

## Minutes

<b>Meeting name</b>	STC Modification Panel Meeting
<b>Meeting number</b>	109
<b>Date of meeting</b>	Wednesday 29 January 2014
<b>Time</b>	10:00 – 12:00
<b>Location</b>	National Grid House, Warwick and Teleconference

## Attendees

Name	Initials	Company
Andy Hiorns	AH	Modification Panel Chair (NGET)
Alex Thomason	AT	Modification Panel Secretary (Code Administrator)
Ben Graff	BG	National Grid Electricity Transmission (NGET)
Kenny Stott	KS	Scottish Hydro-Electric Transmission (SHET)
Joe Dunn	JD	Scottish Power Transmission Limited (SPT)
Milorad Dobrijevic	MD	Scottish Power Transmission Limited (SPT)
Mike Lee	ML	Transmission Capital (TC)
David Lyon	DL	Blue Transmission (BT)
Abid Sheikh	AS	Ofgem

## Apologies

Name	Initials	Company
Lucy Hudson	LH	NGET, Code Administrator
Neil Sandison	NS	SHET

## 1 Introductions/Apologies for Absence

3107. Apologies were received from Lucy Hudson (NGET) and Neil Sandison (SHET).

3108. Alex Thomason (NGET) was introduced as Panel Secretary and Code Administrator and Ben Graff was introduced as the NGET representative for the meeting.

## 2 Approval of Minutes from the last meeting

3109. The minutes from the last STC Modification Panel held on 15 December 2013 were approved, subject to a change to minute 3076, "is to be carried out". NGET to amend and arrange publication of the minutes on the National Grid website.

**Action: NGET (AT)**

## 3 Review of Actions

3110. **Minute 2727: STC Panel photos on the website.** ML agreed to provide a photograph for the website.

**Action: TC (ML)**

3111. **Minute 2922: STCP18-1 Review.** JD circulated an email completing his action.

**Action: SPT (JD)**

3112. **Minute 3076:** MD confirmed that he had sent a paper to LH in December 2013. MD's view is that there is no discrepancy between the NAP and STCPs. No comments were received from

Panel Members at the meeting, so AT took an action to recirculate MD's paper with deadline for comments of first week in Feb.

**Action: AT/ALL**

3113. **Minute 3078: Provisions for Interconnectors in the STC.** BG provided NGET's view that there is a lot currently going on in this area within the industry, e.g. ITPR development. Questions have been raised over where the Interconnector provisions should sit and whether they should be codified within the STC. NGET's view is that this is not the right place, as although Interconnectors can connect to the NETS, they cannot be operated by the NETSO. Another suggestion was that the existing Section 9 of the CUSC could be expanded. It was noted that information will be required from other TOs and this would need to be included within the STC, at the application stage and on an enduring basis. ML shares NGET's view that the STC is not the right place, but felt that the CUSC would not work properly either. BG responded that this should be for CUSC Parties to decide. ML asked who should decide where the provisions should sit. AT noted that she also attends CUSC Panel meetings and could flag this issue to the CUSC Panel on the STC Panel's behalf.

**Action: AT to raise at January 2014 CUSC Panel meeting**

3114. **Minute 3079: STCP19-6.** AH confirmed that the JPC Investment Planning Group will review Boundaries of Influence in early February 2014 and will report back to the STC Panel in 3 months.

**Action: AH report back to STC Panel in April 2014**

3115. **Minute 3080: OFTO representation at the JPC.** AH to send appointment to ML/DL to discuss.

**Action: NGET (AH)**

3116. **Minute 3081: Workplan for Review of STCPs.** AH reported back on progress on drafting a workplan to review STCPs and noted that NGET is trying to identify an owner for each STCP. It was noted that there is an issue regarding STCP11-1: Outage Planning in that the Project Listing Definitions (PLDs) are not necessarily being used as originally intended and that the STCP does not reflect the current working practice. In addition, the STC refers to SYS and ODIS which have been replaced by the ETYS, so NGET proposes updating the document references and the STCPs themselves. AH confirmed that a timetable for a draft workplan will be provided to the February 2014 STC Panel meeting. AH asked Panel Members to flag any concerns regarding STCPs to the Panel.

