STC Panel

Wednesday 28 October 2020

Microsoft Teams Meeting

Audio connection:

Telephone: +44 20 3443 6278

Conference ID : 543 179 374#

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Introductions & Apologies for absence

- **Apologies**

  Nicola Bruce

  Keith Jones

- **Alternates**

  None

- **Presenters**

  None

- **Observers**

  Rashpal GataAura

Approval of Panel Minutes

Approval of Panel Minutes from the Meeting held 30 September 2020

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Actions Log

Review of the actions log

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Authority Decisions

Decisions Received since last Panel meeting

None

Decisions Pending

None

Other

Draft modifications to be discussed

- None

New modifications submitted

- PM0117 – Annual Charge Setting - data submission flexibility
- **Richard Woodward, NGET**

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Critical Friend Feedback – PM0117

Code Administrator comments	Amendments made by the Proposer
• Wording added to confirm PM0117 has no interactions with any other codes or industry documents	• Proposed amendments all incorporated

PM0117 - Annual Charge Setting - data submission flexibility

Richard Woodward (NGET)

October 2020

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What’s the issue?

- **STC Parties are now undertaking revenue/charge setting processes for the next Charging Year (21/22), as per the relevant STCPs.**
- **This requires a draft data submission in November, with a final submission made in January.**
- **This charge setting period happens to coincide with a transition from the current RIIO Price Control period to the next (T1-T2).**
- **Without final determinations for T2 from Ofgem (expected in December), STC Parties are missing crucial inputs (e.g. licence terms; allowed revenue) to enable them to submit accurate charging information for the initial November deadline.**
- **We therefore need to agree a means to provide limited flexibility to STC Parties so they can manage this situation. Otherwise the obligations as envisaged by STC cannot be fulfilled.**

What are the possible solutions?

1. **Written consent between the relevant STC Parties that more flexibility on submission can be accommodated this year -**

   Rejected – this type of agreement was deemed by some parties to be non-transparent, and potentially not permissible as it acknowledges a breach in compliance

2. **Write into the relevant STC Procedures the scope for STC Parties to agree limited amendments to charge setting obligations during Price Control period transitions (only), accommodating any uncertainty, e.g. use of data substitutions, amendments to submission dates etc.)**

3. **(Something else…?)**

The ask for PM0117

- **Panel approval to amend STCP13-1, STCP14-1, STCP19-6, and STCP24-1 for the following provision:**

"In the Financial Year preceding the next regulatory price control period, NGESO and the Onshore Transmission Owners may notify one another and agree (on a unanimous basis only), any reasonable temporary adjustments to these provisions [insert STCP-specific clause reference] *to allow them to be fulfilled. E.g. data substitutions, submission date changes."*

- **These changes should apply ASAP after Panel approval to cover the data submission obligations which apply on 1st November 2020.**

- **There is one outstanding query on the legal text which is whether this should apply to Onshore Transmission Owners only, or all Transmission Owners (i.e. including OFTOs).**

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Governance & Panel Vote

Governance Rule

As detailed in Section B of the STC, paragraph 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 this STCP proposes a new obligation on the ESO, this will require approval from Ofgem that this STCP proposal can be raised, stated in 7.3.4 *‘The Relevant Party Representatives may agree an amendment to an existing Code Procedure or creation of a new Code Procedure under this paragraph 7.3 despite the prohibition in sub-paragraph 7.3.2.3 only where the Authority has notified the Relevant Party Representatives in writing that they may do so.’*

Modification Route

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 and implemented on 29 October 2020.

Panel vote

The STC Panel must approve that the change would better facilitate the STC Applicable Objectives.

CM072

STC changes in the event the UK leaves the EU without an agreement

Matt Baller National Grid ESO

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Background to CM072

- **CM072 was originally raised in February 2019** at which point the UK was expected to leave the EU on 29 March 2019. The Panel voted that the mod met the self-governance criteria and should proceed straight to CAC, which was run in March 2019.

- **It was then put on hold as Brexit was delayed** and the UK subsequently agreed a number of extensions with the EU.

- **The UK is in a transition period until 31 December 2020.** The UK's departure became effective on 31 January 2020 at which point the UK entered a transition period which will end on IP (Implementation Period) completion day, which is expected to be 31 December 2020. During the transition period the UK must comply with all EU rules and laws.

- **We are now progressing with the mod** in preparation for 31 December 2020, in the event that the UK leaves on that date without a deal.

- **If an agreement is reached** between the EU and the UK we will withdraw this mod. Subsequent mods may then be required.

Latest version of CM072 proposal and legal text

- **No change to the defect:**
  "In the event that the UK leaves the EU without an agreement, the STC needs to be amended to ensure the provisions in the relevant Statutory Instruments that have been prepared under the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) as well as relevant consequential licence modifications will function effectively in the context of the STC."

- **Proposal now in new template and updated** to reflect the current position of the UK in relation to Brexit

- **Legal text updated** to reflect current position. Revised approach taken to referencing "Retained EU Law".

- **Implementation** of this modification would be sought as soon as practicable following the UK's exit from the EU, in the event the UK leaves the EU without an agreement

- **RECOMMENDATION TO PANEL:** Proceed with a second CAC.

Potential Future Modifications and impacts of other modifications

European Network Code Impacts – Rob Wilson

Significant Code Review – Jonathan Coe

Force Majeure – All

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Reports from Sub-Committees

Joint Planning Committee (JPC) – Nicola Bruce

Network Access Policy Workgroup (NAP) – Milorad Dobrijevic

Transmission Charging Review Group (TCRG) – Richard Woodward

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Forward Plan Update/Customer Journey)

(January, March, May, July, September, November)

No Updates

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AOB

STC Panel Meeting Dates - 2021

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STC 2021 Panel Dates

STC	Panel Dates	Papers Day	Modification Submission Date
January	27	19	12
February	24	16	9
March	31	23	16
April	28	20	13
May	26	18	11
June	30	22	15
July	28	20	13
August	25	17	10
September	29	21	14
October	28	20	13
November	24	16	9
December	15	7	30/11

Date of next meeting

Wednesday 25 November 2020

Modification Submission date – 10 November 2020

Panel Papers Day – 17 November 2020

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Close

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