

13th July 2020

Agreed Procedure Notification

Mod_04_20 Voting clarification and additional transparency

1 MODIFICATIONS COMMITTEE MEETING 98 MINUTES

Proposer SEMO

The Proposer provided a background to this Modification noting that it arose from the discussion at the Working Groups for Mod_14_19 which highlighted that some areas of the election process were unclear in the Trading & Settlement Code and this Modification would provide more transparency.

The Proposer noted changes to drafting in Step 5 F&G because there was a suggestion of preferential vote ability to vote for multiple preferences. With a consensus for a simple majority to be applied in all vote counts step 5G would be deleted and Step F would be tidied up.

It was also noted that the last step in point F relating to a tie may cause confusion so a decision was made to change the reference from '*may*' to '*shall*' which would give more certainty to a second round of voting. This legal drafting change could be captured in the Final Recommendation Report.

A discussion ensued on the changes listed in the Modification Proposal with a Generator Member highlighting issues with Step 2 and Step 5 and to clarify those the introduction of the preamble '*Notwithstanding Step 2*' would read it more clearly. The Proposer also agreed that the cancellation of the first sentence in Step 5 could be reversed. There was disapproval also with the RAs having power to select if there was a tie and requests were made to add some conditions akin to similar processes in other fora.

The Proposer provided assurance that there would be initially a second round of elections and by having an RA step, this would avoid the process continuing unnecessarily. A TSO Member noted that this process is similar in the Grid Code.

A Generator Alternate asked if Generators could nominate a candidate for both Generator and Supplier seats or just the former. It was advised that Step 2 is designed to be at Party level therefore only one candidate per election term can be brought forward and the Party will have to choose which side of the business they would represent. The Proposer also confirmed that each Participant (PT code i.e. Generator, Supplier, Assetless or DSU) could have one vote

for each of their respective category. A request was made to provide a worked example before elections take place. The Secretariat accepted an action to have an example in the upcoming election email instead of a change to the legal drafting.

The Chair expressed concern that their organisation set up might affect their current representation at the Panel but it was confirmed that this Modification does not alter the current practice and the Company in question would have had to have two Parties to have two representatives at the Panel. SEMO confirmed that both parties have separate PY numbers so this should not be an issue.

The Proposer gave a recap of the changes that would be made to the legal drafting. There was consensus that a version 2 of this proposal would be beneficial instead of covering those in the FRR as there were a number of changes to be made to the legal drafting.

2 MODIFICATIONS COMMITTEE MEETING 99 MINUTES

The Proposer provided a summary of the Modification and confirmed all changes were implemented as discussed from Meeting 98.

A Generator Member raised a question around the process for an additional round of voting and the process if there is a tie. The Proposer confirmed that a second round of voting would occur and although it may not seem clear in the steps it would not cause a hindrance to completing them. A Supplier Alternate also noted that there seems to be a lack of consistency in steps 7 A to 8 in the event of a tie on the final vote. The Proposer took these points on board and agreed to a minor update the legal drafting to add clarity in the AP Notification.

3 NOTIFICATION

As per Section B.17.21.2 of the T&SC, the Modifications Committee wishes to notify the RAs of the effective date for Mod_04_20 Voting Clarification and additional transparency to be the third Working Day following publication of AP notifications unless a veto is received from the Regulatory Authority. This Notification was published on 13th July 2020.

4 LEGAL DRAFTING

As set out in the legal drafting section of [Mod_04_20](#) Voting clarification and additional transparency with the agreed legal drafting changes below:

Agreed Procedure 12

The changes below are proposed to the Legal Drafting of section 3.7 of AP 12 'Modification Committee Operation' as per Mod_04_20 V2; The Panel also voted to make an additional minor change to legal drafting proposed in the Mod_04_20 V2 in AP12 3.7 step 7(a): 'In the event of tie or inconclusive election results **in the final count after the tie break round**, go to step 8;'. All these changes will also be reflected in the affected Swimlanes where necessary.

3.7. Annual Nominating Participant Election

Step	Step Description	Timing	Method	From / By	To
1	Send notice inviting candidate membership nominations for Annual Nominating Participant Election. The notice should: (a) Identify the expiring memberships (Member Name, Participant type); (b) Identify membership duties; (c) Identify nominations due date; and (d) Request candidate job-title, company and descriptions.	6 weeks prior to expiry of all Members terms	Email	Secretariat	Participants
2	Send in membership nominations. <u>A Party with multiple Participant categories can only nominate for a single category per term.</u>	By nominations due date	Email	Participants	Secretariat
3	Acknowledge membership nominations.	As received	Email	Participants	Secretariat
4	Send ballot paper and candidate descriptions to all Participants. The notice should give election instructions and specify: (a) ballot paper due date; (b) who is eligible to Vote; (c) date result will be announced; and (d) voting instructions e.g. ballot secrecy.	4 weeks prior to expiry of all members terms (ballot paper due date)	Email	Secretariat	Participants
5	<u>Notwithstanding Step 2, a Participant with multiple categories can cast a vote for each category in any given election.</u> Votes are cast as follows: (a) Nominating Generation Participants cast one vote per Participant in relation to	Within 4 weeks of expiry of all members terms (ballot paper due	Email	Participants	Secretariat

Step	Step Description	Timing	Method	From / By	To
	<p>Generation Participant Members vacancy;</p> <p>(b) Nominating Supply Participants cast one vote per Participant in relation to Supply Participant Members vacancy;</p> <p>(c) Nominating Demand Side Participants cast one vote per Participant in relation to Demand Side Participant Members vacancy; and</p> <p>(d) Nominating Assetless Participants cast one vote per Participant in relation to Assetless Participant Members vacancy.</p> <p>Voting rules are as follows:</p> <p>(e) In the event of only 1 candidate nomination for the relevant Participant Member position, this candidate will be automatically deemed the successful candidate in an uncontested election;</p> <p>(f) In the event of 2 or more candidate nominations for 1 relevant Participant Member position, voters have one vote only, and election is by a simple majority. The successful candidate is the candidate with the highest number of votes. In the event of a tie, another one additional round of voting shall may occur for the affected position.; and</p> <p>1.(g) If 2 or more candidates are put forward for nomination for multiple Participant member positions, each voter is asked to rank the candidates in order of preference. The candidates with the least amount of highest preference votes will be eliminated, and the candidates with the majority of highest preference votes will be elected.</p>	date)			
6	Send notification of close of ballot.	Ballot paper due date as above	Email	Secretariat	Participants
7	<p>Count and file votes then:-</p> <p>(a) In the event of tie or inconclusive election results go to step 8, consult RA's for final determination.</p>	2 WD after ballot paper due date or as soon as possible thereafter	Email	Secretariat	Participants

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Step	Step Description	Timing	Method	From / By	To
	<u>(b) If a majority of votes is assigned to a candidate go to step 9;</u>				
8	In the event of equal numbers of votes being cast for candidates, consult RA's for final determination of election result.	As soon as practicable	Email	Secretariat	RAs
9	Notify candidates of election result.	2 WD after ballot paper due date or as soon as possible thereafter	Email	Secretariat	Candidates
10	Notify Participants of election results <u>including general turnout by Participant's category, calculated by the sum of all votes cast over the total eligible voters. Further details on individual Participant's results can be requested privately from the Secretariat as long as confidentiality is not breached.</u>	2 WD after ballot paper due date or as soon as possible thereafter	Email	Secretariat	Participants