

STC Modification Panel Minutes: 26 January 2022

STC Modification Panel Minutes: Meeting Number 196

Date: 26 January 2022 **Location:** Microsoft Teams

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

Participants

Attendee	Initials	Company
Jennifer Groome	JG	Chair, Code Administrator, National Grid Electricity System Operator (NGESO)
Rashpal Gata-Aura	RGA	Tech Sec, Code Administrator, National Grid Electricity System Operator (NGESO)
Sally Musaka	SM	Chair, Code Administrator, National Grid Electricity System Operator (NGESO) Observer
Rob Wilson	RWI	National Grid Electricity System Operator (NGESO)
Stephen Baker	SB	National Grid Electricity System Operator (NGESO) Presenter
Nicola White	NW	National Grid Electricity System Operator (NGESO) Presenter
Terry Baldwin	TB	National Grid Electricity System Operator (NGESO) Presenter
Nicola Bruce	NBR	National Grid Electricity System Operator (NGESO)
Antony Johnson	AJ	National Grid Electricity System Operator (NGESO) Presenter
Hannah Rochford	HR	National Grid Electricity System Operator (NGESO) Presenter
Katherina Meehan	KM	National Grid Electricity System Operator (NGESO) Presenter
Angela Quinn	AQ	National Grid Electricity System Operator Legal Representation
Richard Woodward	RWO	National Grid Electricity Transmission (NGET)

Milorad Dobrijevic	MD	Scottish Power Transmission plc. (SPT)
Neil Bennett	NBE	Scottish Hydro Electric Transmission plc. (SHET)
Ian Bottomer	IB	National Grid Electricity Transmission (NGET)
Mike Lee	ML	Offshore Transmission Owner (OFTO)
Joel Matthews	JM	Offshore Transmission Owner (OFTO)
Jonathan Coe	JC	Ofgem
Apologies	Initials	Company
None		

1. Introductions and Apologies for Absence

5630. No apologies were received.

2. Approval of Minutes from Previous Meeting

5631. The Panel approved the minutes from the meeting held on 15 December 2021. [Post Panel note: The minutes are now available on the National Grid ESO website].

3. Review of Actions

5632. The Panel reviewed the open actions from the meeting held on 15 December 2021.

4. Authority Decisions

5633. The Chair informed the Panel there had been no Authority decisions on STC modifications.

5. STC/STCP Modification Proposals for Panel Decision

5634. The Chair stated that two new modifications had been submitted for January Panel:

- 1) CM080 - Transmission Impact Assessment Process**
- 2) PM0121 - STCP16-1 Bay Reservation Amendment**

5635. The Proposer (TB) was invited to present CM080 and full details of this modification can be found in the [Panel papers](#).

5636. TB gave the Panel an introduction to this modification, which was seeking to formalise the trial process into the STC to work alongside the current Statements of Work process.

5637. TB advised the Panel that Network Operators had trialled and refined a more efficient aggregated assessment of Distributed Generators (DG) that have or may have an impact on the National Electricity Transmission System (NETS).

5638. CM080 was seeking to formalise the trial process (Transmission Impact Assessment, TIA) into the STC which would work alongside the current Statement of Works process.

- 5639. Standard governance was proposed as there is an expectation that Ofgem should consider both CMP298 and CM080 together as a package. A Workgroup was proposed to further refine the modification.
- 5640. TB talked through the feedback that was given at the last Panel meeting where the draft of this modification was presented. This was that the increase in the minimum frequency of updates had been fed back to the CMP298 Workgroup. The legal text now includes an amendment to Annex 3a which states Appendix G updates to be provided monthly or as otherwise agreed.
- 5641. TB stated that the issue of this modification disadvantaging large embedded generators had been debated during CMP298 therefore it is not proposed to be repeated as part of the STC modification.
- 5642. NB raised some concerns regarding the process for the large embedded generators.
- 5643. The Chair responded that as CM080 was going to a Workgroup therefore any concerns would be addressed by the Workgroup.
- 5644. The Panel agreed that modification meets the Standard Governance criteria (Ofgem can consider CMP298 and CM080 together) and that a Workgroup should be set up.
- 5645. The Panel also agreed the Workgroup's Terms of Reference and noted the proposed timeline.
- 5646. The Chair stated that a decision was sought on **PM0121 - STCP16-1 Bay Reservation Amendment** which was presented in draft at December 2021 Panel meeting.
- 5647. RWI gave a brief refresher on PM0121 following which a question was raised.
- 5648. IB questioned whether PM0121 was forcing industry to reserve capacity.
- 5649. RWI confirmed that this modification was making it more specific and that it was one of the criteria's that could be considered under STCP16-1.
- 5650. The Panel unanimously agreed that the PM0121 is implemented on 14 March 2022 (**Post Panel note:** this date was brought forward to 7 February 2022 and implementation effected).

