

STC Panel

Wednesday 30 March 2022

WELCOME



nationalgridESO

Introductions & Apologies for absence

- **Apologies**

- None

- **Alternates**

- Terry Baldwin

- **Presenters**

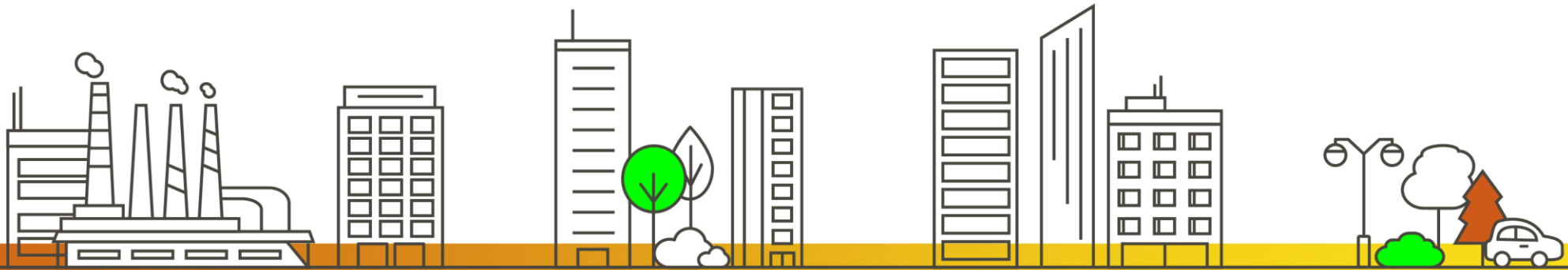
- David Halford
- Steve Baker

- **Observers**

- Jennifer Groome

Approval of Panel Minutes

Approval of Panel Minutes from the Meeting held
23 February 2021



Actions Log

Review of the actions log



Authority Decisions

Decisions Received since last Panel meeting

None

Decisions Pending

None

New modification submitted



- ***CM078 -STC change for CUSC Modification
'CMP328 - Connection Triggering
Distribution Impact Assessment'***
- ***PM0122 – Compliance Testing Technical
Improvements (EU & GB Users)***
- ***CM081 - Making STC Gender Neutral***
- ***PM0123 - Making STCP Gender Neutral***

