





| Stage 2. Industry Consultation                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | At what stage is this document in the process?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
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| <h1>CM073:</h1> <h2>Critical Friend review period for submission of new modifications</h2>                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <div style="display: flex; flex-direction: column; align-items: center;"> <div style="display: flex; align-items: center; margin-bottom: 5px;"> <div style="border: 1px solid black; border-radius: 5px; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center; margin-right: 5px;">01</div> <div style="border: 1px solid black; border-radius: 5px; padding: 2px 5px; text-align: center;">Initial Modification Report</div> </div> <div style="display: flex; align-items: center; margin-bottom: 5px;"> <div style="background-color: #00a651; color: white; border: 1px solid black; border-radius: 5px; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center; margin-right: 5px;">02</div> <div style="background-color: #00a651; color: white; border: 1px solid black; border-radius: 5px; padding: 2px 5px; text-align: center;">Industry Consultation</div> </div> <div style="display: flex; align-items: center; margin-bottom: 5px;"> <div style="border: 1px solid black; border-radius: 5px; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center; margin-right: 5px;">03</div> <div style="border: 1px solid black; border-radius: 5px; padding: 2px 5px; text-align: center;">Draft STC Modification SG Report</div> </div> <div style="display: flex; align-items: center;"> <div style="border: 1px solid black; border-radius: 5px; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center; margin-right: 5px;">04</div> <div style="border: 1px solid black; border-radius: 5px; padding: 2px 5px; text-align: center;">Final STC Modification SG Report</div> </div> </div> |
| <p><b>Purpose of Modification:</b> This modification seeks to codify a requirement for new modifications to be submitted to the National Grid ESO Code Administrator for a period of five working days ahead of when the modification is to be submitted to the STC Panel. This period will allow the Code Administrator to deliver a better service and in turn allow all network users to better understand code modifications.</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|                                                                                                                                                                                                                                                                                                                                                    | <p>The purpose of this document is to consult on CM073 with STC Parties and other interested Industry members. Representations received in response to this consultation document will be included in the Code Administrators Draft Final Modification report that will be presented to the STC Panel for their determination.</p> <p>Parties are requested to respond by <b>5pm on 20 May 2019</b> to <a href="mailto:STCteam@nationalgrideso.com">STCteam@nationalgrideso.com</a> using the Industry Consultation response pro-forma which can be found via the following link:</p> <p>Published on: 3 May 2019<br/> Length of Consultation: 10 Working days<br/> Responses by: 20 May 2019</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|                                                                                                                                                                                                                                                                                                                                                    | <p><b>High Impact:</b> None identified.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|                                                                                                                                                                                                                                                                                                                                                    | <p><b>Medium Impact:</b> National Grid ESO Code Administrator.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|                                                                                                                                                                                                                                                                                                                                                    | <p><b>Low Impact:</b> All parties seeking to raise a modification to the STC and the STC Panel.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

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## Timetable

### The Code Administrator recommends the following timetable:

|                                                                               |                         |
|-------------------------------------------------------------------------------|-------------------------|
| Modification presented at the STC Panel                                       | 30 April 2019           |
| Code Administration Consultation issued to the Industry (10 working days)     | 03 May 2019/20 May 2019 |
| Draft STC Modification Self-Governance Report presented to Panel              | 21 May 2019             |
| Modification Panel Self-Governance vote                                       | 29 May 2019             |
| Appeal window opens (15 working days)                                         | 7 June 2019             |
| Decision implemented in STC (10 working days following appeal window closure) | 15 July (July Panel)    |

## Proposer Details

|                                                                                                                                                                                                                                    |                                                                                                                                                        |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Details of Proposer:</b><br>(Organisation Name)                                                                                                                                                                                 | National Grid Electricity System Operator                                                                                                              |
| 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 Authority) | STC Party                                                                                                                                              |
| <b>Details of Proposer's Representative:</b><br><br>Name:<br>Organisation:<br>Telephone Number:<br>Email Address:                                                                                                                  | Chrissie Brown<br>National Grid ESO<br>01926 65 3328<br><a href="mailto:Christine.brown1@nationalgrideso.com">Christine.brown1@nationalgrideso.com</a> |
| <b>Details of Representative's Alternate:</b><br><br>Name:<br>Organisation:<br>Telephone Number:<br>Email Address:                                                                                                                 |                                                                                                                                                        |
| <b>Attachments (Yes/No): No</b><br><b>If Yes, Title and No. of pages of each Attachment:</b>                                                                                                                                       |                                                                                                                                                        |

## Impact on Core Industry Documentation.

|                  |                                     |
|------------------|-------------------------------------|
| <b>BSC</b>       | <input type="checkbox"/>            |
| <b>Grid Code</b> | <input checked="" type="checkbox"/> |
| <b>CUSC</b>      | <input checked="" type="checkbox"/> |

Modifications will be raised across the three codes that we administer in March 2019.