6. Draft STC/STCP Modifications

- 5651. The Chair invited SB to give an update on CMP315/375 which would impact the STC and a modification would need to be raised.
- 5652. SB stated that a consequential STC modification proposal would be shared as a draft at the March Panel meeting with plans to raise it as a formal modification in April. .
- 5653. SB shared the background to CMP315/375. He explained that that the issue was as approved under CMP353, the CUSC currently specified that the Expansion Constant (EC) and associated generic onshore Expansion Factors (EF) were fixed at the value used in 2020/21 plus relevant inflation for each following year.
- 5654. SB stated that without establishing and implementing an enduring solution for the calculation of the EC and EFs there would be a risk that the charging methodology would not appropriately reflect the incremental costs of the system to Users.

5655. CMP375 was seeking to amend the calculation of the Expansion Constant & Expansion Factors to better reflect the growth of and investment in the National Electricity Transmission System (NETS)
5656. SB stated that this proposal would have a high potential impact on all Users who paid TNUoS charges, ESO and Onshore and Offshore Transmission Owners. CMP315/375 was being progressed as a Standard Governance modification with assessment by a Workgroup which is ongoing.
5657. The Proposer (ESO) recommended that CMP375 was progressed jointly with CMP315 'TNUoS: Review of the expansion constant and the elements of the transmission system charged for'.
5658. SB advised the Panel that consequential changes to the STC would likely be required to facilitate these proposals. The STC requirements to align with CMP315 and CMP375 would be to amend the calculation of the Expansion Constant & Expansion Factors to better reflect the growth of and investment in the National Electricity Transmission System (NETS). The STC itself does not define or otherwise mention TNUoS or the Expansion Constant but STCP14-1 feeds into this via the provision of data. Therefore if the EC & EF methodology calculation was changed then so may the data required.
5659. SB advised that the STC impacted area was STCP 14-1 and there may be other sections or STCPs impacted which were yet to be identified. Changes were likely to be minor but would be expected to be presented to Ofgem simultaneously with the CUSC changes.
5660. RW commented on the need for clarity and that the defect should be outlined precisely in the modification rather than aligning it to the CUSC modification solution.
5661. RWI responded that whilst the preference would be to start work on the STC modification, the CUSC solution would need to be reasonably well formed to get an indication of what defect was actually being addressed.
5662. RWI questioned when the STC modification would be formally presented to the Panel.
5663. SB replied that he would have a discussion with the Proposer of CMP315/CMP375, to establish the position of the CUSC modification. SB shared his intentions to present the draft modification at the March Panel and then formally raise it at the April Panel.
5664. The Chair invited HR and TJ to present the next item on the agenda.

Distributed ReStart

5665. HR presented the slides on Distributed Restart which were included in the [Panel papers](#).
5666. HR gave a summary on what the project was looking to achieve, which was to reduce cost to consumers by introducing competition, decrease carbon footprint, future proof our networks and accelerate regional restoration timescales.
5667. HR walked through "Automation of Restoration Process" which is detailed in the Panel slides.
5668. HR stated that as part of the Grid Code update process to implement Distributed Re-Start, some sections of the Grid Code and Distribution Code would be updated – section list available on the slides with the [Panel papers](#).

- 5669. TJ advised the Panel that this process was currently being progressed through Grid Code modification GC0148 “Implementation of EU Emergency and Restoration Code Phase II”.
- 5670. The Grid Code and D Code drafting reflected the processes outlined in the slides with the project team being fully involved at each stage of its development to ensure consistency.
- 5671. The Grid Code and D Code drafting recognised the wider Black Start Strategy of re-energising the System and re-establishing Demand as soon as possible. This would be achieved through a combined “Top Down” and “Bottom up” approach in parallel.

Top Down

Instructions are issued by the ESO to Black Start Service Providers from Power Islands under a Local Joint Restoration Plan (LJRP).

