



STCP Modification Proposal Form (System Operator – Transmission Owner Code)	
<h1 style="margin: 0;">PM0102: National Grid</h1> <h2 style="margin: 0;">Legal Separation - consequential changes to STCPs to reference NGESO</h2>	<div style="display: flex; align-items: center; gap: 10px;"> <div style="background-color: #00a651; color: white; border-radius: 5px; padding: 5px 10px; font-weight: bold;">01</div> <div style="background-color: #00a651; color: white; border-radius: 5px; padding: 5px 10px; font-size: 0.8em;">Initial STCP Modification Proposal Form</div> </div>
<p>Purpose of Modification: This proposal seeks to modify the System Operator Transmission Owner Code Procedures (STCPs) to reflect the creation of a new National Grid Electricity System Operator (NGESO) that is legally separated from National Grid Electricity Transmission Limited. References to NGET have been replaced by NGESO, where relevant, throughout the STCPs in order to ensure the System Operator and Transmission Owner obligations are clear.</p>	
	<p>The Proposer recommends that this modification should be:</p> <p>This modification was raised 17 April 2018 and was presented by the Proposer to the Panel on 25 April 2018 for Panel approval.</p>
	<p>High Impact: None</p>
	<p>Medium Impact None</p>
	<p>Low Impact National Grid, Scottish Power Transmission, SHE Transmission, Offshore Transmission Owners</p>

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Timetable	
The Code Administrator recommends the following timetable:	
Proposal Form Submitted to Code Administrator for review	4 April 2018
Proposal form submitted to STC Panel Secretary	17 April 2018
STCP's are presented and approved by the Panel	25 April 2018
Sign off	25 April 2018
Implementation	1 April 2019

 **Any questions?**

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<p>Details of Proposer: (Organisation Name)</p>	<p>NGET</p>
<p>Capacity in which the STCP Modification Proposal is being proposed: (i.e. STC Party, Party Representative or person or persons having a relevant interest as may be designated in writing for this purpose by the Authority)</p>	<p>STC Party</p>
<p>Details of Proposer's Representative: Name: Organisation: Telephone Number: Email Address:</p>	<p>Bec Thornton NGET 07887 822443 Bec.thornton@nationalgrid.com</p>
<p>Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address:</p>	<p>John Martin NGET 07794 050359 John.martin2@nationalgrid.com</p>

Attachments (Yes):

- STCP03-1 - Post Event Analysis and Reporting
- STCP04-1 - Real Time Data Change Management
- STCP04-2 - Real Time Datalink Management
- STCP04-4 - Provision of Asset Operational Information
- STCP04-6 - Offshore Datalink Functional Spec for Telecontrol Communications Interface
- STCP06-2 - De-synchronised Island Management
- STCP06-4 - Contingency Arrangements
- STCP08-1 – Protection Testing
- STCP08-3 - Operation Tests and System Tests
- STCP08-4 - User Tests
- STCP09-1 - Safety Co-ordination between Parties
- STCP10-1 - Asset Nomenclature
- STCP11-3 - TO Outage Change Costing
- STCP13-1 - Invoicing and Payment
- STCP14-1 - Data Exchange for Charge Setting
- STCP14-2 - Data Exchange for Charging Consultations
- STCP14-3 - Customer Charging Enquiries
- STCP16-1 - Investment Planning
- STCP17-1 - Feasibility Study
- STCP18-1 - Connection and Modification Application
- STCP18-2 - Use of System Application
- STCP18-3 - TEC Changes
- STCP18-4 - Request for a Statement of Works
- STCP18-6 - Variations to Agreements
- STCP19-2 - Construction Process and Scheme Closure
- STCP19-3 - Operational Notification and Compliance Testing
- STCP19-4 - Commissioning and Decommissioning
- STCP19-5 - Offshore Transmission System Compliance Process and Testing
- STCP19-6 - Application Fee
- STCP20-1 - Electricity Ten Year Statement
- STCP21-1 - Network Options Assessment
- STCP22-1 - Production of Models for GB System Planning
- STCP23-1 - Offshore Party Entry Process
- STCP24-1 - Revenue Forecast Information Provision
- STCP25-1 - Significant Code Review Process
- STCP25-2 - Send Back Process
- STCP25-3 - Fast Track Self Governance Process
- STCP26-1 - Active Network Management

