##### STCP 18-3 Issue 009 TEC Changes

##### STC Procedure Document Authorisation

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| --- | --- | --- | --- |
| **Party** | **Name of Party Representative** | **Signature** | **Date** |
| National Grid Electricity System Operator Ltd |  |  |  |
| National Grid  Electricity Transmission plc |  |  |  |
| SP Transmission plc. |  |  |  |
| Scottish Hydro-Electric  Transmission plc |  |  |  |
| Offshore Transmission Owners |  |  |  |
| Competitively Appointed Transmission Owners |  |  |  |

***STC Procedure Change Control History***

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| --- | --- | --- |
| Issue 001 | 07/02/2005 | BETTA Go-Live Version |
| Issue 002 | 26/05/2005 | Issue 002 incorporating PA012 |
| Issue 003 | 28/07/2005 | Issue 003 incorporating PA032 |
| Issue 004 | 25/10/2005 | Issue 004 incorporating PA034 & PA037 |
| Issue 005 | 31/01/2006 | Issue 005 incorporating PA043 |
| Issue 006 | 24/11/2009 | Issue 006 incorporating changes for offshore regime |
| Issue 007 | 23/05/2017 | Issue 007 incorporating changes to concept of Application Steering Group |
| Issue 008 | 01/04/2019 | Issue 008 incorporating changes for National Grid Legal Separation |
| Issue 009 | 13/05/2019 | *‘*Housekeeping Modification to align STCP18-1 - STCP18-6 with existing working practices |
| Issue 010 |  | Issue 010 incorporating changes for Competitively Appointed Transmission Owners |

# Introduction

## Scope

### This procedure describes the process for the submission of a NGESO Construction Application to a TO for a Modification as a result of a connected User applying to NGESO for a revision of their long term Transmission Entry Capacity (TEC) and if required the issue of a TO Construction Offer, and also the process for the submission of a NGESO TEC Exchange Rate Application to a TO as a result of Users applying to NGESO for an Exchange Rate Request and the issue of a TO TEC Exchange Rate. It defines the tasks, the formal documentation, interface requirements, the timescales and the responsibilities required between NGESO, the Host TO, Affected TO and Other Affected TO(s) from receipt of a User Application, to the signing of an Offer.

### This procedure applies to NGESO and each TO. For the purposes of this document, TOs are:

### NGET;

### SPT;

### SHET and

### All Offshore Transmission Licence holders as appointed by Ofgem from time to time.

### All Competitively Appointed Transmission Owners as appointed by Ofgem from time to time.

## Objectives

### The objective of this procedure is to detail how the TEC Changes process will be addressed across the NGESO - TO interfaces to enable the Parties to discharge their responsibilities under the STC and to ensure that responsibilities are clear.

## Background

### Under the CUSC a User can apply to NGESO to amend their contractual arrangements for TEC on the National Electricity Transmission System. The impact such a change may have on the National Electricity Transmission System necessitates communication between NGESO and each Affected TO to address any impact and, if necessary, raise an NGESO Construction Application.

# Key Definitions

## For the purposes of STCP 18-3:

### **Affected TO(s)** means any TO in relation to whose Transmission System is affected by the User Application for use of the National Electricity Transmission System and satisfies the criteria set out in the STC, Schedule Four (see STC Section D, part 2, paragraph 2.2.2 in respect of the production of TO Construction Offers or STC Section D, part 3, paragraph 1.1.2 in respect of the production of TO TEC Exchange Rates).

### **Affected Parties** means the Host TO, Affected TO(s) and Other Affected TO(s) as appropriate, involved in producing TO Construction Offers or TO TEC Exchange Rates relating to a particular User Application.

### **Application Programme** means a programme to manage the application process and forms part of the Scheme Briefing Note. The Application Programme lists the milestones against which the dates agreed by all parties are inserted.

### **Application Steering Group** means a team made up of named representatives from NGESO, the Host TO, Affected TO(s) and Other Affected TO(s) (as appropriate), the “Application Steering Group”, shall be formed to oversee the application process. The members of the Application Steering Group shall be identified on the Scheme Briefing Note. The remit of this group is to agree the Application Programme, monitor progress and agree any changes. The Application Steering Group is also responsible for resolving any disagreements relating to an NGESO TEC Exchange Rate Application at first instance, prior to any necessary escalation. Dialogue will take place in person, by email, telephone or video conferencing as appropriate.