Bottom Up

Instructions are issued by the ESO to Network Operators to establish one or more Distribution Restoration Zones through Distribution Restoration Zone Plans (DZRP)

- 5672. The System is re-established by the connection of Power Islands, in which each individual Power Island could have been established through either an LJRP or DRZP.
- 5673. The wider System Restoration Strategy work (which includes changing the term “Black Start” to “System Restoration”) is out of scope of this work
- 5674. As part of this process some changes would be required to the STC and STCPs, most of which are consequential. These are minor as most of the changes apply to “Users” through the Grid Code and Distribution Code.
- 5675. TJ stated that some detailed comments had been received through GC0148 particularly from Northern Power Grid and these required assessments.
- 5676. TJ stated that the intention was to give a high level overview of the changes to the STC Panel. This would then be followed by formally submitting the changes to the STC Panel once there was greater certainty to the Grid Code and Distribution Code changes.
- 5677. IB raised a question that within the STCP, Scottish TOs were still being treated differently to NGET in terms of the Black Start Restoration. NGESO would pass it to Scottish TOs to implement the restoration plans and the distribution plans. However in England and Wales NGESO would be directing the Black Start. Given the legal separation, IB queried why all the Onshore TOs were not managing their networks in the same way.
- 5678. TJ responded stating that the purpose of this work was to implement Distribution Restoration Zone project. The road map currently available in the Codes was being used to implement that. Distribution Restoration Zone arrangements had been put into the Code.
- 5679. **ACTION** AJ discuss this concern internally and also to consult with the Control Room colleagues to get their views.
- 5680. MD questioned if the tests conducted had been classed as successful.
- 5681. HR replied that the tests had been classed as successful and offered to share the links and reports.

5682. **ACTION** HR to circulate the summary report/links from the trials with the Panel members.

7. Code Administrator Update

5683. The Chair shared the results from Code Administrators' Performance Survey with Panel members.
5684. The Chair informed the Panel that this survey set out the key findings from the survey in relation to STC to, CUSC and Grid Code, which showed a very positive increase in satisfaction since the survey was last held in 2019.
5685. The Chair stepped through the areas for improvement and next steps. For full details please see the slides in [Panel papers](#).
5686. The Chair advised the Panel that in March 2022, the ESO would be holding an ESO wide survey where it will ask stakeholders their thoughts on the ESO's service as well as in specific areas they engage with. The feedback from both the CACoP and ESO surveys will be built into the Code Administrator's next Deliverables Plan for 2022-23 which will be shared in the coming months.

8. Potential Future Modifications

Modification Tracker and Horizon Scan

5687. The Panel reviewed the STC Modification Tracker. The amendments to this tracker can be found via the following [link](#).
5688. RW commented that CMP328 remains without a corresponding STC code change.
5689. RWI replied that draft legal text had been written and ESO were looking to bring the draft proposal to the March Panel.
5690. **ACTION** RWI to circulate draft legal text to Panel members for comments as soon as the draft is ready and present the formal proposal at the March Panel.

Authority Update

5691. JC advised the Panel that whilst there was no further update, the Code Administrator Survey results had been published and were available on the Ofgem website encouraging all to view.

European Network Code impacts

5692. RWI advised the Panel there were no further updates, going forward this item can be removed from the agenda and updates would be communicated as and when applicable.

9. Reports from Sub-Committees

Joint Planning Committee – JPC

5693. The JPC meeting had been held and the minutes/summary report will be circulated with the February Panel papers.

5694. **ACTION** NB to make available the minutes/summary from the December JPC meeting for inclusion with the Panel papers for February.

Network Access Policy Workgroup – NAP

5695. NB updated the Panel that a NAP meeting was held in December 2021. The main discussion was regarding what NGET can charge the ESO for as an enhanced service provision under STCP11-4. Clarity from Ofgem has been sought who so far have supported the ESO decisions.

5696. Two enhanced service proposals had been rejected by the ESO. One related to the asset replacement which was funded through existing means. The other was an outage change so funded through STCP11-3 as costs pass through with no incentive payment.

5697. NB advised the Panel of her move to a new role in March as Operability Intelligence Manager. As this role was still within the Networks she would continue to work closely with NAP, ENCC, TOs and DNOs. The expectation was that she would remain an ESO representative on the STC Panel and confirmation had been requested from the Network Senior Leadership Team.

