

STC Panel

Wednesday 31 August 2022

WELCOME



nationalgridESO

Introductions & Apologies for absence

- **Apologies**

- Milorad Dobrijevic
- Ian Bottomer

- **Alternates**

- Terry Baldwin
- Keith Jones

- **Presenters**

- Rob Wilson
- David Halford

- **Observers**

- None

Approval of Panel Minutes

Approval of Panel Minutes from the Meeting held
27 July 2022



Actions Log

Review of the actions log



Authority Decisions

Decisions Received since last Panel meeting

None

Decisions Pending

None

New modification submitted



- ***PM0120 – “Connections Triggering Distribution Impact Assessment”***



PM0120 - STCP changes as a result of CUSC modification CMP328

David Halford

31 August 2022

Overview of CMP328 Modification

- The CMP328 modification has been raised by SSE Networks, and proposes to put in place a process that can trigger a Distribution Impact Assessment (DIA), for Transmission connections
- This process would allow DNOs to fully impact assess connection applications to the Transmission Network that meet the required criteria, with the ESO triggering the DIA on behalf of the Transmission User and co-ordinating the payment from the applicant to the DNO
- The DIA could be triggered either at the same time as the application to the Transmission network (On Application), or after the Transmission Owner Construction Offer (TOCO) has been approved (On Approval)
- The outcome of a DIA could result in a revised TO Construction Agreement having to be submitted by the TO
- The ESO believes that that current Third-Party Works (TPW) process, can be utilised for this purpose, however, the proposer believes that the TPW process is not fit for this purpose

The proposed modification is now with the Authority for a decision with two alternatives also submitted as part of the modification

- **Original** - The DIA is triggered for connections to the Transmission Network great than 1MVA, although final decision in terms of whether a DIA is required will sit with the DNO
- **WACM1** - Enhancement of the current Third-Party Works (TPW) process
- **WACM2** – As per the original proposal, but user eligibility criteria rather than the blanket 1MVA threshold, and DNO sending a DIA Conclusions Report rather than an Offer to the ESO

STC/STCP changes required as a result of CMP328

Changes Required to STC's (CM078)

Minor changes to STC Schedules 5 & 6 were identified to cover the Original Proposal and WACM2 for CMP328.

The Draft Final Modification Report to cover these changes (CM078), was presented to the May 2022 STC Panel and approved, with the Final Modification Report presented to the Authority on the 6th June

Changes Required to STCP's (PM0120) - Changes required to STCP's 18-1 & 18-6 were identified to cover the Original Proposal both alternatives for CMP328.

Original Proposal and WACM2

Changes will be required to STCP18-1 and 18-6 to ensure the expectations between NGESO and the TOs in relation to the DIA process are clearly defined.

- If a DIA is to be completed by the relevant DNO(s), the timescales related to when the TOs need to supply the additional information to NGESO to facilitate the production of the DIA.
- The additional information required from the TOs to facilitate the production of the DIA.
- The timescales for NGESO passing the completed DIA to the TOs in order for the assessment of the DIA to be completed.
- The timescales for the TOs to assess the DIA and confirm back to NGESO in relation to any actions required to the original TO Construction Agreement as a result of the assessment.
- The process for resolving conflicts between NGESO and TOs as a result of differing solutions between the TO Construction Agreement and DIA, and the process for referring these conflicts to the Authority should a resolution not be reached.
- An additional Flow Diagram in Appendix A of STCP 18-6 to capture the DIA process

WACM1

Changes will be required to STCP18-6 to define the process when the Transmission Applicant receives notification that Third Party Works are required.

- The Transmission Applicant confirming to NGESO that Third Party Works are required.
- NGESO passing the Third Party Works to the TO for assessment.
- The timescales for the TOs to assess the Third Party Works and confirm back to NGESO in relation to any actions required to the TO Construction Agreement as a result of the assessment.
- An additional Flow Diagram in Appendix A of STCP 18-6 to capture the Third Party Works process

Next Steps – PM0120

- The changes identified to STCPs 18-1 & 18-6 to support PM0120 have been developed with the TOs
- The proposal and Legal Text are now being shared for review and approval by the STC Panel
- The Legal Text changes cover the Original Proposal and the two official alternatives from the CUSC modification

The Legal Text covering both the Original Proposal and Alternatives will need to be approved subject to the CUSC and STC change being approved by Ofgem, which is expected at the end of November 2022.

PM0120 – the asks of Panel

- **AGREE and Approve** the STCP changes

Note: This modification should be in line with CMP328/CM078 as all 3 modifications would need to be implemented together dependent on the solution



Draft Final Modification Report

CM080: Transmission Impact Assessment Process in
relation to CMP298

Sally Musaka

Code Administrator Consultation Responses

Summary of Code Administrator Consultation Responses :

