

Public
SQSS Code Review Panel

Meeting minutes

Date: 11/09/2024 Location: Microsoft Teams / Faraday House
 Start: 10:00 End: 12:00

Participants

Attendee	Attend/Regrets	Attendee	Attend/Regrets
Teri Puddefoot (TP)	Attend	Karen Stanton-Hughes (KSH)	Attend
Graeme Vincent (GV)	Attend	Nadir Hafeez (NH)	Attend
Roger Morgan (RM)	Attend	Claire Newton (CN)	Attend
Xiaoyao Zhou (XZ)	Attend	Bless Kuri (BK)	Attend
Paul Drew (PD)	Attend	Calum Watkins (CW)	Attend
Cornel Brozio (CD)	Attend	Antony Johnson (AJ)	Attend
Le Fu (LF)	Attend	Mike Lee (ML)	Attend
Roddy Wilson (RW)	Attend	Sean Winchester (SW)	Attend
Adam Gildea (AG)	Attend	Bieshoy Awad (BA)	Regrets
Alan Creighton (AC)	Regrets	Scott Bull (SB)	Regrets
Garth Graham (GG)	Regrets	Attendee name	Choose an item.

Agenda

#	Topics to be discussed	
1.	Introductions, apologies for absence and declarations of interest	TP – 5 mins
2.	Approval of Previous Panel Minutes Panel minutes 1 August 2024	TP – 5 mins
3.	Review of Actions within Action Log	TP - 5 mins
4.	In Flight Modifications Timeline update - <u>GSR030: Offshore DC Connections</u>	TP – 5 mins
5.	AOB: <ul style="list-style-type: none"> Proposed licence modification on SQSS code ownership 	AG – 30 mins
	<ul style="list-style-type: none"> Amendments to Security and Quality of Supply Standard Governance Framework 	TP – 10 Mins
6.	Close	TP – 5 mins

Public

Discussion and details

Topics to be discussed

1. Minutes from previous meeting

The meeting minutes from the SQSS Panel held on 01 August 2024 were approved.

2. Review of Action Log

The Grid Code Review Panel reviewed the open actions from the meeting held on 03 June 2024, which can be found on the Actions Log below.

Action 40.8: AJ advised still open, the decision date was due 23 August, at Grid Code Review Panel on 22nd August, Ofgem advised there was not going to be a decision made and the panel would be holding a separate consultation, at end of this month.

Action 40.9 PD advised this date will need to change and will have a conversation with Nadir.

3. Authority Decisions

None advised.

4. Chair's Update

The chair provided an update on modification GSR030, Offshore DC connections. Recent workgroup timeline discussions had taken place and it was agreed to include 2 more workgroups. One at end of Oct and the other in Nov and the workgroup is currently in the process of timelining around this, exact Workgroup dates to be confirmed.

5. AOB:

Proposed licence modifications on SQSS code ownership.

AG gave a presentation on the modification the Ofgem/Code Governance Team are working on for the proposed licence modifications for SQSS code ownership and the rationale for this. The Summary and rationale was set out in the January 2024 Ofgem consultation. Ofgem is proposing to place an obligation on the system operator (NESO) to maintain the SQSS by modifying the licence condition E7 which relates to the SQSS as well as licence condition A1 (Definitions) in NESO's new electricity system operator licence, expected to go live once NESO is designated as the Independent System Operator.

There will also be some minor alterations to licence conditions D3, E16 and also in the transmission licences as these are cross referenced.

The rationale for the change is technical and the Energy Act gives Ofgem some time limited transitional powers to implement code reform which can only be used in relation to codes which are designated as qualifying documents by the Secretary of State and the code states this must be maintained in accordance with the conditions of the relevant licence. Under the present governance arrangements SQSS is not defined as being designated. In terms of approach, the modification is focussed on enabling SQSS to be designated as a qualifying document rather than changing anything substantive regarding the day-to-day management i.e. formalising the arrangements. It is envisioned that NESO would develop a SQSS code modification to bring slightly modified SQSS framework governance into the proposed code governance arrangement once

the licence modification is in place. In terms of the changes SQSS governance would need to be brought into line with the licence change by a date in the licence.

What would not change would be the SQSS objectives, panel composition or modification process and the licence change is to facilitate future changes.

Ofgem would have formal power to approve SQSS modifications and dispense with the current licence request for change.

CNI suggested that there was a plan for a unified technical code, and understood that the ESO will maintain the SQSS, which will look different for SQSS. She was interested to know what this would mean for future governance of SQSS. It is assumed that the intention is not to give this any special treatment.