For information:

1. The following STCPs will be the subject of Modification Proposal to be submitted in parallel to this one:

- STCP01-1 – Operational Switching
- STCP02-1 – Alarm & Event Management
- STCP04-3 – Real Time Data Provision
- STCP04-5 – Operational Telephony
- STCP06-1 – Black Start
- STCP06-3 – System Incident Management
- STCP08-2 - Circuit Live Trip & DAR Testing
- STCP09-2 – Site Public and Environmental Safety
- STCP11-1 – Outage Planning
- STCP11-2 – Outage Data Exchange
- STCP12-1 – Data Exchange Mechanism

Impact on Core Industry Documentation.

BSC	<input type="checkbox"/>
Grid Code	<input type="checkbox"/>
CUSC	<input type="checkbox"/>
Other	<input type="checkbox"/>

Although this modification proposal does not directly impact other industry codes, other proposed modifications to industry codes (Grid Code, CUSC, BSC, Distribution Code, DCUSA, SQSS) are being raised in parallel to this modification proposal as a result of creating a legally separate system operator.

1 Summary

Defect

The STC Procedures (STCPs) set out the roles, responsibilities, obligations and rights of the Transmission System Owners and National Grid as the National Electricity Transmission System Operator (NETSO) in further detail.

Following legal separation of the System Operator and Transmission Owner within National Grid Group, on 1st April 2019, the STCPs will no longer place the correct relevant obligations on those two National Grid new legal entities.

What

It is proposed that the STCPs are modified to introduce the new NGENSO legal entity, and the existing NGET legal entity in a new role as a relevant transmission licensee.

The relevant obligations of the System Operator will move to NGENSO and National Grid Electricity Transmission plc (NGET) as a Transmission Owner will reflect obligations already in the STC that currently apply to Onshore Transmission Owners.

There will be some Regional Differences between Scotland and England & Wales and these will be captured in a second STCP Modification Proposal to be submitted in parallel with this one.

Why

Changes are required to NGET's existing licence required to implement legal separation; all system operator obligations will be transferred into a new transmission licence for the NGENSO and as such need to be reflected accordingly within the electricity codes. The licence changes are the subject of ongoing consultation¹.

How

NGET published an open letter on its approach to modifying the relevant Industry Codes on 22 September 2017² stating its intention to raise Code Modifications.

As the introduction of NGENSO will be throughout the whole of the STC, the STCPs need to be amended accordingly.

This Modification Proposal PM0102 excludes the following STCPs which will be the subject of a separate Modification Proposal PM0102:

- STCP01-1 – Operational Switching
- STCP02-1 – Alarm & Event Management
- STCP04-3 – Real Time Data Provision
- STCP04-5 – Operational Telephony
- STCP06-1 – Black Start
- STCP06-3 – System Incident Management
- STCP08-2 - Circuit Live Trip & DAR Testing
- STCP09-2 – Site Public and Environmental Safety
- STCP11-1 – Outage Planning
- STCP11-2 – Outage Data Exchange
- STCP12-1 – Data Exchange Mechanism

¹ [Future Arrangements electricity System Operator Informal consultation on ESO Licence Drafting](#)

² NGET's Open Letter [Open Letter 22 Sept 2017](#)

2 Governance

Section B 7.3 states amendments for a STCP need approval from the STC Modification Panel. The Proposer recommends that this final proposal should now be approved and implemented at the April 2018 STC Panel meeting for implementation on 1 April 2019.

3 Why Change?

Following the joint statement titled “Statement on the future of Electricity System Operation” issued by BEIS, Ofgem and National Grid on 12 January 2017³ and consequential consultation response by Ofgem on ESO separation on 3 August 2017⁴, the obligations in the STC will need to be modified to reflect the System Operator requirements and to place the current Transmission Owner requirements on NGET as a Transmission Owner.

NGET and NGESO will become separately licensed entities as a consequence of NGET partially transferring its existing licence to NGESO (the System Operator elements only) to NGESO under section 7A Electricity Act 1989 and NGET will retain the Transmission Owner elements.

