

STCP Amendment Proposal Form

PA043

1. Title of Amendment Proposal

STCP 18-3 – Incorporation of TEC Exchange Process

2. Description of the Proposed Amendment (*mandatory field*)

CA013 clarified the process to be followed and the obligations on National Grid and each Transmission Owner (TO) under the STC to jointly liaise in the preparation of a TEC Exchange Rate.

The implementation of CA013 within the STC, requires a consequential amendment to STCP18-3 which clarifies the TEC Exchange Rates Process.

The above change is reflected within the change-marked STCP attached as Attachment 1 to this STCP Amendment Proposal Form.

3. Description of Issue or Defect that Proposed Amendment seeks to Address (*mandatory field*)

Insertion of additional text within STCP18-3 which clarifies STC Parties responsibilities regarding the TEC Exchange Rates Process.

This STCP Amendment Proposal therefore summarises the defects to be rectified and outlines draft legal text that would give effect to the proposed changes.

4. Impact on the STC (*information should be given where possible*)

Effects on STCP 18-3 Issue 005 are as detailed in the Change Marked version attached at Attachment 1 to this STCP Amendment Proposal.

5. Impact on other frameworks e.g. CUSC, BSC (*information should be given where possible*)

NONE

6. Impact on Core Industry Documentation (*information should be given where possible*)

NONE

7. Impact on Computer Systems and Processes used by STC Parties (*information should be given where possible*)

NONE

8. Details of any Related Modifications to Other Industry Codes (*where known*)

NONE

9. Justification for Proposed Amendment with Reference to Applicable STC Objectives (mandatory field)

It is the view of the proposer that these changes should be incorporated within STCP 18-3. This would better facilitate the following Applicable STC Objectives:

- the development, maintenance and operation of an efficient, economical and co-ordinated system of electricity transmission
- protection of the security and quality of supply and safe operation of the GB Transmission System insofar as it relates to the interactions between transmission licensees
- promotion of good industry practice and efficiency in the implementation and administration of the arrangements described in the STC.

Details of Proposer Organisation's Name	National Grid Electricity Transmission plc
Capacity in which the Amendment is being proposed (i.e. STC Party or other Party as designated by the Authority pursuant to STC section B7.2.2.1 (b))	STC Party
Details of Proposer's Representative Name Organisation Telephone Number Email Address	Andrew Truswell National Grid 01926 656388 Andrew.Truswell@uk.ngrid.com
Details of Representative's Alternate Name Organisation Telephone Number Email Address	Ben Graff National Grid Company plc 01926 656312 Ben.Graff@ngtuk.ngrid.com
Attachments (Yes/No): Yes If yes, title and number of pages of each attachment: Attachment 1: Revised legal text for STCP 18-3: TEC Changes	

Notes:

1. Those wishing to propose an Amendment to the STC should do so by filling in this "Amendment Proposal Form" that is based on the provisions contained in Section 7.2 of the STC.
2. The Committee Secretary will check that the form has been completed, in accordance with the requirements of the STC, prior to submitting it to the Committee. If the Committee Secretary accepts the Amendment Proposal form as complete, then she/he will write back to the Proposer informing them of the reference number for the Amendment Proposal and the date on which the Committee will consider the Proposal. If, in the opinion of the Committee Secretary, the form fails to provide the information required in the STC, then he/she may reject the Proposal. The Committee Secretary will inform the Proposer of the rejection and report the matter to the Committee at their next meeting. The Committee can reverse the Committee Secretary's decision and if this happens the Committee Secretary will inform the Proposer.

The completed form should be returned to:

Lilian Macleod
STC Committee Secretary
Commercial Frameworks
National Grid Company plc

NGT House
Warwick Technology Park
Gallows Hill
Warwick, CV34 6DA

Or via e-mail to: STCTeam@uk.ngrid.com

Attachment 1: Revised Legal Text for STCP 18-3 TEC Changes

STCP 18-3 Issue 0045 TEC Changes

STC Procedure Document Authorisation

Company	Name of Party Representative	Signature	Date
National Grid Electricity Transmission plc			
SP Transmission Ltd			
Scottish Hydro-Electric Transmission Ltd			

STC Procedure Change Control History

Issue 001	07/02/2005	BETTA Go-Live Version
Issue 002	26/05/2005	Issue 002 incorporating PA012
Issue 003	28/07/2005	Issue 003 incorporating PA032
Issue 004	25/10/2005	Issue 0043 incorporating PA034 & PA037
Issue 005	22/12/2005	Issue 005 incorporating PA043

This draft of STCP 18-3 has been updated since the December meeting of the STC Committee. Changes made since December's meeting are shown in this colour; those made prior to then are in green.

