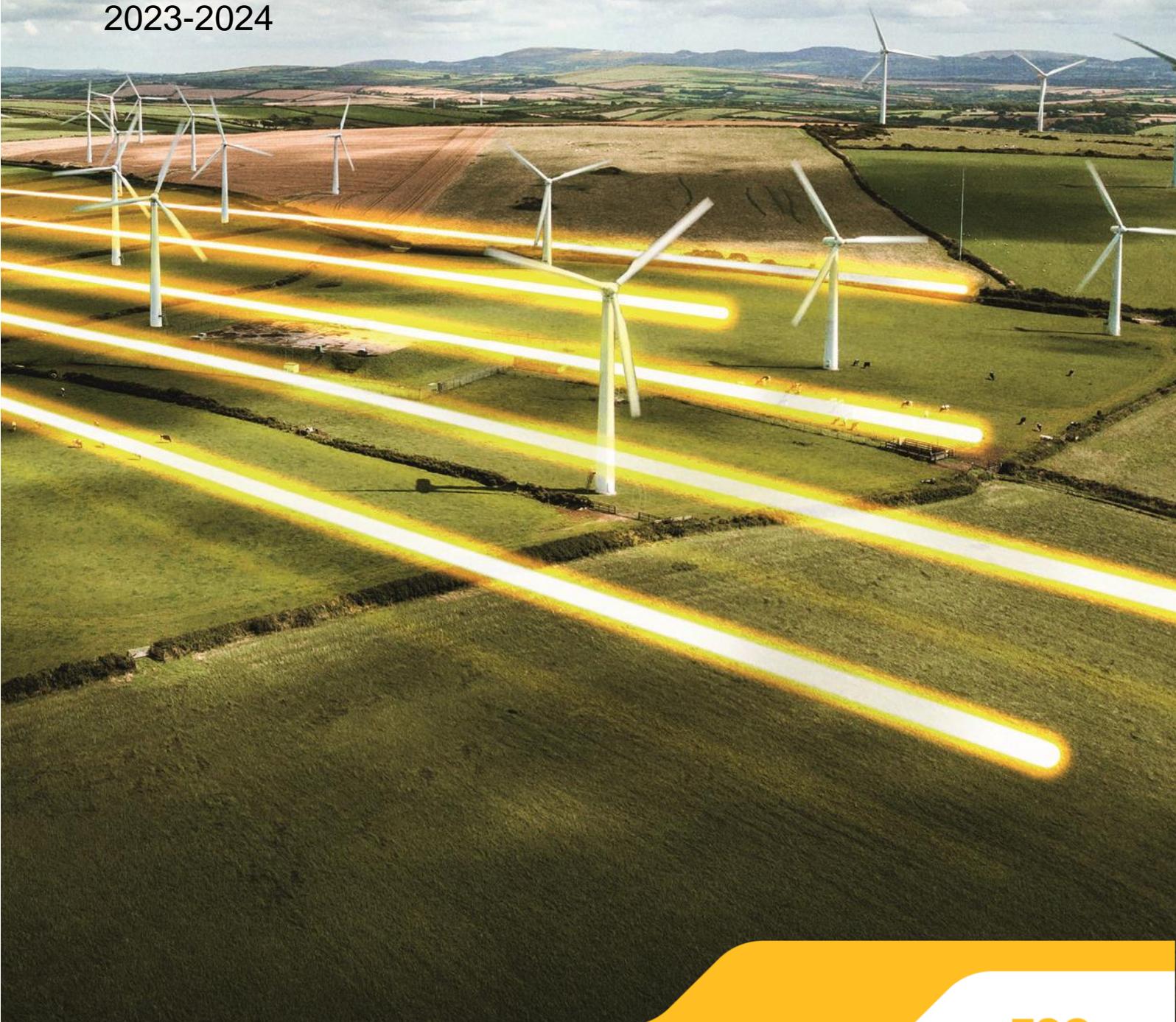


11/04/2023

# Condition C17 Statement Consultation Report to Authority 2023-2024

A report in accordance with Standard Licence Condition C17  
2023-2024



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## 1. Executive Summary

In accordance with the requirements of Condition C17 of the Transmission Licence, National Grid Electricity System Operator’s (NGESO) has produced a report which details the proposed changes that NGESO are seeking to make to the Condition C17 Statement

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

The ESO presented the potential changes to the Condition C17 Statement at the System Operator Transmission Owner (STC) Panel on 22 February 2023.

This early engagement did not form part of the official consultation process but allowed the ESO to capture any early feedback and respond accordingly. The feedback and ESO responses are captured in this report.

The ESO ran an official consultation from 20 March to 03 April 2023. This official consultation detailed the changes the ESO are proposing to the Condition C17 Statement which where relevant incorporates feedback from the early engagement.

### Key Dates:

**Document sent to the Authority:** 11<sup>th</sup> April 2023

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

This report details the proposed changes and industry responses from the early engagement and the formal consultation.

The ESO'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 be an additional section in the yearly National Electricity Transmission System Performance Report.

The Condition C17 Statement which details the proposed changes (as tracked changes) accompanies this report (Appendix B), which is also published on our [ESO Website](#).

The changes proposed to the Condition C17 Statement will be effective upon approval from the Authority unless these proposed changes are vetoed.

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 that sets out the criteria used to produce the yearly National Electricity Transmission System Performance 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. Alternatively, it is proposed that the changes will become effective from the 2023-2024 report.

### Step 1 Early Engagement

The first step of the review process is for the ESO 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 the ESO 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 ran for 14 Calendar (10 Working) Days.

Our view was that a 14 Calendar Day (10 Working Day) consultation period was 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 the ESO 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 any industry responses received from the Final Consultation and the ESO'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 by the 14 April 2023.

## **Step 4 Authority Decision and Statement go live**

The fourth step in the review process is for the Authority 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 was issued to Industry parties between the 20 March, until 5pm on 03 April 2023.

A follow-up email was sent to the STC Panel Transmission Owner representatives on the 23 March, and a reminder of the consultation closing date was raised at the STC Panel on the 29 March.

### **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.

## 5. Stakeholder Engagement Summary

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 below:

<b>Transmission Owner Feedback (STC Panel 22/02/23):</b>	<b>ESO Response:</b>
<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</p>	<p>The ESO are happy to implement the new formula in our reporting.</p> <p>The 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>

Summer or Winter Peak Availability altogether, given the ESO already reports on the Annual System Availability and the Monthly System Availability.	
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## 6. The Consultation

### The C17 Questions

We invited industry to provide feedback on the changes proposed to the Condition C17 Statement, with the consultation questions summarised below:

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)?

### Responses to the Consultation

The ESO received no responses to the consultation on the proposed changes to the Condition C17 Statement. However, due to the feedback received at the STC Panel, the ESO believe that we are in a good position to submit this report and recommend the necessary changes be put in place.

## 7. Next Steps

- Following the close of the official industry consultation, the ESO now presents to the Authority for consideration the revised version of the Condition C17 Statement, detailing the changes outlined in this report.
- The final revised version of the Condition C17 Statement is formatted to show the proposed changes to the statement.
- The Authority is now invited to review the proposed changes.
- If the Authority does not approve the proposed changes to the Condition C17 Statement, the existing version will remain in place.
- Subject to Authority veto/direction the proposed changes will become effective upon approval by the Authority.