

STC Modification Panel Minutes: Wednesday 29 August 2018

STC Modification Panel Minutes: Meeting Number 162

Date:	29/08/2018	Location:	G2-02, National Grid House, Warwick and WebEx
Start:	10:00am	End:	12:00pm

Participants

Attendee	Initials	Company
John Twomey	JT	Chair, National Grid (Alternate)
Ren Walker	RW	Technical Secretary, Code Administrator, National Grid
Simon Sheridan	SS	National Grid (NGET)
Neil Bennett	NB	Scottish Hydro Electric Transmission plc. (SHET)
Milorad Dobrijevic	MD	Scottish Power Transmission plc. (SPT)
Rachel Tipple	RT	Scottish Power Transmission plc. (SPT)
David Lyon	DL	Blue Transmission (BT)
Mike Lee	ML	Transmission Capital (TC)
Roberta Fernie	RF	Ofgem
Richard Woodward	RWO	National Grid
Bec Thornton	BT	National Grid (Proposer)
Urmi Mistry	UM	National Grid (Presenter)
Rashpal Gata-Aura	RGA	National Grid (Observer)
Apologies	Initials	Company
Rob Wilson	RWI	National Grid (NGET)
Deborah MacPherson	DM	Scottish Power Transmission plc. (SPT)
Neil Sandison	NS	Scottish Hydro Electric Transmission plc (SHET)

1. Introductions and Apologies for Absence

4612. Apologies were received from Rob Wilson, Deborah Macpherson and Neil Sandison.

2. Approval of Minutes from Previous Meeting

4613. Comments on the minutes were received from RF and BT. The Panel Secretary will amend the minutes to include the comments and then arrange publication of the minutes.

ACTION

3. Review of Actions

4614. All STC Modification Panel actions are detailed in the Actions Log.

4. Potential Future Modifications

4615. Modification Tracker

All STC progression updates are detailed on the Modification Tracker.

4616. STCP11-4

MD advised the Panel that he aims to formally raise this STCP at the September Panel meeting. MD further explained to the Panel that the draft document was issued in June for further comments from National Grid. MD stated that STCP11-4 will only apply to Scottish TO's and once RIIO T1 period finishes National Grid will become Parties to this STCP.

MD continued by advising the funding is made by Ofgem and provided to either work to design changes or Network Operational Changes. MD noted that the Network Access Policy Workgroup is meeting in September where the final document will be finished. NB questioned the liability, if a three- month outage is reduced to two months from the funding mechanism, if the whole month is adhered to then where does liability sit. NB addressed his concerns if this needs to be updated in the STCP. MD advised this has been the debate for the past six months and not fully been defined. MD confirmed he would raise this point at the Network Access Policy Workgroup meeting and hopes to have the questioned answered after this meeting.

BT questioned the references to NGENSO in the STCP, BT stated if the STCP is being implemented after the 1 April 2019 then the references to NGENSO can remain however if STCP11-4 is being implemented before 1 April 2019 then the references to NGENSO will need to be removed as the license will not reflect the changes until 1 April.

MD confirmed he will circulate the draft STCP to the Panel Secretary before it is formally raised.

ACTION

5. New STC/STCP Modification Proposals

4617. PM0104- National Grid Legal Separation- Consequential changes to STCP13-2 to reference NGENSO.

- 4618. PM0105- National Grid Legal Separation- Consequential changes to STCP09-1 to reference NGESO.
- 4619. PM0106- National Grid Legal Separation- Consequential changes to STCP19-3 to reference NGESO.

These STCP proposals seek to modify the System Operator Transmission Owner Code Procedures (STCPs) to reflect the creation of a new National Grid Electricity System Operator (NGESO) that is legally separated from National Grid Electricity Transmission Limited. References to NGET have been replaced by NGESO, where relevant, throughout the STCPs in order to ensure the System Operator and Transmission Owner obligations are clear.

The Proposer believes that this change will better facilitate relevant objective (a), efficient discharge of the obligations imposed upon transmission licensees by transmission licences and the Act by attributing the appropriate obligations to NGESO as System Operator and the Transmission owners in accordance with the new NGESO Transmission Licence and modified NGET Transmission Licence obligations.