Further changes to Appendix A and the insertion of a new Appendix B (Scheme Briefing Note pro-forma) are still required. However, the STC Committee is requested to APPROVE the changes made to date before this significant amount of work is undertaken.

1 Introduction

1.1 Scope

1.1.1 This procedure describes the process for the submission of a NGET Construction Application to a TO for a Modification as a result of a User applying to NGET for a revision of their long term Transmission Entry Capacity (TEC) and if required the issue of a TO Construction Offer, and also the process for the submission of a NGET TEC Exchange Rate Application to a TO as a result of Users applying to NGET for an Exchange Rate Request and the issue of a TO TEC Exchange Rate. It defines the tasks, the formal documentation, interface requirements, the timescales and the responsibilities required between NGET, the Host TO, Affected TO and Other Affected TO(s) from receipt of a User Application, to the signing of an Offer.

1.1.2 This procedure applies to NGET and each TO. For the purposes of this document, TOs are:

- SPT; and
- SHETL.

1.2 Objectives

1.2.1 The objective of this procedure is to detail how the TEC Changes process will be addressed across the NGET - TO interfaces to enable the Parties to discharge their responsibilities under the STC and to ensure that responsibilities are clear.

1.3 Background

1.3.1 Under the CUSC a User can apply to NGET to amend their contractual arrangements for TEC on the GB Transmission System. The impact such a change may have on the GB Transmission System necessitates communication between NGET and each Affected TO to address any impact and, if necessary, raise an NGET Construction Application.

2 Key Definitions

2.1 For the purposes of STCP 18-3:

2.1.1 **Affected TO(s)** means any TO in relation to whose Transmission System is affected by the User Application for use of the GB Transmission System and satisfies the criteria set out in the STC, Schedule Four (see STC Section D, part 2, paragraph 2.2.2 in respect of the production of TO Construction Offers or STC Section D, part 3, paragraph 1.1.2 in respect of the production of TO TEC Exchange Rates).

2.1.2 **Affected Parties** means the Host TO, Affected TO(s) and Other Affected TO(s) as appropriate, involved in producing TO Construction Offers or TO TEC Exchange Rates relating to a particular User Application.

2.1.3 **Application Programme** means a programme to manage the application process and forms part of the Scheme Briefing Note (see Appendix B in respect of the production of TO TEC Exchange Rates or Appendix B-1 of STCP 18-1 Connection and Modification Application in respect of the production of TO Construction Offers). The Application Programme lists the milestones against which the dates agreed by all parties are inserted.

2.1.4 **Application Steering Group** means a team made up of named representatives from NGET, the Host TO, Affected TO(s) and Other Affected TO(s) (as appropriate), the "Application Steering Group", shall be formed to oversee the application process. The members of the Application Steering Group shall be identified on the Scheme Briefing Note. The remit of this group is to agree the Application Programme, monitor progress and agree any changes. The Application Steering Group is also responsible for resolving any disagreements relating to an NGET TEC Exchange Rate Application at first instance, prior to any necessary escalation. Dialogue will take place in person, by email, telephone or video conferencing as appropriate.

2.1.42.1.5 **Host TO** means the Transmission Owner whose Transmission System is located at the Relevant Connection Site (see STC Section D, part 2, paragraph 2.2.1 in respect of the production of TO Construction Offers or STC Section D, part 3, paragraph 1.1.1 in respect of the production of TO TEC Exchange Rates).

2.1.6 **Named Contact** means, in terms of the TO, the person to initially receive the NGET TEC Exchange Rate Application on behalf of that TO and, in terms of NGET, the person to whom a User Application for an Exchange Rate Request is sent in accordance with the CUSC.

2.1.52.1.7 **Other Affected TO(s)** means any TO who is not a Host TO or an Affected TO, but which receives Construction Planning Assumptions or TEC Exchange Planning Assumptions, or NGET otherwise identifies that it is likely to be required to enter into a TO Construction Agreement in respect of the Construction Project or produce a TO TEC Exchange Rate.

2.1.8 **Scheme Briefing Note** means the note that is provided from NGET to the TO to update the status and details of the Application.

3 Procedure

3.1 Requests for extension to application process timescale

- 3.1.1 It may be necessary, at any stage of the TEC Changes process, for a Party to submit a request to the Authority for an extension to the application timescales. This will be done in accordance with STCP 18-1 Connection and Modification Application.

