

Stage 03: Amendment Report

System Operator Transmission Owner Code
(STC)

CA043: Clarification of Working Groups within the Evaluation Phase

What stage is this
document at?

01	Initial Amendment Report
02	Proposed Amendment Report
03	Amendment Report

This proposal seeks to modify the System Operator Transmission Owner Code (STC), Section B to provide some additional clarity and governance arrangements to working groups within the Evaluation Phase of the Code Amendment Procedures.

This document assists the Authority in their decision of whether to implement the above modification.

Published on: 04th November 2011



The STC Committee recommends:

That CA043 be approved for implementation as it better facilitates Applicable STC Objectives (a) and (e).



High Impact:

Name of parties impacted



Medium Impact:

Name of parties impacted



Low Impact:

Existing signatories to the STC.

CA043:

Amendment Report

04th November 2011

Version 3.0

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Any Questions?

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Committee
Secretary



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Proposer:

Bec Thornton

About this document

This is the STC Amendment Report which contains the details of the STC Committees Recommendation. This document has been prepared and issued by the STC Committee under the rules and procedures specified in the System Operator – Transmission Owner Code. The purpose of this document is to assist the Authority in their decision whether to implement CA043.

Document Control

Version	Date	Author	Change Reference
0.1	12 July 2011	National Grid	Draft Initial Amendment Report for STC Committee
0.2	06 Sept 2011	National Grid	Section 2.2 (vii) & legal text amended following comments at STC Committee meeting 26/07/11 Legal Text V3.0 issued 12/09/11 following comments received.
1.0	16 Sept 2011	STC Committee	Proposed Amendment Report for Industry Consultation
2.0	18 Oct 2011	STC Committee	Draft Amendment Report for Authority submission
3.0	04 Nov 2011	STC Committee	Amendment Report for Authority submission

Document Location

National Grid Website:

<http://www.nationalgrid.com/uk/Electricity/Codes/sotocode/Amendments/>

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1 Executive Summary

- 1.1 Following the establishment of STC working group, for the STC Amendment Proposal CA039, the STC Committee recognised that working groups within the Evaluation Phase as laid out in Section B of the STC was not very clear in its aim and usage.
- 1.2 The STC already enables the STC Committee to determine that additional information is required in order to assess whether a Proposed Amendment or any Alternative Amendment better facilitates the Applicable STC Objectives and refer the Amendments to the Evaluations Phase where a working group can be established. National Grid has considered how working groups operate within other electricity codes and proposes a number of changes to Section B of the STC to provide some additional clarity and governance in relation to working groups.
- 1.3 As Proposer, National Grid supports the implementation of CA043 as it better facilitates the Applicable STC objectives, as appropriate working group arrangements are likely to lead to a more efficient administration of the STC in respect of the development and implementation of Amendment Proposals.
- 1.4 At the STC Committee meeting on 26th June 2011, the Committee agreed that CA043 should proceed directly to the Assessment and Report Phase.
- 1.5 Following Committee approval the Stage 2 Proposed Amendment Report was issued inviting representations by the 30th September 2011. One response was received and a copy of the representation is included in Annex 3.

STC Committee Recommendation

- 1.6 The STC Committee provisionally recommends that STC Amendment Proposal CA043 be approved for implementation.
- 1.7 Should the Authority approve STC Proposed Amendment CA043, it is recommended that the STC be amended 5 business days after the Authority decision.