## 1 About this document

This document is the Industry Consultation document for CM073. CM073 was raised by National Grid Electricity System Operator and was submitted to the STC Panel for its consideration on 18 April 2019. The Panel decided to send this modification straight to Industry Consultation and concluded that it met the Self-Governance criteria.

## 2 Summary

### Defect

The National Grid Electricity System Operator Code Administrator does not have sufficient time when a modification is raised to carry out their Critical Friend duties to deliver a better service to raise the quality of modifications. Providing a Critical Friend review is a principle of the Code Administrator Code of Practice (CACoP) that ensures all modification submitted to Panel are fit for purpose.

### What

The STC needs to be amended to allow time for the critical friend review between the submission of a modification and when the modification is submitted to the Panel.

### Why

We provide our Critical Friend service for all modifications to the Grid Code, System Operator Transmission Owner Code and Connection and Use of System Code. We recognise that this can be and will be carried out (should this modification be approved) to an even higher standard and that we need to ensure consistently across every modification raised. This includes meeting the expectations of network users, improving the accessibility of modifications and the ease in which they can understand modifications and impacts.

We have spoken and listened to our customers and have heard that:

- there is a need to have defects (the issue) outlined in plain English so all can understand the intent and issue that has been raised
- the defect needs to be clear so that all can understand whether they can raise any other potential solutions to the issue in hand
- consumer impacts are not populated at times or when they are they are not clear

- impacts or potential impacts are not clear to all parties when a modification is raised
- governance routes can be confusing, and Proposers do not fully understand the options when submitting their Proposal forms
- modifications are raised when other routes for the issue could be considered
- modification titles can be confusing and do not fully represent the effect of a modification

We believe that having five working days between receiving a modification and publishing it for industry and the Panel to review will provide sufficient time to feedback on Proposal forms received and ensure there is a step change in the quality of the modifications that then proceed through the modification process.

Our Code of Practice outlines the following:

### Principle 1: Code Administrators shall be critical friends

*Helping all new and existing energy market users effectively frame and develop Modifications.*

*Proactively reviewing and commenting on draft Modifications.*

This modification will underpin this Principle and ensure that we improve our service in this area.

#### How

The STC will be updated to outline that modifications are required to be submitted to us for a period (5 working days) ahead of the Panel papers day.

## 3 Governance

### Justification for Self-Governance Procedures

This modification will not have a material impact on the Governance procedures to the extent outlined within the Materiality Guidance produced by Code Administrators. This modification will have an impact on the Governance procedures by codifying that modifications are submitted ahead of papers day for the Panel.

**Self-Governance** - The proposer believes the modification should follow the self-governance procedure as the modification is unlikely to discriminate between different STC Parties and is unlikely to have a material effect on:

- Existing or future electricity customers;
- Competition in the generation, distribution, or supply of electricity or any commercial activities connected with the generation, distribution or supply of electricity,
- The operation of the National Electricity Transmission System
- Matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies

- v) The STC Panel's governance procedures or the STC Panel's modification procedures

The Panel concluded that the modification proceed to Industry Consultation for a period of 10 working days and that it met the Self-Governance criteria.

## 4 STC Panel View

The STC Panel, at its meeting on 30 April 2019, agreed that CM073 should be progressed as Self-Governance and be issued to Industry Consultation for 10 working days.

The views of the STC Panel were as follows:

### **National Grid Electricity System Operator**

National Grid Electricity System Operator is supportive of CM070 and agrees it meets the Self-Governance criteria.

### **National Grid Electricity Transmission**

National Grid Electricity Transmission is supportive of CM070 and agrees it meets the Self-Governance criteria.

### **Offshore Transmission Owners (OFTOs)**

The OFTO's are supportive of CM070 and agree it meets the Self-Governance criteria.

### **Scottish Hydro Electric Transmission plc. (SHET)**

SHET is supportive of CM070 and agree it meets the Self-Governance criteria.

### **SP Transmission Limited (SPT)**

SPT is supportive of CM070 and agree it meets the Self-Governance criteria as the Modification is updating changes that are already in place.

CM073 has been issued for Industry Consultation for 10 Working Days, with responses due by **5pm on 20 May 2019**.

## 5 Why Change?

Amendments to our codes are at the highest level that they have ever been. Industry need to understand what the potential impacts of the modifications are going to be as soon as they are raised, what the Consumer impacts are and also clearly understand the issue and intent. This modification will unlock and facilitate this ensuring a step change in the quality of modifications being tabled at our Panels.

