

Minutes

Meeting name	STC Modification Panel Meeting
Meeting number	135
Date of meeting	Wednesday 27 April 2016
Time	10:00am – 12:00pm
Location	National Grid House, Warwick and Teleconference

Attendees

Name	Initials	Company
Alex Thomason	AT	Chair, National Grid (NGET)
Lucy Hudson	JC	Modification Panel Secretary (NGET)
Mark O'Connor	MO	National Grid (NGET)
Mark Krajniewski	MK	National Grid (NGET)
Ryan Place	RP	National Grid (NGET)
Keith Dan	KD	National Grid (NGET)
Kenny Stott	KS	Scottish Hydro Electric Transmission (SHET)
Neil Sandison	NS	Scottish Hydro Electric Transmission (SHET)
Milorad Dobrijevic	MD	Scottish Hydro Electric Transmission (SHET)
Deborah MacPherson	DM	Scottish Power Transmission plc (SPT)
Mike Lee	ML	Transmission Investment (TI)
David Lyon	DL	Blue Transmission (BT)
Abid Sheikh	AS	Ofgem
Lewis Heather (part)	LHe	Ofgem

Apologies

Name	Initials	Company
Alan Kelly	AK	Scottish Power Transmission plc (SPT)

1 Introductions and Apologies for Absence

3865. Apologies were received from Alan Kelly (SPT).

2 Approval of Minutes from the last meeting

3866. The minutes from the STC Modification Panel held on 23 March 2016 were approved, subject to some minor amendments suggested by Ofgem and SHET. The STC Modification Panel Secretary will arrange publication of the final minutes.

Action: NGET (LH)

3 Review of Actions

3867. **Minute 3812: CMP242 consequential changes to STC.** It was noted that this action is still open. NGET to review whether there is a potential impact on the STC from CMP242. RP agreed to circulate the outcome to the Panel by email.

Action: NGET (RP)

3868. **Minute 3816: ML to discuss with LH about email regarding STC and SQSS OFTO representatives.** It was noted that the OFTO elections for the STC Panel are continuing as planned. AT agreed to review the OFTO election process as set out within the SQSS, as this was flagged by the OFTO representatives as being a preferable process to the one currently set out in the STC. AT suggested she speak to the OFTO representatives outside of the STC

Panel meeting to agree how to progress this governance issue. AT also confirmed she would speak to the Code Governance team for them to lead this piece of work.

Action: Chair (AT)

3869. **Minute 3851: PM088: Scottish Black Start Restoration Working Group – STCP06-1.** Following earlier clarification of Action 3804 in relation to the draft STCP06-1, MOC presented STCP06-1 for Panel approval. The Panel unanimously agreed that STCP06-1 should be approved and MO asked AT to start the formal approval process. LH confirmed the formal approval process would be commenced together with STCP18-1.

Action: NGET (LH)

3870. **Minute 3853: European Developments: Transmission System Operation Guidelines (TSOG).** KS noted that there is a draft of the TSOG being circulated and questioned whether the Panel would be looking at this to see if there were any consequential changes to the STC. AT advised that nothing had been flagged to the Code Administrator on consequential code changes, however imagined this would fall out of code mapping. DM noted that there is a meeting on 11 April 2016 on code mapping. AT agreed to check with her colleague whether anything had been identified so far and provide an update to the Panel ahead of the May 2016 meeting.

Action: Chair (AT)

3871. **Minute 3859: Joint Planning Committee (JPC) meeting – January 2016.** AT noted that she would update the Panel on the last JPC meeting and LH agreed to circulate minutes once they were available.

Action: NGET (LH)

3872. **Minute 3860: Charging User Group (ChUG) Chairmanship.** AT noted that the next ChUG meeting will be held on 12 April 2016 and that she had discussed chairmanship with the current Chair, Stuart Boyle from National Grid. Stuart is moving roles within NGET and Chairmanship of the ChUG is due to rotate to another member of the group. Stuart's view is that it is due to be transferred to Scottish Power. DM noted that she was not aware of this and would not be able to take on chairmanship of the ChUG. Following discussions with Stuart Boyle, AT confirmed that NG will continue to chair the ChUG and that Chairmanship will be reviewed again in 6 months. **Action complete.**

