

Code Administrator Meeting Summary

GC0159: Introducing Competitively Appointed Transmission Owners Workgroup Meeting 4

Date: 02 March 2023

Contact Details

Chair: Roberts Ruth, NationalGrid ESO ruth.roberts@nationalgrideso.com

Proposer: Stephen Baker, NationalGrid ESO Stephen.Baker@nationalgrideso.com and Alastair Grey, NationalGrid ESO alastair.grey@nationalgrideso.com

Key areas of discussion

The Workgroup discussions are summarised according to agenda items:

Workgroup meeting objective

The Chair introduced the objectives and the Agenda for the Workgroup meeting and explained the aims and outcomes expected.

Review of Workgroup Consultation responses

The Chair stated a total of 6 responses were received to the Workgroup Consultation.

The outcomes of the Workgroup consultation were briefly outlined by the Chair.

- Out of 6 respondents, 5 support the original proposal better facilitates 1 or more of the applicable Grid Code objectives (mostly a, b, c)
- 1 respondent did not support the proposal
- There was a split between respondents who support the implementation approach (4) and respondents who did not (2)
- No alternatives were raised
- The majority of the responses advised that CATOs should have the same RES as the incumbent TO.
- One respondent (not present) had suggested Legal text changes

Upon discussion, several Workgroup members were concerned with the ESOs position in terms of the Proposal and their rationale, one Workgroup member questioned if this modification was a directive from Ofgem or if the ESO has taken upon himself to do it at this stage. Workgroup felt that the evaluation of the objectives (a, b and c) in the Proposal form is not clear, and some Workgroup members advised that clarity is needed around whether the Workgroup is being asked to access the benefits of the CATOs regime to the baseline and for consumers or if this modification is only intended to introduce the CATO concept to the

codes as there is a new Legislation coming. The Proposer advised that this modification is intended to guide the CATOs as they enter the industry and facilitate the Early Competition model within the code environment, not to advocate for the CATO regime.

It was the Workgroup general view that the Proposer should reassess the modification against the code objectives, particularly a), b) and c).

A few Workgroup members suggested that the primary Legislation should be passed before the modification is approved. The Proposer agreed to have the primary legislation in place prior to submitting the modification. Ofgem representative advised that in his perspective he is very confident that in terms of the development of the CATO regime, Ofgem has made a clear and strong case, hence the Legislation being brought forward. He also advised that it would be a worst outcome if the CATO regime is approved, and we don't have the changes in the codes to support that.

Workgroup reinforced the need for the Workgroup Report to reflect the fact for the primary Legislation to pass before Ofgem decides on this modification.

Review of the Legal text

The proposer shared the draft Legal text with the Workgroup, with the comments from the Workgroup Consultation. Workgroup member advised the Proposer that if they approve the comment and change the Legal text, they will have to apply the same suggestion throughout the Legal text so is uniform, but also advised that is the Proposer choice to approve the suggestion or not.

Review of Terms of Reference

Workgroup agreed to add the Term of reference g) Ensure that the proposed Grid Code changes effectively implement the CATO regime in a proportionate manner adopting minimum necessary change whilst also ensuring that the new arrangements are future proofed as much as possible.

AOB / Next Steps

The Chair summarised next steps as follows:

- Circulate Proposer Model/Process with the Workgroup by 3rd of Workgroup.
- Workgroup to give feedback by the 17th of February.

Action number	Workgroup Raised	Owner	Action	Comment	Due by	Status
1	WG4	Proposer	To check with Policy team their understanding from BEIS regarding the CATO Legislation and timings	NA	WG5	Open
2	WG4	Proposer	Reassess Modification against the Code objectives	NA	WG5	Open
3	WG4	Chair	Send Terms of Reference amendment for Panel approval	NA	30/03/2023	Open

Participants

Name	Initial	Company	Role
Ruth Roberts	RR	Code Administrator, ESO	Chair
Catia Gomes	CG	Code Administrator, ESO	Tech Sec
Stephen Baker	SB	National Grid ESO	Proposer
Alistair Grey	AG	National Grid ESO	Proposer
Claire Goult	CLG	Code Administrator, ESO	Observer
Deborah Spencer	DS	National Grid ESO	Observer
Gavin Baillie	DS	SSE Transmission	Alternate
Graeme Vincent	GV	SP Energy Networks	Workgroup member
Priyanka Mohapatra	PM	Scottish Power Renewables	Alternate
Richard Woodward	RW	NGET	Workgroup member
Roddy Wilson	ROW	SSE Transmission	Workgroup member
Thomas Johns	TJ	Ofgem	Authority Rep

For further information, please contact the Code Administrator.