3.2 TEC Decrease Process

- 3.2.1 In accordance with the CUSC, a User can decrease its TEC by giving NGET not less than 5 Business Days notice.
- 3.2.2 Within 2 Business Days of receiving the notice to reduce TEC from the User, NGET shall send a copy of the notice to the relevant Parties, in accordance with STC, Schedule Four. The relevant Parties may wish to consider whether the TEC decrease necessitates changes to the investment plan (in accordance with STCP 16-1 Investment Planning).
- 3.2.3 Following receipt of the notice to reduce TEC from the User, NGET shall issue a revised Appendix C of the relevant Bilateral Agreement to the User as soon as practicable. NGET shall then notify the relevant Parties when the change to the User's Bilateral Agreement has been effected.
- 3.2.4 Within 5 Business Days of receiving notification from NGET that the TEC reduction has been effected, the Host TO shall update the relevant Connection Site Specification and send NGET a copy of the updated Connection Site Specification.

3.3 TEC Increase Process

- 3.3.1 A User can request an increase in its TEC, up to a maximum of the CEC set out in their Bilateral Agreement. The User shall request an increase in TEC in the form of a Modification Application. In accordance with the CUSC, NGET shall make a Modification Offer to the User within 28 days, where practicable, and not more than 3 months (save where the Authority consents to a longer period) after NGET receives the Modification Application.
- 3.3.2 Within 3 business days of receiving the Modification Application from the User, NGET shall submit an NGET Construction Application to each of the Affected Parties, in accordance with STC Schedule Six and/or Schedule Seven. STCP 18-2 Use of System Application (section 3.2) or STCP 18-1 Connection and Modification Application (section 3.2) should be followed as appropriate.
- 3.3.3 The Affected Parties shall each assess whether there is an impact on their Transmission System requiring additional connection and/or infrastructure assets, and identify whether there is a capacity interaction with any unsigned TO Construction Offers.
- 3.3.4 Within 21 calendar days of the NGET Application Date (or such other time as may be agreed), depending on the outcome of the completed impact assessment, either section 3.3.5 or 3.3.6, is followed.

- 3.3.5 If any of the Affected Parties determine that there is no impact on their respective Transmission System, then they will inform NGET, in accordance with the Application Programme, that there are no Transmission Connection Works required. Such Affected Parties will at the same time as notifying NGET that they shall not be submitting a TO Construction Offer, or such other time as may be agreed within the 28 days Application Programme, notify NGET of any technical design or operational criteria which they intend to assume will apply to User Equipment at the Relevant Connection Site. Where none of the Affected Parties has Transmission Construction Works, NGET will inform each of the Affected Parties when the change to the agreement with the User is effected by sending an updated Scheme Briefing Note to them.
- 3.3.6 If any of the Affected Parties assess that there is an impact on their respective Transmission System, then they will inform NGET that Transmission Construction Works are required. NGET and the Affected Parties shall agree an Application Programme to enable NGET to make the Offer to the User. NGET shall continue to make the Offer to the User within 3 months of the User Application Date by following STCP 18-1 Connection and Modification Application process from where the Affected Parties assess the impact of the NGET Construction Application to the end of the process.

3.4 Exchange of TEC Process

3.4.1 User Application

3.4.1.1 Users can trade TEC subject to an Exchange Rate between the sites concerned, calculated by the Affected Parties and NGET and provided to Users by NGET on a chargeable basis. On trading, both the Increasing User and Decreasing User shall submit their Exchange Rate Request to the NGET Named Contact. Subject to the payment of the appropriate Exchange Rate Request fee, NGET shall, after receipt of an Exchange Rate Request respond with the Exchange Rate as soon as practicable and not more than 3 months after NGET receives the request.

3.4.2 NGET checks the User Application Within 3 business days of receiving the Exchange Rate Request from the Increasing and Decreasing Users which involves a counterparty within SPT's and/or SHETL's transmission areas, or in the case of the Increasing User satisfies the criteria set out in Schedule Four of the STC, NGET shall send a NGET TEC Exchange Rate Application to the Affected Parties. STCP18-1 Connection and Modification Application (sections 3.2.1 to 3.2.15 inclusive) should be followed.

3.4.2.1 The NGET Named Contact shall appoint the NGET Lead Person. The NGET Lead Person shall check that the User Application is completed correctly and whether the correct Application Fee is received. The fee is dealt with by NGET and the TO(s) in accordance with STCP 19-6 Application Fee. Where the User Application is not completed correctly or the correct fee is not received, the NGET Lead Person shall inform the Applicant as soon as they determine that it is not correct.