5698. The date of the next NAP meeting is to be confirmed.

Transmission Charging Review Group - TCRG

5699. RWO advised the Panel that the future of the TCRG was being considered presently.

10. Any other Business

5700. NW and SB were invited to provide an update on the Interdepend CUSC/STC modifications, full details are available on the slides within the [Panel papers](#).

5701. NW walked through the slides stating that there were a number of CUSC modifications which would significantly impact the STC and STCPs. She advised the Panel that the “Lessons Learnt and Proposals for Way Forward” was:-

- i) The prerequisite to identify need (or not) for STC(P) at early point in the CUSC modification.
- ii) If required, highlight in Terms Of Reference of CUSC Proposal and decide best time to raise STC mod e.g. once CUSC had taken shape.
- iii) Once the need had been identified for STC(P) follow-on, raise the STC Proposal as soon as practicable when the view of CUSC format is known.
- iv) Align with timeline for CUSC modification and consider running a combined CUSC and STC(P) Workgroup where appropriate for efficient use of time.
- v) Always looking to complete modifications simultaneously and therefore increasing the likelihood for efficient submission and decision-making.

5702. Update was provided to the Panel regarding STC and CUSC Modifications for January 2022 that must be jointly presented to Ofgem for decision due to cross code impacts. There were currently 5 CUSC Modifications which would have significant STC impacts; CMP286/287, CMP298 (CM080 STC modification has been raised), CMP315/375, CMP328 (CM078 & PM120), CMP330/374 (CM079).
5703. RW highlighted the importance of the Critical Friend stage in the process in identifying wider impacts of the modification and also suggested to reform the Governance Rules to make this process work better.
5704. RWI endorsed the point of early identification whilst very important, also highlighted the need for engagement in CUSC modifications from STC parties not only the ESO but also the TOs – should there be an impact so the parties involved would be aware of the situation at an early stage.
5705. The Chair invited KM and AG to provide an update on **Ofgem’s decision to grant PeakGen TO licence** and the next steps.
5706. KM/AQ advised the Panel that on 11 January 2022 Ofgem agreed to proceed with granting PeakGen a TO licence by the 1 April 2022 when their MRPL shunt reactor was to be operational.
5707. The Panel were told that the issue currently was that there were only provisions in the STC for the three incumbent TOs and for OFTOs. It was discussed what may apply for the new STC Party and what this could mean for the STC Panel setup.
5708. The proposal was to agree on required documentation to convert connection agreement to STC framework by utilising documentation intended for OFTOs. The documents being interface agreement, transmission site schedule and commissioning and compliance processes followed by facilitation of STC accession for MRPL.
5709. AQ advised the Panel that this situation was unique in that there was not a process in place for ONTO to ONTO connection under the STC. The OFTO to ONTO process requires that a party entry process timetable is to be created and signed by Panel members. It was proposed that this is used for MRPL, with edits and assumptions clarified to make this work for the short term.
5710. AQ acknowledged it was recognised that longer term this would need to be addressed and the proposal was to address them as part of the bigger work that was envisaged about Onshore connections and Onshore competition more generally, than to try and make edits to the STC/Ps at this moment in time.
5711. AQ stated that that if this proposal was going to work that the STC/STPCs was read as being ONTO to ONTO where it talks about OFTO to ONTO.
5712. AQ advised the Panel that consideration will need to be given to Panel representation and voting etc. Consideration needs to be given to this so it is clear how this works with MRPL.
5713. AG suggested that one option would be that MRPL could attend Panels without having voting rights. The proposal was that in the normal course of a new party acceding, a meeting would be set up with the party representatives to go through the draft of the procedure which ESO would prepare, talk about in more detail and agree how this could be accommodated.

- 5714. AQ emphasised that the solution required at the moment is a short term one to enable MRPL to join. A longer term solution will need more time to be developed and can be linked in with the detail of how CATO/others may work longer term.
- 5715. The Panel agreed the Terms of Reference and for CM079.
- 5716. The Chair closed the meeting advising the date for the next Panel meeting.

Date of next meeting

- 5717. The next STC Panel meeting will be held on **Wednesday 23 February 2022**
- 5718. New Modification Proposal date **Tuesday 08 February 2022**
- 5719. Panel papers day **Tuesday 15 February 2022**