## 6 Code Specific Matters

### Technical Skillsets

None.

### Reference Documents

[The Code Administrators Code of Practice](#)

[Materiality Guidance](#)

## 7 Solution

When assessing whether to raise this modification we attended the CUSC Issues Standing Group (CISG) to gain feedback on the best way forward with regard to the defect.

The feedback received was that those who attended believed that there was a defect (or issue) to be addressed and there was broad support for making the amendment to the Codes.

We outlined some options in terms of the way to proceed and carried out the same exercise at the Grid Code Development Forum (GCDF).

We will also be presenting this modification in draft format to the STC Panel at the March 2019 Panel meeting being held on 1 April 2019 for feedback ahead of formally raising the modification at the end of April 2019.

We listened to the views on the potential way forward and concluded that due to the inconsistency in terms of approach from different customers this modification would codify the requirement and we believe this is the best way forward to ensure consistency and to make the step change required.

We carried out some research with other Code Administrators from a best practice point of view and concluded that no other code allows a modification to be raised and submitted to their Panels on the same day (other than via the Urgency route) The amount of time requested is not consistent, some request five working days, some three and a half.

Therefore, we conclude that we see the best way forward is to propose a solution of five working days for our Codes.

Please note that this modification will not seek to amend the Urgency area of the Governance Rules.

## 8 Impacts & Other Considerations

This modification will have an impact on the Connection and Use of System Code (CUSC) and the Grid Code as we will ensure that there is a consistent process across all of our Codes, so modifications will be raised across all three codes concurrently.

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

No.

### Consumer Impacts

This modification will have an indirect impact on the Consumer. The modification should ensure that the quality of modifications increases which will unlock understanding of modifications. This in turn should increase contribution to our processes and therefore drive forward the raising of modifications for the ultimate benefit of those paying – the Consumer.

## 9 Relevant Objectives

This modification will have a positive impact in the efficiency of the Governance arrangements outlined within the STC.

| Relevant Objective                                                                                                                                                                           | Identified impact |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| (a) efficient discharge of the obligations imposed upon transmission licensees by transmission licences and the Act                                                                          | None              |
| (b) development, maintenance and operation of an efficient, economical and coordinated system of electricity transmission                                                                    | None              |
| (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 | None              |
| (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              |



## 10 Implementation

The Proposer recommends that this modification is implemented 10 working days following the closure of the appeal window following the Panel Self-Governance vote. This modification will not have any implementation costs associated with it.

## 11 Industry Consultation: How to respond

If you wish to respond to this Industry Consultation, please use the response proforma which can be found under the 'Industry Consultation' tab via the following link:

<https://www.nationalgrideso.com/codes/system-operator-transmission-owner-code/modifications/critical-friend-review-period>

Responses are invited to the following questions;

1. **Do you believe that CM073 better facilitates the STC objectives? Please include your reasoning.**
2. **Do you support the proposed implementation approach?**
3. **Do you have any other comments?**

Views are invited on the proposals outlined in this consultation, which should be received by **5pm on 20 May 2019**. Please email your formal response to [STCteam@nationalgrideso.com](mailto:STCteam@nationalgrideso.com)

If you wish to submit a confidential response, please note the following;

Information provided in response to this consultation will be published on National Grid's ESO website unless the response is clearly marked 'Private & Confidential', we will contact you to establish the extent of this confidentiality. A response marked 'Private & Confidential' will be disclosed to the Authority in full by, unless agreed otherwise, will not be shared with the STC Modifications Panel or the industry and may therefore not influence the debate to the same extent as a non-confidential response.

Please note an automatic confidentiality disclaimer generated by your IT System will not in itself, mean that your response is treated as if it had been marked 'Private & Confidential'.

## 12 Legal Text

- 6.3.4 A Party or other person designated under sub-paragraph 7.2.2.1(b) may submit matters (excluding new modifications) and any supporting papers for consideration at a STC Modification Panel Meeting to be received by the Panel Secretary not less than Five (5) Business Days before the date of that STC Modification Panel Meeting or such shorter period as the Party

Representatives may agree. Where a STC or STCP Modification Proposal is received more than ten (10) Business Days prior to the next STC Panel meeting, the Panel Secretary shall place the STC Modification Proposal on the agenda of the next STC Panel meeting and otherwise shall place it on the agenda of the next succeeding STC Panel meeting.

## 13 Recommendations

At the STC Panel meeting on 30 April 2019, the STC Panel agreed unanimously that Self Governance procedure should apply and that CM073 should be issued for Industry Consultation for 10 Working Days.