



STC Panel

Wednesday 31 July 2024

Online Meeting via Teams

WELCOME



Approval of Panel Minutes

Approval of Panel Minutes from the Meeting held

29 May 2024



Action Log



Authority Decisions and Updates as at 31 July 2024



Decisions received since last Panel meeting

Modification	Final Modification Report Received	Expected Decision Date
CM094 – Amendment to Bi-annual estimate provisions	23 March 2024	Rejected (11 June 2024)
CM079 - Consideration of STC/STCP changes in relation to CMP330/374	11 December 2023	Sent back (8 July 2024)

Decisions Pending

Modification	Final Modification Report Received	Expected Decision Date
CM085 - To clarify OFTO reactive power requirements at low windfarm outputs	11 March 2024	08 August 2024
CM086 - Introducing competitively Appointed Transmission Owners & Transmission Service Providers	11 March 2024	30 September 2024
CM087 - Introducing Connections Process to facilitate Competitively Appointed Transmission Owners	11 March 2024	30 September 2024

The Authority's publication on decisions can be found on their website below:

<https://www.ofgem.gov.uk/publications/code-modificationmodification-proposals-ofgem-decision-expected-publication-dates-timetable>

New modifications submitted

Fast Track

**CM099 - Removing references to “Fax” and
Facsimile” within the STC**





**CM099 – Removing references to “Fax” and Facsimile” within the
STC**

David Halford – 31 July 2024

Overview of CM099 Modification

- Several sections of the STC reference the use of “fax” and “facsimile” as a communication method between the ESO and TOs
- Over time, the use of faxes has been superseded with other forms of communication e.g., email, for those actions referenced within the STC.

Proposed Solution

- Update the following sections of the STC which currently reference the use of “Fax” or “Facsimile” with appropriate wording to reflect the actions that currently take place between the ESO and TOs:
 - Section B - Governance
 - Section D - Planning Co-ordination
 - Section G – General Provisions
 - Schedule 15 – Transmission Interface Agreement
- **Note: A further modification will be raised to cover references to fax within the STCPs. A number of these STCP actions relate to the communication between the TOs and ESOs Control Rooms, with a solution to replace the uses of faxes within the Control Room currently being developed by the ESO.**

CM099 – Proposed Legal Text Amendments

STC Section	Description	Proposed Amendments
Section B Governance Party details 4.1.2	For the purposes of this Code, the "Party Details" of a Party, which shall include for the purposes of this paragraph 4, a Party Applicant, are the following details and documentation of the Party:..... 4.1.2 the name, address, and facsimile number of the person for whose attention notices issued in accordance with Section G, paragraph 12 should be marked;	For the purposes of this Code, the "Party Details" of a Party, which shall include for the purposes of this paragraph 4, a Party Applicant, are the following details and documentation of the Party:..... 4.1.2 the name, address and email address , and facsimile number of the person for whose attention notices issued in accordance with Section G, paragraph 12 should be marked;
Section D Planning Co-ordination (General Provision) 8.3 Provision Of Offshore Construction Securities Where Offshore Transmission Owner Does Not Meet Credit Rating	8.3.3.1. Any Notice of Drawing to be delivered to Barclays Bank PLC or any other bank at which the Bank Account shall have been opened or a Qualified Bank or a Qualified Company may be delivered by hand, by post or by facsimile transmission .	8.3.3.1. Any Notice of Drawing to be delivered to Barclays Bank PLC or any other bank at which the Bank Account shall have been opened or a Qualified Bank or a Qualified Company may be delivered by hand, by post or by other agreed communication method . or by facsimile transmission.
Section G General Provision (Communications)	12.1: Save to the extent otherwise set out in the Code or any TO Construction Agreement or otherwise agreed by the Parties, any notice, direction, request or other communication to be given by one Party to another under or in connection with the matters contemplated by the Code, the Framework Agreement or any TO Construction Agreement shall be addressed to the recipient and sent to the address or facsimile number of such other Party provided under Section B.	12.1: Save to the extent otherwise set out in the Code or any TO Construction Agreement or otherwise agreed by the Parties, any notice, direction, request or other communication to be given by one Party to another under or in connection with the matters contemplated by the Code, the Framework Agreement or any TO Construction Agreement shall be addressed to the recipient and sent to the address or email address or facsimile number of such other Party provided under Section B.
Section G General Provision (Communications)	12.2: Such notice or other communication, shall be in writing and shall be given by letter delivered by hand or sent by first class prepaid post (airmail if overseas) or facsimile unless otherwise specified in this Code or otherwise agreed between the Parties, and shall be deemed to have been received:	12.2: Such notice or other communication, shall be in writing and shall be given by letter delivered by hand or sent by first class prepaid post (airmail if overseas) or facsimile unless otherwise specified in this Code or otherwise agreed between the Parties, and shall be deemed to have been received:
Section G General Provision (Communications)	12.2.3: in the case of facsimile, on acknowledgement of the addressee's facsimile receiving equipment (where such acknowledgement occurs before 1700 hours on the day of acknowledgement and in any other case on the day following the day of acknowledgement).	12.2.3. in the case of other agreed communication methods, the confirmation of receipt will be agreed between the Parties.
Schedule 15 Transmission Interface Agreement Schedule 6 (Addresses, Fax Nos etc)		Remove references to Fax.