The Code Administrator noted Section B 7.3 states amendments for a STCP need approval from the STC Modification Panel. The Proposer recommends that this final proposal should now be approved at the April 2018 STC Panel meeting for implementation on 1 April 2019.

The STC Panel must by majority approve that the change would better facilitate the STC Applicable Objectives. The Panel representatives for NGET, SHET, SPT and the OFTO's support the changes for PM0104, PM0105 and PM0106 against the applicable objectives.

The Panel Secretary is to arrange a sign off session for the STCP's.

ACTION

6. Evaluation Phase/ Workgroup Updates

4620.CM063 'Modify the definition of Force Majeure'

RW requested a six-month extension on the timetable for CM063. The Panel unanimously approved the timetable extension. RW confirmed that the initial Workgroup meeting is scheduled for 31 October 2018.

7. Evaluation Phase Reports

4621. There were no evaluation phase updates.

8. Initial Modification Reports

4622. There were no initial Modification reports.

9. Proposed Modification Reports

4623. There were no proposed Modification reports.

10. Modification Reports

4624. There were no Modification reports.

11. Pending Authority Decisions

4625. There were no pending Authority decisions.

12. Authority Decisions

4626. There were no Authority decisions.

13. Implementation

4627. There were no implementations in August.

14. Panel Recommendation Vote

4628. CM065 'National Grid Legal Separation- consequential changes to reference NGESO in STC Section C and changes to Outage Planning Data Timescales'

This modification seeks to modify the System Operator Transmission Owner Code (STC) to reflect the creation of a new National Grid Electricity System Operator (NGESO) that is legally separated from National Grid Electricity Transmission Limited. Where relevant, references to NGET throughout Section C in the STC have been replaced by NGESO to ensure the obligations on the System Operator and Transmission Owner are clear. Changes to Section C Part 2 also include the option for a Transmission Owner to submit outage planning information to NGESO in timescales beyond 6 Financial Years.

RW stated this modification was raised 17 April 2018 and was presented to the April STC Panel. On 25 April 2018, all STC Panel Representatives reviewed the STC Modification Proposal and unanimously agreed that CM065 should be progressed along the standard governance route for an Authority decision and to be issued to Industry Consultation for 20 Working days. One response (NGET) was received to the Industry Consultation which supported the Modification Proposal. The Draft Final Modification Report was issued to Industry and the Authority for 5 Working Days for comment with a deadline of 16 July 2018 and no comments were received.

The Proposer believes that this Modification better facilitates applicable STC Objective (a) efficient discharge of the obligations imposed upon transmission licensees by transmission licences and the Act. Section B of the STC, Paragraph 6.7.7.1 states each Party group must 'vote on the basis of its judgment, made by it in good faith, as to whether or not, if the proposal were made, the proposal would better facilitate the achievement of the Applicable STC Objectives than if that proposal were not made;' and under Paragraph 6.7.7.2 where it wishes to do so, provide a statement in accordance with the system established under Paragraph 6.7.4 of the reasons, by reference to the Applicable STC Objectives, for its vote.

The Panel unanimously agreed that CM065 better facilitates applicable STC Objective (a) efficient discharge of the obligations imposed upon transmission licensees by transmission licences and the Act and recommended that CM065 should be implemented.

4629. CM066' National Grid Legal Separation- consequential changes to reference NGESO in STC Section G and to place Nuclear Site Licence Provisions Agreement obligations on NGET for England and Wales'.

This modification seeks to modify the System Operator Transmission Owner Code (STC) to reflect the creation of a new National Grid Electricity System Operator (NGESO) that is legally separated from National Grid Electricity Transmission Limited. Where relevant, references to NGET throughout Section G to ensure the obligations on the System Operator

and Transmission Owner are clear. It also seeks to modify Section G of the System Operator Transmission Owner Code (STC) to place Nuclear Site Licence Provisions Agreement obligations on NGET for England and Wales.

RW stated this modification was raised 17 April 2018 and was presented to the April STC Panel. On 25 April 2018, all STC Panel Representatives reviewed the STC Modification Proposal and unanimously agreed that CM066 should be progressed along the standard governance route for an Authority decision and to be issued to Industry Consultation for 20 Working days. One response (NGET) was received to the Industry Consultation which supported the Modification Proposal. The Draft Final Modification Report was issued to Industry and the Authority for 5 Working Days for comment with a deadline of 16 July 2018 and no comments were received.

