



SQSS Panel

Thursday 01 August 2024

Online Meeting via Teams

WELCOME



Approval of Panel Minutes

Approval of Panel Minutes from the Meeting held

03 June 2024



Action Log



Action number	Panel Raised	Owner	Action	Comment	Due by	Status
40.8	Mar-24	AJ	ESO to report on progress of GC0117 and if an SQSS modification is required, when this will be raised.	UPDATE: Decision is expected on 23 August 2024 for GC0117	TBC	Open
41	Jun-24	TP	Review FRCR process with the authority and confirm with Panel		July Panel	Open

Authority Decisions and Update (as at 26 June 2024)

No update since last panel.



Inflight Modification Updates

Teri Puddefoot, Code Administrator

GSR030: Offshore DC Connections

	Workgroup Report issued to Panel	DFMR issued to Panel	FMR issued to Ofgem
Previous timeline	6 March 2024	03 July 2024	23 September 2024
New timeline	TBC	TBC	TBC

Rationale: To allow further analysis to be carried out. Next WG 6th September

Workgroups Remaining: TBC



Any Other Business

AOB

- **Amendments to Security and Quality of Supply Standard Governance Framework – Matt Clover**
- **FRCR Update - Qi Zhong / Mingyu Sun**
- **Energy Code Reform – Code consolidation**



Frequency Risk and Control Report (FRCR) 2025 Update to SQSS Panel

Mingyu Sun, ESO
1 August 2024

Agenda

1. Feedbacks from SQSS Panel on FRCR 2024
2. FRCR 2025 plan

Feedbacks from SQSS Panel on FRCR 2024

Votes were collected between 12th and 19th June 2024. The feedback from the SQSS Panel members are mainly in 2 aspects:

- Complexity
- System operability

The FRCR 2024 was submitted to the Authority on 12th July 2024 for determination.





ESO suggested options to proceed:

- Wide system operability concerns are under analysed in other ESO workstreams. Conclusions will be factored into future FRCR. ESO is at the early stage of designing of a communication route.
- Introduce **Technical deep dive sessions** in the coming FRCR 2025 season for the Panel and industry colleagues.

Independent review is not recommended by ESO

- Pros: Independent / Third party assurance.
- Cons: Expertise knowledge within the ESO; Lack of resources – potential delay in FRCR 2025 process; One-off or annual process; Source of budget.

Proposed Timeline

Task	Timeline		
Scoping sessions	Now - end of Aug 2024		Deep dive Session 1
Data and model prep	Sept 2024 - early Nov 2024		Deep dive Session 2
Run model and analyse	Dec 2024 - Jan 2025		
Consultation	Feb 2025		Industry Webinar
SQSS sign off	Mid March 2025		
Submission to Ofgem	31st March 2025		Deep dive Session 3

- We have started scoping sessions and project planning within the ESO.
- Detailed plan and deep dive arrangement will be communicated to the Panel once ready.
- In the meantime, we would like to engage with Ofgem to agree the arrangement.