3.4.2.2 The NGET Lead Person shall determine who is the Host TO, Affected TO(s) and Other Affected TO(s).

3.4.2.3 The NGET Lead Person shall utilise the information in the User Application to produce the relevant NGET TEC Exchange Rate Application, in accordance with Schedule 11 of the STC, for each of the Affected Parties. The NGET Lead Person shall initially complete the appropriate Scheme Briefing Notes (see Appendix B), with details from the User Application, the draft Application Programme dates, the Affected Parties, the NGET Lead Person and a NGET scheme number. The NGET Lead Person shall record on the Scheme Briefing Notes whether the Application Fee has been cleared or not.

3.4.2.4 Within 3 Business Days of receipt of the User Application, the NGET Lead Person shall send by email and by post the relevant NGET TEC Exchange Rate Application and the appropriate Scheme Briefing Note to the TO Named Contacts.

3.4.2.5 The NGET TEC Exchange Rate Application will be sent to the Affected Parties within 3 Business Days of receipt of the User Application, regardless of whether the User Application is effective or not, so that the TO(s) are aware a User Application has been received. Should any Party decide to undertake any work on the NGET TEC Exchange Rate Application, before it is effective, then this will be at such Party's own risk.

3.4.2.6 A technically effective NGET TEC Exchange Rate Application is where all the necessary technical data has been provided. An effective NGET TEC Exchange Rate Application is one that is technically effective and NGET has informed the TO via the appropriate Scheme Briefing Notes that the Application Fee has been cleared.

3.4.3 Receipt of an NGET TEC Exchange Rate Application acknowledged by TO(s)

3.4.3.1 Within 2 Business Days of receipt of the NGET TEC Exchange Rate Application, the Affected Parties shall acknowledge receipt of the NGET TEC Exchange Rate Application to the NGET Lead Person by email, and advise the NGET Lead Person of the name and contact details of their Lead Person. The NGET Lead Person shall update the Scheme Briefing Notes with details of the Lead Person of the Affected Parties to whom all formal communication for the application will be addressed, and who are the representatives on the Application Steering Group. The NGET Lead Person shall email the appropriate updated Scheme Briefing Notes to the Affected Parties' Lead Person(s).

3.4.3.2 The NGET Lead Person and Affected Parties' Lead Person(s) shall agree the date to meet to discuss the Application Programme and NGET shall enter this date on the Scheme Briefing Notes. This meeting (step 3.4.13.1) may be cancelled if it transpires that it is not required.

3.4.4 Application Fee not cleared

3.4.4.1 If the Application Fee has not cleared, the NGET Lead Person shall seek to obtain the Application Fee from the Applicant.

3.4.5 NGET confirms that Application Fee cleared

3.4.5.1 When the Application Fee has cleared, the NGET Lead Person shall update the Scheme Briefing Notes with the clearance date and email the appropriate Scheme Briefing Notes to the Affected Parties' Lead Person(s).

3.4.5.2 The TO(s) shall invoice NGET with their relevant TO component of the Application Fee in accordance with STCP 19-6 Application Fee.

3.4.6 NGET shall be informed as to whether the NGET TEC Exchange Rate Application is technically effective or not

3.4.6.1 Within 5 Business Days of receipt of the NGET TEC Exchange Rate Application, the Host TO and Affected TO(s) (as appropriate) Lead Person(s) shall notify the NGET Lead Person by email, as to whether the NGET TEC Exchange Rate Application is technically effective or not. Where the NGET TEC Exchange Rate Application is considered to be technically non-effective, then the Host TO and Affected TO(s) (as appropriate) Lead Person(s), shall email the NGET Lead Person with detailed reasons as to why it considers it incomplete or unclear in a material respect and the amendments it considers are required to make it technically effective.

3.4.7 Applicant and TO(s) shall be informed that User Application is technically non-effective

3.4.7.1 A technically non-effective User Application is one where all technical data has not been received.

3.4.7.2 If the User Application is technically non-effective, the NGET Lead Person shall inform the Applicant of what data is missing. The NGET Lead Person shall update the Scheme Briefing Notes with the date the Applicant was contacted and email the appropriate Scheme Briefing Notes to the Affected Parties.

3.4.8 Resolve technical non-effectiveness

3.4.8.1 Where a NGET TEC Exchange Rate Application is technically non-effective as a consequence of the User Application being technically non-effective, the Host TO and Affected TO(s) (as appropriate) shall use best endeavours to liaise and assist NGET to resolve their elements of the technical non-effectiveness. In order to achieve this, NGET may request the TO to resolve the technical non-effectiveness with the Applicant directly.

3.4.8.2 If the Applicant cannot submit the data (e.g. because data is not available for new technology) then the Application Steering Group shall assess and advise the Parties whether it can progress the application or not and note/agree any assumptions made. If the NGET TEC Exchange Rate Application is to continue then alternative data may be requested from the Applicant.

