

Workgroup Consultation Response Proforma

GC0159: Introducing Competitively Appointed Transmission Owners

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 grid.code@nationalgrideso.com by **5pm on 15 February 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 Ruth Roberts ruth.roberts@nationalgrideso.com or grid.code@nationalgrideso.com

Respondent details	Please enter your details
Respondent name:	Mark Fitch
Company name:	Transmission Investment
Email address:	Mark.fitch@tinv.com
Phone number:	07789 650302

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 Grid Code Objectives are:

- a) *To permit the development, maintenance and operation of an efficient, coordinated and economical system for the transmission of electricity*
- b) *Facilitating effective competition in the generation and supply of electricity (and without limiting the foregoing, to facilitate the national electricity transmission system being made available to persons authorised to supply or generate electricity on terms which neither prevent nor restrict competition in the supply or generation of electricity);*
- c) *Subject to sub-paragraphs (i) and (ii), to promote the security and efficiency of the electricity generation, transmission and distribution systems in the national electricity transmission system operator area taken as a whole;*
- d) *To efficiently discharge the obligations imposed upon the licensee by this license and to comply with the Electricity Regulation and any relevant legally binding decisions of the European Commission and/or the Agency; and*

e) *To promote efficiency in the implementation and administration of the Grid Code arrangements*

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 better facilitates the Applicable Objectives?	<p>Mark the Objectives which you believe the Original Solution better facilitates:</p> <p>Original <input checked="" type="checkbox"/>A <input checked="" type="checkbox"/>B <input checked="" type="checkbox"/>C <input type="checkbox"/>D <input type="checkbox"/>E</p> <p>The proposal does improve objective B, to promote competition in generation and supply as it expands the capacity to build network infrastructure, faster. The reason given in the consultation does not appear to be relevant to the code objective, but is an important feature of creating an effective CATO regime</p> <p>If the proposals below, relating to simplification by using direct geographical terms were to be adopted, it may be that objective e) may also be better met</p>
2	Do you support the proposed implementation approach?	<p><input type="checkbox"/>Yes <input checked="" type="checkbox"/>No</p> <p>The Legal text is currently flawed in relation to Planning Code Appendix C. CATOs are being required to adhere to multiple sets of criteria through Part 1, 2 and 3 applying. It is infeasible for a CATO, which could simultaneously be interfacing with all three incumbents, to adopt all of the criteria. It also could be seen as discriminatory, because no other licensee is obligated through this code to comply with all other Licensees' Technical and Design criteria. The solution to this flaw is to remove the changes in Part 1 and Part 2 (that seek to apply these to a CATO), while retaining the new Part 3. This puts the CATO on an equal basis, assuming these are common criteria for all Licensees (including NGET) and apply to the entire National Electricity Transmission System.</p> <p>The definition of "Transmission Interface Circuit" is not able to be satisfied if a CATO interfaces with more than one incumbent. It should, instead, be defined by the geographic point where the CATO connects to another TO, to align to the geographical extent of statutory definitions of transmission (see below marked-up text #1).</p>
3	Do you have any other comments?	In general, it would seem logical to move away from using references to the incumbent transmission

		<p>companies' and their licence areas, when defining where criteria, standards or rules apply, e.g. Small, Medium power stations, BM Unit capacity etc. This is based on identified flaws, including:</p> <ol style="list-style-type: none"> 1. The incumbent Transmission Areas defined in the licences are no longer a good proxy for the original and intended geographical limits of the obligations in the code. Incumbent TOs now have Transmission Areas which include subsea corridors (the limit of which is not publicly declared in the licence and depends on the ownership of the JV companies) which a CATO or other licensee may pass through 2. The increased complexity of more bootstraps in the future will make the incumbent transmission areas more complex and harder to avoid the unintended application of obligations. It would require individual carve-outs of those parts of the definition of the incumbent licence areas within the code to avoid these being seen by investors/banks as a potential risk. 3. References are used to 'interfacing with' a specific incumbent, where the required intent is to determine a geographical boundary. This approach to applying the obligation has worked for a User connecting to a system. A CATO, however, may interface with more than one incumbent, which can create conflicts as to which requirement takes precedent. Further analysis is required to identify where it is a geographical requirement, e.g. see example of the Transmission Interface Circuit (#1 below), and which are about consistency of standards for all Users connecting to a TO's system. Ambiguity like this may be seen by investors/banks as a risk. 4. Using direct geographical references would make the code more understandable, which will encourage more participation and may mean that the modification also better meets objective e). See example #2
4	<p>Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Click or tap here to enter text.</p>

Specific Workgroup Consultation questions		
5	The Grid Code does not specify how TOs initially form/create their RES. Noting the workgroup discussion on this point, do you have a preferred approach that CATOs might follow to do this?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		<p>CATO bidders should be able to propose within their Bid any Relevant Electrical Standards that they will apply to their transmission system. These will represent the CATO bidder's view of how to best meet the performance requirements, set by the ESO, in the tender technical specification.</p> <p>Bidders will be required to have relevant experience of operating such systems and therefore the competence to develop and define such standards.</p> <p>Existing RES should not be automatically applied to CATOs as this reduces the opportunity for innovation in delivering the outcomes required by the ESO.</p>

EXAMPLES OF SIMPLIFICATION USING GEOGRAPHICAL TERMINOLOGY

#1

<p>Transmission Interface Circuit</p>	<p>Transmission Area or in the Transmission Area of a Competitively Appointed Transmission Licensee, which interfaces with NGET's Transmission System In England and Wales, a Transmission circuit which connects a System operating at a voltage above 132kV to a System operating at a voltage of 132kV or below</p> <p>Transmission Area and SPT's Transmission Area or in the Transmission Area of a Competitively Appointed Transmission Licensee, which interfaces with SHETL's or SPT's Transmission SystemIn <u>Scotland</u>, a Transmission circuit which connects a System operating at a voltage of 132kV or above to a System operating at a voltage below 132kV.</p>
--	---

#2

E&W Transmission System	Collectively NGET's Transmission System , any Competitively Appointed Onshore Transmission Licensee's Transmission System located in NGET's Transmission Area England and Wales and any E&W Offshore Transmission Systems .
------------------------------------	--