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

4 Discussion Items

Ofgem's Code Governance Review (CGR) Phase 3 Final Proposals

3873. AS presented the slides circulated to the Panel on Papers day, confirming that Ofgem's Final Proposals were published on 31 March 2016. CGR3 builds on the principles of CGRs1 and 2 with the main purpose to reduce unnecessary barriers/red tape. AS noted that CGR3 is happening separately from but in parallel with the CMA's Market Investigation Reference (MIR) into the energy market which has identified certain remedies relating to code governance and it is intended that CGR3 will support the wider CMA proposals on code governance to reduce regulatory burden.
3874. Alongside the CGR3 Final Proposal, two consultations have been issued regarding the licence changes and also the metrics/surveys applicable to Code Administrators, with a closing date of 28 April 2016. AS confirmed that a note had been circulated to the Panel beforehand with links to the consultations and inviting responses from individual parties.
3875. AS also noted that work is being undertaken by Code Administrators to standardise Code processes across all the Codes ie modification proposal templates. Where 'fast track' principles, such as the template and critical friend 'top 5', have no licence impact, the expectation is that they will be adopted/implemented as soon as possible. RP agreed to provide an update to the Panel on the 'fast track' items from an STC perspective.

Ofgem's CMA's Findings Update

3876. LHe presented the slides circulated to the Panel on Papers Day advising that the Energy Market had been referred to the CMA 2 years ago to identify areas which had adverse effects on competition. The CMA provisional findings were published in July 2015 and highlighted issues with Code Governance. The CMA's recent provisional decision on remedies proposed certain remedies to address these. The CMA's final report is expected to be published in June 2016.
3877. The proposed remedies for implementation will fall to various parties and the recommendations include the shift of Ofgem to a more strategic role, the creation of a consultative board to aid cross code co-ordination and the move to code governance bodies becoming licensed. LHe also noted that currently Ofgem are involved in a range of strategic modifications but going forward the emphasis will move to Ofgem providing more strategic direction and Code Administrators taking more accountability for the day to day strategic management of modifications.
3878. LHe advised that the purpose of presenting this at the STC Panel is to raise awareness and to provide an understanding of Ofgem's view of the CMA's provisional findings. AS noted that the Panel may wish to respond to the CGR3 consultations and look at the CMA provisional findings on remedies. KS noted that a consultation response is being submitted by SHET.

5 New Modification Proposals

3879. There were no new Modification Proposals.

6 Evaluation Phase/Workgroup Updates

3880. There were no Evaluation Phase/Workgroup Updates.

7 Evaluation Phase Reports

3881. There were no Evaluation Phase Reports.

8 Initial Modification Reports

CM058: Amendment of STC Schedule 3 to reflect the changes introduced by ITPR, namely the introduction of the Network Options Assessment.

3882. KD confirmed that CM058 Initial Modification Report had been drafted and circulated with Panel papers. He noted that some minor changes to the legal text had been suggested by SPT and that these had been included. KD thanked all those involved for their input.
3883. DL noted that there was a typo in Section 1.2 which should read '2016' rather than '2015'. AS also noted that there were a number of references to the incorrect 'CM' number under Section 3.1.
3884. Subject to the above amendments being made, the Panel agreed to CM058 being issued to Industry Consultation, although it was noted that it should be for a period of 15 working days, rather than the 20 working days as referenced in the current timetable.

Action: NGET (KD/LH)

3885. KD also confirmed that the associated changes to STCP16-1 had been finalised following further review and input from the TOs. The Panel were asked if they were happy to approve STCP16-1 pending approval and implementation of CM058, to which they all agreed.

3886. AS noted a typo under Section 4.8.1.1 regarding the erroneous use of the word 'Any'. KD agreed to amend this prior to implementation.

Action: NGET (KD)

9 Proposed Modification Reports

CM057: Proposal to amend Section D: Planning Co-ordination of the STC to reflect the changes due to the implementation of the Integrated Transmission Planning and Regulation (ITPR) project.

3887. LH advised that CM057 had been sent out to Industry Consultation on 12 April 2016 for a period of 20 working days and the deadline for responses was 11 May 2016.
3888. AT noted that the Panel would be making their first Self-Governance determination on CM057 at the May 2016 Panel, and that the criteria for Self-Governance would be circulated with the May Panel papers.