The SQSS

Energy Code Reform Risk and Impact

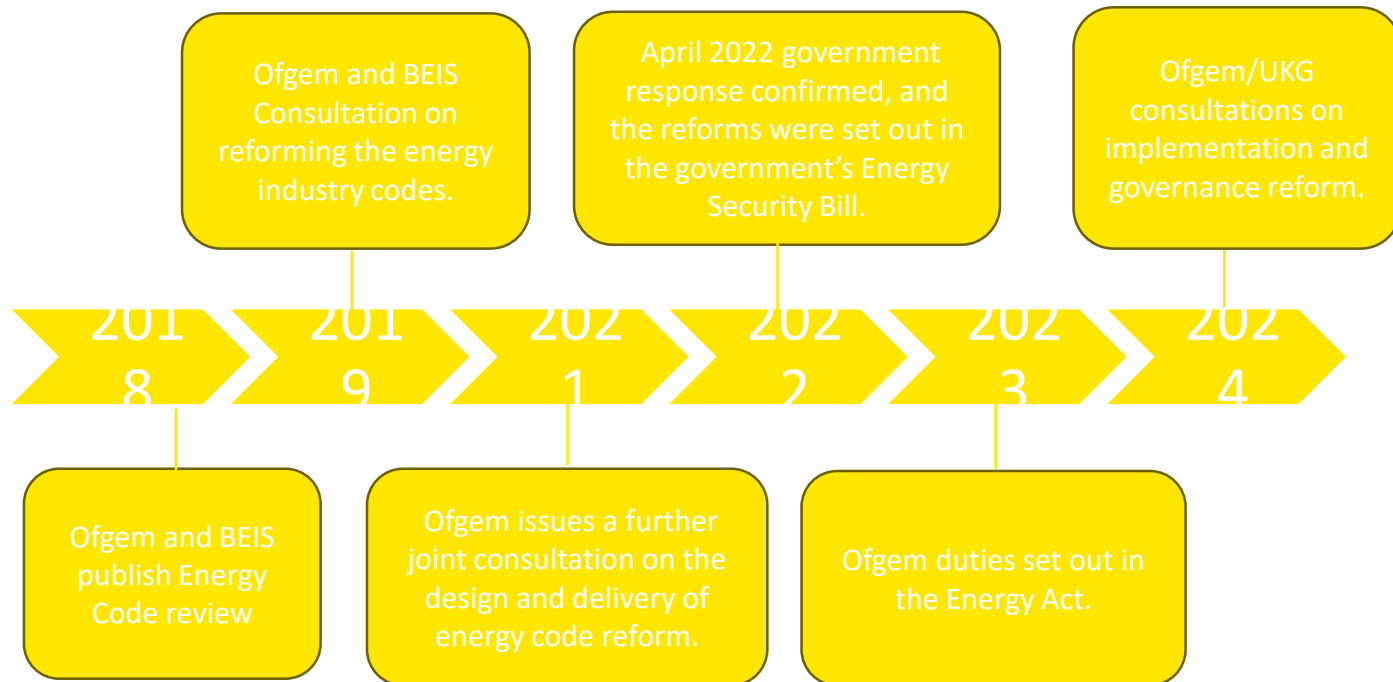


Scottish & Southern
Electricity Networks

TRANSMISSION

Energy Code Reform

In 2016, the Competition & Markets Authority (CMA) published proposed remedies to reform the governance of the industry codes



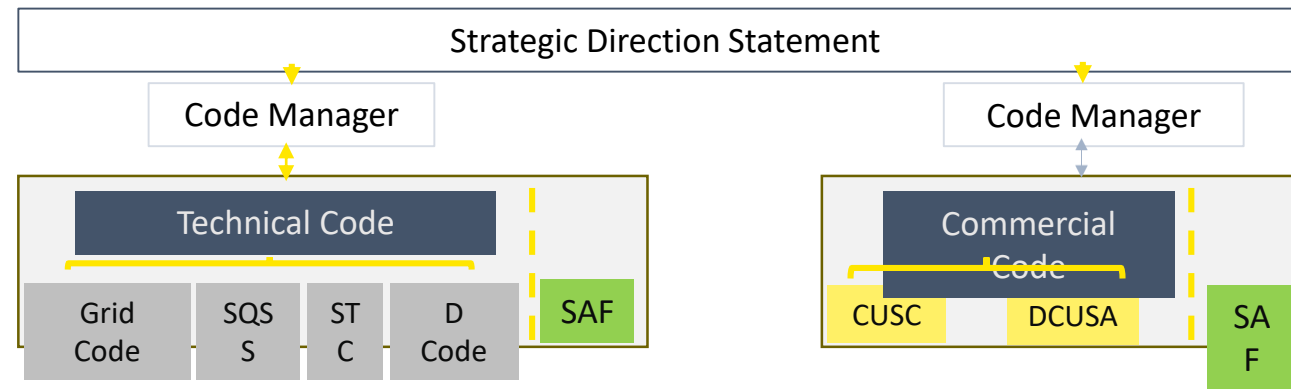
- SSEN Transmission agrees that the energy landscape is changing, and that code governance and processes need to change too.
- We accept that there could be benefit in consolidating and streamlining processes across the Grid Code and Distribution Code, as well as examining the consolidation of the CUSC and DCUSA.
- However, we have concerns on the inclusion of SQSS and STC in this process, particularly where this could result in commercial interest having an influence on safety and security of the network.

