STCP Modification Proposal Form

PM0121: STCP16-1 Bay Reservation Amendment

Overview: Ofgem's direction of a derogation from the STC allowing the ESO to proceed with the pathfinder projects required an enduring amendment to be made to clarify the arrangements under which capacity at a substation could be allocated as part of the tender process and ahead of a connection agreement being in place.

Modification process & timetable

1. **Initial STCP Proposal**
   30 November 2021
2. **Approved STCP Proposal**
   TBC
3. **Implementation**
   TBC

Status summary: The Proposer has raised a modification and is seeking a decision from the Panel on the governance route to be taken.

This modification is expected to have a: Low impact

Potentially any Users participating in a Pathfinder project; TOs and the ESO

Governance route	The Panel will make the decision on whether the modification should be implemented.

Who can I talk to about the change?	**Proposer:** Rob Wilson robert.wilson2@nationalgrideso.com 07799656402	**Code Administrator Contact:** Ian Ascroft Ian.ascroft@nationalgrideso.com 07929 654061

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What is the issue?

NGESO has run competitive tender processes for system services (providing solutions to network stability, voltage, and constraint problems) known as Pathfinders.

In previous Pathfinder tenders, participants had sought to secure a connection to the system independently following the normal process set out in the CUSC and STC section D. Due to the large number of parties tendering for a few contract awards this led to queuing, uncertainty, and a potential disconnect between successful tenders and connection applications in which the terms of one might preclude the other.

For the 3rd round of the Stability Pathfinder it was instead proposed that an alternative process should be followed in which connection agreements for Pathfinders could be issued on successful conclusion of a Pathfinder tender. In effect this meant that while section D of the STC would still be followed, a more efficient solution would be achieved by allowing the reservation of bays and associated capacity at the connecting substation by the firm allocation of a substation bay and capacity in advance of a connection offer being made.

Ofgem issued a direction[1] to the ESO and TOs to allow a derogation from the normal STC section D connection process and specifically to allow this reservation of substation capacity. Further, STCP16-1 'Investment Planning' section 4.3 allows any party to submit to another a request to consider network changes to improve working methods or reduce costs to the industry. The combination of these two factors allowed the Pathfinder to proceed, however Ofgem were clear in their direction that an enduring solution was expected to be brought forwards.

Why change?

An enduring solution to the issue identified above was required by Ofgem in their direction. Ofgem also noted that any changes should take account of the feedback received as part of the Pathfinder process and in the consultation on this.

Feedback received through the Pathfinder has been broadly positive of bay reservations in helping to free up the process. One party asked if a bay reservation could also be used by parties at adjacent substations to reserve fault level capacity. This is not possible. Fault level capacity cannot be reserved in itself but only as part of the proposed connection of equipment into a bay.

What is the proposer's solution?

It is proposed to amend STCP16-1 section 4.3 to add specific clarification of the purpose for which it may be used. This is to include reservation of substation bays and/or capacity as part of the development of a connection application where it can be shown that this will provide a more economic solution overall.

Legal text

The following change to STCP16-1 Issue 006 Investment Planning section 4.3 is proposed: (in red mark-up)

4.3 Production of Planning Requests.

[1] Direction to relieve National Grid Electricity Transmission Plc and National Grid Electricity System Operator Limited of the obligation to comply with Section D Part 2 of the SO-TO Code for Pathfinder connections | Ofgem

4.3.1 In accordance with section 2.4.1. of section D of the STC any party may submit to another party a request to consider network changes to improve working methods or reduce costs to the industry.

4.3.2 The planning request will be submitted in the format shown in Appendix C.

4.3.3 The technical and operational impacts of the requested change will be discussed through the Investment Planning Sub Groups. The Operational Assessment Sub Group will consider the impact of the request on the Initial Outage Plan and associated Operational Assessment.

4.3.4 For the avoidance of doubt, typical applications that may be covered under such a planning request may include temporary or permanent line diversions, intertripping or other protection schemes, and firm allocation of substation bay(s) and/or capacity to a party ahead of a connection agreement being entered into where this facilitates a more efficient overall solution.

What is the impact of this change?

Proposer's assessment against STC Objectives	
Relevant Objective	**Identified impact**
(a) efficient discharge of the obligations imposed upon transmission licensees by transmission licences and the Act	**Neutral**
(b) development, maintenance and operation of an efficient, economical and coordinated system of electricity transmission	**Positive** Potentially positive in improving the efficiency of the connection process and allowing more effective competition in the provision of services
(c) facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the distribution of electricity	**Positive** Potentially positive in improving the efficiency of the connection process and allowing more effective competition in the provision of services.
(d) protection of the security and quality of supply and safe operation of the national electricity transmission system insofar as it relates to interactions between transmission licensees	**Neutral**
(e) promotion of good industry practice and efficiency in the implementation and administration of the arrangements described in the STC	**Neutral**
(f) facilitation of access to the national electricity transmission system for generation not yet connected to the	**Positive**

national electricity transmission system or distribution system;	Potentially positive in improving the efficiency of the connection process.
(g) compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.	**Neutral**

Proposer's assessment against the STCP change requirements[2]	Proposer's assessment
(a) the amendment or addition does not impair, frustrate or invalidate the provisions of the Code	Requirement met
(b) 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	Requirement met
(c) the amendment or addition is not inconsistent or in conflict with the Code, Transmission Licence Conditions or other relevant statutory requirements	Requirement met
(d) the Relevant Party Representatives deem that the amendment or addition is appropriate to support compliance with the Code	Requirement met

When will this change take place?

Implementation date
Contract Award of the Pathfinder Phase 2 is in March 2022 with tender submissions in January; it would be beneficial if this clarification could be in place by March to allow it to benefit this.

Phase 3 contract award date is in September 2022.

Implementation approach
Needs to be drawn to the attention of all parties participating in the connection process.

[2] STCP changes may only be made if they meet the requirements in Section B, 7.3.2

Interactions

☐ Grid Code ☐ BSC ☒ CUSC ☐ SQSS
☐ European Network Codes ☐ Other modifications ☐ Other

Possible interaction with the CUSC connection process.

Panel Determination

Party	Determination
National Grid (ESO)	To be updated following Panel determination
National Grid (TO)	To be updated following Panel determination
Offshore Transmission Owners (OFTOs)	To be updated following Panel determination
Scottish Hydro Electric Transmission plc (SHET)	To be updated following Panel determination
SP Transmission Limited (SPT)	To be updated following Panel determination

Acronyms, key terms and reference material

Acronym / key term	Meaning
BSC	Balancing and Settlement Code
PM	Procedure Modification
CUSC	Connection and Use of System Code
STC	System Operator Transmission Owner Code
SQSS	Security and Quality of Supply Standards

Reference material

- Ofgem Direction to relieve National Grid Electricity Transmission Plc and National Grid Electricity System Operator Limited of the obligation to comply with Section D Part 2 of the SO-TO Code for Pathfinder connections:
  Direction to relieve National Grid Electricity Transmission Plc and National Grid Electricity System Operator Limited of the obligation to comply with Section D Part 2 of the SO-TO Code for Pathfinder connections | Ofgem