3.4.8.3 If the Application Steering Group assess that the NGET TEC Exchange Rate Application cannot progress without the missing technical data then the NGET Exchange Rate Application will be put on hold as ineffective. If and when the missing technical data is supplied to NGET then the process will recommence from 3.4.9.

3.4.9 NGET is informed that the NGET TEC Exchange Rate Application is now technically effective

3.4.9.1 On receipt of the missing/additional data from the Applicant, the NGET Lead Person shall circulate the data to the Host TO and Affected TO(s) (as appropriate) Lead Person(s). The NGET Lead Person shall also record on the Scheme Briefing Notes the date of when the missing/additional technical data has been received and email the appropriate Scheme Briefing Note to each Affected Party.

3.4.9.2 Within 3 Business Days of receipt of the missing/additional data, the Host TO and Affected TO(s) (as appropriate) Lead Person(s) shall confirm to the NGET Lead Person by email whether their NGET TEC Exchange Rate Application is now technically effective. If the NGET TEC Exchange Rate Application is still not technically effective then the process returns to 3.4.6 or otherwise proceeds to 3.4.10.

3.4.10 NGET confirms User Application Date and NGET Application Date

3.4.10.1 The NGET Lead Person shall update the Scheme Briefing Notes with the User Application Date, NGET Application Date and the draft Application Programme dates, and email the appropriate Scheme Briefing Note to each Affected Party.

3.4.11 Affected Parties provided with the TEC Exchange Planning Assumptions

3.4.11.1 If NGET generates TEC Exchange Planning Assumptions it shall forward the TEC Exchange Planning Assumptions, including any updates to the network model, to the Affected Parties' Lead Person(s) within 5 Business Days of the User Application Date.

3.4.11.2 In the event that NGET does not intend to generate a set of TEC Exchange Planning Assumptions, NGET shall notify the TO(s) within 2 Business Days of the User Application Date. In this case the Affected Parties will use the general Planning Assumptions already provided under STCP16-1.

3.4.11.3 If there is a delay between receipt of the User Application and the User Application being effective, it may be necessary for NGET to provide the Affected Parties with revised and updated TEC Exchange Planning Assumptions, which take account of the generation and demand backgrounds in STCP 22-1 Production of Models for GB System Planning.

3.4.11.4 NGET may change, or Affected Parties may request a change to, the TEC Exchange Planning Assumptions.

3.4.12 Affected Parties assess TEC Exchange Planning Assumptions and draft Application Programme

3.4.12.1 The Affected Parties shall assess the TEC Exchange Planning Assumptions and consider any implications to the draft Application Programme.

3.4.12.2 The Affected Parties' Lead Person(s) shall amend or confirm the draft Application Programme to the NGET Lead Person, one Business Day prior to the meeting to agree the Application Programme.

3.4.13 Application Programme agreed by NGET and Affected Parties

3.4.13.1 The Application Programme shall be agreed by the NGET Lead Person and Affected Parties' Lead Person(s), within 10 Business Days of the User Application Date. The Application Programme may be agreed at a meeting of the Application Steering Group, if necessary, date fixed at step 3.4.3.2 above.

3.4.14 NGET and Affected Parties create GB models

3.4.14.1 NGET and the Affected Parties shall each take the TEC Exchange Planning Assumptions provided by NGET in step 3.4.11, together with the relevant network models and create a series of consistent GB models in accordance with STCP22-1 Production of Models for GB System Planning.

3.4.15 Affected Parties assess the impact of the NGET TEC Exchange Rate Application

3.4.15.1 The Affected Parties shall assess how much of an increase in TEC could be accommodated at the Increasing User's site, whilst still retaining a SQSS compliant system, as a result of a specific decrease in TEC at the Decreasing User's Site. The Affected Parties shall carry out the assessment in accordance with the Application Programme.

3.4.15.2 The Affected Parties shall discuss and agree their assessment as appropriate. NGET shall be included (as appropriate) in any discussions between the Affected Parties.

3.4.16 NGET is provided with the TO TEC Exchange Rate

3.4.16.1 Each Affected Party shall submit by e-mail to NGET the TO TEC Exchange Rate resulting from their assessment by email, and hard copy by post. The timescales of the submission is to be in line with the Application Programme and STC Section D, part 3, paragraphs 3.2 and 3.3.

3.4.17 NGET will inform each of the Affected Parties when the change to the agreements with the Increasing User and Decreasing User is effected by sending an updated Scheme Briefing Note to them. Within 5 Business Days of receiving notification from NGET that the TEC Trade has been effected, the Host TO(s) shall update the relevant Connection Site Specifications and send a copy to NGET.

