

STC Modification Panel Minutes

28 February 2024

STC Modification Panel Minutes: Meeting Number 220

Date: 28 February 2024 **Location:** Microsoft Teams

Start: 10:00am **End:** 11:55am

Participants

Attendee	Initials	Company
Deborah Spencer	DS	Chair, Code Administrator, National Grid Electricity System Operator (NGESO)
Rashpal Gata-Aura	RGA	Tech Sec, Code Administrator, National Grid Electricity System Operator (NGESO)
David Halford	DH	National Grid Electricity System Operator (NGESO)
Steve Baker	SB	National Grid Electricity System Operator (NGESO)
Alana Collis	AC	National Grid Electricity System Operator (NGESO)
Keith Jones	KJ	National Grid Electricity System Operator (NGESO)
Antony Johnson	AJ	National Grid Electricity System Operator (NGESO)
Neil Bennett	NB	Scottish Hydro Electric Transmission plc. (SHET)
Gareth Williams	GW	Scottish Power Transmission plc. (SPT)
Richard Woodward	RW	National Grid Electricity Transmission (NGET)
Ian Bottomer	IB	National Grid Electricity Transmission (NGET)
Mike Lee	ML	Offshore Transmission Owner (OFTO)
Nadir Hafeez	NH	Authority Representative
Sean Winchester	SW	Authority Representative
Colin Down	CD	Authority Representative
Nadia Hall	NH	Authority Representative
Gary Baillie	GB	Authority Representative

Apologies	Initials	Company
Joel Matthew	JM	Offshore Transmission Owner (OFTO)
Terry Baldwin	TB	National Grid Electricity System Operator (NGESO)

1. Introductions and Apologies for Absence

6581. Apologies were received from Terry Baldwin and Joel Matthews for February 2024 Panel. AJ was standing in for TB as his Alternative.

2. Approval of Minutes from Previous Meeting

6582. The Panel approved the minutes from the meeting held on 31 January 2024 subject to minor amendments (**Post Panel Meeting Note:** The minutes are now available on the National Grid ESO [website](#)).

3. Review of Actions

6583. The Actions from January 2024 Panel were reviewed.

4. Authority Decisions and Update

6584. NH advised the Panel that: -

- **CM079** – **Consideration of STC/STCP changes in relation to CMP330/374** expected date of decision was on 08 May 2024.

Energy Code Reform

6585. LC and SW from Ofgem provided an update on the implementation of Energy Code Reform.

6586. LC introduced the key proposals in the consultation on Energy Code Reform and the team involved. LC went on to outline what Ofgem would be consulting on, Ofgem’s approach to selecting Code managers and progress to date.

6587. SW ran through a more detailed summary of key proposals in the consultation, designation of codes and central systems, code consolidation and transition. SW outlined the rationale behind proposed new code consolidation options Electrical Commercial Code (CUSC and DCUSA), Electricity Technical Code (Grid Code, STC, SQSS and Distribution Code) and Unified Gas Network Code (UNC and IGTUNC). SW noted to Panel that none of the options included a proposal to consolidate BSC, REC or SEC.

6588. SW confirmed an impact assessment will be published alongside the consultation and an end of year deadline to form a transitional plan. SW explained Ofgem are looking to publish a strategic direction next year but confirmed this would not happen until the appointment of Code Managers. SW outlined how prior to code consolidation and the Code Manager appointment, a proposed workgroup will be established to explore the development of a standard prioritisation criteria and processes across codes. SW explained this would support in cross code alignment and the process also looked to introduce a potential net zero code objective.

6589. RW raised some concerns regarding the risk of merging the STC/STCPs which includes commercial, operational, and technical provisions.
6590. LC acknowledged his concerns confirming that these types of concerns would be discussed in further engagements scheduled for March 2024.
6591. NB questioned how long the code changes would take bearing in mind the complex nature of the process.
6592. LC responded that presently a two year period was considered as a rough baseline confirming the complex and technical nature of the process.
6593. AJ endorsed the view by RW that for the Market Participants the commercial aspects are covered in the CUSC with the technical and operational requirements covered in the Grid Code. He noted that the commercial, technical and operational requirements are all included within the STC and there could be some scope for placing the commercial aspects in the Commercial Code and the technical and operational aspects in the Technical Code. AJ also noted that whilst this work was very worthwhile, would be resource intensive.
6594. RW continued that consideration be given to how code consolidation can facilitate efficiency to code governance and harmonisation to reducing the administrative burden.