Governance & Panel Vote

Governance Rule

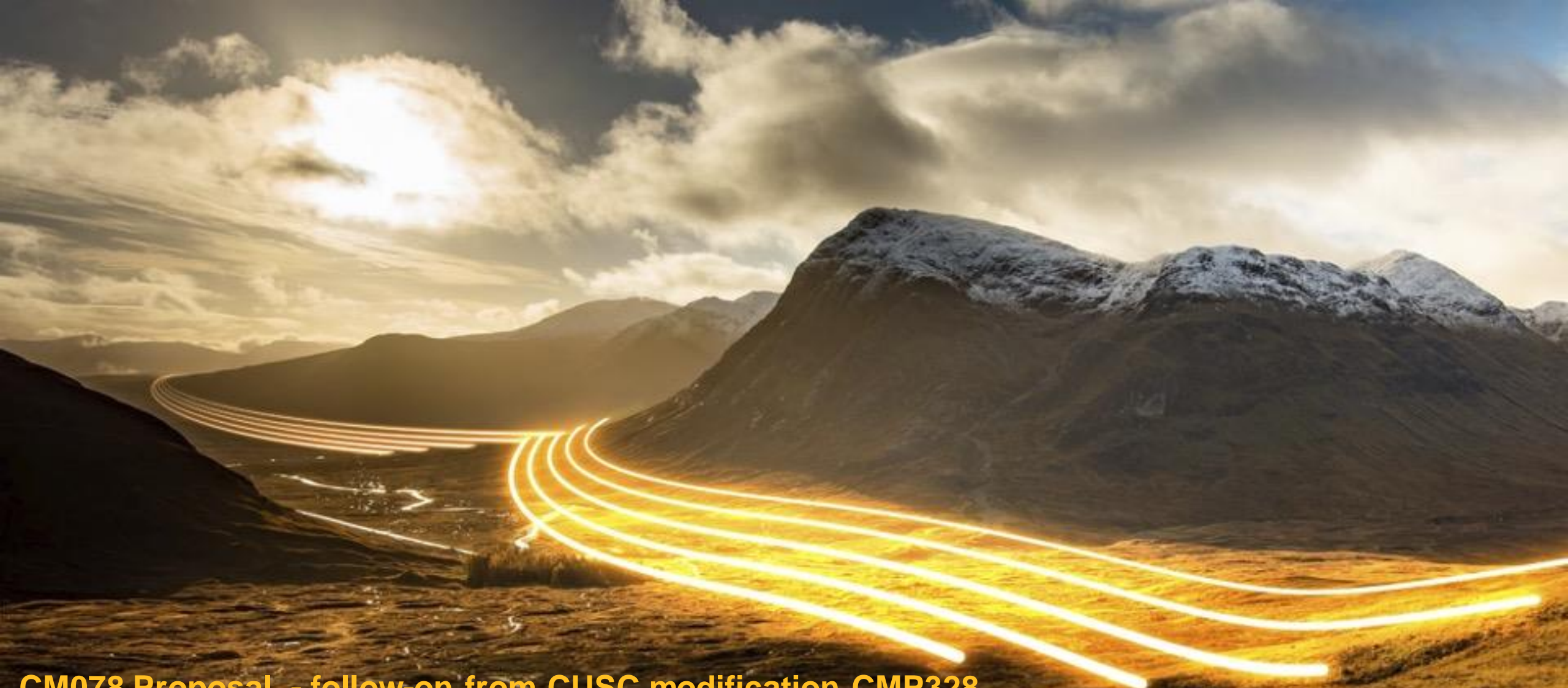
As detailed in Section B of the STC, paragraph 7.3.2.3 ‘ *the amendment or addition does not impose new obligations or liabilities or restrictions of a material nature on Relevant Parties which are not subsidiary to the rights and obligations of the Relevant Parties under the Code*’ as this STCP proposes a new obligation on the ESO, this will require approval from Ofgem that this STCP proposal can be raised, stated in 7.3.4 ‘*The Relevant Party Representatives may agree an amendment to an existing Code Procedure or creation of a new Code Procedure under this paragraph 7.3 despite the prohibition in sub-paragraph 7.3.2.3 only where the Authority has notified the Relevant Party Representatives in writing that they may do so.*’

Modification Route

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 on **06 April 2022**.

Panel vote

The STC Panel must approve that the change would better facilitate the STC Applicable Objectives.



CM078 Proposal - follow-on from CUSC modification CMP328
Connections Triggering Distribution Impact Assessment

David Halford

Overview of CMP328 Modification

- CMP328 was raised by SSE Networks in Dec 2019, and proposes to put in place a process that can trigger a Distribution Impact Assessment (DIA), for Transmission connections
- This process would allow DNOs to fully impact assess connection applications to the Transmission Network that meet the required criteria, with the ESO triggering the DIA on behalf of the Transmission User and co-ordinating the payment from the applicant to the DNO
- The DIA could be triggered either at the same time as the application to the Transmission network (On Application), or after the Transmission Owner Construction Offer (TOCO) has been approved (On Approval)
- The proposal was progressed by an industry workgroup

The final modification report was submitted to the Authority for a decision on 10 Nov 2021. Two alternatives to the original were also developed:

- **Original** - The DIA is triggered for connections to the Transmission Network great than 1MVA, although final decision in terms of whether a DIA is required will sit with the DNO
- **WACM1** - Enhancement of the current Third-Party Works (TPW) process (**ESO preferred option**)
- **WACM2** – As per the original proposal, but user eligibility criteria rather than the blanket 1MVA threshold, and DNO sending a DIA Conclusions Report rather than an Offer to the ESO

The Authority has confirmed that in order to make a final decision on the CMP328 modification, they will also require any consequential/aligning STC/STCP changes to be presented to them.

What do changes to the STC/STCPs need to address?