**Action: NGET (AH)**

3117. **Minute 3084:** MD provided feedback from the Outage change management meeting held on 21<sup>st</sup> January 2014. There have been issues with the TO outage plan within year. MD noted that there are a couple of actions arising from the meeting, which need to be confirmed, but include consulting generators to find out whether this is a complaint for all generators, or whether it is non-firm generators that have the issue. The outage change management Workgroup may consider inviting a generator representative to a future meeting to discuss their views. AS noted that Ofgem had been invited to attend the Workgroup but Ofgem feels that it is not appropriate at this stage for them to get involved.

**Action: MD to report back to the JPC**

3118. **Minute 3093: STCP19-6 Application Fee.** AT took an action to report back to the STC panel on progress with STCP19-6. **Post-meeting note:** STCP19-6 has been approved and now needs to be physically signed off by all parties. NGET to initiate the signing-off process.

**Action: NGET (AT)**

3119. **Minute 3096: STCP04-1 and STCP04-2.** AT took an action to report back to the STC Panel with progress on STCPs04-1 and 04-2.

**Action: NGET (AT)**

3120. **Minute 3101: JPC Minutes.** AH noted that the minutes from the October 2013 JPC meeting were outstanding and that a further JPC meeting had taken place in January 2014. AH to circulate minutes as soon as they are available.

**Action: NGET (AH)**

3121. **Minute 3104:** LH to send a list of JPC members to MD. MD noted that he had not received the list of JPC members. AT agreed to send this.

**Action: NGET (AT)**

**All other actions are either completed or were discussed under the relevant agenda items.**

## **4 Discussion Items**

### **Code Governance Review 2 / Code Administration Code of Practice (CACOP)**

3122. AT gave an update on the implementation of CGR2 and the CACOP in November 2013. AT noted that 5 main areas had been introduced to the STC by CGR2: Significant Code Reviews; Self-Governance; Fast-Track Self-Governance; Send Back and the CACOP. AT explained that as a result of this, a number of panel processes would need to be altered and referred to a series of questions that would need to be asked whenever a new Modification Proposal is presented to the STC Panel. The questions are: whether a new Modification Proposal relates to an ongoing Significant Code Review; whether a new proposal meets the Self-Governance Criteria and whether the Panel agrees with the timetable that the Code Administrator has proposed, including any Workgroup stage.
3123. AT noted that the CACOP contains a list of Key Performance Indicators that each code administrator needs to produce. NGET identified three of these that are relevant to the STC which need to be reported on an annual basis. The STC Panel agreed with reporting on an annual basis, with the first report to be produced in January 2015. The three areas for KPIs are: number of reports Sent Back by the Authority; Number and percentage of respondents who are satisfied or better in response to NGET's customer survey and average number of responses to STC consultations.

## **5 Modification Proposals**

3124. **CM055: Consequential changes following implementation of the Third Package and other miscellaneous changes.** AT presented the new proposal, which seeks to fully implement the European Third Package within the STC. The main changes proposed are to allow the Authority to raise STC Modification Proposals or direct Licensees to raise proposals, where they are considered necessary to comply with or implement the European electricity Regulation or any relevant decisions of the Agency for the Cooperation of Energy Regulators. Once raised, a number of caveats would be applied to those Modification Proposals, such as the Proposer not being able to withdraw them without the Authority's consent.
3125. Questions were raised around the nature of the "Electricity Regulation". AT explained that it refers to European Regulation 714/2009. AS added that the Regulation governs all of the new European Network Codes that are currently being drafted. The Panel agreed for the proposal to progress direct to industry consultation in line with the timetable presented and that the draft consultation document would be brought back to the February 2014 Panel meeting for review.

## **6 Evaluation Phase/Workgroup Updates**

3126. There were no Evaluation Phase/Workgroup Updates.

## **7 Evaluation Phase Reports**

3127. There were no Evaluation Phase Reports.

## **8 Initial Modification Reports**

3128. There were no Initial Modification Reports.

## **9 Proposed Modification Reports**

3129. There were no Proposed Modification Reports.

## **10 Modification Reports**

3130. There were no Modification Reports.

## **11 Pending Authority Decisions**

3131. There were no pending Authority Decisions.

## **12 Authority Decisions**

3132. There were no Authority Decisions.

## **13 STC Procedures**

3133. AT noted that the outstanding STC procedures had been covered under the actions and rolled over to the following meeting.

## **14 Offshore Regime**

3134. AS circulated the Offshore update prior to the meeting.

## **15 European Developments**

### **ENTSO-E and ACER updates**

3135. AT confirmed that the ENTSO-E and ACER updates regarding the latest European developments had been circulated to the Panel.