The Proposer believes that this Modification better facilitates applicable STC Objective (a) efficient discharge of the obligations imposed upon transmission licensees by transmission licences and the Act. Section B of the STC, Paragraph 6.7.7.1 states each Party group must 'vote on the basis of its judgment, made by it in good faith, as to whether or not, if the proposal were made, the proposal would better facilitate the achievement of the Applicable STC Objectives than if that proposal were not made;' and under Paragraph 6.7.7.2 where it wishes to do so, provide a statement in accordance with the system established under Paragraph 6.7.4 of the reasons, by reference to the Applicable STC Objectives, for its vote.

The Panel unanimously agreed that CM066 better facilitates applicable STC Objective (a) efficient discharge of the obligations imposed upon transmission licensees by transmission licences and the Act and recommended that CM066 should be implemented.

4630. CM067' National Grid Legal Separation- consequential changes to reference NGESO into STC Section B and changes to STC Modification Panel membership to add NGESO as Member'.

This modification seeks to modify the System Operator Transmission Owner Code (STC) to reflect the creation of a new National Grid Electricity System Operator (NGESO) that is legally separated from National Grid Electricity Transmission Limited. References to NGET have been replaced by NGESO, where relevant, throughout the STC Section B in order to ensure the System Operator and Transmission Owner obligations are clear. Changes also include in Section B, NGESO as a new STC Modification Panel member and as a voting member in the STC Group.

RW stated this modification was raised 17 April 2018 and was presented to the April STC Panel. On 25 April 2018, all STC Panel Representatives reviewed the STC Modification Proposal and unanimously agreed that CM067 should be progressed along the standard governance route for an Authority decision and to be issued to Industry Consultation for 20 Working days. One response (NGET) was received to the Industry Consultation which supported the Modification Proposal. The Draft Final Modification Report was issued to Industry and the Authority for 5 Working Days for comment with a deadline of 16 July 2018 and no comments were received.

The Proposer believes that this Modification better facilitates applicable STC Objective (a) efficient discharge of the obligations imposed upon transmission licensees by transmission licences and the Act. Section B of the STC, Paragraph 6.7.7.1 states each Party group must 'vote on the basis of its judgment, made by it in good faith, as to whether or not, if the proposal were made, the proposal would better facilitate the achievement of the Applicable STC Objectives than if that proposal were not made;' and under Paragraph 6.7.7.2 where it

wishes to do so, provide a statement in accordance with the system established under Paragraph 6.7.4 of the reasons, by reference to the Applicable STC Objectives, for its vote.

The Panel unanimously agreed that CM067 better facilitates applicable STC Objective (a) efficient discharge of the obligations imposed upon transmission licensees by transmission licences and the Act and recommended that CM067 should be implemented.

4631. CM068' National Grid Legal Separation- consequential changes to reference NGESO in STC Section D and to provide clarity that only Transmission Owners create Transmission Investment Plans'.

This modification seeks to modify the System Operator Transmission Owner Code (STC) to reflect the creation of a new National Grid Electricity System Operator (NGESO) that is legally separated from National Grid Electricity Transmission Limited. References to NGET have been replaced by NGESO, where relevant, throughout the STC Section D in order to ensure the System Operator and Transmission Owner obligations are clear. It also removes the references in Section D, Part One for NGET Transmission Investment Plans.

RW stated this modification was raised 17 April 2018 and was presented to the April STC Panel. On 25 April 2018, all STC Panel Representatives reviewed the STC Modification Proposal and unanimously agreed that CM068 should be progressed along the standard governance route for an Authority decision and to be issued to Industry Consultation for 20 Working days. One response (NGET) was received to the Industry Consultation which supported the Modification Proposal. The Draft Final Modification Report was issued to Industry and the Authority for 5 Working Days for comment with a deadline of 16 July 2018 and no comments were received.

The Proposer believes that this Modification better facilitates applicable STC Objective (a) efficient discharge of the obligations imposed upon transmission licensees by transmission licences and the Act. Section B of the STC, Paragraph 6.7.7.1 states each Party group must 'vote on the basis of its judgment, made by it in good faith, as to whether or not, if the proposal were made, the proposal would better facilitate the achievement of the Applicable STC Objectives than if that proposal were not made;' and under Paragraph 6.7.7.2 where it wishes to do so, provide a statement in accordance with the system established under Paragraph 6.7.4 of the reasons, by reference to the Applicable STC Objectives, for its vote.