2 Description of Proposed Amendment and its Effects

- 2.1 This Proposed Amendment seeks to make a number of non-material changes to Section B of the STC to incorporate additional governance for working groups established within the Evaluation Phase.
- 2.2 National Grid proposes an amendment to the STC in order to incorporate the following:
- (i) To aid consistency between all the major Codes, it is proposed that the current working group terminology be changed to Workgroup.
 - (ii) Any representatives of the Parties can attend the Workgroup meetings but it will only be quorate provided at least one representative from NGET, one representative from Onshore Transmission Owner and one representative from Offshore Transmission Owner are present. The Authority can attend as an observer.
 - (iii) A chair for the Workgroup shall be appointed by the Committee.
 - (iv) The Committee shall finalise terms of reference for each Workgroup within 10 Business Days of determining that a workgroup shall be established. These can be updated over the duration of the Workgroup and should cover:
 - Workgroups responsibilities:
 - Detail of the Amendment Proposal
 - Detail the work to be undertaken by the workgroup to enable the workgroup to prepare its report
 - Detail any other matters to be considered by the Workgroup
 - Specify if the Workgroup is to comment upon any legal text
 - The timetable for which the work of the Workgroup is to be completed
 - (v) The Workgroup will consider alternatives raised prior to the Amendment Proposal being referred to the assessment and report phase.
 - (vi) The Workgroup shall develop its own internal working procedures unless directed otherwise by the STC Committee.
 - (vii) A Workgroup Report will be submitted to the Committee responding to the matters detailed in the terms of reference and contain the workgroups assessment and recommendation. In the event that the Workgroup are unable to reach an agreement then this shall be reflected in the report.
 - (viii) The draft Workgroup Report must be circulated to workgroup members with 5 Business days for comment.
 - (ix) The Workgroup Report shall be submitted for discussion at the Committee meeting.
 - (x) The chair or another member of the Workgroup shall attend or by teleconference the next Committee meeting to present Workgroup findings.
 - (xi) The Committee shall consider whether to refer the Amendment Proposal back to the Workgroup for further analysis or proceed to assessment and report phase.
- 2.3 No Alternative Amendments to CA043 were submitted.
- 2.4 At the STC Committee meeting on 26th June 2011, the Committee agreed that CA043 should proceed directly to the Assessment and Report Phase.

3 Impacts & Assessment

3.1 STC Parties' Assessments

3.1.1 National Grid View:

National Grid is supportive of Proposed Amendment CA043, and has carried out an Assessment of the Proposed Amendment.

The implementation of CA043 would not have any physical impact on National Grid's Transmission system or require changes to the IS Systems. No additional works or monies would be required to implement the proposed change as the Evaluation Phase of the Amendments Procedure within Section B of the STC already enables work groups to be established.

3.1.2 Offshore Transmission Owners (OFTOs) View:

The OFTOs are supportive of Proposed Amendment CA043, and have completed an Assessment on the Proposed Amendment.

The implementation of CA043 would not have any physical impact on OFTOs System(s) or require changes to IS systems.

3.1.2 Scottish Hydro-Electric Transmission Limited (SHETL) View:

SHETL is supportive of Proposed Amendment CA043, and have completed an Assessment on the Proposed Amendment.

The implementation of CA043 would not have any physical impact on SHETL System(s) or require changes to IS systems.

3.1.3 SP Transmission Limited (SPT) View:

SPT is supportive of Proposed Amendment CA043, and have completed an Assessment on the Proposed Amendment.

The implementation of CA043 would not have any physical impact on SPT System(s) or require changes to IS systems.

3.2 Impact on STC/STCPs

3.2.1 The Proposed Amendment will require changes to the following parts of the STC:

- Section B - Governance
- Section J - Interpretation and Definitions

3.3 Impact on Greenhouse Gas emissions

3.3.1 The Proposed Amendment will not have an impact on Greenhouse Gas emissions.

3.4 Assessment against STC Objectives

3.4.1 The STC Committee considers that CA043 would better facilitate the Applicable STC Objective(s):

(a) the efficient discharge of the obligations imposed upon transmission licensees by transmission licences and the Act;

(e) promotion of good industry practise and efficiency in the implementation and administration of the arrangements described in the STC;

as appropriate Workgroup arrangements are likely to lead to more efficient administration of the STC in respect of the development and implementation of Proposed Amendments.

3.5 Impact on Industry Documents

3.5.1 Impact on core industry documents

The proposed modification does not impact on any core industry documents.

