

STC Modification Panel Minutes: 25 November 2020

STC Modification Panel Minutes: Meeting Number 184

Date: 25/11/2020 **Location:** Microsoft Teams

Start: 10:00am **End:** 12:00pm

Participants

Attendee	Initials	Company
Jennifer Groome	JG	Chair, Code Administrator, National Grid Electricity System Operator
Rashpal Gata-Aura	RGA	Technical Secretary, Code Administrator, National Grid Electricity System Operator
Rob Wilson	RWI	National Grid Electricity System Operator (NGESO)
Matt Baller	MB	National Grid Electricity System Operator (NGESO) (Alternate)
Richard Woodward	RWO	National Grid Electricity Transmission (NGET)
Neil Sandison	NS	Scottish Hydro Electric Transmission plc (SHET)
Neil Bennett	NB	Scottish Hydro Electric Transmission plc (SHET)
Nicola Bruce	NB	National Grid Electricity System Operator (NGESO)
Deborah MacPherson	DM	Scottish Power Transmission plc. (SPT)
Milorad Dobrijevic	MD	Scottish Power Transmission plc. (SPT)
Mike Lee	ML	Transmission Capital (TC)
Jonathan Coe	JC	Ofgem
Apologies	Initials	Company
Lurrentia Walker	LW	Technical Secretary, Code Administrator, National Grid Electricity System Operator

1. Introductions and Apologies for Absence

5150. Apologies were received from Lurrentia Walker.

2. Approval of Minutes from Previous Meeting

5151. The Panel approved the minutes from the meeting held on 28 October 2020. The Panel Secretary will update the minutes and arrange publication of the minutes. **ACTION**

3. Review of Actions

5152. The Panel reviewed the open actions from the meeting held on 28 October 2020 which can be found on the [Actions Log](#).

4. Authority Decisions

5153. JG advised the Panel that there had been no Authority decisions on STC modifications.

5. STC/STCP Modification Proposals for Panel Decision

CM075 – ‘Clarification on Final Sums Definition’

5154. RWO presented the CM075 proposal to the Panel advising that the current definition of Final Sums appears to contradict the provisions for calculating Final Sums amounts in Schedule 9. This proposed modification is looking to remove the exclusion from financing the Final Sums amount in Schedule 9, therefore removing any ambiguity/contradiction from the definition.
5155. RWO clarified that current definition for Final Sums includes an exception for capitalised interest which is not seen elsewhere in the code (e.g. Section 9 Clause 7.2), and accepted practice where all costs should be recovered from Users seeking to terminate Connection Agreements, rather than risk certain costs being socialised or incurred unreasonably by the Onshore TO.
5156. RWO advised the Panel that this modification seeks to avoid any ambiguity in the STC code and ensure that the Onshore TOs can recover their full costs from the ESO for making connections investment for the benefit of a single User, but where the User terminates their agreement prematurely and works cannot be re-used for another customer. The solution here is to remove the exclusion from financing from the Final Sums definition in Section J Clause 3.
5157. RWO mentioned that this change has been raised on behalf of TCRG and effectively this modification is looking to remove the bracketed text causing ambiguity to provide clarity rather than any additions being made to the text.
5158. The Proposer is seeking the Panel’s recommendation that this modification is progressed through the Self-Governance route as it meets the criteria. JC emphasised that the Panel should be satisfied that CM075 fully meets the all the Self-Governance guidelines.
5159. RWO advised the Panel that, in the proposer’s view, that this action does not have any consequences on any other Frameworks. The change needed is for legal clarification and is minor.
5160. NS advised the Panel that there is a different definition in CUSC of Final Sums.