STC Self-Governance Criteria

“Self-Governance Criteria”

means that a proposal, if implemented:

(a) is unlikely to have a material effect on:

- (i) existing or future electricity consumers; and
- (ii) completion in the generation, distribution or supply of electricity or any commercial activities connected with the generation, distribution or supply of electricity; and
- (iii) the operation of the national electricity transmission system; and
- (iv) matters relating to sustainable development, safety or supply, or the management of market or network emergencies; and
- (v) the Code’s governance procedures or modification procedures; and

(b) is unlikely to discriminate between different classes of Parties.

STC Fast Track Criteria

“Fast Track Criteria”

means that a proposal, if implemented.

- (a) would meet the Self-Governance Criteria; and
- (b) is properly a housekeeping modification required as a result of some error or factual change, including but not limited to:
 - (i) updating names or addresses listed in the Code;
 - (ii) correcting minor typographical errors;
 - (iii) correcting formatting and consistency errors, such as paragraph numbering; or
 - (iv) updating out of date references to other documents or paragraphs.

Critical Friend Feedback: CM099

Code Administrator comments	Amendments made by the Proposer
Updated formatting Updated implementation dates	Proposer agreed changes

CM099 – the asks of Panel

- **AGREE** that this Modification has a clearly defined defect, scope and solution
- **AGREE** that this Modification should follow Fast Track Self-Governance Criteria (Panel decision, which must be unanimous)
- **NOTE** the proposed timeline and that this Modification will be implemented upon conclusion of the Appeals window (if no objections are received from industry)

Timeline for CM099 – Proposed Timeline – *Fast Track Self Governance*

Milestone	Date
Draft Fast Track Self-Governance Report presented to Panel	31 July 2024
Panel Decision confirmation via email	31 July 2024
Appeals Window (15 business days)	01 August 2024 to 21 August 2024
Implementation	30 August 2024

New modifications submitted

Self-Governance

CM0100 – Consequential modification following approval and implementation of CUSC CMP428 User Commitment liabilities for Onshore Transmission (reinforcement) in the Holistic Network Design





CM0100 – Consequential modification following the approval and implementation of CUSC modification – CMP428 (User Commitment liabilities for Onshore Transmission (reinforcement) in the Holistic Network Design

David Halford – 31 July 2024

Overview of CM0100 Modification

- CUSC modification, CMP428 (User Commitment liabilities for Onshore Transmission (reinforcement) in the Holistic Network Design), was approved by The Authority on the 11th June 2024, and implemented into the CUSC on the 14th June 2024.
- The modification ensures that User Commitment liabilities for onshore transmission (reinforcement) circuits in the Holistic Network Design (HND), will not be classified as Attributable Works due to the wider system benefits these works could deliver.
- As a result of the approval and implementation of CMP428, the definition of “Attributable Works” has been amended and a new definition of “Excepted Works” introduced into the CUSC.

Proposed Solution

- To ensure consistency between the CUSC and the STC, amendments are required to the current “Attributable Works” definition in Section J (Interpretations and Definitions) of the STC and add the new definition of “Excepted Works” within the same section.

