

## Minutes

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|------------------------|---|
| <b>Meeting name</b>    | STC Modification Panel Meeting  |
| <b>Meeting number</b>  | 142   |
| <b>Date of meeting</b> | Wednesday 14 <sup>th</sup> December 2016  |
| <b>Time</b>            | 10:00am – 12:00pm   |
| <b>Location</b>        | B3.15, National Grid House, Warwick and teleconference:<br>Dial in: 0808 238 9819 Participant code: 64666425# |

## Attendees

| Name               | Initials | Company                                     |
|--------------------|----------|---|
| Caroline Wright    | CW       | Chair, National Grid (NGET)                 |
| Chrissie Brown     | CB       | Modification Panel Secretary (NGET)         |
| Lurrentia Walker   | LW       | Modification Panel Secretary (NGET)         |
| Jennifer Groome    | JG       | Observer (NGET)                             |
| Alex Thomason      | AT       | National Grid (NGET)                        |
| Mark Krajniewski   | MK       | National Grid (NGET)                        |
| Kenny Stott        | KS       | Scottish Hydro Electric Transmission (SHET) |
| Deborah MacPherson | DM       | Scottish Power Transmission plc. (SPT)      |
| Mike Lee           | ML       | Transmission Capital                        |
| Roberta Fernie     | RF       | Ofgem                                       |

## Apologies

| Name               | Initials | Company                                     |
|--------------------|----------|---|
| Neil Sandison      | NS       | Scottish Hydro Electric Transmission (SHET) |
| David Lyon         | DL       | Blue Transmission (BT)                      |
| Alan Kelly         | AK       | Scottish Power Transmission plc. (SPT)      |
| Milorad Dobrijevic | MD       | Scottish Power Transmission plc. (SPT)      |

## 1 Introductions and Apologies for Absence

4067. Apologies were received from Milorad Dobrijevic, David Lyon, Neil Sandison and Alan Kelly.

## 2 Approval of Minutes from the last meeting

4068. The minutes from the STC Modification Panel held on 24<sup>th</sup> November 2016 were approved. The STC Modification Panel Secretary will arrange publication of the minutes.

**ACTION**

## 3 Review of Actions

4069. **Review of Actions**

All STC Modifications Panel actions are detailed in the Actions Log.

## 4 Potential Future Modifications

4070. **STCP09-1**

AT advised Panel that a member of the Transmission Network Control Centre (TNCC) will be taking lead on this. She advised Panel a meeting will be arranged in January with other parties to get final confirmation that everyone is happy with the draft. AT advised Panel an update will be given in January.

**ACTION**

**4071. Minute 4016: Schedule 9 TO Construction Terms**

AT advised panel she is still awaiting confirmation of the new SO rep, once confirmation is received AT will update STC Panel.

**4072. Extending Competition in Electricity Transmission (ECIT)**

RF advised the Panel that Ofgem had published a consultation on 25<sup>th</sup> November 2016. RF informed the Panel she will provide any updates on ECIT as and when updates are available.

**ACTION**

## **5 New Modifications Proposals**

**4073. CMFT060- Aligning Section B 'Governance' of the STC to changes introduced by the Code Governance Review Phase 2**

CW informed the Panel that CMFT060 seeks to modify the inconsistencies identified by Ofgem in the legal drafting changes under the Code Governance Review Phase 2 in Section B of the STC. CW advised this modification is looking to progress as fast track Self Governance and that this modification would be the first time the fast track self-governance process would have been used by the STC Panel. CW noted to the Panel that CMFT060 was re-issued on 9<sup>th</sup> December 2016 due to the Proposal including a change to clause 7.2.6B.14. This clause has been removed from the Proposal as it should not be subject to fast track Self- Governance. CW advised the Panel a new Modification Proposal would be raised in 2017 to address this clause. The Panel were informed that for CMFT060 to be progressed as self-governance that the Panel must agree unanimously that it meets the criteria for self-governance. The STC Modification Panel unanimously agreed that the criteria had been met and the approved modification report should be issued and the appeals window opened for 15 Working Days.

**ACTION**

**4074. CM061- Amendment to the OFTO STC Panel Representative Election process**

CW advised Panel CM061 seeks to align the election process to those in the SQSS to allow for an 'alternative OFTO Election Process' and extend the term of office from one year to two years. CW informed Panel that the papers had to be re-issued as reference to fast track Self Governance had been made in error and that this modification was to be presented as self-governance only. As with CMFT060, the Panel were informed that for this modification to be progressed using the self-governance procedure all Panel members must agree unanimously that it meets the self-governance criteria. CW informed the Panel that this change had been suggested by OFTOs at an OFTO forum at the start of 2016 and that prior to submitting the modification she had a conversation with representatives from Balfour Beatty, Blue Transmission and Transmission Capital who were all supportive of the change. CW explained that there were two approaches for implementation included in modification report. Approach one would be to follow the existing prescribed approach for the elections process but would mean that due to the timescales for appeals that that implementation would take place after the election process begins and would mean that should the change be approved it would not be effective until the 2018 election year. It was identified that a second approach could be used. Under the second approach the Panel could extend the term of office for the existing OFTO Panel Representatives by one month and delay the commencement of the election process until this modification was implemented in February 2017. It was noted that should the Panel consider approach two then they would be in non-compliant with the STC and would have to satisfy themselves that this would be better facilitate the STC applicable objectives.

