







| STCP Modification Proposal Form (System Operator – Transmission Owner Code)   |  |
|---|--|
| <h1>PM0108:</h1> <p>Introducing a new STCP(STCP 11.4) Enhanced Service Provision.</p>   | <div style="display: flex; align-items: center;"> <div style="border: 1px solid black; border-radius: 5px; padding: 2px 5px; margin-right: 5px;">01</div> <div style="background-color: #008000; color: white; padding: 2px 5px; border-radius: 5px;">Initial STCP Modification Proposal Form</div> </div> |
| <p><b>Purpose of Modification:</b> This proposal seeks to create a new STCP to enable the Electricity System operator (ESO) to buy a service off a Transmission owner where that service assists the ESO in reducing operating costs on the UK Grid System. Examples of this type of service are accelerated working, implementing by-pass ccts, project design changes, etc.</p> |  |
|   | <p>The Proposer recommends that this modification should be: Presented at the October STC Panel meeting for Panel approval.</p>  |
|   | <p><b>High Impact:</b> None</p>  |
|   | <p><b>Medium Impact:</b> None</p>  |
|   | <p><b>Low Impact:</b> National Grid Electricity System Operator, Scottish Power Transmission, SHE Transmission</p>   |

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| Timetable   |                               |
| <b>The Code Administrator recommends the following timetable:</b> |                               |
| Proposal Form Submitted to Code Administrator for review          | 8 October 2018                |
| Proposal form submitted to STC Panel Secretary                    | 23 October 2018               |
| STCP's are presented and approved by the Panel                    | 31 <sup>st</sup> October 2018 |
| Sign off  | By December 2018              |
| Implementation  | 1 <sup>st</sup> April 2019    |

 Any questions?

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 update

Commented [WL2]: MD to update with contact details

Commented [WL1]:

|   |   |
|---|---|
| <b>Details of Proposer:</b><br>(Organisation Name)  | Network Access Policy Working Group (NGET, SHETL, OFGEM, SPT) |
| Capacity in which the STC Modification Proposal is being proposed:<br><br>(i.e. STC Party, Party Representative or person or persons having a relevant interest as may be designated in writing for this purpose by the | STC Party   |

|  |  |
|--|--|
| Authority  |  |
| <b>Details of Proposer's Representative:</b>   |  |
| Name:  | <i>Milorad Dobrijevic</i>                        |
| Organisation:  | <i>SP Transmission</i>                           |
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| <b>Details of Representative's Alternate:</b>  |  |
| Name:  | <i>Alan Inman</i>                                |
| Organisation:  | <i>SHETL</i>                                     |
| Telephone Number:  | <i>01738 455 747</i>                             |
| Email Address:   | <i>Alan.Inman@sse.com</i>                        |
| <b>Attachments (Yes):</b>  |  |
| <p>STCP 11.4 final version will be submitted prior to the October STC panel meeting, final review of document is taking place at the Network Access Policy meeting on the 19<sup>th</sup> September.</p> |  |

**Impact on Core Industry Documentation.**  
Please mark the relevant boxes with an "x" and provide any supporting information

|                  |  |
|------------------|--|
| <b>BSC</b>       |  |
| <b>Grid Code</b> |  |
| <b>CUSC</b>      |  |
| <b>Other</b>     |  |
| None             |  |

## 1 Summary

The current STCP 11.3 limits the Electricity System Operator's (ESO) ability to fund changes to a Transmission Owners within year outage plan. This new STCP 11.4 is design to fund a service any Transmission Owner could provide which is deemed to have a positive impact in assisting the ESO in reducing system operating costs (Constraint Cost). It has been created to complement STCP 11.3 and to provide the ESO with a funding mechanism to enable a Transmission Owner to make changes to their project delivery plans in the Long to Medium term where these changes are deemed to reduce overall system operating costs.

### Defect

NA

### What

The Network Access Policy working group propose the approval of a new STCP 11.4 to provide the ESO and TO's with a funding mechanism to allow the ESO to buy an enhanced service off the TO where that service is deemed to reduce overall system operating costs. The service the TO is being funded for under this mechanism will not have been part of the TO's regulatory allowance.

### Why

The Network Access Working group in reviewing Grid System Operation issues and System operating cost since the start of RIIIO-T1 have identified the need for this new STCP 11.4.