### **Host TO** means the Transmission Owner whose Transmission System is located at the Relevant Connection Site (see STC Section D, part 2, paragraph 2.2.1 in respect of the production of TO Construction Offers or STC Section D, part 3, paragraph 1.1.1 in respect of the production of TO TEC Exchange Rates).

### **Lead Person(s)** means named representatives from NGESO, the Host TO, Affected TO(s) and Other Affected TO(s) (as appropriate), the “Lead Person(s)”, shall oversee the application process. The remit of the Lead Person(s) is to agree the Application Programme, monitor progress and agree any changes. The Lead Person(s) are also responsible for resolving any disagreements relating to an NGESO TEC Exchange Rate Application at first instance, prior to any necessary escalation. Dialogue will take place in person, by email, telephone or video conferencing as appropriate.

### **Named Contact** means, in terms of the TO, the person to initially receive the NGESO TEC Exchange Rate Application on behalf of that TO and, in terms of NGESO, the person to whom a User Application for an Exchange Rate Request is sent in accordance with the CUSC.

### **Other Affected TO(s)** means any TO who is not a Host TO or an Affected TO, but which receives Construction Planning Assumptions or TEC Exchange Planning Assumptions, or NGESO otherwise identifies that it is likely to be required to enter into a TO Construction Agreement in respect of the Construction Project or produce a TO TEC Exchange Rate.

### **Scheme Briefing Note** means the note that is provided from NGESO to the TO to update the status and details of the Application. A pro-forma is provided in Appendix B1 of STCP 18-1 Connection and Modification Application. When used in respect of an Exchange Rate Request, an Application Type of “TEC Exchange” should be recorded in Section 2 of the Scheme Briefing Note.

# Procedure

## General Nuclear Site Licence Provisions Agreement

### When following this process where this may interact with, impact upon or fall within the boundary of a Nuclear Site Licence holder's site, or may otherwise have any form of affect and/or implication for a nuclear power station, consideration must be given to the relevant provisions of the applicable Nuclear Site Licence Provisions Agreement, the CUSC Bilateral Connection Agreement for that site, paragraph 6.9.4 of the CUSC and Section G3 of the STC to ensure compliance with all of these obligations.

## TEC Decrease Process

### In accordance with the CUSC, a User can decrease its TEC by giving NGESO not less than 5 Business Days notice.

### Within 2 Business Days of receiving the notice to reduce TEC from the User, NGESO shall send a Scheme Briefing Note to the Affected Parties, notifying them of the details of the change, along with a copy of the notice to the relevant Parties, in accordance with STC, Schedule Four. The relevant Parties may wish to consider whether the TEC decrease necessitates changes to the investment plan (in accordance with STCP 16-1 Investment Planning).

### Following receipt of the notice to reduce TEC from the User, NGESO shall issue a revised Appendix C of the relevant Bilateral Agreement to the User as soon as practicable. NGESO shall then notify the relevant Parties when the change to the User’s Bilateral Agreement has been effected.

### Within 5 Business Days of receiving notification from NGESO that the TEC reduction has been effected, the Host TO shall update the relevant Connection Site Specification and send NGESO a copy of the updated Connection Site Specification.

## TEC Increase Process

### A User can request an increase in its TEC, up to a maximum of the CEC set out in their Bilateral Agreement. The User shall request an increase in TEC in the form of a Modification Application. In accordance with the CUSC, NGESO shall make a Modification Offer to the User within 28 days, where practicable, and not more than 3 months (save where the Authority consents to a longer period) after NGESO receives the Modification Application.

### Within 3 business days of receiving the Modification Application from the User, NGESO shall submit an NGESO Construction Application to each of the Affected Parties, in accordance with STC Schedule Six and/or Schedule Seven. STCP 18-2 Use of System Application (section 3.2) or STCP 18-1 Connection and Modification Application (section 3.2) should be followed as appropriate.

### The Affected Parties shall each assess whether there is an impact on their Transmission System requiring additional connection and/or infrastructure assets, and identify whether there is a capacity interaction with any unsigned TO Construction Offers.

### Within 21 calendar days of the NGESO Application Date (or such other time as may be agreed), depending on the outcome of the completed impact assessment, either section 3.3.5 or 3.3.6, is followed.

