

By e-mail to jack.robinson@ofgem.gov.uk

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Dear Jack,

Proposal for a Single GB Stakeholder Group for European Issues

Thank you for providing GB stakeholders with the opportunity to comment on the proposal of the DECC-Ofgem Steering Group. I agree it is sensible to minimise duplication and create a single touch-point for stakeholders for all European issues. Evolving the existing Joint European Standing Group (JESG) to fulfil this role seems appropriate and I support the proposal.

I note that the proposal folds the existing DECC-Ofgem EU Stakeholder group into 'new JESG' and that the wider remit of the proposed 'new Joint European Stakeholder Group (JESG)' means that it cannot be a subsidiary of GB Code Panels as certain matters would fall outside the scope of the various Panels. The proposal to constitute 'new JESG' as a cross-industry group is therefore appropriate and I agree with the principle of open membership for this group as this is the key characteristic that is needed for JESG.

I also note that the existing JESG and ECCAF (as established under the various Code Panels) will need to be dissolved.

There are, however, some wider aspects which I believe need further clarification. In particular, the proposal makes various references to the DECC-Ofgem Steering Group (as distinct from the DECC-Ofgem Stakeholder Group) and its subsidiary 'Implementation Working Groups'. Many of the references in the proposal intermix the work of these Implementation Working Groups and the new JESG (or its proposed subgroups).

I feel that the respective roles of the Implementation Working Groups and new JESG Implementation subgroups are not as clear as they could be. For example, the last bulleted paragraph on page 3, and the second bulleted paragraph on page 4.

Further, it would appear that Implementation Working Groups have powers (e.g. to co-ordinate compliance of the GB framework, monitor the work of GB Code Panels and report on such work to stakeholders via the new JESG), whereas new JESG Implementation subgroups do not. While not the subject of this paper, the membership and powers of Implementation Working Groups should be made clearer. For example:

- do they have industry involvement;
- what powers do they have;
- how they are enabled to exercise them; and
- how do they interface with new JESG and its subgroups?

For clarity, the diagram on page 6 should describe how the DECC/Ofgem groups on the left hand side exercise their powers over the other groups, in particular new JESG and the Code Panels.

The Panel Secretariat has also reviewed the proposed terms of reference and we wish to draw the following matters to your attention in respect of the drafting:

- Where it appears in the paper, the use of the phrase “reports to” needs clarifying as this could mean either “reports information to” or “is a subgroup of”. For example, in footnote 1.
- ToR paragraph 1.1 – it should be clarified that new JESG can consider the development, approval and implementation of all the subsidiary documents that will arise from the Network Codes, including mandated proposals from TSOs, the governance arrangements for Coordinated Balancing Areas (i.e. regional arrangements for balancing), and the implementation arrangements for pilot projects, etc., in fact, anything that must be developed and implemented in GB that ultimately arises from a Network Code.
- ToR paragraph 3.2 – it’s not clear why the role of Vice Chair exists when, in the event of the Chair being unavailable for a meeting, there is no automatic role for the Vice Chair since those present may choose one of the members that are present to chair the meeting. It is also unclear why the Vice Chair (uniquely) is appointed by DECC and Ofgem when the Chair is not appointed in that way.
- ToR paragraph 5 and 7 – new JESG is not a decision-making body so it is not clear how the decision to establish a sub-group is made and how it makes determinations regarding the terms of reference for these groups. The new JESG Terms of Reference contain no details on such decision-making, e.g. quorum, voting. This is important to ensure that all stakeholders understand when groups have been established, when they meet and how they can become a member / contribute to the deliberations.
- ToR paragraph 7.2c – “code” should be clarified as either a European Network Code or a GB Code specific Stakeholder Group. Currently this is unclear.

These comments are consistent with the initial views on the proposal which I shared with Mark Copley, in response to his e-mail of 30 January 2015.

The BSC Panel discussed the proposal for a single GB Stakeholder Group for European issues at its meeting on 12 February. The Panel confirmed its broad support for the proposal, stressing the importance of transparency in relation to European issues and reflecting that JESG had worked very well to date. The Panel also noted that if further evolutions of the proposal were needed to improve stakeholder engagement, then these could and should be taken forward in due course.

The Panel made the following additional observations:

- The newsletter currently issued by JESG should continue to be published by new JESG;
- The Panel will seek a monthly update from new JESG as a standard agenda item; and
- The BSC Panel will support and engage with the various, proposed, new JESG implementation subgroups as per the existing ECCAF. The Panel very much wishes for the good cooperation between these bodies to continue.

If you or your colleagues need anything further, please contact the Panel Secretary, Adam Richardson, on 020 7380 4117 or by email: adam.richardson@elexon.co.uk.

Yours sincerely,

Michael Gibbons OBE
BSC Panel Chairman