

STCP Modification Proposal Form							
<h1>PM0118: Inclusion of NGET as an applicable TO entity within STCP11-4</h1> <p>Overview: STCP11-4 should be extended to include NGET, so all Onshore TOs are in scope from the beginning of the RII0 T2 Price Control period.</p>	<h3>Modification process & timetable</h3> <table border="1"> <tr> <td style="text-align: center;">1</td> <td>Initial STCP Proposal 08 March 2021</td> </tr> <tr> <td style="text-align: center;">2</td> <td>Approved STCP Proposal 31 March 2021</td> </tr> <tr> <td style="text-align: center;">3</td> <td>Implementation 01 April 2021</td> </tr> </table>	1	Initial STCP Proposal 08 March 2021	2	Approved STCP Proposal 31 March 2021	3	Implementation 01 April 2021
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3	Implementation 01 April 2021						
<p>Status summary: The Proposer has raised a modification and is seeking a decision from the Panel on the governance route to be taken.</p>							
<p>This modification is expected to have a: Low impact on NGET and NGESO</p>							
<p>Governance route</p>	<p>The Panel will make the decision on whether the modification should be implemented.</p>						
<p>Who can I talk to about the change?</p>	<table border="1"> <tr> <td style="vertical-align: top;"> <p>Proposer: Richard Woodward Richard.Woodward@nationalgrid.com 07964 541743</p> </td> <td style="vertical-align: top;"> <p>Code Administrator Contact: Jennifer Groome Jennifer.Groome@nationalgrideso.com 07966 130854</p> </td> </tr> </table>	<p>Proposer: Richard Woodward Richard.Woodward@nationalgrid.com 07964 541743</p>	<p>Code Administrator Contact: Jennifer Groome Jennifer.Groome@nationalgrideso.com 07966 130854</p>				
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What is the issue?

STCP11-4 is not drafted to include a legally separate NGET Onshore Transmission Owner (TO) to provide Enhanced Services to NGESO (as the other Onshore TOs do).

Additionally, the special licence condition referred to in the procedure needs to be amended for NGESO's updated T2 licence.

Why change?

When legally combined as one company, the NGET TO function provided operational support to the NGET ESO function as required via internal cooperation.

Post-Legal Separation and with the T2 Price Control period due to commence in April 2021 (i.e. with NGET and NGESO costs and revenues entirely distinct, unlike T1) it is appropriate for NGET, now acting solely as an Onshore TO, to provide NGESO the same type of operational support as the other Onshore TOs on consistent terms.

This historical association was not corrected as part of the package of legal separation modifications as these were limited essentially to novation changes, rather than more detailed amendments such as this.

What is the proposer's solution?

Amend clause 1.1.3 of STCP11-4 to add NGET as one of the TO entities in scope for the procedure.

Legal text

This has been provided in a separate attachment.

What is the impact of this change?

Proposer's assessment against STC Objectives	
Relevant Objective	Identified impact
(a) efficient discharge of the obligations imposed upon transmission licensees by transmission licences and the Act	Positive Ensures NGET can act as a prudent Network Owner to assist NGESO in their role to operate the system.
(b) development, maintenance and operation of an efficient, economical and coordinated system of electricity transmission	Positive Ensures NGET can act as a prudent Network Owner to assist NGESO in their role to operate the system.
(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	Neutral
(d) protection of the security and quality of supply and safe operation of the national electricity transmission system	Neutral

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	Neutral
(f) facilitation of access to the national electricity transmission system for generation not yet connected to the national electricity transmission system or distribution system;	Neutral
(g) compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.	Neutral

Proposer's assessment against the STCP change requirements ¹	Proposer's assessment
(a) the amendment or addition does not impair, frustrate or invalidate the provisions of the Code	Requirement met
(b) 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	Requirement met
(c) the amendment or addition is not inconsistent or in conflict with the Code, Transmission Licence Conditions or other relevant statutory requirements	Requirement met
(d) the Relevant Party Representatives deem that the amendment or addition is appropriate to support compliance with the Code	Requirement met

When will this change take place?

Implementation date

1 April 2021

Implementation approach

Updated legal text (as per the proposal) in the procedure, along with revised internal processes between NGET and NGESO to establish this revised way of working consistently with the existing TOs entities.

¹ STCP changes may only be made if they meet the requirements in Section B, 7.3.2

Interactions

- Grid Code BSC CUSC SQSS
 European Other Other
 Network Codes modifications

N/A

Panel Determination

Party	Determination
National Grid (ESO)	Approve
National Grid (TO)	Approve
Offshore Transmission Owners (OFTOs)	Approve
Scottish Hydro Electric Transmission plc (SHET)	Approve
SP Transmission Limited (SPT)	Approve

Acronyms, key terms and reference material

Acronym / key term	Meaning
BSC	Balancing and Settlement Code
PM	Procedure Modification
CUSC	Connection and Use of System Code
STC	System Operator Transmission Owner Code
SQSS	Security and Quality of Supply Standards
NGET	National Grid Electricity Transmission
NGESO	National Grid Electricity System Operator
OFTO	Offshore Transmission Owner
TO	Transmission Owner