CM0100 – Proposed Legal Text Amendments

“Attributable Works”

those components of the Transmission Construction Works which are required (a) to connect a Power Station which is to be connected at a Connection Site to the nearest suitable MITS Node; or (b) in respect of an Embedded Power Station from the relevant Grid Supply Point to the nearest suitable MITS Node (and in any case above where the Construction Works include a Transmission substation that once constructed will become the MITS Node, the Attributable Works will include such Transmission substation) but excluding in each case (a) and (b) any [Excepted Works], and which in relation to a particular User are as specified in the relevant TO Construction Agreement;

“Excepted Works”

any Transmission Construction Works which have been designated as “onshore transmission (reinforcement)” by the Authority in its decision of 19 October 2022 titled ‘Offshore Transmission Network Review: Decision on asset classification’ included in The Company’s ‘Pathway to 2030 (Holistic Network Design)’ report published in July 2022 or in any decisions by the Authority on the classification of assets included in The Company’s ‘Beyond 2030’ report published in March 2024;

CUSC Self-Governance Criteria

“Self-Governance Criteria”

a **CUSC Modification Proposal** that, if implemented,

(a) is unlikely to have a material effect on:

(i) existing or future electricity consumers; and

(ii) competition in the generation, distribution, or supply of electricity or any commercial activities connected with the generation, distribution or supply of electricity; and

(iii) the operation of the **National Electricity Transmission System**; and

(iv) matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; and

(v) the **CUSC**'s governance procedures or the **CUSC**'s modification procedures, and

(b) is unlikely to discriminate between different classes of **CUSC Parties**;

c) other than where the modification meets the **Fast Track Criteria** will not constitute an **EBGL Amendment**.

CM0100 – the asks of Panel

- **AGREE** that this Modification has a clearly defined defect, scope and solution
- **AGREE** that this Modification meets the Self-Governance Criteria (Panel decision) rather than Standard Governance (Ofgem decision)
- **AGREE** that this Modification should proceed to Code Administrator Consultation
- **NOTE** the proposed timeline and that this Modification will be implemented upon conclusion of the Appeals window (if no objections are received from industry)

Timeline for CM0100 – Proposed Timeline – Code Administrator Consultation

Milestone	Date
Modification presented to Panel	31 July 2024
Code Administrator Consultation (20 business days due to bank holiday)	05 August 2024 to 03 September 2024
Draft Self Governance Modification Report issued to Panel (5 business days)	17 September 2024
Panel undertake Draft Self Governance Modification Report determination vote	25 September 2024
Final Self Governance Modification Report issued to Panel to check votes recorded correctly	26 September 2024 to 02 October 2024
Appeals Window (15 business days)	04 October 2024 to 24 October 2024
Implementation Date	31 October 2024

New modifications submitted

STCPs

**PM0136 – Introducing Connections process to facilitate
Competitively Appointed Transmission Owners**



STCP Governance

If a change is developed which has the potential to materially amend an existing STCP the proposer is obligated to seek Panel's views on materiality before proceeding.

When considering the proposed changes to the STCPs, the 1st ask on voting members is whether you agree that the change is material.

- If not, then approved/rejected as has been done in the past;
- If material, then the proposer of the change would need to seek Ofgem's written approval to proceed, and to clarify who should approve the change.

Ofgem can then decide either:

- It is acceptable for the Panel to approve/reject the STCP changes (as has been done in the past; or
- They will make the decision themselves.

PM0136 - Update

Authority Response:

“Having consulted with the policy team leading on CM087 which relates to PM0136, we are content for the STC Panel to determine this procedural change”.

“Therefore, we direct the STC Panel to make the decision on PM0136, noting the materiality of the STCP change and that our decision on STC modification CM087 is still pending”.

PM0136 – the asks of Panel

- **AGREE** the materiality of the STCP change
- **AGREE** the implementation next steps
- **NOTE** Implementation Date will be in line with the STC CATO Modifications currently awaiting Authority decision if Panel agree to implement this change and Panel identify no material impacts



Draft Final Modification Report

**CM098: Updating STC Arrangements to replace the
Electricity Arbitration Association with the London Court
of International Arbitration**

Elana Byrne Panel Chair

Solution(s)

Solution/summary of solutions:

Since 1993, the industry has used the Electricity Arbitration Association (EAA) as its official arbitration provider for any arbitration or disputes. In BSC modification [P457](#), it was highlighted that “*the EAA has not been used by a Market Participant since its inception in 1993 and does not provide good value for money for BSC Parties as monthly payments are required, irrespective of whether there are any disputes to consider. Moreover, the EAA is rarely used in commercial agreements, does not maintain its website and requires monthly payment, irrespective of whether their services are used. This therefore does not offer good value for money for BSC Parties*”.

