

Welcome

GC0159

Thursday 3rd November

Online Meeting via Teams

nationalgridESO

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Modification Process

Ruth Roberts – National Grid ESO Code Administrator

Code Modification Process Overview



Talk to us

Raise a mod

Refine solution

Consult

Decision

Implement

Forums

Panels

Workgroups
(Workgroup Consultations)

Ofgem/Panel

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Objectives and Timeline

Ruth Roberts – National Grid ESO Code Administrator

Timeline for GC0159 as at 3 November 2022

Milestone	Date	Milestone	Date
Proposal Presented to Panel	29 September 2022	Workgroup Report issued to Panel (5 working days)	18 May 2023
Workgroup Nominations	03 October 2022 – 21 October 2022	Panel sign off that Workgroup Report has met its Terms of Reference	25 May 2023
Workgroup 1 – Understand / discuss proposal and solution(s), review and agree on Terms of Reference and Timeline, review cross code impacts, review analysis and agree next steps.	3 November 2022	Code Administrator Consultation	02 June 2023 – 02 July 2023
Workgroup 2 – Refine solution(s), draft legal text and consider potential Workgroup Consultation questions	8 December 2022	Draft Final Modification Report (DFMR) issued to Panel	19 July 2023
Workgroup 3 – Review Workgroup Consultation questions and finalise Workgroup Consultation	11 January 2023	Panel undertake DFMR recommendation vote	27 July 2023
Workgroup Consultation	25 January 2023 – 15 February 2023	Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	31 July 2023 – 04 August 2023
Workgroup 4 – Review Workgroup Consultation responses, consider new points raised, refine solution, review legal text and discuss any potential alternatives	2 March 2023	Final Modification Report issued to Ofgem	08 August 2023
Workgroup 5 – Finalise solutions (including legal text) and alternatives and hold alternative vote	06 April 2023	Ofgem decision	Q4 2023
Workgroup 6 – Finalise Workgroup Report and hold Workgroup Vote	11 May 2023	Implementation Date	10 Working Days after Ofgem Decision

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Proposer's Solution:

Alastair Grey/Stephen Baker – NGESO

Background

- The **Energy Security Bill** was introduced to Parliament on 6 July, which makes provisions to enable competitive tenders in onshore electricity networks.
- BEIS indicate that, through the introduction of competition, consumers could see savings of up to £1 billion on projects tendered over the next ten years
- This modification aims to introduce the concept of **Competitively Appointed Transmission Owners (CATO's)** for the purposes of introducing Onshore Network Competition for the design, build and ownership of Onshore Transmission assets.
- BEIS have indicated a preference for the FSO to run tenders to appoint a preferred bidder.
- CATOs will be appointed following a tender process and will be financed through a long Tender Revenue Stream.
- To allow **Onshore Network Competition** to be implemented effectively the competition processes, obligations, technical requirements, charges, and remuneration principles need to be embedded within the relevant codes.
- The proposed modifications will enable both early and late competition and are based upon the assumption that CATOs will be granted a Transmission Licence and will be categorised as Onshore Transmission Licensees.

GC0159 'CATO' Mod

The objective of this modification is to implement minimum changes to the Grid Code to facilitate the introduction of CATOs. The changes listed below, which are non-exhaustive, are made on the assumption that a CATO will be granted a Transmission License and will be categorised as an Onshore Transmission Owner. The list below covers the proposed high-level changes:

- Safety and Technical Standards:** changes include determining which Standards apply.
- Power Station Thresholds** (which may interact with modification [GC0117](#)).
- Glossary & Definitions:** introduce the CATO concept; Amend definitions: Onshore Transmission Licensee; Transmission Interface Points (Onshore to Onshore); E&W Transmission System; E&W Transmission Licensee Small, Medium and Large Power Stations; Local Safety Instruction; Scottish Transmission Licensee; Scottish Transmission System; Remote Transmission Assets; and Transmission Interface Circuit.
- Planning Code:** introduce amendments to Appendix C to ensure technical, design and operational criteria for CATO licensees are clarified.
- Operating Codes:** Introduce concept of CATO in relation to Restoration Planning; It is proposed that the solution and legal text be developed within the Work Groups concurrently with the GC0156 modification. Minded to position is that the obligation on CATO's with respect to Restoration Planning align with the current obligations of the incumbent TO's. However, whilst today the NGESO can delegate authority to SPT and SHE-T to initiate the Restoration Process in Scotland, we do not propose that this applies to CATOs who operate in Scotland.

Continued...

GC0159 'CATO' Mod continued...

- Account for CATO in **Governance Rules and Representation**, suggested path being to group with Onshore Transmission Licensees.
- European Connection Conditions:** modifications required to ensure CATOs are adequately represented and captured with reference to relevant Transmission Licensees.
- Balancing Codes:** detail obligations of BMUs in relation to the commencement or termination of their participation in the BM. Relevant Demand Capacity varies across the SPT's SHETL's and NGET's network. There is a need to reference CATO concept.
- General Conditions;** Insert reference to CATO. Including GC.A.2.7 and GC.A.2.8 - add in concept of CATO to provision of data. Currently only references SPT and SHETL
- Governance Arrangements**
Note: no changes have been made to the Operating Codes Legal Text document due to the dependency on the ongoing modification - **GC0156** seeking the to facilitate the implementation of the Electricity System Restoration Standard'.

