

STC Panel Minutes

STC Modification Panel Minutes: Meeting Number 227

Date: 31/07/2024 **Location:** Microsoft Teams Meeting
Start: 10:00am **End:** 11:20am

Participants

Attendee	Initials	Company
Elana Byrne	EB	Chair, Code Administrator, National Grid Electricity System Operator (NGESO)
Deborah Spencer	DS	Tech Sec, Code Administrator, National Grid Electricity System Operator (NGESO)
Rashpal Gata-Aura	RGA	Code Administrator, National Grid Electricity System Operator Observer
Antony Johnson	AJ	National Grid Electricity System Operator (NGESO)
Keith Jones	KJ	National Grid Electricity System Operator (NGESO)
David Halford	DH	Presenter for CM099 Fax Proposal (ESO)
Stephen Baker	SB	Presenter for PM0136 CATO TO Connection Procedure (ESO)
David Wildash	DW	National Grid Electricity System Operator (NGESO)
Neil Geddes	NG	Scottish Power Transmission plc. (SPT)
Harriet Eckweiler	HE	Scottish Hydro Electric Transmission plc. (SHET)
Richard Woodward	RW	National Grid Electricity Transmission (NGET)
Mike Lee	ML	Offshore Transmission Owner (OFTO)
Joel Matthews	JM	Offshore Transmission Owner (OFTO)
Sue Richards	SR	Authority Representative
Apologies	Initials	Company
Gareth Williams	GW	Scottish Power Transmission plc. (SPT)
Nadir Hafeez	NH	Authority Representative

1. Introductions and Apologies for Absence

6759. Apologies were received from Gareth Williams and Nadir Hafeez for July Panel 2024.

2. Minutes from previous meetings

6760. The Panel approved the minutes from the meeting held on 29 May 2024 – June Panel was cancelled due to quoracy, (**Post Panel Meeting Note:** The minutes are now available on the National Grid ESO [website.](#))

3. Review of Actions

6761. The Actions from May 2024 Panel were reviewed as below.

6762. **Action 5723/6208 January 2023** - AJ gave an update and noted this issue had arisen post **GC0156** (Electricity System Restoration Standard) so that NGET, SPT and SHETL could be treated in the same way during a Restoration event.

6763. AJ advised a meeting was planned to be scheduled over the next few weeks and before the next Panel but noted ESO had struggled to get some input for dates from SSE - EW advised she would chase up.

6764. **Action 6281 June 2023 – PM0133** Pathfinder Feasibility Studies – Ongoing OFTOs require further clarity regarding STCP 19-5. Legal text had not yet been developed and there was a need to progress this and a note to TB has been forwarded to chase this up.

4. Authority Decisions and Update

6765. SR (Authority Representative) confirmed that following the election, some of the decisions dates may be revised and that some of the modifications were being reprioritised.

CM094 – Amendment to Bi-annual estimate provisions – was rejected by Ofgem on 11 June 2024

CM079 - Consideration of STC/STCP changes in relation to CMP330/374 – was a Send Back on 8th July 2024

FMRs with Ofgem for decision

- **CM085** – *To clarify OFTO reactive power requirements at <20% output revised* expected date of decision now 8 August 2024.
- **CM086** – *Introducing Competitively Appointed Transmission Owners & Transmission Service Owners* expected date of decision was on 30 September 2024.
- **CM087** – *Introducing Connections Process to facilitate Competitively Appointed Transmission Owners* expected date of decision was on 30 September 2024.

5. Draft STC/STCP Modifications

6766. The Chair advised that no draft modifications had been received for July 2024 Panel.

6. New STC/STCP Modification Proposals for Panel Decision

6767. The Chair informed the Panel that three new modifications had been received for July 2024 Panel. Critical Friend Checks had been completed on all the new modifications. The Proposer of **CM099** was invited to present.
- **CM099 – Removing references to “Fax” and Facsimile” within the STC**
 - **CM0100 - Consequential modification following approval and implementation of CUSC CMP428 User Commitment liabilities for Onshore Transmission (reinforcement) in the Holistic Network Design**
 - **PM0136 - Introducing Connections process to facilitate Competitively Appointed Transmission Owners**
6768. DH gave a brief overview on **CM099** proposing an alternative to fax machines. Only minor amendments were proposed to the STC legal text – please see [Panel Papers](#) for more details.
6769. DH advised the Panel that 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.
6770. The proposed solution was to update the 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**
6771. DH informed the Panel that it should be noted that 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.
6772. The Ask of the Panel was:
- **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 were received from industry)
6773. The Panel unanimously agreed that this modification had clearly defined defect, scope and solution, the modification should follow the Fast Track Self-Governance criteria and noted the proposed timeline for implementation upon conclusion of the Appeals Window if no objections were received.