3.5.2 Impact on other industry documents

The proposed modification does not impact on any other industry documents.

4 Views and Representations

- 4.1 Representations have been invited from Parties from 16th September 2011 and closed 10 working days later on 30th September 2011.
- 4.2 The STC Committee received one response and the following table provides an overview of the representation, the complete representation is attached in Annex 3.

Reference	Company	Supportive	Summary of Comments
CA043-AR-01	EDF Energy	Yes	<ul style="list-style-type: none">Provides additional consistency and governance for WorkgroupsVoting rights: Workgroup members should be able to vote as in other code Workgroups such as the CUSC and the BSC, as this responsibility will ensure active participation is maintained.Workgroup membership: Should be open to all code parties, but for completeness the quorum should include presence of a non-TO party.

- 4.3 The STC Committee has reviewed whether Workgroup members should have voting rights stipulated within the STC. The Committee has concluded that the purpose of the Workgroup members is to assist the Committee in the evaluation of the Proposed Amendment and consider whether it better facilitates achievement of the Applicable STC objectives. Paragraph 7.2.4.A8 of the drafted legal text requires the Workgroup Report to document issues and views and any recommendations made by the Workgroup. In the event the Workgroup is unable to reach an agreement this should be reflected in the Workgroup Report.
- 4.4 The STC Committee has also reviewed the governance arrangements for Workgroups within the CUSC and has found that there is no concept of voting, however, voting arrangements tend to be documented within the CUSC Workgroups Terms of Reference.
- 4.5 The STC Committee view is that the role of the Workgroup is to discuss and determine whether the Proposed Amendment better facilitates the Applicable STC Objectives and therefore voting arrangements are not required.
- 4.6 The STC Committee's view is that a non-TO party is not required for a STC Workgroup to be quorum. This doesn't preclude a non-TO party participating in a Workgroup should the party feel they have the relevant expertise to assess the Proposed Amendment or submitting a representation in relation to the Proposed Amendment Report.

5 Recommendations

- 5.1 The STC Committee believes that amendment of the STC on the basis of CA043 would better facilitate achievement of the applicable objectives as detailed in Section 3.4. The STC Committee recommends that the Authority should approve Proposed Amendment CA043 for implementation.
- 5.2 Should the Authority approve Proposed Amendment CA043, it is recommended that the STC be amended 5 business days after the Authority's decision.

STC Amendment Proposal Form

CA043

1. Title of Amendment Proposal

Clarification of Workgroups within the Evaluation Phase

2. Description of the Proposed Amendment (mandatory field)

In August 2010 it was noted at the STC Committee meeting that the Evaluation Phase laid out in Section B of the STC is not very clear in its aim and usage. As a result the Evaluation Phase has been reviewed and this Amendment Proposal seeks to provide some additional clarity and governance in relation to working groups.

The Committee can determine that additional information is required in order to assess whether the Proposed Amendment or any Alternative Amendment better facilitates the Applicable STC Objectives and refer the Amendments to the Evaluation Phase where a working group can be established. National Grid Proposes an Amendment to the STC in order to incorporate the following:

