

STC Modification Panel Minutes: 28 April 2021

STC Modification Panel Minutes: Meeting Number 188

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| Date: 28/04/2021 | Location: Microsoft Teams |
| Start: 10:00am | End: 11:30pm |

Participants

| Attendee | Initials | Company |
|--------------------|----------|--|
| Jennifer Groome | JG | Chair, Code Administrator, National Grid Electricity System Operator (NGESO) |
| Rashpal Gata-Aura | RGA | Technical Secretary, Code Administrator, National Grid Electricity System Operator (NGESO) |
| Matt Baller | MB | National Grid Electricity System Operator (NGESO) (Alternate) |
| Nicola Bruce | NBR | National Grid Electricity System Operator (NGESO) |
| Richard Woodward | RWO | National Grid Electricity Transmission (NGET) |
| Neil Bennett | NB | Scottish Hydro Electric Transmission plc (SHET) |
| Deborah MacPherson | DM | Scottish Power Transmission plc. (SPT) |
| Paul Smillie | PS | Scottish Power Transmission plc. (SPT) (Observer) |
| Mike Lee | ML | Offshore Transmission Owner (OFTO) |
| David Lyon | DL | Offshore Transmission Owner (OFTO) |
| Joel Matthews | JM | Offshore Transmission Owner (OFTO) |
| Jonathan Coe | JC | Ofgem |
| Apologies | Initials | Company |
| Milorad Dobrijevic | MD | Scottish Power Transmission plc. (SPT) |
| Rob Wilson | RW | National Grid Electricity System Operator (NGESO) |

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| Neil Sandison | NS | Scottish Hydro Electric Transmission plc (SHET) |
| Trisha McAuley | TM | Independent CUSC Panel Chair (Observer) |

1. Introductions and Apologies for Absence

5320. Apologies were received from Robert Wilson, Milorad Dobrijevic, Neil Sandison. Trisha McAuley CUSC Panel Independent Chair (observer) also sent her apologies and is looking to attend the STC May Panel meeting.

2. Approval of Minutes from Previous Meeting

5321. The Panel approved the minutes from the meeting held on 31 March 2021 subject to minor amendments. The Panel Secretary will update the minutes and arrange publication of the minutes. **ACTION**

3. Review of Actions

5322. The Panel reviewed the open actions from the meeting held on 31 March 2021 which can be found on the [Actions Log](#).

4. Authority Decisions

5323. JG advised the Panel there had been no Authority decisions on STC modifications.

5. STC/STCP Modification Proposals for Panel Decision

CM076 – “STC change to reflect the terms of the UKs departure from the EU”

5324. The Chair advised the Panel that one new formal modification proposal had been submitted.

5325. The Proposer is looking to progress this modification via the self-governance route and the Chair invited comments from the Panel.

5326. The Panel unanimously approved CM076 to proceed straight to Code Administrator Consultation on 14 May with a minor adjustment to amend the definition of “Significant Code Review” within the legal text to align with the definition of “Significant Code Review” in the Licence. **ACTION** (*Post meeting note: amendment has been made, and email sent to Panel with the updated legal text*). Full details of the modification can be found via the following [link](#).

6. Draft STC/STCP Modifications

TNUoS Revenue Collection Risk Transfer

5327. The Chair advised the Panel there was one draft modification and invited the Proposer to present this.

5328. MB provided a brief update on this draft proposal advising that on 9 July 2020, an Ofgem decision concluded that the TNUoS collection cashflow timing risk should be reallocated from NGENSO to onshore TOs.

5329. MB advised that this was because the difference between allowed and collected revenues can be more material in relation to the size of NGENSO contrasted with the onshore TOs.
5330. The main change would be that NGENSO would now pay onshore TOs only when monthly TNUoS invoices had been issued.
5331. MB provided the background to this modification stating that the timeline was being looked at and the bad debt risk would continue to remain with NGENSO. Further update will be provided at the May Panel. The slides can be found with the [Panel papers](#).

7. Ofgem Code Modification Decision Dates

5332. The Chair invited JC to present the Ofgem Code Modification Decision Dates.
5333. JC advised the Panel that a review had taken place in making Code Modification Decisions. It was Ofgem's intention to adopt a new approach for a trial period of six months starting April, with the first decision being published at the end of April.
5334. JC touched upon Code Governance saying that Ofgem welcomed the different initiatives seen across codes already. He set out areas in the slides provided, where there may be scope for the industry to deliver proportionate, beneficial change ahead of a more fundamental reform.
5335. JC stated that code modernisation incorporated a range of actions such as rationalisation, equality and diversity, digital transformation, and improved cross-code working.
5336. JC provided an update on the Energy Codes Review, communicating that Ofgem were looking to consult on this later in the year.
5337. JC advised that Ofgem were very supportive of industry and Code Administrators to continue with improvements to the existing governance arrangements. For further details slides can found with the [Panel papers](#).
5338. The Chair endorsed the 4 areas where work was being undertaken on, advising the Panel that it was consistent with the feedback received from industry in the ESO Code Administrator survey in 2020.

8. Potential Future Modifications

Modification Tracker and Horizon Scan

5339. The Panel reviewed the STC Modification Tracker. The amendments to this tracker can be found via the following [link](#).
5340. The Chair shared a further document with the Panel showing all the Grid Code and CUSC modifications which have an STC interaction.
5341. The Chair gave an overview on this document pointing out this was a live document which provided a view of the progress of the modifications..

5342. The Chair invited comments from the Panel on this document. The Panel endorsed the document and were happy for this to be shared at future Panel meetings.

Authority Update

5343. JC advised the Panel there was no further update on SCR.

European Network Code impacts

5344. MB advised the Panel that there were no further updates.

9. Reports from Sub- Committees

Joint Planning Committee – JPC

5345. The JPC meeting was held on 27 April 2021 and no update was available yet.

Network Access Policy Workgroup – NAP

5346. **ACTION** was taken away by RWO to contact David Willmott the Chair of NAP to get clarity if update on NAP needs to be a recurring item on the STC Panel. (*Post Panel note: Updates will only be provided by exception when NAP deal with issues which directly impact on STC.*)

Transmission Charging Review Group - TCRG

5347. RWO advised the Panel that there was no update and the next meeting is due on 7 July. (*Post Panel update: TCRG meeting minutes from 24 March 2021 were circulated to the Panel on 30 April 2021.*)

10. Code Administrator Update

5348. There was no update from the Code Administrator.

11. Any other Business

5349. RWO presented a misalignment between Connection Offer Timescales set out in the main STC and those set out in STCP18-1.

5350. RWO advised that a modification will be raised in June Panel to rectify the potential for misinterpretation. RWO asked Panel members to confirm which approach they were applying.

5351. Most Panel members agreed that the timescales set out in STCP18-1 were the ones being used and all were asked to check and confirm. Further details on this can be found with the [Panel papers](#).

5352. JC confirmed the Code Administrator survey will be conducted this year. He told the Panel that ESO will be dealing with the invoicing side and entering into MoUs with all the other Code Administrators to share the costs of the survey.

5353. The Chair thanked David Lyon for all his contributions to the Panel as the OFTO representative and welcomed Joel Matthews as his replacement.

Date of next meeting

5354. The next STC Panel meeting will be held on **Wednesday 26 May 2021**

5355. New Modification Proposal date **Tuesday 11 May 2021**

5356. Panel papers day **Tuesday 18 May 2021**