

Workgroup Consultation Response Proforma**CM079: Consideration of STC/STCP changes in relation to CMP330/374**

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses to stcteam@nationalgrideso.com by **5pm on 08 AUGUST 2023**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration.

If you have any queries on the content of this consultation, please contact Elana.Byrne@nationalgrideso.com or stcteam@nationalgrideso.com

Respondent details	Please enter your details	
Respondent name:	Greg Stevenson	
Company name:	Scottish Hydro Electric Transmission plc (SHET)	
Email address:	greg.stevenson@sse.com	
Phone number:	07467 397988	
Which best describes your organisation?	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input type="checkbox"/> Distribution Network Operator <input type="checkbox"/> Generator <input type="checkbox"/> Industry body <input type="checkbox"/> Interconnector	<input type="checkbox"/> Storage <input type="checkbox"/> Supplier <input type="checkbox"/> System Operator <input checked="" type="checkbox"/> Transmission Owner <input type="checkbox"/> Virtual Lead Party <input type="checkbox"/> Other

I wish my response to be:

(Please mark the relevant box)

☒ Non-Confidential☐ Confidential

Note: A confidential response will be disclosed to the Authority in full but, unless agreed otherwise, will not be shared with the Panel or the industry and may therefore not influence the debate to the same extent as a non-confidential response.

For reference the Applicable STC Objectives are:

- efficient discharge of the obligations imposed upon transmission licensees by transmission licences and the Act*
- development, maintenance and operation of an efficient, economical and coordinated system of electricity transmission*
- facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the distribution of electricity*
- protection of the security and quality of supply and safe operation of the national electricity transmission system insofar as it relates to interactions between transmission licensees*
- promotion of good industry practice and efficiency in the implementation and administration of the arrangements described in the STC.*

- f) *facilitation of access to the national electricity transmission system for generation not yet connected to the national electricity transmission system or distribution system;*
- g) *compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.*

Please express your views in the right-hand side of the table below, including your rationale.

Standard Workgroup Consultation questions		
1	Do you believe that the Original Proposal and/or any potential alternatives better facilitate the Applicable Objectives?	Mark the Objectives which you believe the Original Solution better facilitates:
		<div>Original <input type="checkbox"/>a <input type="checkbox"/>b <input type="checkbox"/>c <input type="checkbox"/>d <input type="checkbox"/>e <input type="checkbox"/>f <input type="checkbox"/>g</div> <p>Objective A – Neutral - Whilst we do not believe this proposal better facilitates objective A as the changes to the STC proposed has no impact on our licence obligations, we do have concerns that through the CUSC modifications (CMP330/374 & 414), there is the potential that these could impact our licence obligations of being economic and efficient in the investment plans for our network.</p> <p>Objective B – Neutral - As touched on above, the CUSC modifications increase the likelihood of inefficiency and will potentially have a negative impact on how Onshore TOs develop, maintain and operate their network as it could potentially add multiple parties to the building of infrastructure assets. The proposed changes to the STC and subsequent STCP changes will help to alleviate some of the risks by adding step-in rights, allowing the TO to intervene in circumstances where we believe the integrity of the network or our efficient investment plans become at risk.</p> <p>Objective C – Neutral - This modification does not have a competition focus as it is updating the STC & STCPs in line with the CUSC modifications. This will codify the relevant information and processes for Onshore TOs to refer to should a User want to build contestably.</p> <p>Objective D – Neutral - The proposed STC modification will not have any impact on security, quality of supply and safe operation of the NETS. The associated CUSC modifications have the potential to greatly impact each of them respectively.</p>

		<p>Objective E – Negative – The proposed STC changes, in line with the CUSC proposals, further complicates the relationship between Onshore TOs and the ESO. If the proposed STC & CUSC changes are implemented as is, this will create a new level of uncertainty in roles during the contestable process. For example, where the ESO would require to be the arbitrator for disputes on 3rd party agreements.</p> <p>Objective F – Neutral – Although there is the potential to marginally advance timeframes for connection for the individual schemes who are building contestably (although this may not be the case at all due to timeframes for connection being largely based on the shared enabling works), there is the potential that other schemes may also be held up unduly due to the commercial interests of the party completing the contestable works</p> <p>Objective G – Neutral There are no impacts on Electricity Regulation</p>
2	Do you support the proposed implementation approach?	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>As touched on in the consultation, the implementation of the changes must consider every aspect of change required to implement CM079, CMP330/374 & CMP414.</p> <p>The changes required, go beyond code changes and discussions with Ofgem surrounding the Price Control & potential licence changes must be finalised before the changes are implemented.</p> <p>This also includes the subsequent STCP changes as the processes must be agreed on as part of the overall package for implementation.</p>
3	Do you have any other comments?	<p>As touched on above and in our response to CMP414, we remain concerned that the proposed package of solutions does not adequately mitigate the issues arising from a User's failure to deliver the agreed scope of infrastructure asset works and the TO being compelled to intervene (particularly where the assets are needed for other Users).</p> <p>At present there is no route for TOs to recover any incremental/unforeseen costs for intervention – at least</p>

		<p>without penalty - through the Price Control. We believe adjustments to these arrangements are therefore required to avoid the TOs and end consumers being subject to what could be unreasonable additional costs through no fault of our own.</p> <p>The TOs have initiated contact with Ofgem on this issue during the workgroup phase of CMP414 but were unable to reach concrete positions without the modification being more fully specified. We would appreciate further conversations with Ofgem on this issue with modification reaching the conclusion of the code governance process.</p>
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Click or tap here to enter text.

Specific Workgroup Consultation questions		
5	Having reviewed the proposed CM079 solution and legal text, are there any significant matters arising which you feel may have a bearing on the associated CUSC modification proposal (CMP330/374/414)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Click or tap here to enter text.