The STC currently contains 15 references to the Electricity Arbitration Association. As it has been established that the EAA is *de facto* defunct, it would be appropriate to align arbitration to that of other codes such as the BSC and the REC. The CUSC, Grid Code and SQSS are also being aligned.

The following sections within STC will be updated to remove the references to Electricity Arbitration Association and will be replaced with References to London Court of International Arbitration:

STC Sections F, J, H

STC Schedule 15

Code Administrator Consultation Responses

Summary of Code Administrator Consultation Responses :

- Code Administrator Consultation was run from 10 June 2024 to 01 July 2024 and received 1 non-confidential response and 0 confidential responses. Key points were:
 - The respondent advised that they believed the proposed solution better facilitated objective (e) as the modification was seeking to update the Arbitration process making it fit for purpose, and they supported the implementation approach.
 - No legal text issues identified.

CM098 - the asks of Panel

- **VOTE** whether or not to recommend implementation
- **NOTE** the timeline

CM098 – Next Steps

Milestone	Date
Draft Final Modification Report presented to Panel	31 July 2024
Final Modification Report issued to Panel to check votes recorded correctly (5 business days)	01 August 2024 to 07 August 2024
Submission of Final Modification Report to Ofgem	07 August 2024
Ofgem decision date	15 August 2024
Implementation Date	30 August 2024



Any Other Business

Change code modifications; STCP 11-2, Appendix C5

Nick Winsor, in his role of Electricity Commissioner, was requested by Government to review transmission access arrangements with the aim of “...accelerating electricity transmission network deployment”. Four improvement recommendations landed with the ESO’s outage planning, “OP”, area for action. The fourth of these, referred to internally as OP4, is summarised as:

Recommendations:

OP4: The Electricity System Operator (ESO), in collaboration with industry, should lead a review of existing arrangements for outage planning (including, transmission outages, relevant distribution outages and generation outages) in the short, medium and long-term to develop actions to:

- Improve the timely identification of all outage requirements and their coordination.
- Drive down the number of foreseeable changes to those outage plans to improve greater certainty for stakeholders.
- Provide a stronger medium and long-term focus to support the development of medium/long-term solutions to system access whilst minimising short term change and those impacts on an optimal system access plan.

Implementation:

OP4: Cooperation between the TOs, system users and the ESO will be required during the delivery planning process. Additional resource will be required from the ESO to support this. Resources from ESO, TOs and users will be required to develop an action plan.

To date, weekly workshops have been held with the on shore TOs. From these workshops, a requirement was identified to rationalise the outage change codes held in Appendix C5 of STCP11-2 in order to improve outage change reporting. A concept of Foreseeable and Unforeseeable change has been introduced.

A draft, outage change code list is attached.

The Electricity Commissioner’s report can be found here:



[Electricity Networks Commissioner: companion report findings and recommendations](#)

Potential STC Panel Dates 2025

Panel Dates	Papers Day	Modification Deadline	Bank Holidays
29 January	21 January	14 January	01 January
26 February	18 February	11 February	
26 March	18 March	11 March	
30 April	11 April	03 April	18 April and 21 April
21 May	13 May	05 May	05 May and 26 May
25 June	17 June	10 June	
30 July	22 July	15 July	
20 August	12 August	05 August	25 August
24 September	16 September	09 September	
29 October	21 October	14 October	
26 November	18 November	11 November	
10 December	02 December	25 November	25 December and 26 December

6.3.1 STC Modification Panel Meetings shall be held on a monthly basis unless otherwise requested by a Party Representative and with the agreement of the other Party Representatives, or as otherwise specifically provided for in this Section B, at such time, at such place in Great Britain and in such form including, without limitation, by way of teleconference as the Party Representatives shall decide.



Updates on other industry codes

03 June 2024 SQSS [Panel Papers and Headline Report](#)

27 June 2024 Grid Code Review [Panel Papers and Headline Report](#)

28 June 2024 CUSC [Panel Papers and Headline Report](#)

Activities ahead of the next Panel Meeting

Grid Code Development Forum

07 August 2024

**Modification Proposal Deadline for STC August
Panel**

13 August 2024

Papers Day

20 August 2024

Panel Meeting

28 August 2024
Teams

Close



Elana Byrne
Chair, STC Panel