Action: NGET (LH)

10 Modification Reports

3889. There were no Modification Reports.

11 Pending Authority Decisions

3890. There were no pending Authority Decisions.

12 Authority Decisions

3891. There were no Authority Decisions.

13 STC Procedures

PM083: STCP19-5 Update and clarification of process for issuing an Final Section K Notification (FSKN) to prospective OFTOs

3892. ML noted that a meeting was held on 4 March 2016 with NGET and that principles for revised drafting of STCP19-5 had been agreed. ML confirmed that the drafting was currently under legal review and expected it to be ready in time to present it to the May 2016 Panel meeting.
3893. ML confirmed there were no specific timescales that the Panel needed to be aware of in respect of the development/approval of PM083.

PM086: Difficulties in meeting the current year ahead data submission timelines as specified in STCP11-1

3894. KS made a request to the chair that the discussions regarding STCP11-1 are carried over to May's STC Panel as there appear to be some outstanding issues in the version circulated with Panel papers.
3895. It was agreed that MOC would reconvene the workgroup to resolve the issues and advise AT if STCP11-1 was required to be approved, via email circulation, prior to the next meeting as a result of the timescales involved.

Action: NGET (MOC)

3896. AT queried the process for agreement of STCPs by a workgroup prior to submission for approval to the Panel. It was suggested that it may be useful to have written confirmation that all workgroup members are happy with the proposed revisions at the conclusion of the workgroup.

3897. It was also noted that as a result of changes to STCP11-1, a modification to Section C was also required. MOC to advise on the plan for progressing this change.

Action: NGET (MOC)

PM087: Uploading of codes in NGET outage database (TOGA) in STCP11-2 to better reflect current requirements and processes

3898. MO advised that work on PM087 is progressing and that a further meeting with the TOs has been scheduled for 29 April 2016. MO confirmed that the STCP is expected to be presented to the July STC Panel meeting for agreement.

PM090: Amendment to STCP16-1 to reflect the changes introduced by ITPR, namely the introduction of the Network Options Assessment

3899. As discussed earlier in the agenda, STCP16-1 is being revised in line with the changes proposed as part of CM058 for the introduction of the Network Options Assessment (NOA) process. The Panel approved STCP16-1 pending approval and implementation of CM058.

14 European Developments

ENTSO-E update

3900. AT confirmed that the ENTSO-E update had been circulated.

Joint European Stakeholder Group (JESG)

3901. DM advised that the last meeting took place on 8 April in Glasgow and it was very well attended. June and July's meetings are taking place in London with the August JESG planned to be hosted in Edinburgh.

3902. A link to the Headline Report highlighting the main areas of discussion is attached: <http://www2.nationalgrid.com/WorkArea/DownloadAsset.aspx?id=8589934845>

TSO Issues

3903. There were no TSO issues.

15 Offshore Regime

3904. AS confirmed that he would send a link to LH with the latest Offshore update, for circulation to the STC Panel. The update contains information relating to Tender Round 4.

Action: OFGEM (AS)

16 ITPR Update

3905. AT presented an update on the progress of STC changes as a result of ITPR, adding that the document will be updated on a monthly basis and circulated with Panel papers.

3906. AT advised that all changes are currently on track and it is expected that the changes to STCP20-1 and STCP22-1 will be submitted to the June 2016 Panel meeting. AS highlighted that the update document was very useful.

17 Impact of Other Code Modifications

3907. AT noted that the Code Summary document had been circulated with Panel papers.

18 Reports from Sub Committees

Joint Planning Committee

3908. AT noted that the next JPC is planned to take place in early May 2016 and confirmed that the minutes from the January 2016 meeting would be circulated once available.

Charging User Group

3909. AT confirmed that the last ChUG meeting took place on 12 April 2016 and that minutes are likely to be available for circulation shortly.

19 Any Other Business

Network Access Policy Workgroup

3910. MD advised the Panel of the existence of the Network Access Policy Workgroup which takes place quarterly and is attended by NGET, Ofgem and TOs. MD and MOC are both members of the workgroup and it was agreed to include an update as an STC Panel standing agenda item.

Action: NGET (LH)

3911. Work is currently taking place to develop a funding framework and is being undertaken by 3 workstreams (engineering workgroup, governance workgroup and funding workgroup) involving all parties. It is envisaged this will result in changes to STCP11-3 and the addition of a new STCP.

20 Date of Next Meeting

3912. The date of the next meeting is **Wednesday 25 May 2016**