6774. DH presented the slides on **CM0100** – please see the [Panel Papers](#) for more details.
6775. The purpose of the modification was to ensure consistency between the CUSC and STC.
6776. DH confirmed that one of the main changes to the legal text was the definition of “Attributable Works”.
6777. RW commented that NGET were keen for this modification to proceed to Code Administrator Consultation and also asked the question if the TOs were adequately equipped to understand the definition “Attributable Works”.
6778. DH advised that ESO would be happy to discuss this on the CUSC side and that this point should be fed back through the Code Administrator Consultation response.
6779. The ask of the Panel was: -
- **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)
6780. The Panel unanimously agreed the “Asks of the Panel” above and **CM0100** should proceed to Code Administrator Consultation from 5 August 2024 to 3 September 2024.
6781. SB was invited to present **PM0136** and advised that if a change was developed which had the potential to materially amend an existing STCP, the Proposer was obliged to seek Panel’s views on materiality before proceeding.
6782. When considering the proposed changes to the STCPs, the first ask on voting members was whether it was agreed that the change was material based on the final proposal (as opposed to Panel’s view of materiality from December 2023 based on the draft proposal).
6783. If the change was deemed 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.
6784. SB advised that Ofgem could then decide either:
- It was acceptable for the Panel to approve/reject the STCP changes, or
 - Ofgem would make the decision.
- SB advised the Panel that the Authority Response was:**
- “Having consulted with the policy team leading on **CM087** which relates to **PM0136**, they were content for the STC Panel to determine this procedural change”.

- “Therefore, ESO direct the STC Panel to make the decision on **PM0136**, noting the materiality of the STCP change and that their decision on STC modification **CM087** was still pending”.

6785. RW raised a concern that this modification was assigned for a Panel decision, rather than an Ofgem decision, as this was a significant modification with a number of moving parts and also introduced a new regime.
6786. RW advised that as a Panel Member NGET was not comfortable making the decision. Whilst they were happy to take a view, they felt this modification should be with Ofgem for a decision.
6787. AJ also noted that Ofgem had taken a decision on the Electricity System Restoration Standard (ESRS) including the STC / STCP Modifications, **CM089/CM091** and **PM0128/PM0132**, and in his view **PM0136** was subject to more changes than ESRS, so with such precedent a decision by Ofgem would be better.
6788. SB stated case that the draft proposal for **PM0136** was voted on in December 2023 to agree it contained materiality and that NGET and the ESO view was that this modification should go to Ofgem for a decision.
6789. **ACTION** SR to arrange a call with ESO to agree and confirm this and remove ambiguity.
6790. RW offered to support if required.
6791. SB confirmed that ESO have the communication/ call with Ofgem and understand what the best steps were, noting that **CM086/087** are due for a decision by Ofgem on 30 September 2024. ESO would prefer that Ofgem make decisions on all the CATO modification simultaneously, as ESO need to be in a position to start the EC process from Q4.
6792. SB noted as proposer and agreed with NGET that the ultimate decision should be by the end of September to facilitate implementation and that this modification should go to Ofgem.
6793. The Panel unanimously agreed that **PM0136** has materiality.

7. Inflight Modification Updates/Potential New Modifications

6794. None

8. Workgroup Reports

6795. The Chair advised that there were no Workgroup Reports for the July 2024 Panel.

9. Draft Final Modifications Reports

6796. The Chair advised that the rationale and background had been discussed on **CM098 - Updating STC Arrangements to replace the Electricity Arbitration Association with the London Court of International Arbitration** – to change the “Electricity Arbitration Association” to the “London Court of International Arbitration!”.

6797. The Panel unanimously agreed to recommend implementation, and the expected date of implementation was 30 August 2024, pending Ofgem approval.