### If any of the Affected Parties determine that there is no impact on their respective Transmission System, then they will inform NGESO, in accordance with the Application Programme, that there are no Transmission Connection Works required. Such Affected Parties will at the same time as notifying NGESO that they shall not be submitting a TO Construction Offer, or such other time as may be agreed within the 28 days Application Programme, notify NGESO of any technical design or operational criteria which they intend to assume will apply to User Equipment at the Relevant Connection Site. Where none of the Affected Parties has Transmission Construction Works, NGESO will inform each of the Affected Parties when the change to the agreement with the User is effected by sending an updated Scheme Briefing Note to them.

### If any of the Affected Parties assess that there is an impact on their respective Transmission System, then NGESO and the Affected Parties shall agree an Application Programme to enable NGESO to make the Offer to the User. NGESO shall continue to make the Offer to the User within 3 months of the User Application Date by following STCP 18-1 Connection and Modification Application process from where the Affected Parties assess the impact of the NGESO Construction Application to the end of the process.

## Exchange of TEC Process

### **User Application**

#### Users can trade TEC subject to an Exchange Rate between the sites concerned, calculated by the Affected Parties and NGESO and provided to Users by NGESO on a chargeable basis. On trading, both the Increasing User and Decreasing User shall submit their Exchange Rate Request to the NGESO Named Contact.

### **NGESO checks the User Application**

#### The NGESO Named Contact shall appoint the NGESO Lead Person. The NGESO Lead Person shall check that the User Application is completed correctly and whether the correct Application Fee is received. The fee is dealt with by NGESO and the TO(s) in accordance with STCP 19-6 Application Fee. Where the User Application is not completed correctly or the correct fee is not received, the NGESO Lead Person shall inform the Applicant as soon as they determine that it is not correct.

#### The NGESO Lead Person shall determine who is the Host TO, Affected TO(s) and Other Affected TO(s).

#### The NGESO Lead Person shall utilise the information in the User Application to produce the relevant NGESO TEC Exchange Rate Application, in accordance with Schedule 11 of the STC, for each of the Affected Parties. The NGESO Lead Person shall initially complete the appropriate Scheme Briefing Notes for each of the Affected Parties, with details from the User Application, the draft Application Programme dates, the Affected Parties, the NGESO Lead Person and a NGESO scheme number. The NGESO Lead Person shall record on the Scheme Briefing Notes whether the Application Fee has been cleared or not.

#### Within 3 Business Days of receipt of the User Application, the NGESO Lead Person shall send by email the relevant NGESO TEC Exchange Rate Application and the appropriate Scheme Briefing Note to the Affected Parties’ Named Contact(s). Such NGESO TEC Exchange Rate Application will be sent regardless of whether the User Application is effective or not, so that the TO(s) are aware a User Application has been received. Should any Party decide to undertake any work on the NGESO TEC Exchange Rate Application before it is effective, then this will be at such Party’s own risk.

#### A technically effective NGESO TEC Exchange Rate Application is where all the necessary technical data has been provided. An effective NGESO TEC Exchange Rate Application is one that is technically effective and NGESO has informed the TO via the appropriate Scheme Briefing Notes that the Application Fee has been cleared.

### **Receipt of an NGESO TEC Exchange Rate Application acknowledged by TO(s)**

#### Within 2 Business Days of receipt of the NGESO TEC Exchange Rate Application, the Affected Parties shall acknowledge receipt of the NGESO TEC Exchange Rate Application to the NGESO Lead Person by email.

#### The NGESO Lead Person and Affected Parties’ Lead Person(s) shall agree the date to meet to discuss the Application Programme and NGESO shall enter this date on the Scheme Briefing Notes. This meeting (step 3.4.13.1) may be cancelled if it transpires that it is not required.

### **Application Fee not cleared**

#### If the Application Fee has not cleared, the NGESO Lead Person shall seek to obtain the Application Fee from the Applicant.

### **NGESO confirms that Application Fee cleared**

#### When the Application Fee has cleared, the NGESO Lead Person shall update the Scheme Briefing Notes with the clearance date and email the appropriate Scheme Briefing Notes to the Affected Parties’ Lead Person(s).

#### The TO(s) shall invoice NGESO with their relevant TO component of the Application Fee in accordance with STCP 19-6 Application Fee.

