

STC Committee Meeting

Draft Minutes and Actions Arising from Meeting No. 44 Held on 18 March 2008 Various via Teleconference

Present:

David McMenemy	Committee Chairman
Stephanie Stewart	Committee Secretary
Layton Jones	National Grid Electricity Transmission Limited (NGET) Representative
Kenny Stott	Scottish Hydro-Electric Transmission Limited (SHETL) Representative
Diyar Kadar	SP Transmission Limited (SPT) Representative
David Osborne	Scottish Hydro-Electric Transmission Limited (SHETL) Representative
Jenny Boothe	Authority Representative
Deborah MacPherson	SP Transmission Limited (SPT) Representative

In Attendance:

Lilian Macleod	National Grid Electricity Transmission Limited (NGET) Representative
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Apologies:

Joe Dunn	SP Transmission Limited (SPT) Representative
Bec Thornton	National Grid Electricity Transmission Limited (NGET) Representative

1. Introductions/Apologies for Absence

- 1170 Apologies of absence were received from Joe Dunn (SP Transmission Limited) and Bec Thornton (National Grid Electricity Transmission Limited).

2. Minutes of Last Meeting

- 1171 The minutes from the last STC Committee Meeting held on 19 February 2008 were approved and will be available from the STC web site.

Action: Committee Secretary

3. Review of Actions

- 1172 All the outstanding actions from the previous meeting have been completed or were the subject of agenda items, except for:

- **Minute 1103** – In relation to the establishment and facilitation of the Offshore Transmission workgroups, National Grid are undertaking this role as the GBSO designated offshore. Ofgem informed the STC Committee that they have a memorandum of understanding (which is on Ofgem's website) that prevents the SO using the information provided inappropriately in terms of using it for a possible offshore TO business, including itself. Accordingly, they are funded through the SO price control. As the only GBSO, then due process was followed. The intent has always been that industry groups would be established to seek views and that the output of the process is published and consulted upon to allow other interested parties to inform the debate.
- **Minute 1152** – At present the GO-Live and Go-Active dates remain the same as those indicated within the consultation documents. Should these dates change Ofgem will notify the industry as to the reasons for the date changes and the revised dates.

- **Minute 1154** – The Committee AGREED that Grid Code issue of Generating Units exceeding their Rated MW would have no consequential implications for the STC and STC Committee. It was therefore agreed that the issue would be taken up via the appropriate Grid Code Review Panel Representatives.
- **Minute 1159** – Ofgem has now issued its second consultation on the proposed changes to the transmission licence with a closing date of 25 March 2008. As progress is being made on the proposed licence changes Ofgem believes it would be beneficial if the STC was to progress the development of a modification to deal with consequential changes to the STC brought about by the CAP48 payment mechanism.

4. New Amendment Proposals

- 1173 National Grid presented STC Amendment Proposal CA029 (Investigation of a Relevant Interruption of a User and Interruption Payment obligations associated with such an interruption).
- 1174 The proposed amendment seeks to ensure that there is an investigation and report process in place to enable parties to identify the cause of certain interruptions to User's that results in the User being disconnected from the GB Transmission System. In addition, it seeks to oblige the relevant Transmission Owner to make the necessary Interruption Payments to National Grid, which National Grid will in turn be obliged under the CUSC to make such interruption Payments to the affected User.
- 1175 The STC Committee NOTED that CUSC Amendment Proposal CAP048 (Temporary Physical Disconnection) was approved on 19 March 2004 and came into effect in England and Wales on 1 April 2004 and subsequently came into force in Scotland following implementation of BETTA on 1 April 2005. It established a compensation mechanism within the CUSC that requires NGET to compensate Users in the event that they are disconnected from the transmission network because of a planned or unplanned event on the transmission system. Where the disconnection is caused as a result of the failure of Plant or Apparatus forming part of the Transmission System.
- 1176 The STC Committee were INFORMED that on 26th February 2008 the Authority issued a notice under section 11(2) of the Electricity Act 1989 to modify Special Condition D4 of NGET's licence, Special Condition J4 of SHETL licence and Special Condition J4 of SPTL licence.
- 1177 The STC Committee were ADVISED that the STC needs to reflect the Transmission Licences to enable the investigation of such interruptions and the relevant payment flows from the Scottish Transmission Owners to National Grid when the Scottish Transmission Owner's plant and apparatus (forming part of the GB transmission system) is at fault. National Grid will be obliged to pay the affected User under the CUSC obligations.
- 1178 The STC Committee was INFORMED that CAP048 payments were only applicable to Generators (who had a TEC allocation and therefore paying TNUoS charges) and Interconnector Owners. The STC Committee NOTED that the term User in the STC encompassed Distributed Network Operators (DNOs) who were not eligible for CAP048 payments. The STC Committee AGREED that changes in the terminology utilised in the proposed legal text may be required such that DNOs were not party to the provisions.