The Panel discussed the options available and considered that this change had been requested by OFTOs that the most efficient way forward was approach two and agreed that the report should be issued for industry consultation for 15 Working Days.

**ACTION**

**4075. CM062-Aliging Condition B12 of the STC to the license changes introduced by the Code Governance Review Phase 3**

CW advised Panel that CM062 seeks to implement the license changes to the STC arising from Ofgem's Code Governance Review (Phase 3) (CGR3). CW informed the Panel that this modification intends to introduce:

- Introducing the ability for the Authority to raise a STC Modification following the end of a SCR
- Introducing the ability for the Authority to end a SCR
- Introducing the ability for the Authority to lead an end to end STC SCR Modification
- Backstop Direction

These changes are required to be implemented by 31 March 2017 and are changes that should enable a more efficient delivery of priority Modifications.

CW informed the Panel that there was a typographical error in the draft legal text and the STC Panel Secretary would update this before sending out the consultation. CW requested that this modification goes out to industry consultation for ten working days which the Panel agreed to. RF informed the Panel of a number of comments on the legal text. CW confirmed that she would circulate these and a response to them ahead of the consultation being issued on 21 December, subject to any comments from the Panel.

**ACTION**

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

4076. There were no new modification proposals.

## **7 Evaluation Phase Reports**

4077. There were no Evaluation Phase/Workgroup Updates.

## **8 Initial Modification Reports**

4078.

**CM059-Dispute Resolution Process 'Changes to Section C and H following OFGEM Response to Adjudication Request'**

AT advised Panel she is working with National Grid's legal team to understand what disputes processes are included in an OFTO's licence for to determine whether the Modification needs to be amended. RF offered assistance with this and noted that OFTO licences should be available in public domain. AT informed the Panel an update will be given at the January 2017 Panel.

**ACTION**

## **9 Proposed Modification Reports**

4079. There were no proposed Modification Reports.

## **10 Modification Reports**

4080. There were no Modification Reports.

## 11 Pending Authority Decisions

4081. There were no pending Authority Decisions.

## 12 Authority Decisions

4082. There were no Authority Decisions.

## 13 Implementation

4083. There were no pending implementations.

## 14 STC Procedures

4084. There were no pending STC Procedures.

## 15 Europe

### 4085. Circulated Updates (ENTSO-e)

### 4086. Joint European Stakeholder Forum (JESG)

CB updated the Panel on the last JESG meeting which was held on the 13<sup>th</sup> December 2016. She explained to the Panel that at the meeting the responses to the different EID options were discussed and that currently 18 responses had been received but more responses were expected. CB advised the Panel that all responses would be published on the JESG website. She advised the Panel the majority of the responses received stated they would like things to remain as is. CB informed the Panel that JESG members will reply to Ofgem's CMA consultation. AT advised the Panel that National Grid held a seminar on how the codes are fragmented and the reasons for why there isn't a single all-encompassing Code such as the one used in the gas industry. AT advised the Panel that the JESG Ofgem representative informed JESG members that Ofgem were holding a meeting on Friday 16<sup>th</sup> December which National Grid has been invited to attend. AT circulated to Panel that after JESG meeting an email had been sent to Code Administrators identifying that 77 new mods look to be raised across codes, in particular the plan shows 3 new modifications for the STC. AT advised the Panel it is beneficial to get this plan validated but this is likely to happen though Code Administrators.

### 4087. TSO Issues

AT advised National Grid is issuing a consultation on the issue of data which will be published. There will be a five week consultation period; AT informed the Panel this will give industry the opportunity to express their views on the assessment. AT advised Panel that National Grid had a role to send a proposal to Ofgem on behalf of other TSO's.

### 4088. European Network Codes Impacts

AT advised updates on TSOG and RFG Branding will be given monthly at Panel meetings and advised the Panel that her team will be in Glasgow on Wednesday 10th January and a session will be held in London on 17<sup>th</sup> January. AT gave a general European Codes update to the Panel; AT advised a Grid Code meeting was being held on 14<sup>th</sup> December 2016 and a final consultation was due to be issued before Christmas.

## 16 Impact of Other Code Modifications

4089. STC Panel members had no comments.

## 17 Reports from Sub-Committees

### 4090. JPC

AT advised Panel the next JPC meeting will take place in January 2017.

### 4091. Network Access Policy Workgroup

MD to give Panel an update from the meeting held on 6<sup>th</sup> December 2016 at January Panel meeting.

**ACTION**

## 18 Any other Business

### 4092. Formal Meeting

CB suggested all STC Modification Panel members come together for a face to face meeting. CW advised we will work out feasibility of meeting.

**ACTION**

### 4093. Replacement NGET Panel Member

MK advised Panel that Zhibo Ma will be taking over as the National Grid representative in the New Year.

### 4094. Webex

CW wanted to know what Panel members thought of the use of WebEx for meetings. STC Panel members thought WebEx was useful; going forward WebEx will be used for STC Panel meetings.

**ACTION**

## Date of Next Meeting

4095. The date of the next meeting is **Wednesday 25<sup>th</sup> January 2017.**