4 Nuclear Site Licence Provisions Agreement

4.1 General

4.1.1 When following this process where this may interact with, impact upon or fall within the boundary of a Nuclear Site Licence holder's site, or may otherwise have any form

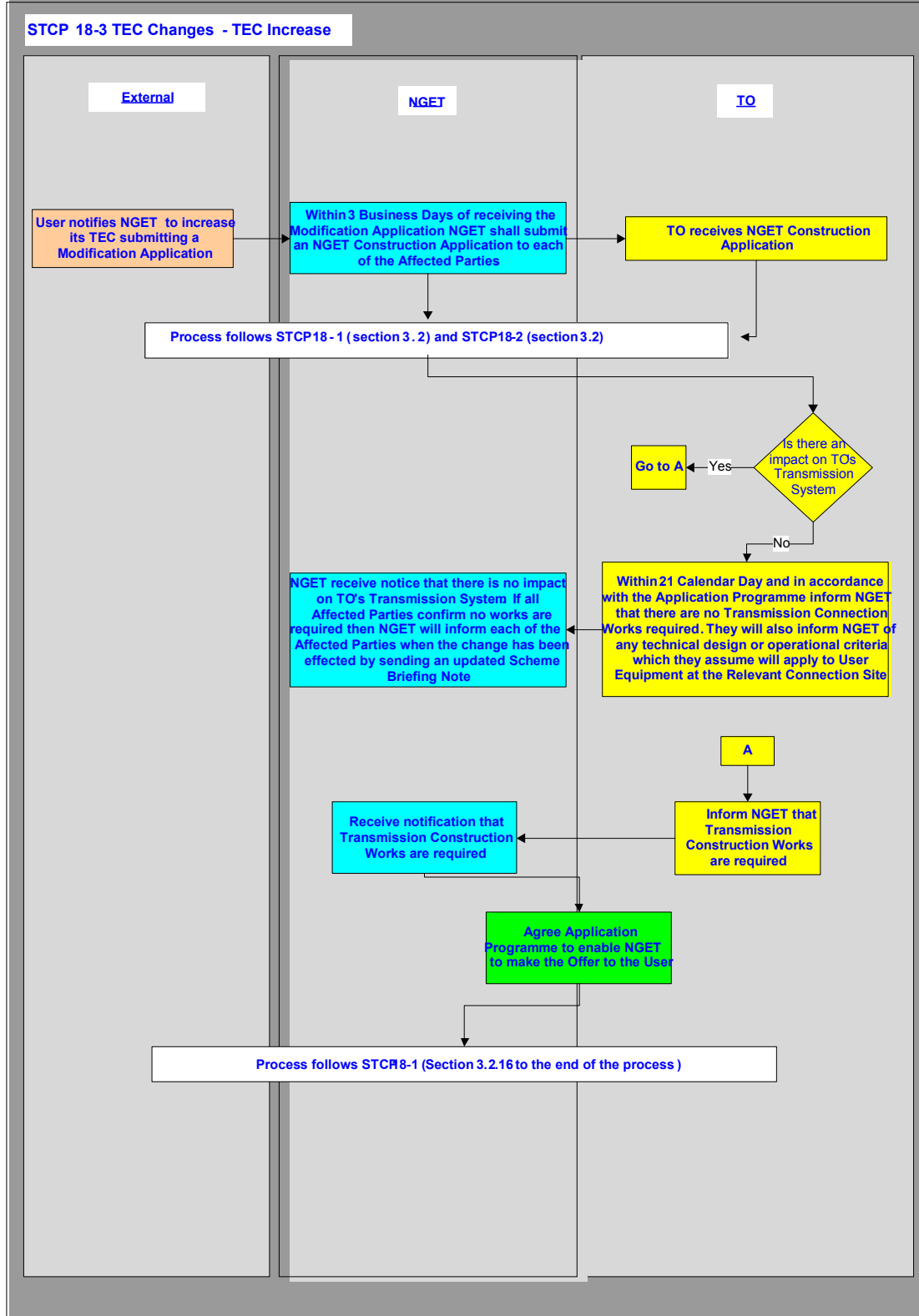
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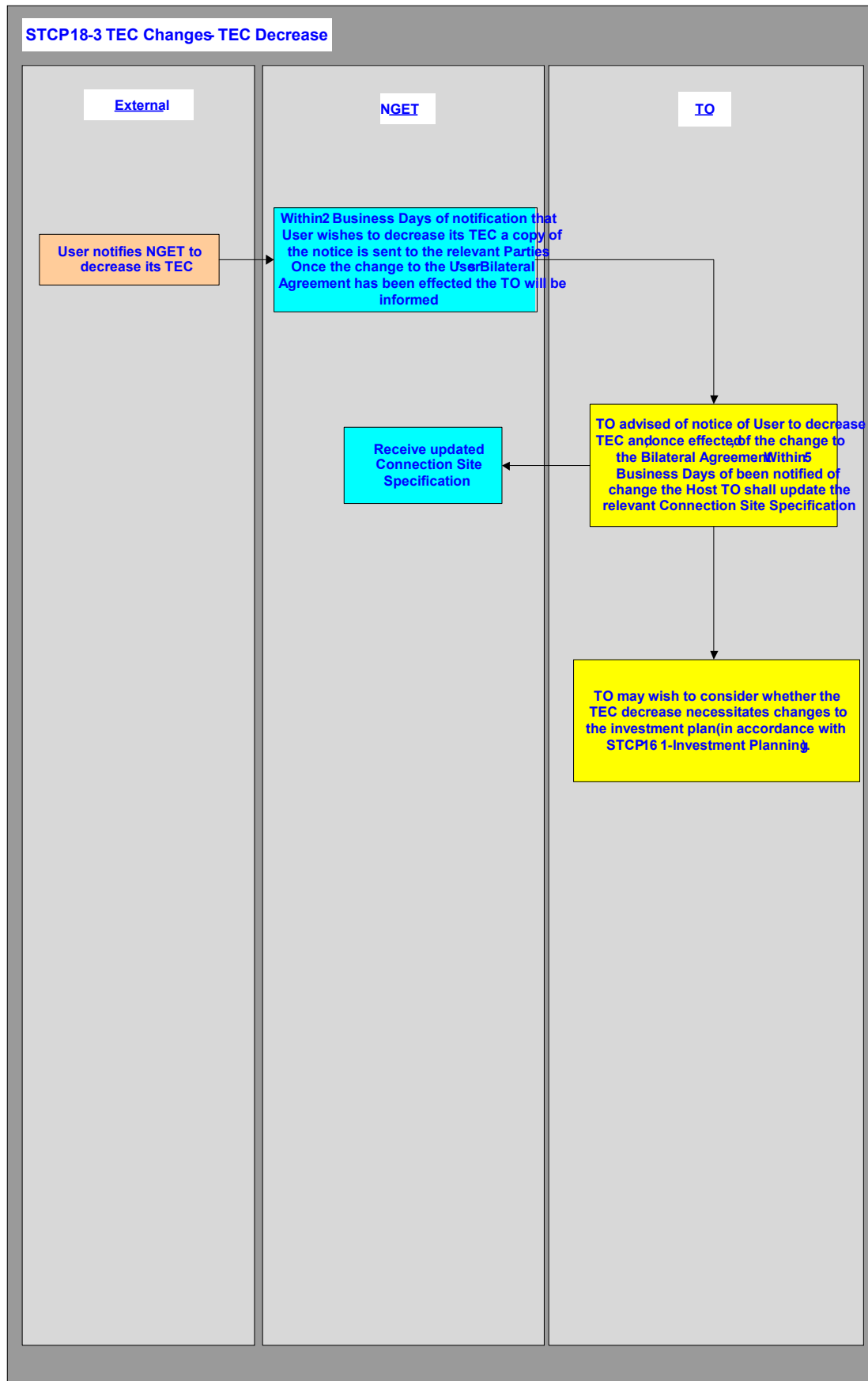