### **NGESO shall be informed as to whether the NGESO TEC Exchange Rate Application is technically effective or not**

#### Within 5 Business Days of receipt of the NGESO TEC Exchange Rate Application, the Host TO and Affected TO(s) (as appropriate) Lead Person(s) shall notify the NGESO Lead Person by email, as to whether the NGESO TEC Exchange Rate Application is technically effective or not. Where the NGESO TEC Exchange Rate Application is considered to be technically non-effective, then the Host TO and Affected TO(s) (as appropriate) Lead Person(s), shall email the NGESO Lead Person with detailed reasons as to why it considers it incomplete or unclear in a material respect and the amendments it considers are required to make it technically effective.

### **Applicant and TO(s) shall be informed that User Application is technically non-effective**

#### A technically non-effective User Application is one where all technical data has not been received.

#### If the User Application is technically non-effective, the NGESO Lead Person shall inform the Applicant of what data is missing. The NGESO Lead Person shall update the Scheme Briefing Notes with the date the Applicant was contacted and email the appropriate Scheme Briefing Notes to the Affected Parties.

### **Resolve technical non-effectiveness**

#### Where a NGESO TEC Exchange Rate Application is technically non-effective as a consequence of the User Application being technically non-effective, the Host TO and Affected TO(s) (as appropriate) shall use best endeavours to liaise and assist NGESO to resolve their elements of the technical non-effectiveness. In order to achieve this, NGESO may request the TO to resolve the technical non-effectiveness with the Applicant directly.

#### If the Applicant cannot submit the data (e.g. because data is not available for new technology) then the Lead Person(s) shall assess and advise the Parties whether it can progress the application or not and note/agree any assumptions made. If the NGESO TEC Exchange Rate Application is to continue then alternative data may be requested from the Applicant.

#### If the Lead Person(s) assess that the NGESO TEC Exchange Rate Application cannot progress without the missing technical data then the NGESO Exchange Rate Application will be put on hold as ineffective. If and when the missing technical data is supplied to NGESO then the process will recommence from 3.4.9.

### **NGESO is informed that the NGESO TEC Exchange Rate Application is now technically effective**

#### On receipt of the missing/additional data from the Applicant, the NGESO Lead Person shall circulate the data to the Host TO and Affected TO(s) (as appropriate) Lead Person(s). The NGESO Lead Person shall also record on the Scheme Briefing Notes the date of when the missing/additional technical data has been received and email the appropriate Scheme Briefing Note to each Affected Party.

#### Within 3 Business Days of receipt of the missing/additional data, the Host TO and Affected TO(s) (as appropriate) Lead Person(s) shall confirm to the NGESO Lead Person by email whether their NGESO TEC Exchange Rate Application is now technically effective. If the NGESO TEC Exchange Rate Application is still not technically effective then the process returns to 3.4.6 or otherwise proceeds to 3.4.10.

### **NGESO confirms User Application Date and NGESO Application Date**

#### The NGESO Lead Person shall update the Scheme Briefing Notes with the User Application Date, NGESO Application Date and the draft Application Programme dates, and email the appropriate Scheme Briefing Note to each Affected Party.

### **Affected Parties provided with the TEC Exchange Planning Assumptions**

#### If NGESO generates TEC Exchange Planning Assumptions it shall forward the TEC Exchange Planning Assumptions, including any updates to the network model, to the Affected Parties’ Lead Person(s) within 5 Business Days of the User Application Date.

#### In the event that NGESO does not intend to generate a set of TEC Exchange Planning Assumptions, NGESO shall notify the TO(s) within 2 Business Days of the User Application Date. In this case the Affected Parties will use the general Planning Assumptions already provided under STCP16-1.

#### If there is a delay between receipt of the User Application and the User Application being effective, it may be necessary for NGESO to provide the Affected Parties with revised and updated TEC Exchange Planning Assumptions, which take account of the generation and demand backgrounds in STCP 22-1 Production of Models for GB System Planning.

#### NGESO may change, or Affected Parties may request a change to, the TEC Exchange Planning Assumptions.

### **Affected Parties assess TEC Exchange Planning Assumptions and draft Application Programme**

#### The Affected Parties shall assess the TEC Exchange Planning Assumptions and consider any implications to the draft Application Programme.

#### The Affected Parties’ Lead Person(s) shall amend or confirm the draft Application Programme to the NGESO Lead Person, one Business Day prior to the meeting to agree the Application Programme.

### **Application Programme agreed by NGESO and Affected Parties**

#### The Application Programme shall be agreed by the NGESO Lead Person and Affected Parties’ Lead Person(s), within 10 Business Days of the User Application Date. The Application Programme may be agreed at a meeting of the Lead Person(s), if necessary, date fixed at step 3.4.3.2 above.

