

STC Modification Panel Minutes: 1 November 2019

STC Modification Panel Minutes: Meeting Number 173

Date: 01/11/2019	Location: L1-19, Faraday House, Warwick and WebEx
Start: 10:00am	End: 12:00pm

Participants

Attendee	Initials	Company
Chrissie Brown	CB	Chair, Code Administrator, National Grid Electricity System Operator
Lurentia Walker	LW	Technical Secretary, Code Administrator, National Grid Electricity System Operator
Rob Wilson	RW	National Grid Electricity System Operator (NGESO)
Matt Baller	MB	National Grid Electricity System Operator (NGESO) (Alternate)
Neil Bennett	NB	Scottish Hydro Electric Transmission plc. (SHET)
Milorad Dobrijevic	MD	Scottish Power Transmission plc. (SPT)
Deborah MacPherson	DM	Scottish Power Transmission plc. (SPT)
Mike Lee	ML	Transmission Capital (TC)
David Lyon	DL	Blue Transmission (BT)
Richard Woodward	RWO	National Grid Electricity Transmission (NGET)
Roberta Fernie	RF	Ofgem
Jennifer Groome	JG	National Grid Electricity System Operator (NGESO) (Observer)

Matthew Paige- Stimson	MPS	National Grid Electricity Transmission (NGET) Proposer
David Scott	DS	National Grid Electricity Transmission (NGET) Proposer
Aisling Rapier	AR	National Grid Electricity Transmission (NGET) Observer
Apologies	Initials	Company
Nicola Bruce	NBR	National Grid Electricity System Operator (NGESO)
Keith Jones	KJ	National Grid Electricity System Operator (NGESO) - Alternate
Neil Sandison	NS	Scottish Hydro Electric Transmission plc. (SHET)

1. Introductions and Apologies for Absence

4866. Apologies were received from Nicola Bruce, Keith Jones and Neil Sandison.

2. Approval of Minutes from Previous Meeting

4867. The Panel approved the minutes from the meeting held on 25 September 2019. The Panel Secretary will arrange publication of the minutes.

ACTION

3. Review of Actions

4868. The Panel reviewed the open actions from the meeting held on 25 September 2019 which can be found on the Actions Log.

4. STC/STCP Modification Proposals

4869. There were two draft STCP Modification proposals presented to the Panel.

PM0113 'Update STCP14-1 'Data Exchange of charge setting' to reflect CUSC Modification CMP306 'Align annual connection charge rate of return at CUSC 14.3.21 to price control cost of capital'

4870. MPS from National Grid Electricity Transmission (NGET) delivered a presentation on PM0113. MPS stated that PM0113 proposes to align STCP14-1 with CUSC Modification CMP306 by requiring Onshore TOs to confirm their respective pre-tax RoR (Rate of Return)/WACC (Weighted Average cost of Capital) for Transmission Connection Assets as part of the annual charge setting process, as well as stating this pre-tax Rate of Return/WACC and the calculation methodology in the TO's respective Statement of the basis of transmission owner charges document.

4871. RW sought confirmation on who from National Grid ESO had been involved with the drafting of this proposal due to the impacts it has. RWO confirmed that it was National Grid ESO who initially drafted the STCP proposal, however due to this not being raised NGET finalised and submitted the Proposal.
4872. The Panel discussed the timelines for this STCP and how this will work with CMP306. CB confirmed that the proposed steps going forward are for Panel members to confirm that they are content for the draft to be submitted to the Authority alongside CMP306, by 8 November 2019. The STC Panel will approve the STCP for implementation if CMP306 is approved by the Authority as this is a consequential Modification.

PM0114 ‘STCP21-2 Network Asset Risk Metric (NARM) Data Exchange’

4873. The Panel discussed the draft and agreed to submit it to the Authority for their review following any final comments being received by 8 November 2019. The Panel noted the Governance Rule 7.3.2.3 the amendment or addition does not impose new obligations or liabilities or restrictions of a material nature on Relevant Parties which are not subsidiary to the rights and obligations of the Relevant Parties under the Code. As the ESO have stated that this will have a material impact on them it will be submitted to the Authority for them to determine whether the STCP should be progressed. The Panel will then await their decision on whether to proceed before approving the STCP.

5. Potential Future Modifications

Modification Tracker and Horizon Scan

4874. The Panel reviewed the STC Modification Tracker. The amendments to this tracker can be found via the following link:

<https://www.nationalgrideso.com/codes/system-operator-transmission-owner-code/meetings/stc-panel-meeting-1-november-2019>

4875. The Panel agreed an extension to timetable of this modification until the 31 January 2020. The Draft Final Self-Governance Report will be presented to the Panel in early February 2020 if the UK leaves the EU without an agreement.

6. Europe

4876. Joint European Stakeholder Group

CB advised the Panel that the updates from the JESG meeting have been circulated via email.

4877. European Network Codes Impacts

RW advised the Panel that there were no further updates for European Network Codes.

4878. TSO Issues

The Panel had no TSO issues to raise.

7. Impact of other Code Modifications

4879. Progress Reports

The STC Panel had no further comments on the Modification Tracker for CUSC, Grid Code or SQSS.

4880. Significant Code Review

RF advised the Panel that there were no further updates on the Significant Code Review (SCR).

8. Reports from Sub- Committees

4881. JPC (Joint Planning Committee)

CB stated that the JPC meeting was held on 23 October 2019. CB confirmed that NBR will provide Panel with an update at the meeting on 4 December 2019.

4882. NAP (Network Access Policy Workgroup)

MD advised the Panel that next NAP meeting will be held on 27 November 2019. MD stated that he will provide an update at the December Panel meeting.

TCRG (Transmission Charging Review Group)

RWO advised the Panel that the next TCRG meeting has been scheduled for 9 December 2019. RWO confirmed he will share a copy of the agenda at the Panel meeting in December.

9. Any other Business

4883. CB advised the Panel that the December Panel meeting will be held on 4 December 2019 in Glasgow and requested that if Panel members have agenda items they want to discuss, they should notify the technical secretary by 15 November 2019.

4884. RF stated that she will no longer be attending the STC Panel as the Ofgem representative, she advised that her colleague Jonathan Coe will be attending the Panel going forward.

4885. RF advised the Panel that the Code Administrators Code of Practice survey has been conducted and the results can be found via the following link

<https://www.ofgem.gov.uk/publications-and-updates/code-administrators-performance-survey-findings-2019>

4886. RF stated that on 23 October 2019, Ofgem published a consultation on their license review. Further information on this can be found via the following link:

<https://www.ofgem.gov.uk/consultations>

4887. RF confirmed that Ofgem received 60 responses to the Energy Code review consultation. RF stated that Ofgem are currently working through the responses and will publish a summary accordingly. RF confirmed that a further consultation will be held next year, however dates will be published.

4888. CB confirmed that the OFTO Elections are due in January 2020, CB stated she will contact the OFTO's.

10. Date of next meeting

4889. The next meeting will be held on 4 December 2019 in Glasgow.