

System Operator Transmission Owner (STC) Modification Panel

Consequential changes to the STC

resulting from the implementation of Electricity Market Reform

[29 April 2014]

An information paper by National Grid

1. Background

- 1.1 In January 2014 DECC consulted on the consequential changes to industry codes, licences, industry agreements and other documents required as a result of the implementation of the Electricity Market Reform. A Consultation Paper was issued on 15 January 2014 and responses were asked for by 13 February 2014. The paper set out the areas of proposed change together with a number of questions relating to those areas.
- 1.2 We understand from DECC that 13 responses were received and that DECC is considering those at the moment. We also understand that the revised consequential changes are intended to be published at the beginning of June, at the same time that the changes should be laid before Parliament.

2. Overview

- 2.1 Broadly, there are likely to be some tidying up changes in relation to some of the defined terms and the cross references to various EMR documents that have developed since the January Consultation Paper was published. The main area of change relates to enhancing the 'Change Coordination' provisions which were included in the proposed consequential changes before. These changed provisions will reflect more explicitly the interrelationship between the EMR related documents, such as the Capacity Market Rules and the Allocation Framework Rules for CfDs, and the STC at the time that changes are proposed to the STC.
- 2.2 These changes seek to ensure that there is a process in place to highlight areas where there might be a conflict with the EMR documents so that can properly be taken into account. These changes build upon the existing change mechanism provisions, but Ofgem, who is intended to be given the power to make Capacity Market Rules, may not have a formal role in the Change Coordination. This is currently under discussion.
- 2.3 In relation to the EMR documents, all, including particularly the AF Rules and the CfD Allocation Regulations, are still developing, which may lead to further changes to what has been proposed as consequential changes, but again those will be reflected in the document that is intended to be published by DECC at the beginning of June.
- 2.4 This paper describes a continuation of the consultation process which DECC is undertaking in relation to documentation, and any changes will not be a set of changes taken forward pursuant to the normal modification process for the STC