While the enhancement of the TPW process would require less significant changes from an STC perspective, both options related to the DIA process would require the following points, amongst others, which have currently been identified, to be considered in terms of potential STC changes:

- **DIA Application Fee Process** - The process for taking this fee and passing to the DNO
- **Information required from the TO in order for the DIA to be completed** - What information will be required and when would this be available?
- **TOCO completed prior to DIA** - TOCO will need to be Subject to Change if awaiting outcome of DIA
- **DIA completed prior to TOCO** – This scenario will be infrequent but should be considered
- **Sharing DIA outcome** - ESO will need to share the outcome of the DIA with the TO in order for them to assess potential impacts
- **Timescales for TO reviewing DIA** – Timescales will need to be defined with the TOs in terms of assessing the DIA
- **Potential updates to the TOCO as a result of the DIA** – Timelines to be defined in relation to the updating of a TOCO dependant on the changes required.
- **CIION Process** - The DIA may need to be redone as a result of the CIION process establishing a different point of connection for off-shore applicants could mean changes to the TOCO, which could result in changes to the DIA (which could then result in further changes to the TOCO)

It has currently been identified that there will be changes required to STCPs 18-1 & 18-6 and the STC Schedule 5 & 6

Submission of STC Proposal – CM078

- Schedules 5 & 6 of the STC will require additional text to cover that the Connection Application submitted by the ESO will document whether a Distribution Impact Assessment will be completed, and if so, when this will take place

A NGESO Connection Application submitted by NGESO to a Transmission Owner pursuant to Section D, Part Two, sub-paragraphs 2.2.1, 2.2.2, 2.2.3, 2.2.4 and 2.2.5 shall contain the following information:

- Whether a Distribution Impact Assessment (DIA) will be completed by the relevant Distribution Network Operator(s).
 - Where a DIA is required, whether this will be completed by the DNO(s) during the TO Construction Offer or once TO Construction Offer has been signed.
- These changes are required by the Original Proposal and WAGCM2 which both feature the DIA element.
- The text has been shared with the TOs with the recommendation that the proposal follows Standard Governance and proceeds to a Code Administrator Consultation without needing further development
- The required STCP changes are currently being discussed and defined with the TOs and will be presented to the STC Panel at the same time as the DFMR for CM078.
- The STC changes will need to be submitted for a decision by the Authority which it is understood would be made at the same time as CMP328
- The STCP changes will need to be approved 'in principle' by the Panel with implementation/final approval to be made once the Authority reaches a positive decision on CMP328. It is suggested that this could be done by circulation once a decision is published
- 12 Submissions will need to be made to cover the potential approval of each of the CMP328 original or alternatives



PM0122 Proposal - follow-on from Grid Code Modification GC0138

Compliance Process Technical Improvements (EU & GB User)

David Halford

Overview of GC0138 Modification

The GC0138 modification was raised by NGESO in March 2020 to update existing compliance processes in order to:

- Allow for more efficient delivery of a successful and quick turnaround of final site compliance testing
- Facilitate developments in generation and HVDC technology while maintaining effectiveness of compliance process
- Strengthen effectiveness of simulations

The change requires updating the Grid Code Compliance Processes (CP), the European Compliance Processes (ECP) and Testing and Monitoring (OC5) to improve flexibility for users and increase effectiveness. It was progressed by an industry workgroup.

The Final Modification Report was submitted to the Authority for a decision on 7 March 2022; no alternatives have been raised

STC Requirements/Consequential Changes

- As a follow-on to the Grid Code Modification, it has been identified that minor changes will be required to STCP19-5 in order to harmonise this with the technical details of the Grid Code modification.
- The change is to ensure consistency between the Grid Code and STC when the Offshore Transmission System is originally bound by the Grid Code as an OTSUA, but then migrates to an OFTO where STCP19-5 documents the requirements for demonstrating compliance with STC Section K.
- The draft proposal and legal text was shared with the OFTO Panel Representatives on the 3rd March for comment.
- The STCP changes will need to be approved 'in principle' by the Panel with implementation/final approval to be made once the Authority reaches a positive decision on GC0138. It is suggested that this could be done by circulation once a decision is published

A scenic landscape featuring a winding road through a valley, with snow-capped mountains in the background. The scene is illuminated by a bright sun low on the horizon, creating a warm, golden glow. Several glowing orange light trails are superimposed on the road, curving through the landscape. The sky is filled with dramatic, white and grey clouds.

