

20/03/2023

Condition C17 Statement Consultation

Consultation on proposed changes to the Condition C17 Statement



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1. Executive Summary

This consultation has been produced under Condition C17 of the Transmission Licence to undertake a review of National Grid Electricity System Operator’s (NGESO) Condition C17 Statement based on proposed changes that NGESO are seeking to make to the statement.

The Condition C17 Statement sets out the criteria used to produce the yearly National Electricity Transmission System Performance Report.

In accordance with Standard Condition 17 (C17) of its Transmission Licence, NGESO shall all times to have in force a statement approved by the Authority following consultation with any relevant authorised electricity operator setting out criteria by which system availability, security and service quality of the national electricity transmission system may be measured and where such measurement is dependent on information provided to the licensee by a transmission owner, the statement shall specify the information to be so provided.

Key Dates:

Official Consultation Release: 20 March 2023

Official Consultation Deadline: 03 April 2023 (5pm)

Final Report sent to Ofgem Deadline: 14 April 2023

Revised Condition C17 Statement Go live: On approval of decision from Ofgem

Section C of the System Operator Transmission Owner Code (STC), states

NGESO shall discuss and evaluate with each Transmission Owner any proposed changes to the statement (“Condition C17 Statement”) setting out the criteria by which system availability, security and service quality of the National Electricity Transmission System may be measured pursuant to Standard Condition C17 of its Transmission Licence which may be proposed by NGESO or a Transmission Owner.

NGESO shall, prior to seeking the approval of the Authority for any change to the Condition C17 Statement, consult with each Transmission Owner and take into account any concerns that a Transmission Owner may have regarding changes to the costs it would incur by complying with its obligations under Standard Condition D3 or Standard Condition E16 as applicable of its Transmission Licence as a consequence of any proposed change to the statement.

NGESO’s proposed changes to the Condition C17 statement are:

- Introduction of Version Control
- Housekeeping updates
- An additional section reporting the Reactive Compensation Equipment Availability and Unavailability for onshore Transmission Owners which would an additional section in the yearly National Electricity Transmission System Performance Report.

NGESO welcomes industry views on the proposed changes to the Condition C17 statement. Responses are required by 5pm on 03 April 2023. Details on how to make a response can be found in the How to respond section.

Following receipt of responses to this final consultation NGESO will incorporate feedback where possible which will then be documented, and a report issued to the Authority including ESO responses and final proposed changes to the statement

The proposed changes to the Condition C17 statement, this consultation, industry responses and the consultation report will all be published at the links below:

<https://www.nationalgrideso.com/industry-information/industry-data-and-reports/system-performance-reports>

If you have any questions about this document, please contact:

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2. Introduction & Process Overview

The Review

NGESO shall discuss and evaluate with each Transmission Owner any proposed changes to the statement (“Condition C17 Statement”) setting out the criteria by which system availability, security and service quality of the National Electricity Transmission System may be measured pursuant to Standard Condition C17 of its Transmission Licence which may be proposed by NGESO or a Transmission Owner.

NGESO shall, prior to seeking the approval of the Authority for any change to the Condition C17 Statement, consult with each Transmission Owner and take into account any concerns that a Transmission Owner may have regarding changes to the costs it would incur by complying with its obligations under Standard Condition D3 or Standard Condition E16 as applicable of its Transmission Licence as a consequence of any proposed change to the statement.

The purpose of the review is to consult on the proposed changes to the Condition C17 Statement sets out the criteria used to produce the yearly National Electricity Transmission System Performance Report. It is proposed that the changes will become effective from the 2023-2024 report.

If the Authority chooses to exercise their powers of veto for these proposed changes to the Condition C17 statement, the existing version will remain in place.

Step 1 Early Engagement

The first step of the review process is for NGESO to discuss and evaluate the proposed changes to the Condition C17 Statement with each Transmission Owner. The potential changes to the Condition C17 Statement were presented to the System Operator Transmission Owner (STC) Panel on 22 February 2023.

Step 2 Review and Final Consultation

The second step of the process is for NGESO to issue a consultation as part of the C17 Licence Condition.

This consultation will allow Transmission Owners and other interested industry parties to review our responses as part of the early engagement and respond to the consultation.

This consultation will run for 14 Calendar (10 Working) Days.

We believe that a 14 Calendar Day (10 Working Day) consultation period is sufficient due to the early engagement that has taken place with the potentially impacted parties, with feedback taken on board and detailed in the consultation document, and the ESO's view that the scope of the proposed changes are not significant.