- (i) To aid consistency between all the major Codes, it is proposed that the current working group terminology be changed to Workgroup.
- (ii) Any representatives of the Parties can attend the Workgroup meetings but it will only be quorate provided at least one representative from NGET, one representative from Onshore Transmission Owner and one representative from Offshore Transmission Owner are present. The Authority can attend as an observer.
- (iii) A chair for the Workgroup shall be appointed by the Committee.
- (iv) The Committee shall finalise terms of reference for each Workgroup within 10 Business Days of determining that a workgroup shall be established. These can be updated over the duration of the Workgroup and should cover:
 - Workgroups responsibilities:
 - Detail of the Amendment Proposal
 - Detail the work to be undertaken by the workgroup to enable the workgroup to prepare its report
 - Detail any other matters to be considered by the Workgroup
 - Specify if the Workgroup is to comment upon any legal text
 - The timetable for which the work of the Workgroup is to be completed
- (v) The Workgroup will consider alternatives raised prior to the Amendment Proposal being referred to the assessment and report phase.
- (vi) The Workgroup shall develop its own internal working procedures unless directed otherwise by the STC Committee.
- (vii) The Workgroup chair shall prepare a Workgroup Report to be submitted to the Committee responding to the matters detailed in the terms of reference and contain the workgroups assessment and recommendation. In the event that the Workgroup are unable to reach an agreement then this shall be reflected in the report.
- (viii) The draft Workgroup Report must be circulated to workgroup members with 5 Business days for comment.
- (ix) The Workgroup Report shall be submitted for discussion at the Committee meeting.
- (x) The chair or another member of the Workgroup shall attend or by teleconference the next Committee meeting to present Workgroup findings.
- (xi) The Committee shall consider whether to refer the Amendment Proposal back to the Workgroup for further analysis or proceed to assessment and report phase.

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

The STC Committee can refer Amendment Proposals to proceed to the Evaluation Phase in accordance with Section B of the STC and may result in a working group being established. Following the establishment of STC working group CA039 the STC Committee stated that this area of Code lacked clarity and therefore this Proposal aims to address this.

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

Changes are required to Section B & J

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<p>5. <u>Impact on other frameworks e.g. CUSC, BSC</u> (information should be given where possible)</p> <p>None</p>
<p>6. <u>Impact on Core Industry Documentation</u> (information should be given where possible)</p> <p>None</p>
<p>7. <u>Impact on Computer Systems and Processes used by STC Parties</u> (information should be given where possible)</p> <p>None</p>
<p>8. <u>Details of any Related Modifications to Other Industry Codes</u> (where known)</p> <p>Following the Code Governance Review Final Proposals the CUSC, BSC and UNC have been refining their Workgroup processes.</p>
<p>9. <u>Justification for Proposed Amendment with Reference to Applicable STC Objectives</u> (mandatory field)</p> <p>National Grid considers that implementation of this Amendment Proposal would better facilitate the following Applicable STC Objective:</p> <p>(a): <i>"the efficient discharge of the obligations imposed upon transmission licensees by transmission licences and the Act",</i></p> <p>(e) <i>"promotion of good industry practice and efficiency in the implementation and administration of the arrangements described in the STC".</i></p> <p>specifically with regard to the obligation under standard condition B12 of the licence, as appropriate Workgroup arrangements are likely to lead to more efficient administration of the STC in respect of the development and implementation of Amendment Proposals.</p>

Details of Proposer	National Grid Electricity Transmission plc
Organisation's Name 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/Code Administrator
Details of Proposer's Representative Name Organisation Telephone Number Email Address	Bec Thornton National Grid Electricity Transmission plc 01926 656386 Bec.thornton@uk.ngrid.com
Details of Representative's Alternate Name Organisation Telephone Number Email Address	Kathryn Sorrell National Grid Electricity Transmission plc 0118 Kathryn.sorrell@uk.ngrid.com
Attachments (Yes/No): Yes Appendix 1 – Legal Text to support this proposal	

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:

Lucy Hudson
STC Committee Secretary
Regulatory Frameworks
National Grid
National Grid House
Warwick Technology Park
Gallows Hill
Warwick, CV34 6DA

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

The following amendments shall be made at Section B of the STC.