### **TSO Issues**

3136. No issues were raised.

### **European Code Coordination Application Forum (ECCAF)**

3137. JD noted that the next ECCAF meeting is 30<sup>th</sup> January 2014 and he will circulate a report prior to the February 2014 meeting. It was noted that a further ECCAF meeting is scheduled for 17<sup>th</sup> February so there will potentially be 2 updates available prior to the February STC Panel meeting.

**Action: JD**

## **16 Impact of Other Code Modifications**

3138. AT noted that there are two licence-related changes that are anticipated within the industry. The first relates to NGET amalgamating the Seven Year Statement (SYS) and the Offshore Development Information Statement (ODIS) into one new document, the Electricity Ten Year Statement (ETYS). References to the SYS and ODIS in industry codes will need to be updated to refer to ETYS. This change is currently subject to a licence consultation and the necessary

changes to the STC will be raised once this concludes. The second change is required to change references to the National Consumer Council, also known as Consumer Focus, to Citizens Advice and/or Citizens Advice Scotland. This is also subject to a licence consultation and will be raised once that has finished. Both changes will be raised by the Code Administrator (NGET) in due course.

**Action: NGET as Code Administrator (LH/AT)**

## **17 Reports from Sub Committees**

### **Joint Planning Committee**

3139. AH will circulate minutes from the October 2013 and January 2014 meetings. AH noted that the JPC are committed to doing two joint studies – operability of Scotland and year round operability.

### **Charging Users' Group**

3140. Minutes from the January ChUG were provided to AT on 28<sup>th</sup> January 2014. AT will circulate these to the Panel after the meeting. **Post-meeting note:** Minutes circulated on 5<sup>th</sup> February 2014.

## **18 Any Other Business**

3141. AT provided an update on the OFTO Election process. 5 nominations have been received for 2 Panel member seats, so a full election will need to be run, in line with the timetable that was circulated in January 2014. AT noted that one of the OFTOs had raised concerns over equitable representation for OFTOs on the Panel.

3142. DL summarised his concerns, noting that there are 2 representatives each from SPT, SHET and NGET, but only 1 representative each from the OFTO owners. Noted that although there are three OFTO owners, the Panel voting mechanism will not allow parity between onshore and offshore TOs and one OFTO owner will not have a representative on the STC Panel.

3143. KS asked whether the issue was being assist Offshore regime in the debate or is it voting? DL responded that it was about being aware of the impact on individual OFTOs and having the correct representative present at meetings. DL added that if you exclude one of the companies there is not an even bias. DL also noted that providing OFTO representation is not easy across the OFTOs as they are in a competitive position. DL reiterated that the onshore TOs have 2 representatives per company and one of the OFTOs could have none and that leaving a company out is not appropriate. ML added that being impartial as an OFTO representative on the STC Panel is quite difficult, but noted that there is an ENA forum where OFTO issues can be shared with the STC OFTO Panel Representatives. ML commented that you could see a situation where you could end up with more OFTOs representatives than other parties on the STC Panel. AS noted that the issue extends to the JPC and similar sub-groups. KS commented that to allow impartial representation, the OFTOs would have a separate forum and the representatives on the STC Panel would represent the views from that forum.

3144. AS provided his observations as Ofgem representative on how the Panel has worked over the last few years. Generally, the STC Panel takes a consensual approach to Modification Proposals or other Panel business. AS noted that you can see from the agenda that if discussions need to be taken offline, the parties form workgroups formally or informally to discuss issues. The issue around Panel voting has never seemed to be a concern – it hasn't even really taken place. AS noted the comments around whether OFTO representatives are able to act impartially or whether they need to be representative of their companies and asked how this works now with the onshore TO representatives. JD responded that each of their representatives have different backgrounds to provide expertise across several areas.

3145. AH suggested that a pragmatic approach could be to allow a representative of whichever OFTO owner does not get a seat on the Panel to attend as an observer, under STC paragraph 6.5.1, which allows for additional persons to attend and speak at Panel meetings, but not have a right to vote. The STC Panel members agreed to this approach, with a review period in 12 months.

**19 Publications**

3146. No publications were discussed.

**20 Date of Next Meeting**

3147. The next meeting is scheduled to take place on **Wednesday, 26<sup>th</sup> February 2014 at 10am.**