### **NGESO and Affected Parties create National Electricity Transmission System models**

#### NGESO and the Affected Parties shall, where required for an application, each take the TEC Exchange Planning Assumptions provided by NGESO in step 3.4.11, together with the relevant network models and create a series of consistent GB models in accordance with STCP22-1 Production of Models for National Electricity Transmission System Planning.

### **Affected Parties assess the impact of the NGESO TEC Exchange Rate Application**

#### The Affected Parties shall assess how much of an increase in TEC could be accommodated at the Increasing User’s site, whilst still retaining a SQSS compliant system, as a result of a specific decrease in TEC at the Decreasing User’s Site. The Affected Parties shall carry out the assessment in accordance with the Application Programme.

#### The Affected Parties shall discuss and agree their assessment as appropriate. NGESO shall be included (as appropriate) in any discussions between the Affected Parties.

### **NGESO is provided with the TO TEC Exchange Rate**

#### Each Affected Party shall submit to NGESO the TO TEC Exchange Rate resulting from their assessment by email. The timescales of the submission is to be in line with the Application Programme and STC Section D, part 3, paragraphs 3.2 and 3.3.

### NGESO will inform each of the Affected Parties when the change to the agreements with the Increasing User and Decreasing User is effected by sending an updated Scheme Briefing Note to them. Within 5 Business Days of receiving notification from NGESO that the TEC Trade has been effected, the Host TO(s) shall update the relevant Connection Site Specifications and send a copy to NGESO.

## Requests for extension to application process timescale

### It may be necessary, at any stage of the TEC Changes process, for an extension to the application timescales to be considered. Where a Party identifies the need for an extension in timescales then this shall initially be discussed by the Lead Person(s). If the Lead Person(s) agree(s) that there is a need for an extension, NGESO shall submit an application to the Authority for an extension in timescales. The Affected Parties shall provide any relevant information reasonably requested by NGESO to enable NGESO to make a timely submission for such an extension to the application timescales.

### Where a Party requires an extension to its timescales and the Lead Person(s) do not agree, then that Party may submit such a request to the Authority. Any Party submitting such a request to the Authority shall inform (as appropriate) NGESO and the other Affected Parties of the request. NGESO may need to separately submit a request to the Authority for an extension to its application timescales. The Affected Party shall provide any relevant information requested by NGESO to enable NGESO to make a timely submission for such an extension to its application timescales.

### NGESO and the Affected Parties shall work to the agreed Application Programme, unless notified by the Party making the request that the Authority has granted an extension to its application timescales. If an extension to the application timescales is granted, the Parties shall discuss the Application Programme and the NGESO Lead Person shall update the Scheme Briefing Notes as necessary and email the appropriate updated Scheme Briefing Note to each Affected Party.

# Appendix A: Process Diagrams

Note that the Process Diagrams shown in this Appendix A are for information only. In the event of any contradiction between the process represented in this Appendix and the process described elsewhere in this STCP, then the text elsewhere in this STCP shall prevail.



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# *Appendix B: Abbreviations & Definitions*

##### Abbreviations

CATO Competitively Appointed Transmission Owners

CEC Connection Entry Capacity

OFTO Offshore Transmission Owner

SHET Scottish Hydro-Electricity Transmission plc.

SPT SP Transmission plc.

TEC Transmission Entry Capacity

TO Transmission Owner

###### Definitions

**STC definitions used:**

Authority

Business Day

Competitively Appointed Transmission Owners

Connection Site Specification

Construction Planning Assumptions

Construction Project

Decreasing User

National Electricity Transmission System

Increasing User

Modification

NGESO

NGET

NGESO Application Date

NGESO Construction Application

NGESO TEC Exchange Rate Application

Party

Relevant Connection Site

TEC Exchange Planning Assumptions

TO Construction Agreement

TO Construction Offer

TO TEC Exchange Rate

Transmission Connection Works

Transmission System

User Application

User Application Date

User Equipment

**CUSC definitions used**:

Applicant

Bilateral Agreement

Exchange Rate

Exchange Rate Request

Financial Year

Modification Application

Modification Offer

Offer

TEC Trade

Transmission Entry Capacity

User

**Definition used from other STCPs:**

Application Fee STCP19-6: Application Fee

Lead Person STCP18-1: Connection and Modification Application

Scheme Briefing Note STCP18-1: Connection and Modification Application