- The 1st Code Administrator Consultation ran between 28 April 2022 and 20 May 2022. Legal text issues were identified as part of this First Code Administrator Consultation. The STC Panel discussed the proposed legal text changes at their meeting on 27 July 2022 and agreed that the changes to legal text within Section D Part Four Clause 4.3 were not typographical. Panel agreed that these changes need to be consulted on and Panel agreed to run a 5 working day Code Administrator Consultation.
- 2ND Code Administrator Consultation was run from 08 August 2022 to 15 August 2022 and received 2 responses. Key points were:
- The ESO agrees that the amended legal text still satisfies the NGESO's requirement to have the ability to request technical information from the TOs to facilitate the creation of the significant impact criteria.
- SSEN agrees the proposed amended text better facilitates the objectives but also notes the legal text for the STCP amendments is still in progress and it should be agreed to and finalised before overall approval of CM080

CM080 - the asks of Panel

- **VOTE** whether or not to [recommend implementation/implement]
 - *Does the CM080 Original proposal better facilitate the objectives than the current STC arrangements?*
- **NOTE** next steps and ongoing timeline

CM080 Next Steps (*Standard Governance*)

Milestone	Date
Draft Final Modification Report presented to Panel	31 August 2022
Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	02 September 2022
Submission of Final Modification Report to Ofgem	12 September 2022
Ofgem decision date	TBC
Implementation Date	10 Working days after Authority's decision on CMP298



Draft Final Modification Report

CM083: To update quoracy rules for modifications where there is limited STC Party impact

Sally Musaka

Code Administrator Consultation Responses

Summary of Code Administrator Consultation Responses :

- Code Administrator Consultation was run from 06 July 2022 to 03 August 2022 and received 1 response. Key point was;
- SHET, supports the implementation approach. This proposal facilitates applicable objective E as this change improves efficiency on convening workgroups.
- No legal text issues identified

CM083 - the asks of Panel

- **VOTE** whether or not to recommend implementation
 - *Does the CM083 Original proposal better facilitate the objectives than the current STC arrangements?*
- **NOTE** next steps - the ongoing timeline

CM083 Next Steps (*Self Governance*)

Milestone	Date
Draft Self Governance Modification Report presented to Panel	31 August 2022
Final Self Governance Modification Report issued to Panel to check votes recorded correctly (5 working days)	02 September 2022
Appeals Window (15 working days)	12 September to 03 October 2022
Implementation Date (5 working days after closure of Appeals Window)	10 October 2022

Draft modifications to be discussed



DRAFT

- ***PM0127 – “Changes to STCPs required to facilitate CUSC modifications CMP286/287”***



David Halford
31 August 2022

Draft proposal – PM0127 Changes to STCPs required to facilitate CUSC modifications CMP286/287:

Improving TNUoS Predictability through increased notice of the Target Revenue and Inputs used in the TNUoS Tariff Setting Process

Overview of CMP286/287 Modification

The CMP286/287 modifications were raised by npower (now E:ON Energy) to improve the predictability of TNUoS demand charges by:

- **CMP286** - Fixing TNUoS Target Revenue 15 months in advance of final TNUoS Tariffs being published (current process is 3 months in advance)
- **CMP287** - Fixing selected parameters which feed into the TNUoS Tariff setting process 15 months in advance of final TNUoS Tariffs being published (current process is 3 months in advance)

It was noted by the proposer that by fixing these elements in advance, it would enable suppliers to more accurately cost fixed tariffs over one year in length and reduce the risk premia that is current applied giving a better deal to consumers. It will however increase the cashflow risk associated with inaccurate forecasts which was also the subject of STC modification [PM0119: TNUoS Revenue Collection Risk Transfer](#).

- An alternative proposal has been submitted by NGEESO to remove the “ESO pass through costs” from being fixed 15 months in advance and keep at 3 months in advance as per the current process

Both CUSC modifications are currently in the Workgroup phase and it is predicted that they will be submitted to Ofgem for a decision on the 7th December 2022. It is recommended that the STCP changes are developed and then approved in principle by this date such that a complete solution awaits Ofgem’s decision and to make implementation as efficient as possible.

PM0127 - STC Requirements/Consequential Changes

To facilitate these CUSC Modifications, changes will be required to STCPs 13-1, 14-1 and 24-1 to ensure that the amended process and timeline is reflected in:

- TO General System Charge forecasts requested by the ESO from the TOs reflect the relevant Financial Years
- The deadline for the date that revisions to the TO General System Charges can be made
- The change in the date that onshore TOs will update and provide the final revenue
- Any additional reporting required from the ESO to the TOs to enable the TOs to assess any variance to the forecasts once they have been fixed

Separate changes will not be required for the proposed alternative CUSC solution with the changes identified above applicable to both proposals

PM0127 - the asks of Panel

- To make STC Panel members aware of the STCP work
- **Note** the changes that will be required to the STCP in respect of 13-1, 14-1 and 24-1
- **NOTE** next steps- this modification will be formally raised at the September Panel 2022

Potential Future Modifications and impacts of other modifications

Modifications Tracker – Sally Musaka

Authority Update (SCRs/Energy Code Review) – Nadir Hafeez

Reports from Sub-Committees

Joint Planning Committee (JPC)

- **Next meeting: TBC**

Network Access Policy Workgroup (NAP)

- **Next meeting: Mid September 2022**

Code Administrator Update

- **None**

AOB

- **Future Face to Face Panel Meetings**

Date of next meeting

Wednesday 28 September 2022

Panel Papers Day – 20 September 2022

Modification Submission date – 13 September 2022

Close