5161. RWO to confirm at next the Panel meeting the CUSC impact of the proposal if any, and to raise this also at the Transmission Charging Review Group ahead of the modification being progressed. **ACTION**

STC/STCP Modification Proposals for Panel Discussion

5162. No further updates.

6. Potential Future Modifications

Modification Tracker and Horizon Scan

5163. The Panel reviewed the STC Modification Tracker. The amendments to this tracker can be found via the following link:

<https://www.nationalgrideso.com/industry-information/codes/system-operator-transmission-owner-code-stc-old/meetings/stc-panel-7>

5164. JG updated the Panel regarding the Brexit Modification CM072. Code Administrator Consultation was published on the 6 November 2020 and closes on 27 November 2020.

5165. Depending on the outcome of a Brexit Deal on 31 December 2020, a special STC Panel meeting will be essential in early January 2021. Calendar invites will be forwarded to the STC Panel by the Code Administrator (post meeting note: Special STC Panel to be held on 6 January 2021.) **ACTION.**

European Network Code impacts

5166. RWI advised that there were no further updates for the Panel.

Significant Code Review (SCR)

5167. JC updated the Panel regarding the timelines for their Access minded-to decision in light of the interactions with the development of flexibility markets, as well as wider developments around transmission charging. Ofgem have taken a decision to delay publication until 2021 – precise date yet to be confirmed. Ofgem are working with industry to understand what a delay means for implementation and other work such as ED2.

Targeted Charging Review (TCR)

5168. JC further went on to advise the Panel that Ofgem continue to develop their decisions for the CUSC-related modifications, with a view to issuing these in the near future.

Force Majeure

5169. The Panel had no issues to raise.

7. Reports from Sub- Committees

Joint Planning Committee – JPC

5170. No update from the Joint Planning Committee.

Network Access Policy Workgroup – NAP

5171. MD advised the Panel that the next meeting will be held on 1 December 2020 which will be focusing on the start of RIIO T2. Considerable work is being undertaken in the background by the ESOs and TOs ensuring all preparations for network access are in place. Much work is also being undertaken on new single network policy KPIs. Whilst all these have been agreed, work continues behind the scenes to establish how data can be collected in a common format and in a uniform manner. A full update on progress will be provided at the next Panel meeting in December 2020.

Transmission Charging Review Group - TCRG

5172. RWO confirmed that the next TCRG meeting will be held on 1 December 2020 and a full update will be provided to the Panel in the December 2020 meeting.

8. Forward Plan Update

Consumer benefits

5173. JG updated the Panel on the considerable work already undertaken by the Code Administrator team on Consumer Benefits. This is in line with the recommendation from Code Administrator Code of Practice (CACoP) forum and feedback from the Panel was sought.

Code Administrator Improvements

5174. Following observations and feedback from industry in previous years regarding the Code Administrator team performance, JG shared the improvements that the Code Administration team have now made in 2020.

5175. JG told the Panel that as there will not be a CACoP survey this year, due to the prevailing exceptional circumstances, the Code Administration team will conduct their own separate survey to gather vital feedback to validate the improvement activities and continue working on areas where further improvements are still required.

5176. The survey will be handled by an external company who will call our contacts and in the event no contact can be made by telephone, an email will be forwarded with a link to the survey. The Panel members were encouraged to take part in this survey to enable the Code Administrator team to get a true reflection on their performance.

5177. ML provided positive feedback to the Panel on the work already/being undertaken by the Code Administration team, stating that concerns raised have been listened to, addressed and improvements made.

9. Any other Business

5178. JC advised the Panel that as per previous years, there will be a moratorium over the Christmas period. The last day of publication of documents by Ofgem will be on 18 December 2020 and Ofgem will resume publication of documents on 4 January 2021. This action may impact some decision timetables for some Code Modifications, but this provides industry transparency when documents are being issued.

5179. RWI raised a possible concern regarding the Brexit Modifications, as presently the outcome of the Brexit Deal is unknown.

5180. JC confirmed to the Panel that whilst there is a moratorium over the Christmas period, Ofgem reserve the discretion to publish documents as they see fit.

Date of next meeting

5181. The next STC Panel meeting will be held on **Wednesday 16 December 2020**.