AG advised essentially a decision to consolidate the code and publish this to state the SQSS and grid code STC and recent code would be included into a unified technical code with implementation via a phased transition plan. In terms of consolidated codes, there is no intention to give this modification any special treatment.

SW noted the mod is just a stop gap measure which is pending a decision following the consultation with DESNZ with the moving of the code owner obligations to the incoming code banders. In this case it would be given to the NESO for a limited period, e.g. for 3-4 years through to the 3rd year where the technical codes would be consolidated, and then move this potential obligation over to the code managers. At the same time there would need to be a look at overhauling of the governance.

AJ asked if SQSS governance would need to be brought into the code in terms of the licence as it implies it is going to be introduced to the governance rules into the SQSS itself. He also, noted that in the STC and the GC, the current industry codes refer to the NESO as "The Company" yet in the legal draft it refers to the ISOP. Bearing in mind a unified code will be developed does not make sense to have different terminology.

AG - The modification process approach will change this if bringing the governance chain into the code so it will be slightly modified

AP42 – AG to talk to Ofgem Lawyers for clarification of "Company" / Code references.

AG – Code modification is an outcome of discussions and it is proposed to publish a statutory consultation in October 24, and licence condition will require further SQSS governance into the code, for NESO and panel to work on with Indicative timelines of how achievable this is:

- October Publish Statutory consultation.
- Decision December
- 56-day standstill period where licence does not change, legal requirement
- Effect by February 25
- Proposal compliance date end March 2025 for NESO and panel to develop modification to bring governance framework into the code to comply with licence conditions.

AG – asked the panel if this is reasonable?

CN – suggested, NESO would bring forward the SQSS mod and need to understand who would be doing this as AC has made comments on the draft and asked when the next opportunity would be to see the changes to the licence.

AG – advised the latest version of the text would be available in October, to include the latest updates and would be taking AC’s comments into consideration.

Amendments to SQSS governance framework.

The Chair discussed the amendments to the SQSS governance framework and the comments made. Previous changes will be progressed with the suggested changes made by the panel. Given the recent presentation by AG, there will be a need for changes, as the current governance framework sits outside the current SQSS governance framework

The chair asked if the panel would like to go through the changes proposed or discuss them at a further meeting to consider pulling the new changes for the governance framework into the SQSS.

NH – advised looking back when open governance was introduced as this approach may be applicable.

AJ – agrees open governance is worth looking at whilst noting Energy Code Reform would ideally iron out some of the current issues with the Open Governance process..

GV – suggests 1 October, the additional changes, and the comments from AG on the new changes should be considered at an additional meeting due to not being able to enforce something that is not in the governance rules at present. Further discussion would be needed.

Chair – will share the document with the initial changes proposed, and agreed by panel at the time, then agree to this in a further short meeting with the proposed changes to go live. Then a further meeting to discuss the ISOP changes.

CN – in the interests of time, does the panel feel they should be looking at the ISOP changes or wait to see if another mod is necessary to resolve the ISOP / Company issue.

AG – suggests this should be as joined up as possible, for alignment of code and licence.

AJ – advised that the draft refers to the ESO licence and refers to the ISOP as owner.

AG – one of the reasons is due to the rest of the licence being drafted in this way.

CN – timeline for the unified technical code is years, in terms of meeting the 1 October day 1 changes, she suggested staying with the term ISOP and then the “company” issue will get resolved further down the line. It was suggested to focus on the minimum which needs actioning from day 1 and deal with other issues later.

Public

AJ - agreed the need to meet the short window and ensure it is fit for purpose, then noting subsequent modifications are given the appropriate level of time and resource to accommodate.

AP Chair – discussions with legal and confirm the changes suggested. It was suggested to send out a draft document to panel and call a special panel meeting to get confirmation of the implementation date. It was also suggested to arrange a further workgroup meeting to progress timelines , develop future changes and look at this in more detail as a priority. The chair asked if there were any objections. None recorded.

6. Activities ahead of Next Panel

- The next SQSS Panel meeting will be held on 13 November at (10:00–12:00) via Microsoft Teams/at Faraday House.
- New Modification Proposals to be submitted by (23 October).
- SQSS Code Review Panel Papers Day is (30 October).

Action Item Log

Action items: In progress and completed since last meeting

ID	Description	Owner	Due	Status	Date
40.8	Updates regarding GC0117	AJ	N/A	Ongoing	Ongoing
40.9	Ofgem to give a view on the role and responsibilities of Panel with respect to the FRCR work	Ofgem	11/09/2024	Ongoing	11/09/2024