10. Code Administrator Update

6798. None

11. Any Other Business

6799. KJ briefly outlined the amendments to Appendix C5 of STCP 11-2 to the Planning process to review "...existing arrangements for outage planning (including, transmission outages, relevant distribution outages and generation outages) in the short, medium and long-term". Further information please see the slide pack within [Panel Papers](#).
6800. The Panel were in general agreement with the proposal and no comments were raised, noting that further changes would be likely.
6801. DW was invited to give a brief update on **CM095** and **CM096** - Connection Reforms modifications.
6802. DW gave an update and some background on looking to extend the timeline; there have been discussions with Ofgem/DESNZ and Clean Power 2030 which continue to develop through the existing code process.
6803. DW advised that ESO still need to work to this and timeline and noted the letter sent to Panel Members from by Kayte O'Neill.
6804. DW advised ESO were still trying to get a firm timeline from a working group perspective and code perspective with further updates expected in due course. Special Panels would be held in August and September to discuss this further.
6805. The Chair invited the Authority Representative to give an update on Energy Code Reform.
6806. SR advised that the first Modification Process Workgroup (MPW) session took place on 14 May. This session focussed on two areas that Ofgem sought views on in their recent consultation: the Code objectives, and the role of stakeholders in delivering strategic change. The MPW explored how a possible net zero Code objective could impact the Code Modification process, the benefits and downsides of Ofgem producing associated guidance, and more broadly, opportunities for closer alignment of objectives between the Codes. Ofgem also discussed the nature of information Code Managers might need from Code parties to effectively develop and deliver strategic change, circumstances where that information may need to be requested, and the challenges with framing any licence or Code obligation on this.
6807. Session 2 of the Modification Process Workgroup (MPW) took place on 23 May. It explored the future role of Stakeholder Advisory Forums (SAF) in the modification process as well as how the Code Manager and SAF could work together. There was a discussion on how SAF members could potentially be appointed. The second part of the workgroup looked at roles in the modification process, including who

should be able to raise a modification proposal and alternative modifications, and if the principle of proposer ownership needs to evolve.

6808. Ofgem providing updates on what was discussed at MPW sessions and have asked that these were included in the Panel minutes so they could be shared more widely. Ofgem also intend to publish a workgroup report in due course. The report will outline what had been discussed and views provided by the MPW. Due to the pre-election period the workgroup sessions were delayed, consequently it's possible that Ofgem will publish the report in two parts.
6809. Session 3 of the Modification Process Workgroup (MPW) took place on 12 July. It discussed premodification processes, triage criteria and prioritisation processes and criteria. The MPW looked at examples of what happens in current arrangements and considered how they could inform the design of a new process. Workgroups were also discussed including how the Code Manager could make these more effective. Lastly the self-governance criteria was considered and if this needed to change as part of an updated Code Modification process.
6810. Ofgem had commenced publishing again and were in the process of confirming new expected decision dates for Code Modifications with them for decision. This was part of an Ofgem-wide strategic review of all publications.
6811. Ofgem would look to communicate these Expected Decision Dates (EDDs) where possible at Code Panel meetings, however for the time being Ofgem would not be publishing an updated EDD register on their website. This was because organisational priorities may change in light of the new government coming into power, and Ofgem were therefore not in a position to confirm expected decision dates for all Code Modifications currently with them.
6812. To inform Ofgem's approach to development of the strategic direction statement (SDS) Ofgem will be holding two workshops that will be open to Code Panels to attend. Invitations had been sent to the secretariat to be forwarded on to Panel Members. These workshops will take place on 31st July and 6th August. If any Panel member had not RSVP'd yet, Ofgem would be grateful if you could confirm attendance. Any questions, comments or feedback was welcomed to industrycodes@ofgem.gov.uk.
6813. The Chair advised that the STC Panel dates for 2025 have been published and invites would be sent out soon.
6814. RW advised the Panel members that he would be moving to a new role in NGET, no replacement had yet been appointed and that he would remain as the main contact until an appointment had been made which was expected in the next few months.

Date of next meeting

6815. The next STC Panel meeting will be held on **Wednesday 28 August 2024**.

6816. New Modification Proposal date **Tuesday 13 August 2024.**

6817. Panel papers day **Tuesday 20 August 2024.**