question 1.</p> <p>We are also unclear from the legal text on how the restriction works in practice, since it applies to both Panel Members and Panel Alternates. If an individual serves one term as a Member and then a following term as an Alternate (or vice versa), does this count as two consecutive terms served such that the restriction applies? If an Alternate was never called to attend the Panel during a term, does this still count as a term served even though they never attended a meeting?</p>
11	<p><b>Do you believe there is a need to build greater knowledge and experience of CUSC matters across the industry? If so, does the revised Proposal help</b></p>	<p>Yes and no.</p> <p>As per our answer to Question 3, we remain unconvinced that changing the CUSC Panel's constitution will directly increase the numbers of candidates for, and votes cast, in Panel elections.</p>

Q	Question	Response
	<p><b>to share the knowledge and experience by ensuring a wider range of individuals sit on the panel over time?</b></p>	<p>While greater engagement from smaller Parties in code governance is extremely desirable (not just in Panel elections, but also in code change processes), the difficulties in achieving this are not limited to the CUSC but affect all Industry Codes. Participating in electricity industry governance requires engagement with multiple complex codes, each with its own Panel and change process. We believe it is unrealistic to expect most small Parties to be able to field candidates for code Panels. Small Parties may also simply lack the time and resources to gain the understanding needed to participate in multiple codes. We therefore continue to argue that the long-term solution to this issue is convergence/consolidation of codes, code bodies and code objectives. In the short-term, we believe that each code's Panel and code administrator have roles to play in making their processes as transparent, accessible and accountable as possible to all Parties – regardless of the Panel's specific constitution.</p>
12	<p><b>As per the revised Proposal, do you agree with the suggested use of panel alternates whereby panel members would no longer be able to select an alternate in their absence and alternates would instead be allocated on the basis of being selected by the chair, or being next of a rota?</b></p>	<p>No, for the reasons given in our answer to Question 1.</p>
13	<p><b>As per the revised Proposal, do you agree with the proposed changes to the nomination and voting process under Section 8A i.e. nominated candidates must provide additional information and parties wishing to vote must confirm their Voting Group to the Code Administrator in advance?</b></p>	<p>Yes and no.</p> <p>The requirement for CUSC Parties to confirm the validity of their Voting Group appears similar to the BSC.</p> <p>However, the proposed CMP285 legal text appears to prevent a Voting Group from receiving voting papers and exercising any vote unless it has confirmed to National Grid, in advance, which of the Parties in its group it designates to receive and submit papers. This is different to the BSC arrangements, where ELEXON sends voting papers to every individual Trading Party, but only one Party in a Trading Party Group may vote and the Trading Party Group is responsible for determining which.</p> <p>By including an extra administrative hurdle on the ability to receive voting papers, the CMP285 rules could be seen as a barrier to voting. The BSC rules do not create this barrier and so we suggest that CMP285 adopts the BSC's approach.</p>

## COMPARISON OF BSC/CUSC PANEL GOVERNANCE

Feature	BSC	CUSC (current)	CUSC (CMP285 legal text)
Independent Panel Chairman	Yes – approved by Ofgem	Yes – approved by Ofgem	Yes – no changes proposed to current rules
Deputy Panel Chairman	Yes <ul style="list-style-type: none"> <li>One of the Panel's Independent Members</li> <li>Appointed by the independent Panel Chairman in consultation with Ofgem</li> </ul>	Yes <ul style="list-style-type: none"> <li>A senior National Grid employee</li> <li>Appointed by the independent Panel Chairman</li> </ul>	Yes – no changes proposed to current rules

Feature	BSC	CUSC (current)	CUSC (CMP285 legal text)
Elected Panel Members	<p>Yes, up to 5 Industry Panel Members</p> <ul style="list-style-type: none"> <li>Any BSC Trading Party can nominate a candidate</li> <li>Elected by Trading Parties through series of preference votes / voting rounds</li> <li>Affiliated Trading Parties grouped into a single Trading Party Group</li> <li>'Affiliated' means any holding company, subsidiary, or subsidiary of a holding company of a Party</li> <li>Each Trading Party Group gets 2 votes</li> <li>All Trading Parties sent voting papers, but only 1 in a Trading Party Group may vote</li> <li>All Parties therefore have an equal number of votes (i.e. all voting Parties get 2 votes) regardless of market share or the number of signatories in their corporate group</li> </ul>	<p>Yes, up to 7 Users' Panel Members</p> <ul style="list-style-type: none"> <li>Any CUSC Party can nominate a candidate</li> <li>Elected by CUSC Parties through series of preference votes / voting rounds</li> <li>Each CUSC signatory gets 1 vote – Parties with multiple signatories in their corporate group therefore get as many votes as they have signatories</li> </ul>	<p>Yes, up to 5 Users' Panel Members (so 2 less than now)</p> <ul style="list-style-type: none"> <li>Any CUSC Party can nominate a candidate</li> <li>Elected by CUSC Parties through series of preference votes / voting rounds</li> <li>Affiliated signatories grouped into a single Voting Group</li> <li>'Affiliated' means any holding company, subsidiary, or subsidiary of a holding company of a Party</li> <li>Each Voting Group gets up to 4 votes – 1 for each of the following roles held by signatories in its group: Generation, Interconnector, Supply and Demand</li> <li>Voting Group must decide which of its signatories will vote and only that Party is sent voting papers</li> <li>Voting Groups performing multiple roles can therefore still cast more votes than a single-role Party, though number of votes now capped</li> </ul>