5. Draft STC/STCP Modifications

6595. The Chair advised that no draft modifications had been received for February 2024 Panel.

6. New STC/STCP Modification Proposals for Panel Decision

6582. The Chair informed the Panel that one new modification had been received for February 2024 Panel.
- **PM0124 – Enduring Expansion Constant & Expansion Factor Review – Consequential Modification**
6596. DH provided an overview on **PM0124**, please see [Panel Papers](#) for more detail.
6597. The Chair confirmed that Ofgem had already provided their decision that they were happy for Panel to approve.
6598. The Ask of the Panel was:
- **AGREE** the materiality of the STCP
 - **AGREE** the implementation next steps
 - **NOTE** Implementation will be in line with approval of **CMP315/CMP375**.
6599. The Chair addressed the Panel stating that whilst certain STC Parties may not be supportive of the corresponding CUSC modifications, the Panel must ensure that the supporting STCP drafting was sufficient to implement the modifications if they were approved. Panel members agreed that they were satisfied with the PM0124 drafting, and for it to be implemented subject to Ofgem’s determination of **CMP315/375**.
6600. NH confirmed that a decision on **CMP315/CMP375** will be later on in the year and should that be approved then to reflect the Ofgem decision the STCPs will have to be updated.

6601. **PM0124** was approved and the next steps noted that following a decision on **CMP315/CMP375** later on in the year, **PM0124** will be brought back to Panel for a final vote on the implementation alongside **CMP315/CMP375**.

7. Inflight Modification Updates/Potential New Modifications

6602. The Chair informed the Panel that the Cross Code modification tracker had been shared for their reference and continued to provide an update on **PM0126 - Transmission Impact Assessment process**.

6603. The Chair continued to obtain approval on **PM0126**.

6604. The Ask of the Panel was:

- **AGREE** no further discussions were necessary and implementation could proceed.
- **NOTE** next steps.

6605. GW advised the Panel that some of the concerns raised by SPT had not yet been addressed and therefore they were not happy to approve **PM0126** at this point.

6606. AJ confirmed that further discussions and work was needed internally on **PM0126** to address the concerns raised.

6607. **ACTION** AJ to have offline discussions with Connections Team and SPT and come back to March 2024 Panel for approval.

6608. RW stated that ESO take an action to confirm that another month of continuance does not present a compliance risk or operational risk.

6609. **ACTION** AJ to get confirmation from Connections Team and arrange a meeting with SPT as soon as possible.

6610. The Chair advised that once the meeting between the Connections Team, ESO and SPT had taken place and all parties were happy, then online approval from the Panel could be obtained with implementation soon thereafter.

6611. The Panel members were happy to follow the step outlined for **PM0126**.

6612. The Chair, to obtain approval from the Panel on **PM0137**.

6613. The Ask of the Panel was:

- **AGREE** no further discussions were necessary and implementation could proceed.
- **NOTE** that Implementation Date will be 13 March 2024 if Panel agree to implement this change.

6614. **PM0137** was approved by Panel to implement the change on 13 March 2024.

6615. The Chair advised the Panel that Workgroup Report **CM094 - Amendment to Bi-annual estimate provisions**, had been withdrawn from this Panel for further work to be carried out.

8. Workgroup Reports

6583. The Chair advised that **CM094 – Amendment to Bi-annual estimate provisions** had been withdrawn at February 2024 Panel for further work to be completed and will be presented at a Special Panel to be held on 15 March 2024.

9. Draft Final Modification Reports

6584. The Chair gave an overview on the 2nd Draft Final Modification Report on the **CM085 – To Clarify OFTO reactive power requirements at <20% output**. Please see Panel slides within the [Panel Papers](#) for further detail.

6585. The Ask of the Panel was:

- **Note** that **CM085** modification does not impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions.
- **Agree** that the Terms of Reference of the send back had been met.
- **Vote** whether or not to recommend implementation.
- **Note** the timeline and next steps.

6586. The Chair gave an overview on the Draft Final Modification Report on the **CM086 – Introducing Connections Process to facilitate Competitively Appointed Transmission Providers**. Please see Panel slides within the [Panel Papers](#) for further detail.

6587. The Ask of the Panel was:

- **Note** that **CM086** modification does not impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions.
- **Vote** whether or not to recommend implementation.
- **Note** the timeline and next steps.

6588. The Chair gave an overview on the Draft Final Modification Report on the **CM087 – Introducing Connections Process to facilitate Competitively Appointed Transmission Owners**. Please see Panel slides within the [Panel Papers](#) for further detail.

6589. The Ask of the Panel was:

- **Note** that **CM087** modification does not impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions.
- **Vote** whether or not to recommend implementation.
- **Note** the timeline and next steps.

6616. **ACTION** the Chair to circulate the above three Draft Final Modification Reports to Panel members to check the votes and statements were correctly captured.

10. Code Administrator Update

6617. None.

11. Any other Business

6618. The Chair advised that there will be a Special Panel on 15 March 2024 on the Workgroup Report for **CM094 – Amendment to Bi-annual estimate provisions.**
6619. The Chair advised that Grid Code modification **GC0103** was not making much progress and the ask of the TOs (SP Energy Networks, SSE and NGET) was to remind their representatives on this group so the modification could progress.

Date of next meeting

6620. The next STC Panel meeting will be held on **Wednesday 27 March 2024**
6621. New Modification Proposal date **Tuesday 12 March 2024**
6622. Panel papers day **Tuesday 19 March 2024**