CM081 & PM0123

“Making the STC Gender Neutral”

nationalgridESO

Making the STC Gender Neutral

- The Code Admin team are looking to remove all gender specific references and terminology within our Codes and make them gender neutral. As part of this journey we have already implemented changes to the CUSC and Grid Code (CMP380 and GC0153). A further modification to make changes to the SQSS will also be raised in March 2022.
- The following changes will be required to the STC along with some other minor typographical amendments:

Current Term	Future Term	Parts of the code impacted
Chair/Chairman	Chairperson	Section B
He	They	Sections B, H, J and Schedule 9
His	Their	Sections B, F, H, K and Schedule 9
Him/Himself	Them/Themselves	Sections B, F, H and Schedule 9

Note: Chair' will be amended to 'Chairperson' to align the language with Standard Condition C14 1A(i) of the Transmission Licence.

Additional Housekeeping Changes

We would also like to use this modification to make two additional housekeeping changes to **Section B**:

- 1) Amend the purple font, in the numbering of 7.1.7 to black font.
- 2) Amend the incorrect numbering of the 7.1.10A. This section has been changed to 7.1.11 and 7.1.12.
- 3) Amend terminology in 6.1.6.1.3, 6.1C.1(b)(iii), 6.3.2 (see next slide)

3. Changes to section B

Schedule 9	Section B	Section F	Section H	Section J	Section K
None	6.1.6.1.3 – “themselves” should be “themselves”	None	None	None	None
	6.1C.1(b)(iii) – “either is” should be “either are”				
	6.3.2 – change “Chairperson” in the last sentence to “Panel Chairperson”				

Governance Route

As this modification already has a fully developed solution, which will only be making minor administrative changes to the STC, it should proceed as a Self-Governance modification and go straight to Code Administrator Consultation.

In addition to this, this modification does not discriminate between different STC Parties and does not have a material effect on:

- Existing or future electricity customers,
- Competition in the generation, distribution, or supply of electricity or any commercial activities connected with the generation, distribution or supply of electricity,
- The operation of the National Electricity Transmission System,
- Matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies,
- The STC Panel's governance procedures or the STC Panel's modification procedures.

Implementation

This modification will be implemented 5 working days after the appeals window closes on 6 July 2022, providing no objections have been raised.

Making the STCPs' Gender Neutral

- The following changes will be required to the STCPS' along with some other minor typographical amendments:

Current Term	Future Term	Parts impacted
Chair	Chairperson	STCP19-03 & STCP19-04
Dear Sir/Madam	Dear XXXXXX	STCP19-03 & STCP19-05
Draughtsman/Craftsman	Draughtsperson/Craftsperson	STCP19-06
He	They	STCP02-01
His	Their	STCP18-01, STCP18-02 & STCP19-03
Manned/Manning/Unmanned	Staffed/Staffing/Unstaffed	STCP06-03 & STCP06-04
Man Hours	Staffed Hours	STCP17-01

Note: Chair' will be amended to 'Chairperson' to align the language with Standard Condition C14 1A(i) of the Transmission Licence.

Implementation

- If the STCP changes are approved, they will be implemented on 6 April 2022. Five working days after the Panel decision.

Draft modifications to be discussed

- ***PM0124 – Enduring Expansion
Constant & Expansion Factor Review
Overview***

DRAFT



PM0124- Enduring Expansion Constant & Expansion Factor Review
STC(STCP) consequential modification (for CMP315 & CMP375)

30th March 2022

Steve Baker, NGENSO

Background-

CUSC Modification CMP315 & CMP375

What is the issue?