7.2.4 Evaluation Phase

- 7.2.4.1 The Committee shall use its reasonable endeavours in order to ensure that the Evaluation Phase as set out in this sub-paragraph 7.2.4 shall take no longer than two months (or if a Workgroup is established 4 months) from its referral under sub-paragraph 7.2.3.2 up to the referral to the Assessment and Report Phase under sub-paragraph 7.2.4.4 unless otherwise agreed by the Authority.
- 7.2.4.2 Following referral of a Proposed Amendment or any Alternative Amendment pursuant to sub-paragraph 7.2.3.2, the Committee shall invite representations or commission such studies, ~~working groups~~ and other evaluation including through establishing a Workgroup as it deems appropriate in order that each Party is provided with sufficient information such that it can assess whether the Proposed Amendment or any Alternative Amendment would better facilitate achievement of the Applicable STC Objectives.
- 7.2.4.A1 Where the Committee deems it appropriate, it shall establish a Workgroup in accordance with sub-paragraph 7.2.4.2:
- 7.2.4.A2 A Workgroup shall comprise at least three (3) persons [(who may be Committee Members)] agreed by the Committee provided there shall always be at least one member representing NGET, one member representing Onshore Transmission Owners and one member representing Offshore Transmission Owner. A representative of the Authority may attend any meeting of a Workgroup as an observer and may speak at such meeting.
- 7.2.4.A3 In addition to the quorum in 7.2.4A2, the Committee shall appoint the chair of the Workgroup who will not be able to vote.
- 7.2.4.A4 The Workgroup shall be assisted by a secretary who shall be appointed by the Committee.
- 7.2.4.A5 The Committee shall determine the terms of reference of each Workgroup and may change those terms of reference from time to time as it sees fit.
- 7.2.4.A6 The terms of reference for a Workgroup must include provision in respect of the following matters:
- (a) Detail the Workgroup's responsibilities for assisting the Committee [and each party] in the evaluation of the Proposed Amendment or any Alternative Amendment and consider whether it better facilitates achievement of the Applicable STC

Objectives and to provide additional information to the Committee:

(b) Detail the Proposed Amendment and any Alternative Amendment

(c) Detail the work to be undertaken by the Workgroup to assist the Committee [and each party] in the evaluation of the Proposed Amendment or any Alternative Amendment.

(d) Specify any matters which the Workgroup should address in its report;

(e) the timetable for the work to be done by the Workgroup;

(f) Specify if the Workgroup is to comment upon any legal text.

7.2.4.A7 Unless otherwise determined by the Committee the Workgroup shall develop and adopt its own internal working procedures for the conduct of its business.

7.2.4.A8 A Workgroup Report will be submitted to the Committee responding to the matters detailed in the terms of reference and in accordance with the timetable set out in the terms of reference and will indicate the issues and views which arose in the Workgroup discussions and any recommendations made.

7.2.4.A9 If a Workgroup is unable to reach agreement on any such matter, the Workgroup Report must reflect the views of the members of the Workgroup.

7.2.4.A10 The Workgroup Report will be circulated in draft form to the Workgroup members for a period of not less than five (5) Business days for comment. Any unresolved comments made shall be reflected in the final Workgroup Report.

7.2.4.A11 The final Workgroup Report shall be submitted to the Committee Secretary not less than five (5) Business Days prior to the meeting of the Committee at which that Workgroup Report is to be discussed.

7.2.4.A13 The chairman or another member (nominated by the chairman) of the Workgroup shall attend or by way of teleconference the Committee meeting at which that Workgroup Report is to be discussed and may be invited to present the findings and /or answer the questions of Committee members. Other members of the Workgroup may also attend such Committee meeting.

- 7.2.4.3 Following receipt of any representations, study, ~~working-group report~~ **Workgroup Report** or other evaluation pursuant to sub-paragraph 7.2.4.2, the Committee shall consider whether the information provided is sufficient for each Party to form a view as to whether the Proposed Amendment or any Alternative Amendment better facilitate achievement of the Applicable STC Objectives and may invite such further representations, studies, ~~working-groups~~ and other evaluation **including sending matters back to the Workgroup** as it deems appropriate until the Committee considers that the information provided is sufficient.
- 7.2.4.4 Following completion of this Evaluation Phase under this sub-paragraph 7.2.4, the Committee shall refer the Proposed Amendment or any Alternative Amendment directly to the Assessment and Report Phase under sub-paragraph 7.2.5.

