




STCP Modification Proposal Form (System Operator – Transmission Owner Code)	
<h1>PM0114: Introducing STCP21-2 Network Asset Risk Metric (NARM) Data Exchange</h1>	01 Initial STCP Modification Proposal Form
	<p>Purpose of Modification: This proposal seeks to introduce a new STCP (21-2) to provide a mechanism for the formal exchange of data between Onshore TOs and the Electricity System Operator (ESO) to enable the Onshore TOs to carry out the Network Asset Risk Metric (NARM).</p>
	<p>The Proposer recommends that this modification should be: Implemented</p>
	<p>High Impact: None</p>
	<p>Medium Impact: The Onshore TOs have been directed by The Authority to develop a Network Asset Risk Metric. This methodology requires the risks associated with the end of life failure modes of assets to be calculated, of which system consequence is a part. This proposal requires coordination between and an annual commitment of resources by, the Onshore TOs and the ESO to maintain a system consequence input to the asset risk calculation.</p>
	<p>Low Impact: None</p>

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 Any questions?


Contact:
Code Administrator

 Lurrentia.Walker@nationalgrideso.com

 07976 940 855

Proposer:
**Jonathan Hennah,
David Scott**

 jonathan.hennah@nationalgrid.com,
david.g.scott@nationalgrid.com



Timetable

The Code Administrator recommends the following timetable:

Proposal Form Submitted to Code Administrator for review	October 2019
Proposal form submitted to STC Panel Secretary	January 2020
STCP's are presented and approved by the Panel	January 2020
Sign off	January 2020
Implementation	February 2020

Details of Proposer: (Organisation Name)	National Grid Electricity Transmission
Capacity in which the STC Modification Proposal is being proposed: (i.e. STC Party, Party Representative or person or persons having a relevant interest as may be designated in	STC Party

writing for this purpose by the Authority	
Details of Proposer's Representative: Name: Jonathan Hennah Organisation: National Grid Electricity Transmission Telephone Number: 07795061666 Email Address: jonathan.hennah@nationalgrid.com	
Details of Representative's Alternate: Name: David Scott Organisation: National Grid Electricity Transmission Telephone Number: Email Address: David.g.scott@nationalgrid.com	
Attachments (Yes): <ul style="list-style-type: none"> • STCP21-2 Network Asset Risk Metric (NARM) Data Exchange - 16 Pages 	

Impact on Core Industry Documentation.

Please mark the relevant boxes with an "x" and provide any supporting information

BSC

Grid Code

CUSC

Other

There is no impact on any Core Industry Documentation.

1 Summary

A process is required for the exchange of data between TOs and SO to enable the onshore TOs to carry out their Network Asset Risk Metric (NARM) methodology.

What

A new STC Procedure is proposed, defining the methodology and timing of a system consequence data exchange between the Onshore TOs and ESO between Week 6 and Week 18 inclusive (February to April) every year.

Why

The Onshore TOs have a methodology for assessing the risks associated with assets at the end of their life. A system consequence input is required for the calculation so that assets can be prioritised for intervention based on their system as well as safety, environment and financial impact. The Authority has directed the Onshore TOs to develop this Network Asset Risk Metric Methodology so that it may be used to prioritise the investment programmes required on their networks.

How

The STC procedure defines an Annual System Consequence Review Period lasting 13 weeks, whereby the Onshore TOs and the ESO agree bi-laterally, a set of boundaries and assets requiring data input from the ESO.

2 Governance

The creation of this new code procedure has been conducted in line with Section B 7.3 of the STC. Section B 7.3 states an amendment to or creation of a new STCP needs approval from the STC Modification Panel. The Proposer recommends that this final proposal should now be approved at the January STC Panel meeting and implemented by 1 February 2020.

3 Why Change?

The Onshore TOs have a methodology for assessing the risks associated with assets at the end of their life. A system consequence input is required for the calculation so that assets can be prioritised for intervention based on their system as well as safety, environment and financial impact should they fail in service. The Authority has directed the Onshore TOs to develop this Network Asset Risk Metric Methodology so that it may be used to prioritise the investment programmes required on their networks.

Failure to secure a formal data input from the Electricity System Operator undermines the Network Asset Risk Metric methodology. The Onshore TOs' and The Authority's understanding of Network Risk will be incomplete. Prioritisation of long-term asset management plans will not have a system consequence input.

4 Impacts & Other Considerations

All Onshore TOs are impacted:

- National Grid Electricity Transmission plc
- SP Transmission plc
- Scottish Hydro Electric Transmission plc

The changes require the Electricity System Operator (ESO) to supply certain data and analysis relevant to establishing monetised risk. A minor increase in operational expenditure by the ESO are necessary to facilitate this data provision.

No Offshore TOs are impacted as they do not report Network Asset Risk Metric to The Authority

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

This procedure proposal does not impact a Significant Code Review or other significant industry change projects.

Consumer Impacts

The prioritisation of the Onshore TO's investment plans on a System, Safety, Environment and Financial basis has a positive impact on the consumer versus prioritisation based on some or none of these elements.

STC Parties' Assessments

National Grid Electricity System Operator Ltd (ESO, also known as NGENSO)

NGESO is supportive of these proposals which will enable the execution of the NARM Methodology.

National Grid Electricity Transmission plc (NGET)

NGET is supportive of these proposals which will enable the execution of the NARM Methodology.

Scottish Hydro Electric Transmission plc (SHET)

SHET is supportive of these proposals which will enable the execution of the NARM Methodology.

SP Transmission plc (SPT)

SPT is supportive of these proposals which will enable the execution of the Transmission Network Outputs Methodology.

Relevant Objectives

Impact of the modification on the STC Applicable Objectives Assessment Criteria: Relevant STC Objective	and STCP 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	Positive
(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	None
(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	Positive
(e) promotion of good industry practice and efficiency in the implementation and administration of the arrangements described in the STC.	Positive
(f) facilitation of access to the national electricity transmission system for generation not yet connected to the national electricity transmission system or distribution system;	None
(g) compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.	Positive

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 new STCP will better facilitate relevant objective(s) A, B, D, E & G and Section B 7.3.2 is satisfied.

5 Solution

A new STC Procedure is proposed – 21-2. This procedure outlines the scope, methodology and timescales of a data exchange between an Onshore TO and the ESO.

6 Implementation

STCP21-2 will be implemented following approval by the STC Panel.

7 Legal Text

Please refer to the legal text included as an appendix to this paper.

8 Recommendation

Proposer's recommendation to Panel

Panel is asked to:

Approve that the new STCP is introduced and implemented on 1 February 2020.

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