The Panel unanimously agreed that CM068 better facilitates applicable STC Objective (a) efficient discharge of the obligations imposed upon transmission licensees by transmission licences and the Act and recommended that CM068 should be implemented.

4632. CM069' National Grid Legal Separation- consequential changes to incorporate NGESO in STC Sections & Schedules'.

This modification seeks to modify the System Operator Transmission Owner Code (STC) to reflect the creation of a new National Grid Electricity System Operator (NGESO) that is legally separated from National Grid Electricity Transmission Limited. References to NGET have been replaced by NGESO, where relevant, throughout the STC Sections and Schedules in order to ensure the System Operator and Transmission Owner obligations are clear.

RW stated this modification was raised 17 April 2018 and was presented to the April STC Panel. On 25 April 2018, all STC Panel Representatives reviewed the STC Modification Proposal and unanimously agreed that CM069 should be progressed along the standard governance route for an Authority decision and to be issued to Industry Consultation for 20

Working days. One response (NGET) was received to the Industry Consultation which supported the Modification Proposal. The Draft Final Modification Report was issued to Industry and the Authority for 5 Working Days for comment with a deadline of 16 July 2018 and no comments were received.

The Proposer believes that this Modification better facilitates applicable STC Objective (a) efficient discharge of the obligations imposed upon transmission licensees by transmission licences and the Act. Section B of the STC, Paragraph 6.7.7.1 states each Party group must 'vote on the basis of its judgment, made by it in good faith, as to whether or not, if the proposal were made, the proposal would better facilitate the achievement of the Applicable STC Objectives than if that proposal were not made;' and under Paragraph 6.7.7.2 where it wishes to do so, provide a statement in accordance with the system established under Paragraph 6.7.4 of the reasons, by reference to the Applicable STC Objectives, for its vote.

The Panel unanimously agreed that CM069 better facilitates applicable STC Objective (a) efficient discharge of the obligations imposed upon transmission licensees by transmission licences and the Act and recommended that CM069 should be implemented.

RW advised the Panel the next steps are to submit the Final Modification Reports to the Authority.

ACTION

15. Europe

4633. Joint European Stakeholder Forum

LW advised the Panel the JESG meeting was cancelled in August and the next JESG meeting will be held on 11 September in London.

4634. European Networks Code Impacts

SS advised the Panel that GC0097 was approved by the Authority on 24 August 2018. SS confirmed the implementation of this Modification is due in September and go live end of year. SS stated that GC0104 is with the Authority for a decision.

4635. TSO Issues

The Panel had no TSO issues to raise.

16. Impact of other Code Modifications

4636. Code Summary Document

The Panel had no further comments on the Codes summary document.

17. Reports from Sub- Committees

4637. JPC (Joint Planning Committee)

RW advised the Panel the most recent Joint Planning Committee was held on 26 July 2018.

4638. NAP (Network Access Policy Workgroup)

MD confirmed the date of the next Network Access Policy Workgroup is 19 September. MD advised attendees from National Grid TO have been invited to attend this meeting. MD stated the main agenda item for this meeting is the discussion around STCP11-4.

18. Any other Business

4639. TCRG (Transmission Charging Review Group)

UM from National Grid delivered a presentation on TCRG (Transmission Charging Review Group) formally known as ChUG (Charging User Group). UM advised the Panel this has been a group since BETTA and was used as a communication route for the SO and TO to discuss charging issues, GB charging Methodology, the development of charging policies and review the STC and STCP's.

UM explained that the purpose of presenting TCRG to the Panel is to seek Panel approval on the Terms of Reference. The STC Panel approved the Term of Reference for TCRG. UM confirmed that the first meeting will be held on 20 September in Warwick and then going forward the meetings will be held every quarter, however if the group feel the meetings need to be held more often this can be arranged.

4640. WebEx Details ahead of meeting

MD requested that going forward can the WebEx details for the Panel meeting be circulated on the calendar invite so that Panel can access. RW confirmed going forward she will ensure the WebEx details are available through the calendar invite.

ACTION

19. Date of next meeting

4641. The next meeting will be held on Wednesday 26 September 2018.