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STC Panel Minutes 11 December 2024

STC Panel Minutes: Meeting Number: 229

Date:	11/12/2024	Location:	Microsoft Teams
Start:	10am	End:	11.30am

Participants

Elana Byrne	EB	NESO Panel Chair, Senior Code Governance Lead
Deborah Spencer	DS	NESO Tech Sec, Code Administrator
Gareth Williams	GW	Scottish Power Transmission plc. (SPT)
Richard Woodward	RW	National Grid Electricity Transmission (NGET)
Mike Lee	ML	Offshore Transmission Owner (OFTO)
Joel Matthews	JM	Offshore Transmission Owner (OFTO)
Scott Bull	SB	Authority Representative
Emily Rice	ER	Scottish Hydro Electric Transmission plc. (SHET)
Claire Newton	CN	National Energy System Operator (NESO)
Keith Jones	KJ	National Energy System Operator (NESO)
Mike Oxenham	MO	National Energy System Operator (NESO) (Observer)
Dovydas Dyson	DD	National Energy System Operator (NESO) (Observer)

Apologies

Attendee	Initials	Representing
Sue Richards	SR	Authority Representative

Presenters

Attendee	Initials	Representing
Alex Millar	AM	NESO – Senior Buyer Pathfinders (Presenter of PM0133)
Haarith Dhorat	HD	NESO – Network Service Manager (Presenter of PM0133)
Steve Baker	SBa	NESO – Technical Code Change Lead (Presenter of PM0142)
Graham Lear	GL	NESO – Technical Code Change Lead (Presenter of PM0143)

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Emily Rice

ER

Scottish Hydro Electric Transmission plc. (SHET – Presenter of PM0145)

1. Introductions, Apologies for Absence

6868. The Chair welcomed Panel members and gave apologies for Sue Richards.

2. Minutes from previous meeting

6869. The meeting minutes from the STC Special Panel held on 09 September and STC Panel held on 25 September 2024 were approved and can be found on the relevant websites.

3. Review of Actions Log

6870. The STC Panel reviewed the open actions from the meeting held on 25 September 2024, which can be found on the Actions Log.

6871. Panel members agreed that **actions 6677/5723/6208 and 6281** could all be closed and removed.

4. Authority Decisions and Updates

6872. SB advised Panel members of the following updates:

CM086 Introducing Competitively Appointed Transmission Owners & Transmission Service Owners, expected date: 30 September 2024 changed to 31 January 2025.

CM087 Introducing Connections Process to facilitate Competitively Appointed Transmission Owners, expected date: 20 September 2024 changed to 31 January 2025.

CM098 Updating STC arranges to replace the Electricity Arbitration Association with the London Court of International Arbitration, Expected date: 12 February 2025 was previously 06 December 2024.

6873. SB shared the latest update from Energy Code Reform:

6874. The Authority have published their consultation on Code Manager selection. This covers the design of both competitive and non-competitive selection processes and details the criteria and evidence that we propose to evaluate at each stage. The Authority are proposing a three-stage process for both competitive and non-competitive selection. As well as a main licensing assessment phase, there would be an initial eligibility assessment. Once we have completed the licencing assessment phase, there would also be an implementation and assurance phase before awarding the licence.

6875. The Authority have set out their proposed approach to determining whether to select code managers on a competitive or non-competitive basis:

- non-competitive selection for the BSC and REC, based on considerations related to speed of delivery and value for money,

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- either competitive or non-competitive selection for the consolidated gas code, electricity commercial code and electricity technical code, based on the number of eligible candidates following a public expression of interest (EOI) process, and
- a deferred decision for the Smart Energy Code (SEC), in recognition that the SEC’s current governance arrangements are still in their ramp up phase.

6876. The Authority are also seeking views on the guidance document, and accompanying forms, that they intend to publish in fulfilment of their obligations under the Code Manager Selection Regulations 2024. And the proposed content of forthcoming Ofgem regulations that would govern any competitive selection process. Alongside this consultation, Ofgem have launched the selection processes for the first two code managers, with Elexon and the Retail Energy Code Company (RECCo) invited to become code manager candidates for the Balancing and Settlement Code (BSC) and for the Retail Energy Code (REC) respectively, subject to the outcome of an eligibility assessment process.

6877. The consultation is available on the Ofgem website and will close on 30 January 2025. Please send your response to industrycodes@ofgem.gov.uk. If you have any questions on the consultation, or on energy code governance more generally, please contact Ofgem at industrycodes@ofgem.gov.uk.

6878. **Reminder for Christmas publishing moratorium:** Ofgem will have in place a publishing moratorium over Christmas and the New Year. Their last publishing day will be Thursday, 12 December 2024, and they will begin to publish documents again on Friday, 3 January 2025.