### How

STCP 11.4 was created in 2016 by the Network Access Policy working group and then trialled in regulatory year 2017 – 18 with the agreement of OFGEM and the STC panel. The trial was successful and OFGEM have agreed to fund this new STCP in a manner similar to STCP 11.3.

## 2 Governance

In line with Section B 7.3 of the STC, the STC Modification Panel will be requested to approve STCP11-4 with an implementation date of 1 April 2019.

### 3 Why Change?

This new STCP will provide the ESO with further operational flexibility when dealing with the challenges associated with Grid System Operation. The 1<sup>st</sup> half of RIIO-T1 has shown that system operating costs are very high due to the massive capital projects underway across the Main Interconnected Transmission system (MITs), especially constraint costs. All parties now understand that a closer collaboration between the ESO and TO's are required to ensure the UK grid system is operated safely, securely and efficiently and STCP 11.4 has been created to enable closer collaboration to take place, enabling the ESO to manage the MITs more effectively without impacting the ability of the TO's to deliver their RIIO-T1 outputs.

### 4 Impacts & Other Considerations

This new STCP will primarily impact the ESO and the two Scottish TO's at present. Note – STCP 11.4 will not be applicable to NGETO, this is due to NGET funding arrangement with OFGEM for the RIIO-T1 period.

#### Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

N/A

#### Consumer Impacts

N/A

#### STC Parties' Assessments

Representatives from the following parties have been involved in the creation and trial of STCP 11.4 and are fully supportive of the Modification proposal

- National Grid (NGET)
- Scottish Hydro Electric Transmission plc (SHET)
- SP Transmission (SPT)
- OFGEM

**Relevant Objectives**

| Impact of the modification on the STC Applicable Objectives and STCP Assessment Criteria:  |                   |
|--|-------------------|
| Relevant STC Objective   | Identified impact |
| (a) efficient discharge of the obligations imposed upon transmission licensees by transmission licences and the Act  | Positive          |
| (b) development, maintenance and operation of an efficient, economical and coordinated system of electricity transmission  | Positive          |
| (c) facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the distribution of electricity    | None              |
| (d) protection of the security and quality of supply and safe operation of the national electricity transmission system insofar as it relates to interactions between transmission licensees | Positive          |
| (e) promotion of good industry practice and efficiency in the implementation and administration of the arrangements described in the STC.  | Positive          |
| (f) facilitation of access to the national electricity transmission system for generation not yet connected to the national electricity transmission system or distribution system;          | None              |
| (g) compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.   | None              |

In addition for an STCP Change, Section B 7.3.2 details that the following should be considered:

| Provision   | View of the Proposer |
|---|----------------------|
| the amendment or addition does not impair, frustrate or invalidate the provisions of the Code   | Agree                |
| the amendment or addition does not impose new obligations or liabilities or restrictions of a material nature on Relevant Parties which are not subsidiary to the rights and obligations of the Relevant Parties under the Code | Agree                |
| the amendment or addition is not inconsistent or in conflict with the Code, Transmission Licence Conditions or other relevant statutory requirements  | Agree                |
| the Relevant Party Representatives deem that the amendment or addition is appropriate to support compliance with the Code   | Agree                |

The proposer believes that this change will facilitate opportunities for the ESO to reduce system operating costs under certain outage conditions during major project work on the MITs.

The Proposer believes that this change will better facilitate relevant objective(s) A & E and Section B 7.3.2 is satisfied.

STCP 11.4 does not impact the above.

## 5 Solution

New STCP 11.4 to be approved and implemented into the suite of STCP's on 1<sup>st</sup> April 2019.

## 6 Implementation

STCP 11.4 funding has been made available to the ESO by OFGEM and it is proposed to implement the STCP 11.4 by 1<sup>st</sup> April 2019. Note – If the ESO and \ or TO's identify any opportunity to use STCP 11.4 prior to the 1<sup>st</sup> April 2019, we propose in principle that it can be, as OFGEM has provided funding for this current regulatory year.

## 7 Legal Text

*REN need help as to what I put in here please*

The proposed Legal Text for STCP11-4 the can be found on the National Grid ESO website via the following link:

## 8 Recommendation

### Proposer's Recommendation to Panel

Panel is asked to:

Approve STCP11-4 Modification Proposal.