- As approved under CMP353, the CUSC currently specifies that the Expansion Constant (EC) and associated generic onshore Expansion Factors (EF) are fixed at the value used in 2020/21 plus relevant inflation for each following year
- Without establishing and implementing an enduring solution for the calculation of the EC and EFs there is a risk that the charging methodology will not appropriately reflect the incremental costs of the system to Users
- CMP315 and CMP375 seek to amend the calculation of the Expansion Constant & Expansion Factors to better reflect the growth of and investment in the National Electricity Transmission System (NETS)
- This proposal will have a high potential impact on all Users who pay TNUoS charges, ESO and Onshore and Offshore Transmission Owners

How is the modification being managed?

- CMP315 and CMP375 are being progressed as a Standard Governance modification with assessment by a Workgroup
- The Proposer (ESO) recommended that CMP375 is progressed jointly with CMP315 'TNUoS: Review of the expansion constant and the elements of the transmission system charged for'
- This STC(P) modification is required to reflect changes to data requirements, templates, and processes, consequential from the impacts of CUSC modification CMP315 & CMP375. Also, to incorporate Lessons Learned from the RIIO-2 Expansion Constant EC & Expansion Factors EF re-calculation.
- In light of Ofgem open letter of 25th February, we are mindful of the possible impacts from TNUoS Task Forces

STC(P) requirements to align with CMP315 and CMP375

- Amending the calculation of the Expansion Constant & Expansion Factors to better reflect the growth of and investment in the National Electricity Transmission System (NETS) will impact the STC
- The STC itself doesn't define or otherwise mention TNUoS or the Expansion Constant but STCP14-2 feeds into this via the provision of data
- If the EC & EF methodology calculation changes then so may the data required

STCP Impacted areas

- STCP 14-1; STCP14-2
- There may be other sections or STCPs impacted which are yet to be identified
- Changes are likely to be relatively minor but would be expected to be presented to Ofgem as a package with the CUSC changes

Proposed timeline*

CUSC

- 12th January 2022 Work Group
- Late March/April Work Group consultation
- June workgroup vote & conclusion
- April 2023 Implementation date (to facilitate this need data from TOs agreed from Oct 22)

STCP

- January 2022 Raise issue at STC Panel
- February – raise STCP changes in draft
- Develop in tandem with CUSC modification- may be adjusted depending on CUSC progress
- October 2022- Implementation date in line with CUSC timelines

* Assuming no Task Force interactions on these modifications

STC(P) Legal text solution to align with CMP315 and CMP375

- To be worked on by the Workgroup Group

Panel Decision required

- The Proposer's solution is to incorporate the required changes resulting from CMP315 and CMP375 and Lessons Learned from the RIIO-2 EC and EF re-calculation in amendments to STCP14-1 and STCP14-2
- The legal text will need to be further developed by STC panel members/a Workgroup
- This development will be required to take place in tandem with the CUSC workgroup since the STC data requirements will need to reflect the final CUSC solution

RECOMMENDATION TO PANEL:

- The Proposer has raised a draft modification and is seeking a decision from the Panel on the governance route to be taken.

Questions

A man with glasses and a beard is looking out a window at night. The scene is dimly lit with blue and purple ambient light. A yellow bracket originates from the word 'Questions' and points towards the man's face.

- Discussion/ Concerns

Potential Future Modifications and impacts of other modifications

Modifications Tracker – Sally Musaka

Authority Update (SCRs/Energy Code Review) – Jonathan Coe

Reports from Sub-Committees

Joint Planning Committee (JPC) – Nicola Bruce

- **Next meeting: TBC**

Network Access Policy Workgroup (NAP) – TBC

- **Next meeting: TBC**

Transmission Charging Review Group (TCRG) – Richard Woodward
TBC

Code Administrator Update

The workgroups for CUSC mod CMP 376 inclusion of queue management have now been paused until September 2022 in-line with the letter published by the NGESO connections team. We are bringing this update to the panels attention purely for information as this CUSC mod has been highlighted as potentially having STC implications.

AOB

- **None**

Close



Date of next meeting

Wednesday 27 April 2022

Panel Papers Day – 19 April 2022

Modification Submission date – 8 April 2022