

STCP21-2 Issue 001 Network Asset Risk Metric (NARM) Data Exchange

STC Procedure Document Authorisation

| Company | Name of Party Representative | Signature | Date |
|--|-------------------------------------|------------------|-------------|
| National Grid Electricity System Operator plc <u>The Company</u> | | | |
| National Grid Electricity Transmission plc | | | |
| SP Transmission plc | | | |
| Scottish Hydro Electric Transmission plc | | | |
| Offshore Transmission Owners (OFTO) | | | |

STC Procedure Change Control History

| | | |
|------------------|-----------------|---|
| Issue 001 | 03/02/2020 | New procedure |
| <u>Issue 002</u> | <u>X/X/2023</u> | <u>Issue 002 incorporating use of 'The Company' definition as made in the STC</u> |

1 Introduction

1.1 Scope

1.1.1 This procedure describes the process for the exchange of data between the Onshore TOs and ~~the Electricity System Operator (NG-ESO The Company), as defined in the STC and meaning the licence holder with system operator responsibilities,~~ to enable each Onshore TO to carry out their Network Asset Risk Metric (NARM), part of the Network Output Measures (NOMs) Methodology.

1.1.2 This procedure applies to ~~NG-ESO The Company~~ and each Onshore TO. For the purposes of this document, Onshore TOs are:

- National Grid Electricity Transmission plc;
- SP Transmission plc;
- SHE Transmission plc.

This procedure does not include Offshore Transmission Owners because they do not report a Network Asset Risk Metric to The Authority.

1.1.3 This procedure defines the tasks, formal documentation, interface requirements, timescales and responsibilities that apply to ~~NG-ESO The Company~~, and the Onshore TOs.

1.1.4 ~~NG-ESO The Company~~ shall be responsible for collecting information and carrying out analysis to provide the Onshore TOs with data specified in this STCP.

1.1.5 Some of this data is produced as part of existing ~~NG-ESO The Company~~ activities. This STC Procedure assumes ~~NG-ESO The Company~~ continues to provide these data outputs. Any changes to these data outputs that would affect the System Consequence methodology shall be raised at a working group of the signatories of this STCP in accordance with section 3.1 of this document.

1.1.6 Where ~~NG-ESO The Company~~ is responsible for additional data provision, guidance on these processes is defined in the appendices to this STCP, along with the data exchange forms to be used.

The data provision required by the NARM includes:

| System Consequence | Data | Source | Responsibility | Data Exchange Process Applies |
|------------------------|---|---|--|---|
| Customer Disconnection | Annual average system buy price (SBP) in £MWh | <p>The historical system buy price information is available to be downloaded from 2016 onwards on the Elexon website:</p> <p>https://www.elexonportal.co.uk/article/view/250?cachebust=sqh7upejy1</p> <p>The past calendar year average should be used in the system consequence model for the System Buy Price.</p> | TO sources independently from current Elexon | No – already available in public domain |

| | | | | |
|--|--|---|-----------|--|
| | | The System Marginal Price is the term referred to in the | reporting | |
|--|--|---|-----------|--|

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|---|--|---|--|--|
| | Annual average system marginal price (SMP)/ Market Index Price in £MWh | NARM Methodology. However, on Elexon it is referred to as the Market Index Price. The historical Market Index Price information can be accessed for every year, from 2003 to present. The past calendar year average should be used in the system consequence model for the System Marginal Price. https://www.elexonportal.co.uk/article/view/188?cachebust=tc4cvv3kv3 | | No – already available in public domain |
| | Transmission Network Use of System refund cost per MW per hour (TNUoS) | The Transmission Entry Capacity (TEC) register (public domain). https://www.nationalgrideso.com/connections/registers-reports-and-guidance Total annual charges https://www.nationalgrideso.com/charging/transmission-network-use-system-tnuos-charges This STC Procedure assumes NG-ESO The Company continues | TO sources independently from current NG-ESO The Company reporting | No – already available in public domain |
| | Vital Infrastructure sites | TO | TO sources independently from respective Transmission Network Control Centre (TNCC) | No – available within TOs |
| Boundary Risk Cost (see guidance document) | Boundary constraint costs | Output of bespoke power system economic model runs | NG-ESO The Company to provide TO with this additional output in line with STCP guidance and data exchange forms | Data Exchange Process Applies |
| Reactive Compensation (see guidance document) | Reactive compensation requirement factor Cost of procuring MVAR from generation | Operational history and System Study The cost of procuring MVAR from generation is currently published by NG-ESO The Company. The STC Procedure requires NG-ESO The Company to | | Data Exchange Process Applies Data Exchange Process Applies |