Legal Text Changes

Please note the following points of guidance regarding the legal text changes. This is not an exhaustive list of the changes so please review the legal text for full details.

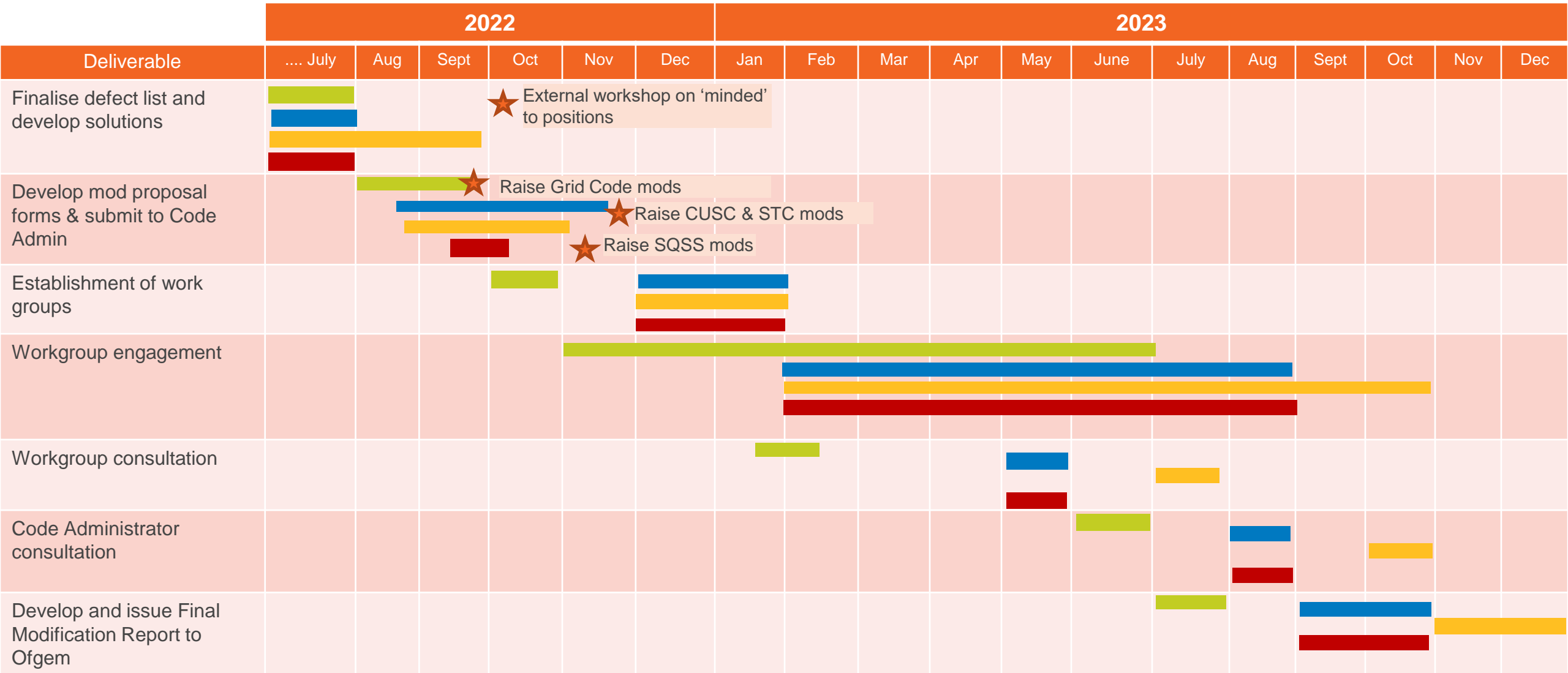
Note that the objective of this modification is to implement minimum changes to ensure continued operability of the Grid Code arrangements.

The changes listed below are made on the assumption that CATO will be introduced as a sub-category of Onshore Transmission Licensee.

Section	Legal text change
Glossary & Definitions	introduce the CATO concept; Amend definitions, including: Onshore Transmission Licensee; Transmission Interface Points (Onshore to Onshore); E&W Transmission System; Small, Medium and Large Power Stations; Local Safety Instruction; E&W Transmission Licensee and Scottish Transmission Licensee; Remote Transmission Assets; Scottish Transmission System; Transmission Interface Circuit.
Planning Code	introduce amendments to Appendix C to ensure technical, design and operational criteria for CATO licensees are clarified.
Operating Code	introduce concept of CATO with respect to Interface Points and Boundaries of Influence as described in the Grid Code (and STC) for CATO licensees; Ensure CATO technical standards are made clear through the Grid Code including how these align with existing TO areas; Set out Governance rules/ Grid Code panel representation appropriately for CATO's.
Governance Rules	account for CATO in Governance Rules and Representation , our suggested path being to group with Onshore Transmission Licensees.
Balancing Code No.2;	detail obligations of BMUs in relation to the commencement or termination of their participation in the BM. Relevant Demand Capacity varies across the SPT's SHETL's and NGET's network. There is a need to reference CATO concept.
General Conditions	Insert reference to CATO. Including GC.A.2.7 and GC.A.2.8 - add in concept of CATO to provision of data. Currently only references SPT and SHETL

POAP for all CATO mods

Grid code ■ CUSC ■ STC ■ SQSS ■



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Terms of Reference

Ruth Roberts – National Grid ESO Code Administrator



Next Steps

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