Feature	BSC	CUSC (current)	CUSC (CMP285 legal text)
Independent Panel Members	<p>Yes, up to 2</p> <ul style="list-style-type: none"> <li>Appointed by the independent Panel Chairman</li> <li>'Independent' means, during the year before appointment: not employed by a BSC Party and not participating in electricity generation, transmission, distribution or supply under licence or exemption</li> <li>Remunerated by ELEXON</li> <li>Remuneration published in Annual BSC Report</li> </ul>	No	<p>Yes, up to 2</p> <ul style="list-style-type: none"> <li>Appointed by National Grid, approved by Ofgem</li> <li>National Grid must ensure they reflect interests not otherwise represented in Panel's composition</li> <li>'Independent' means not currently employed by a CUSC Party or having any shares in a CUSC Party exceeding £10k (energy industry experience is still required)</li> <li>Remunerated by National Grid</li> <li>Remuneration not required to be published</li> </ul>
Consumer Panel Members	<p>Yes, currently 2</p> <ul style="list-style-type: none"> <li>Appointed by Citizens Advice</li> </ul>	<p>Yes, 1</p> <ul style="list-style-type: none"> <li>Appointed by Citizens Advice</li> </ul>	Yes – no changes proposed to current rules
Transmission Company Panel Members	<p>Yes, 1</p> <ul style="list-style-type: none"> <li>Appointed by National Grid</li> <li>Can't vote on Modifications</li> </ul>	<p>Yes, up to 2</p> <ul style="list-style-type: none"> <li>Appointed by National Grid</li> <li>Share one vote</li> <li>Can vote on Modifications</li> </ul>	Yes – no changes proposed to current rules
Further appointed Panel Member	<p>Yes, 1 further Industry Panel Member</p> <ul style="list-style-type: none"> <li>Can be appointed by the independent Panel Chairman to reflect interests not otherwise represented in Panel's composition</li> </ul>	<p>Yes, 1 further Panel Member</p> <ul style="list-style-type: none"> <li>Can be appointed by Ofgem to reflect interests not otherwise represented in Panel's composition (though this ability hasn't been exercised in practice)</li> </ul>	Yes – no changes proposed to current rules

Feature	BSC	CUSC (current)	CUSC (CMP285 legal text)
Term of office	2 years <ul style="list-style-type: none"> <li>No limit on terms served</li> </ul>	2 years <ul style="list-style-type: none"> <li>No limit on terms served</li> </ul>	2 years <ul style="list-style-type: none"> <li>Limited to 2 consecutive terms (but doesn't apply retrospectively)</li> </ul>
Members required to act impartially	Yes	Yes	Yes – no changes proposed to current rules
Use of Alternates	Appointed by individual Panel Members as required	<ul style="list-style-type: none"> <li>Up to 5 elected Panel Alternates, representing the unsuccessful election candidates with the most votes</li> <li>Form a 'pool' of available alternates</li> <li>Users' Panel Members may appoint any of these Alternate Members, or another Panel Member if no Alternates are available, as their alternate for a meeting</li> <li>Other Panel Members can appoint any individual as their alternate</li> </ul>	<ul style="list-style-type: none"> <li>No changes to election of Panel Alternates</li> <li>Elected Panel Alternates can act as alternate for Users' Panel Members and Independent Members</li> <li>Panel Chairman appoints one of the Panel Alternates to be an absent Users'/ Independent Member's alternate, based on relevant experience for the meeting business or (if no difference) the Panel Secretary appoints one of the Panel Alternates using a rota</li> <li>No changes to other Panel Members' ability to appoint their own alternates</li> <li>Panel Members must use reasonable endeavours to give Panel Secretary 3WD notice of planned absence or, in the case of illness, by 07:00 on the day of the meeting</li> </ul>

Feature	BSC	CUSC (current)	CUSC (CMP285 legal text)
Election results published	Yes, including: <ul style="list-style-type: none"> <li>• Outcome of election</li> <li>• Number of valid voting papers received</li> <li>• Number of votes for each candidate in each voting round</li> </ul>	Yes: <ul style="list-style-type: none"> <li>• Outcome of election only</li> </ul>	Yes, including: <ul style="list-style-type: none"> <li>• Outcome of election</li> <li>• Number of voting papers issued</li> <li>• Number of voting papers received</li> <li>• Number of votes for each candidate in each voting round</li> </ul>