- 1179 The STC Committee AGREED that CA029 should proceed to the Evaluation Phase for a maximum of two months. SPT and SHETL agreed to review the proposed (with their relevant internal colleagues), providing any comments to National Grid prior to the next STC Committee Meeting. The STC Committee will discuss the proposal in-depth at April 2008 Meeting.

Action: SHETL & SPT

- 1180 The STC Committee ACKNOWLEDGED that tri-party discussion may be required to agree/finalise the content and legal text of the proposed changes.

5. Working Group Reports

- 1174 There were no Working Group Reports.

6. Proposed Amendment Reports

- 1175 There were no Proposed Amendment Reports.

7. Amendment Reports

- 1176 There were no Amendment Reports.

8. Pending Authority Decisions

- 1177 There are no Authority decisions pending.

9. Authority Decisions

- 1178 There were no Authority decisions.

10. STC Procedures

- 1179 PA048 (Alignment of STC and STCP16-1 Obligations regarding User Works) – SPT has provided additional comments on the latest proposed changes to STCP16-1. National Grid will provide comments on the proposal within the next week. SHETL have indicated their support for the changes.

Action: NGET

- 1180 PA049 (Amendment to STCP19-3 regarding obligations in respect of Connection Site Specifications) – The STC Committee AGREED to the proposed changes. The changes will be formally signed off and officially incorporated into Schedule 2 of the STC. The signing of the STCP, by STC Parties, will be facilitated by fax.

Action: NGET, SHETL & SPT

11. Offshore Transmission

- 1181 The STC Committee NOTED that there were no significant changes to report. Ofgem would be issuing a formal industry consultation on the proposed STC Offshore changes (and other Industry Code changes) during April 2008.

- 1182 The STC Committee queried whether members would have a preview of the changes prior to the formal consultation. Ofgem agreed to investigate this request and report back to the STC Committee.

Action: Ofgem

12. Impact of other Code Modifications

- 1183 The STC Committee NOTED the update on the latest developments/topics of discussion from the other codes.
- 1184 The STC Committee NOTED that there would be consequential STC changes and are a result of the Grid Code Data Exchange review. It was NOTED that ideally Ofgem would prefer to have both sets of changes submitted within a similar timeline. National Grid informed the STC Committee that it was difficult to identify the STC changes until the Grid Code amendments were fully worked up.

13. Reports from Sub-Committees

- 1185 The STC Committee Chairman INFORMED members that he had been in contact with the Sub-Committee Chairs to remind them of the importance of their sub groups to provide regular feedback to the STC Committee upon request.
- 1186 The feedback from the JPC was that the minutes had not been published in time for this month's STC Committee meeting but they would circulate draft minutes to the STC Representative for future meetings. It was noted that the next JPC meeting is on 24 April 2008. It was NOTED that the administration for the CHUG rotated amongst STC Parties and therefore it may be more difficult in obtaining the update in time for the STC Committee Meetings.

14. Any Other Business

AOB01

- 1187 The STC Committee was informed that the CHUG Group was actively discussing a charging issue regarding Asset Changes and contractual Arrangements between Transmission Owners. The STC Committee NOTED that a gap has been identified in the existing commercial arrangements with respect to asset replacement works initiated and undertaken by the Scottish TOs. Currently these works are being undertaken in the absence of a formalised notification procedure which is leading to charging mismatches and post-events reconciliations. The STC Committee that National Grid will be working closely with and the Scottish TOs to develop an agreed process will be bringing forward proposals to this forum in due course.

AOB02

- 1188 The STC Committee NOTED that Deborah MacPherson would be replacing Joe Dunn as a SPT representative.
- 1189 The STC Committee NOTED that the Chairperson would be changing on the 1 April 2008 to National Grid for one year. Bec Thornton would be taking on the role of STC Committee Chairperson. David McMenemy will contact Bec Thornton to arrange a formal hand-over of responsibilities.
- 1190 The STC Committee also thanked David McMenemy for his work as Chair of the Committee over the last year.

15. Publications

- 1191 There has been no new data identified by any of the STC Parties, which should be categorised as confidential.

16. Date of Next Meeting

- 1192 The next meeting of the STC Committee will be held on Tuesday, 15th April 2008 at 10.00am.