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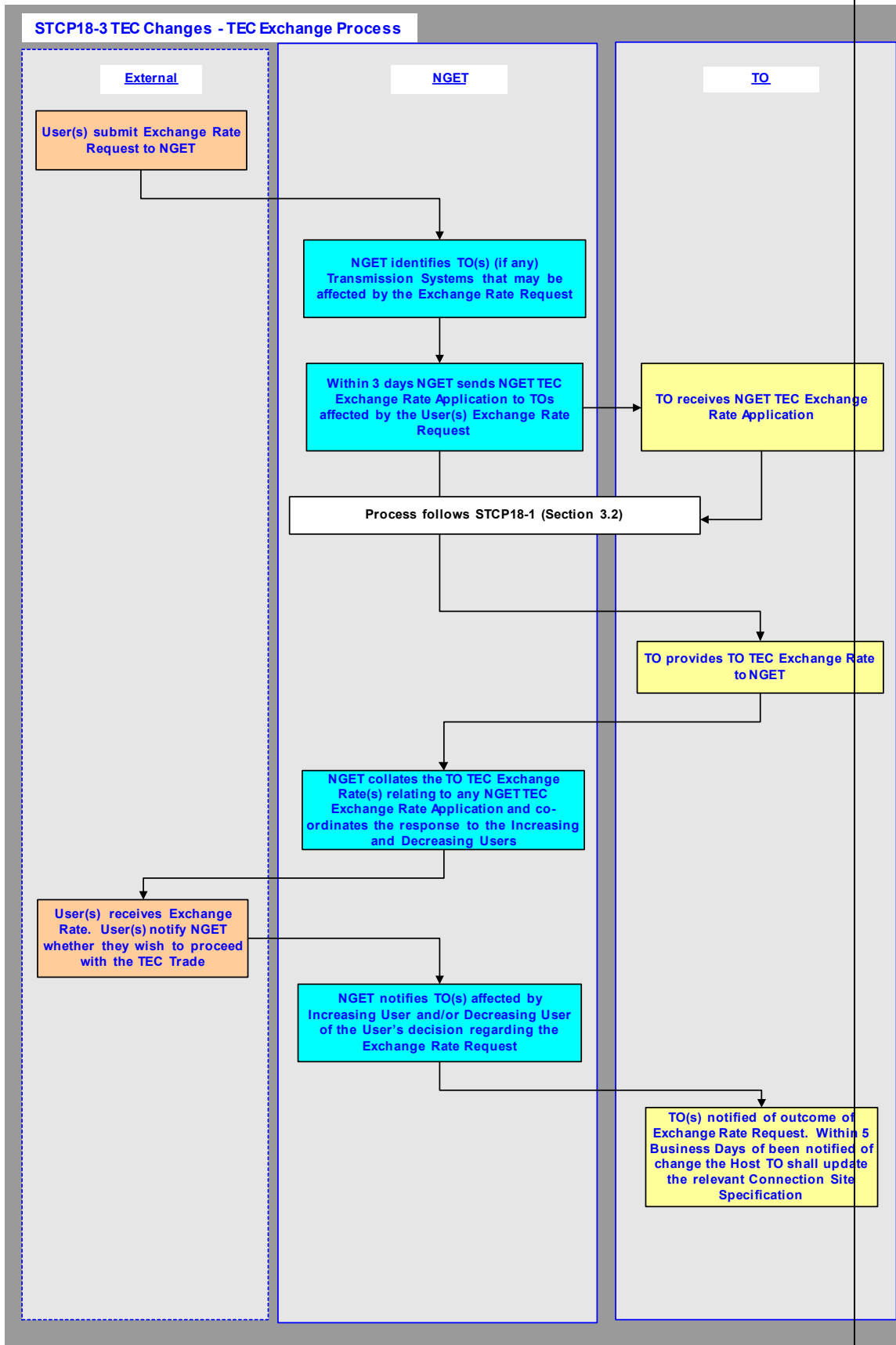
of affect and/or implication for a nuclear power station, consideration must be given to the relevant provisions of the applicable Nuclear Site Licence Provisions Agreement, the CUSC Bilateral Connection Agreement for that site, paragraph 6.9.4 of the CUSC and Section G3 of the SO/TO Code to ensure compliance with all of these obligations.