Step 3 Report to Authority

The third step in the review process is for NGESO to document in the form of a report the final position on the proposed changes to the Condition C17 Statement along with a track changed version of the statement, including any proposed revisions. The report will also include all industry responses from the Final Consultation and NGESO's view for each of these.

A report will be submitted for the Condition C17 Statement review following the close of the consultations. The final report will be issued to the Authority (Ofgem) by the 14 April 2023.

Step 4 Authority Decision and Statement go live

The fourth step in the review process is for the Authority (Ofgem) to review all the documents submitted to them from step 3.

After the review period, the Authority will provide direction on the proposed changes. If the Authority chooses to exercise their powers to veto these proposed changes to the Condition C17 Statement, the existing version will remain in place.

3. Early Engagement to Date and Next Steps

Step 1 Early Engagement

The potential changes to the Condition C17 Statement were presented to the System Operator Transmission Owner (STC) Panel on the 22 February 2023 with feedback and responses from NGESO captured in this consultation.

Step 2 Review and Final Consultation

The final consultation to be issued 20 March until 5pm on 03 April 2023.

Step 3 Report to Authority

To be issued by 14 April 2023.

Step 4 Authority Decision and Statement Go Live

Changes to the Condition C17 statement will be effective from the date of the approval of the changes by the Authority, should these changes be approved.

4. Review of Suggested Changes to the Condition C17 Statement.

The amendments proposed changes are

- Introduction of Version Control
- Housekeeping
- An additional section reporting the Availability and Unavailability of Reactive Compensation Equipment for onshore Transmission Owners

ESO

More detail of these changes is outlined below:

Version Control

A Version Control table has been added in order to track future changes to the statement.

Housekeeping

Housekeeping changes to Sections 3 and 4 of the statement.

Reporting the Availability and Unavailability of Reactive Compensation Equipment for onshore Transmission Owners

We are planning to add an additional section to the statement to report the Availability and Unavailability of Reactive Compensation Equipment for onshore Transmission Owners. The proposal to add this additional reporting requirement is to ensure the appropriate focus is placed on the availability of transmission assets that have a high impact on the cost of balancing the system. The statement will document the formula for measuring Availability and Unavailability, including the classification for Planned and Unplanned Unavailability.

Transmission Owner Feedback (STC Panel 22/02/23):	ESO Response:
<p>No comments were received with regards to the formula in Sections 3.1.2.1 or 3.1.3</p> <p>The proposal to change the Winter Peak Availability of reactive gear to Summer Peak Availability generated lots of discussion. The rationale behind that proposal was to ensure we have the reactive gear (SVCs and reactors) available for our minimum periods, which are usually over summer, and reduce the huge voltage costs due to running machines overnight for securing system volts. Capacitors are not as big an issue and are mostly required in service over the Winter.</p> <p>While there is merit in monitoring capacitors over the winter, the balancing costs we see are mostly incurred overnight, especially in the summer. The solution would be to remove Summer or Winter Peak Availability altogether, given the ESO already reports on the Annual System Availability and the Monthly System Availability.</p>	<p>ESO happy to implement the new formula in our reporting.</p> <p>ESO are happy to remove the Winter Peak Availability reporting. The focus will be on reporting Annual System Availability and the Monthly System Availability.</p>

5. The Consultation

The C17 Questions

We invite industry to provide further feedback on the changes proposed to the Condition C17 Statement. The consultation questions summarised below are also within the response proforma in Appendix A.

1. Do you agree with the introduction of a Version Control section?
2. Do you agree with the housekeeping updates (p.3, 6, 7 of the tracked change Condition C17 Statement)?
3. Do you agree with the proposed addition section of the statement reporting the Availability and Unavailability of Reactive Compensation Equipment for onshore Transmission Owners (p.4 of the tracked change Condition C17 Statement)?

6. How to respond

Responses should be submitted by replying to the consultation questions within the response proforma, attached as Appendix A and e-mailing the completed proforma to: **box.techcodes@nationalgrideso.com**

If you do not wish any elements of your response to be made publicly available, please mark these as confidential.

Responses should be returned no later than **5pm on 03 April 2023**.

Following the closure of the consultation, NGESO will review all feedback and submit a report to the Authority which will include our views on the responses received as well as the proposed final statement changes.

Appendix A: Response Proforma

The proforma can be found **here**

Appendix B: Condition C17 Statement (Proposed Changes Tracked)

The C17 Statement can be found **here**