7.2.5 **Assessment and Report Phase**

- 7.2.5.2 Following referral to the Assessment and Report Phase under sub-paragraphs 7.2.3.3 or 7.2.4.4, the Committee together with the Proposer shall prepare an analysis and impact assessment (to the extent that such assessment has not already been provided as part of the Evaluation Phase **or Workgroup Report**) ("**Assessment**"). Such **Assessment** shall include to the extent reasonably practicable an assessment by the Committee and the Proposer of the likely effect of the Proposed Amendment and any Alternative Amendment on each Party's Transmission System and other systems including a description of any works necessary to implement the change and an estimate of the development, capital and operating costs associated with implementing the changes to the Code and Code Procedures in such manner as the Committee feels fit, provided that, so far as any such **Assessment** requires information which is not generally available concerning the National Electricity Transmission System, such **Assessment** shall be made on the basis of the Committee's and the Proposer's proper assessment (which the Committee and the Proposer shall make available for these purposes) of the impact of the Proposed Amendment or any Alternative Amendment on the National Electricity Transmission System. Such assessment, shall also include, where the impact is likely to be material, an assessment of the quantifiable impact of the Proposed Amendment or any Alternative Amendment on greenhouse gas emissions, to be conducted in accordance with such guidance (on the treatment of carbon costs and evaluation of the greenhouse gas emissions) as may be issued by the Authority from time to time.

7.2.5.8 Following completion of the steps set out in sub-paragraphs 7.2.5.2 to 7.2.5.7 above (where relevant), the Committee Secretary shall prepare an initial version of the Amendment Report setting out:

- (a) the Proposed Amendment and any Alternative Amendments; ~~the Workgroup Report and recommendations,~~

7.2.9 Change Co-ordination

7.2.9.1 The Committee shall establish (and, where appropriate, revise from time to time) joint working arrangements with each panel or other body responsible for proposing change to the BSC, CUSC or Core Industry Document, to facilitate the identification, co-ordination, making and implementation of change to the BSC, CUSC or Core Industry Document or such other designated documents consequent on an amendment to the Code, in a full and timely manner. Such working arrangements shall include, without limitation, inviting representatives from panels and bodies referred to in this sub-paragraph 7.2.9.1 to participate in any ~~working groups~~ Workgroups established or discussions with the Committee or any Party pursuant to this paragraph 7, when the Committee or a Party or Parties otherwise identify the likelihood of an impact of a Proposed Amendment and any Alternative Amendment, on the BSC, CUSC, Core Industry Document or such other designated document.

The following amendments shall be made at Section J of the STC

Workgroup	a Workgroup established by the Committee pursuant to paragraph 7.2.4.A1
Workgroup Report	the report of a Workgroup in relation to a Proposed Amendment or any Alternative Amendment prepared pursuant to paragraph 7.2.4.A8

Annex 3 – Copies of Representations received on the Proposed Amendment

This Annex includes copies of any representations received following circulation of the Proposed Amendment Report circulated on 16th September 2011, requesting comments by close of business on 30th September 2011.

No	Company	Reference
1	EDF Energy	CA043-AR-01

CA043-AR-01

CA043: Clarification of Working Groups within the Evaluation Phase

EDF Energy welcomes the opportunity to comment on National Grid's consultation on CA043: Clarification of Working Groups within the Evaluation Phase Reactive. We support consistency across all of the major Codes and their application to enable the secure, economic and efficient operation of the electricity transmission system.

Overall EDF Energy supports the intent of the proposed changes to the STC which essentially seeks to provide some additional consistency and governance in relation to working groups established under the STC. However we do seek clarification in regards to specifically the voting rights of members and/or attendees of a given working group. We would suggest that all workgroup members be able to vote as in other code working groups such as the CUSC and the BSC. Membership and voting rights could place more responsibility on those involved and therefore ensure that the required level of active participation is achieved and maintained. On a practical level we support the membership of the working group being open to all code parties and allowing observers to attend for information purposes. For completeness, in terms of quoracy specifically, we would also suggest a non-TO presence being required.