Appendix A: Process Diagrams

Note that the Process Diagrams shown in this Appendix A are for information only. In the event of any contradiction between the process represented in this Appendix and the process described elsewhere in this STCP, then the text elsewhere in this STCP shall prevail.







Appendix B: Abbreviations & Definitions

Abbreviations

CEC Connection Entry Capacity
SHETL Scottish Hydro-Electricity Transmission Ltd
SPTL SP Transmission Ltd
TEC Transmission Entry Capacity
TO Transmission Owner

Definitions

STC definitions used:

Authority
Business Day
Connection Site Specification
Construction Planning Assumptions
Construction Project
[Decreasing User](#)
GB Transmission System
[Increasing User](#)
Modification
NGET
NGET Application Date
NGET Construction Application
[NGET TEC Exchange Rate Application](#)
Party
Relevant Connection Site
[TEC Exchange Planning Assumptions](#)
TO Construction Agreement
TO Construction Offer
[TO TEC Exchange Rate](#)
Transmission Connection Works
Transmission System
User Application
User Application Date
User Equipment

CUSC definitions used:

[Applicant](#)
Bilateral Agreement

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[Exchange Rate](#)

[Exchange Rate Request](#)

Financial Year

Modification Application

Modification Offer

Offer

[TEC Trade](#)

Transmission Entry Capacity

User

Definition used from other STCPs:

[Application Fee](#) [STCP19-6: Application Fee](#)

[Lead Person](#) [STCP18-1: Connection and Modification Application](#)

Scheme Briefing Note: [STCP18-1: Connection and Modification Application](#)