Energy Code Reform: Code Consolidation

A critical point in the process for the SQSS

“...given the relative size of these codes, as well as the relatively low level of modification activity, we think that it would be disproportionate, and thus inefficient, to leave these as standalone codes with their own code managers appointed.

Furthermore, we consider that there are sufficient existing interactions between these codes to justify consolidating them.”



The SQSS: Consequences of Widening Participation

Ensuring A Reliable Network and System Restoration

	Commercial Interest	Risk to Network
Developers / Generators	Developers may wish to reduce volume of works required to meet SQSS compliance.	! Reduction in works would lead to a less secure network.
	Infrequent infeed loss restricts Developers' capacity.	! Possible influence to vary rules on network design/operation criteria which could relax the network security.
Procedures / Process	Seek to obtain more information on the network than is currently provided e.g. outage data, request for more cost data.	! Impact access to land with subsequent impact on planning. ! Changes to timescales/outages could impact the reliability and safety as well as the delivery of Net Zero.
Storage	Quicker and cheaper connections to increase product access to market:	! A request for a design for operation at 80% is agreed
System Restoration	Attempt to 'soften' the SQSS: Influence plans and network limits.	! Softening' of the SQSS: High risk of more frequent outages. Black Start in jeopardy.
SQSS Update	The SQSS needs to be updated to reflect new technologies.	! Risk that those with no responsibility for the safe and reliable operation of the network could develop these standards.

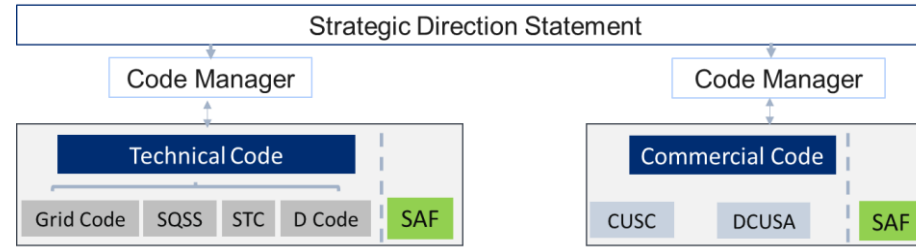
Ofgem's proposed mitigations are essentially to rely on good governance through code managers to identify these risks and take appropriate actions.

Key concerns:

- No visibility of governance/roles and responsibilities.
- no decision yet on the prioritisation process.
- no governance rules for the SAFs to ensure commercial interests are not considered in technical matters.
- Potential for lobbying and 'volume' driving changes
- Need for sufficient knowledge on technically complex issues.

The SQSS

Previous consultation questions



Key Question from consultation on implementation of Energy Code Reform

1. Do you agree that Ofgem should recommend to the Secretary of State that the 11 industry codes listed (including the SQSS) should be designated as “qualifying documents” for the purposes of using Ofgem’s transitional powers in the Energy Act 2023 to deliver energy code reform?
2. Do you agree with Ofgem’s preferred option to consolidate the Grid Code, STC, SQSS and Distribution Code to form a unified electricity technical code?

- No. We are obligated by our licence to plan, maintain and operate a safe, secure and reliable network.
- Parties with no such obligation on them can act in their own financial and commercial interests.
- The SQSS defines the requirements for the design and planning of a secure and safe network - it is essential that it is kept out of the current code reform process.
- The existing SQSS process works well. The TOs form the most significant party to the Code Panel and the relatively few number of complex technical modifications have discussion by technical experts.
- Any thoughts of ‘inefficiency’ from a ‘whole codes’ perspective, should be viewed against the detrimental effect of impacting a well organised existing process with additional non-related codes.

Activities ahead of the next Panel Meeting

**Modification Proposal Deadline for Month
Panel**

20 August 2024

Papers Day

27 August 2024

Panel Meeting

11 September 2024
Teams

Close



Teri Puddefoot

Chair, SQSS Panel