5. Draft STC/STCP New modifications

6879. The Chair advised there were three draft STCP modifications submitted.

PM0142 – Application of Gate 2 Criteria to existing contracted background

PM0143 – Implementing Connection Reform

6880. SBa and GL, the Proposers, gave updates on the current status of the connection modifications CMP434, CMP435 and CM095, adding reasons for the changes to STC Procedures and demonstrating the material changes.

6881. RW observed the materiality of the changes and asked if the Authority would be approving the proposals.

6882. He added that, in that case, Panel would offer a recommendation vote, and the proposals would then need to be submitted to the Authority for a decision.

6883. There was a formal agreement from STC Panel members that the draft STCP Proposals PM0142 and PM0143 did have materiality. It was agreed that the Proposers would write to the Authority, who will confirm in writing whether STC Panel are to

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submit recommendation, or determination votes once the official proposals have been presented to STC Panel in 2025.

PM0145 – Digital Communication System Integration

- 6884. ER, the Proposer of PM0145, gave an overview of the Proposal and what they hoped to achieve by implementing the change. Panel Members were advised that NESO colleagues had been consulted before submitting the proposal to December STC Panel.
- 6885. CN asked who within NESO had been involved in the discussions, the Proposer agreed to confirm details of the names after the meeting.
- 6886. RW noted that it was not clear which STCP's would be referred to in the proposal, the Proposer agreed to share a list of the suggested STC Procedures after the meeting.
- 6887. There was some discussion regarding the use of different systems and the need for a bilateral agreement if this was the case. CN noted NESO's Cyber Security team should be contacted to discuss the proposal before it proceeds.
- 6888. Members advised that they did not think there was any materiality, but the legal text would need to be completed and reviewed before an agreement could be made. **Action:** the Proposer is to share a list of NESO colleagues who discussed the proposal, a list of the STC Procedures affected, and legal text ahead of submitting the official proposal.

6. New STC/STCP Modification Proposals for Panel Decision

- 6889. The Chair advised there was one STC modification submitted.

PM0133 – Pathfinder Feasibility studies

- 6890. The Proposers (AM, HD) gave an overview of the proposal to STC Panel which led to questions by members around timescales of the request and the flexibility of the ask. Members felt there was a need for a clear understanding of the ask and whether it is an obligation rather than an ask.
- 6891. Panel did agree to the request of a name change from “Pathfinders Feasibility Studies to “Network Services Feasibility Studies.”
- 6892. Other Panel members agreed that the request was not clearly defined enough and questioned whether the proposal should be for a separate STCP (rather than adaptation of an existing STCP) or, if the request is to be a requirement on STC parties, whether it should be an STC change rather than an STC Procedure change. Materiality would also need to be assessed with any updated proposal submitted.
- 6893. The Proposal was not approved by Panel members. It was agreed that the Proposer would take away the questions asked by Panel members and, with the help of NESO's Technical Codes team, address them for the proposal to be re-presented to STC Panel. **Action:** Proposer to update legal text, confirm whether proposal should be STC or STCP with the help of Technical Codes team. Proposal name to be changed to “Network Services Feasibility Studies.”

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7. Inflight Modification Updates/Potential New Modifications

CM097 Electromagnetic Transient (EMT) and Root Mean Square (RMS) Model submission for Transmission Owners (TO's)

6894. The Chair shared details of the updated timeline with Panel members advising the dates previously agreed were no longer applicable due to the hiatus, therefore the revised dates were requested to be approved.

6895. No objections were raised by Panel members.

8. Workgroup Reports

6896. There were no Workgroup Reports presented to the Panel.

9. Draft Final Modification Reports

6897. There were no Draft Modification Reports presented to the Panel.

10. Any Other Business

Affected Transmission Owner Construction offers (TOCO)

6898. CN shared slides with Panel members advising that the Technical Codes team would like to engage with affected parties in order to share observations and obtain feedback. This will help when developing proposals for STCP changes to address the issue.

6899. STC Panel members agreed this was a sensible idea and agreed to share this information with internal colleagues.

Schedule A information discussion

6900. A member had previously raised a concern to Code Governance when trying to find an address for an STC Party as this was not readily available.

6901. NESO agreed to confirm the ability to share contact details of STC parties to other STC parties based on the information supplied with their Accession Agreement.

Special STC Panel for February

6902. CN advised members that a Special Panel may be needed in February for STC Procedures PM0142 and PM0143 being issued to Ofgem in relation to the urgent Connections Modifications CMP434, CMP435 and CM095.

Process for navigating materiality for Panel members

6903. RW shared a draft process for Panel members to illustrate the courses of action if a STCP change is deemed to be material, or not. It was suggested that this be reviewed and discussed at the next monthly Panel meeting. **Action** Add the flow diagram shared by RW in January 2025 Panel slides.

Dates of next Meeting

The next STC Panel meeting will be held on **Wednesday 29 January 2025**

New Modification Proposals to be submitted by **Tuesday 14 January 2025**

STC Panel Papers Day is **Tuesday 21 January 2025**