Five Modification Proposals to the STC (CM065, CM066, CM067, CM068, and CM069) are being raised in parallel to this STCP Modification Proposal PM0102. This PM0102 Modification Proposal is dependent on those STC Modification Proposals being approved by The Authority.

4 Impacts & Other Considerations

All parties to the STC are impacted, to the extent that the relationship between the all Transmission Owners will change to be with NGESO not NGET.

Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

N/A

Consumer Impacts

N/A

³ Consultation and Decision documents [Future Arrangements Electricity System Operator](#)

⁴ Ofgem’s Consultation Response [Future Arrangements Electricity System Operator Ofgem Response](#)

STC Parties' Assessments

Representatives from the following parties have been involved in the work to produce the legal text attached to this Modification Proposal and are fully supportive of this Modification Proposal PM0102

- National Grid (NGET)
- Offshore Transmission Owners (OFTOs)
- Scottish Hydro Electric Transmission plc (SHET)
- SP Transmission Limited (SPT)

Relevant Objectives

Impact of the modification on the STC Applicable Objectives and STCP Assessment Criteria:	
Relevant STC Objective	Identified impact
(a) efficient discharge of the obligations imposed upon transmission licensees by transmission licences and the Act	Positive
(b) development, maintenance and operation of an efficient, economical and coordinated system of electricity transmission	
(c) facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the distribution of electricity	
(d) protection of the security and quality of supply and safe operation of the national electricity transmission system insofar as it relates to interactions between transmission licensees	
(e) promotion of good industry practice and efficiency in the implementation and administration of the arrangements described in the STC.	
(f) facilitation of access to the national electricity transmission system for generation not yet connected to the national electricity transmission system or distribution system;	
(g) compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.	

In addition for an STCP Change, Section B 7.3.2 details that the following should be considered:

Provision	View of the Proposer
the amendment or addition does not impair, frustrate or invalidate the provisions of the Code	Agree
the amendment or addition does not impose new obligations or liabilities or restrictions of a material nature on Relevant Parties which are not subsidiary to the rights and obligations of the Relevant Parties under the Code	Agree
the amendment or addition is not inconsistent or in conflict with the Code, Transmission Licence Conditions or other relevant statutory requirements	Agree
the Relevant Party Representatives deem that the amendment or addition is appropriate to support compliance with the Code	Agree

The Proposer believes that this change will better facilitate relevant objective A by attributing the appropriate obligations to NGESO as System Operator and the Transmission owners in accordance with the new NGESO Transmission Licence and modified NGET Transmission Licence obligations and Section B 7.3.2 is satisfied

STCPs listed above do not impact the above

5 Solution

NGET has been replaced by NGESO where relevant throughout the STCPs to ensure the SO and TO roles and obligations are clear.

6 Implementation & Transition

Legal text for PM0102 has been drafted using the baseline of April 2018 STCP text and as the modification progresses through the governance process, the text may need to be revised in light of Business as Usual modifications to the STC and STCPs. The Code Administrator will ensure that the Proposer is aware of any Business as Usual Modification Proposals and the Proposer will take into account any relevant

amendments to the PM0102 that may need to be made prior to 1 April 2019 and notify the STC Modification Panel should anything in PM0102 require further modification as a result of this.

PM0102 may require transitional changes to the STCPs and these will be discussed with the STC Panel and drafted into the legal text PM0102 as and when the Proposer becomes aware of these.

PM0102 together with the second STCP Modification Proposal, the five associated STC Modification proposals and the associated STC novation agreement in respect of National Grid's legal separation are all interdependent and as such, are all required to be implemented as a single update to the STC and update to each STCP, on 1st April 2019 following The Authority's determination of the STC Modification Proposals and STC Modification Panel approval of the STCP Modification Proposals.

7 Legal Text

Text Commentary

Due to the many places 'NGET' has been replaced with 'NGESO' throughout the STCPs, the proposed Legal Text for the relevant STCPs can be found in Attachments 1-33 with this Proposal Form.

8 Recommendation

Proposer's Recommendation to Panel

Panel is asked to:

Approve this STCP Modification Proposal.