1.1.7 Each Onshore TO shall be responsible for providing ~~NG-ESO~~The Company with the information they require to undertake their work and to review and accept the data provided by ~~NG-ESO~~The Company. This will include:

- Boundary Risk Cost
 - Agreeing boundaries of interest, with ~~NG-ESO~~The Company, to be studied by the economic analysis
 - Providing intact and post-fault boundary capabilities for all boundaries of interest to ~~the NG-ESO~~The Company
- Reactive Compensation
 - Proposing and agreeing requirement factors for reactive compensation equipment with ~~NG-ESO~~The Company

1.2 Objective

1.2.1 The objective of this procedure is to detail how and when data is exchanged to enable the Onshore TOs to complete their Network Asset Risk Metric (NARM). This metric is reported to The Authority and enables an understanding of asset risk of failure on each Onshore TO's network.

2 Key Definitions

2.1 For the purposes of STCP 21-2:

2.1.1 **System Consequence Annual Review** refers to the process by which the TOs and ~~NG-ESO~~The Company agree and exchange data to update the system consequence inputs to the NARM.

2.1.2 **Initial TO_**~~NG-ESO~~The Company **Data Consultation Period** means the time in which the TOs and ~~NG-ESO~~The Company agree on the data points to be provided by the TOs for study by ~~NG-ESO~~The Company.

2.1.3 **TO Data Provision Date** means the date at which data is provided to ~~NG-ESO~~The Company by the TOs. This is the end of Week 8 (Third Week of February).

2.1.4 ~~NG-ESO~~The Company **Data Provision Date** means the date at which data is provided to the TOs by ~~NG-ESO~~The Company. This is the end of Week 15 (Second Week of April).

2.1.5 **Network Asset Risk Metric (NARM)** refers to the process by which the TOs calculate Network Risk.

2.1.6 **Data Exchange Analysis Guidance** is a document that specifies how ~~NG-ESO~~The Company and TOs undertake analysis to achieve the outputs sought by this data exchange.

2.1.7 **Data Exchange Form** means a template used for exchanging data between onshore TOs and ~~NG-ESO~~The Company, to enable the outputs sought by this exercise. These forms are appended to the Data Exchange Analysis Guidance Document.

3 Procedure

3.1 Review and Continuous Improvement

3.1.1 The Onshore TOs have a responsibility to review and improve their Network Asset Risk Metric, which may in turn affect their requirements for data from ~~NG-ESO, NG-ESO~~The Company, -ESOThe Company. ~~ESO~~The Company has a responsibility to feedback on the practicability of the data provision required by this STCP and any change in data process or data outputs that may affect the system consequence methodology.

3.1.2 The frequency of any meetings to review the STCP and its guidance is to be decided by the signatories of this STCP as necessary.

3.1.3 Any review and/or modification of this STCP shall include all Onshore TOs and ~~NG-ESO~~The Company. Any modification proposal shall be formally agreed through the STCP governance process.

3.1.3 Any guidance or data exchange forms may be amended with agreement of the signatories of this STCP only. Agreement through the STCP governance process is not required

3.2 Disputes

3.2.1 Any disputes arising amongst the parties and unresolved within 20 Business Days to be referred to The Authority.

3.3 System Consequence Annual Review

3.3.1 The Onshore TOs and ~~NG-ESO~~The Company shall begin the System Consequence Annual Review by Week 6 of the Calendar Year (First Week of February).

3.3.2 The Onshore TOs and ~~NG-ESO~~The Company shall complete the System Consequence Annual Review by Week 18 of the Calendar Year (Fourth Week of April).

3.3.3 A timeline of the different phases of this review period is available in

Appendix B. **3.4 Data Exchange Requirements**

3.4.1 The scope of the data required in this review period is captured in 1.1.6. The guidance and data exchange forms associated with this STCP include:

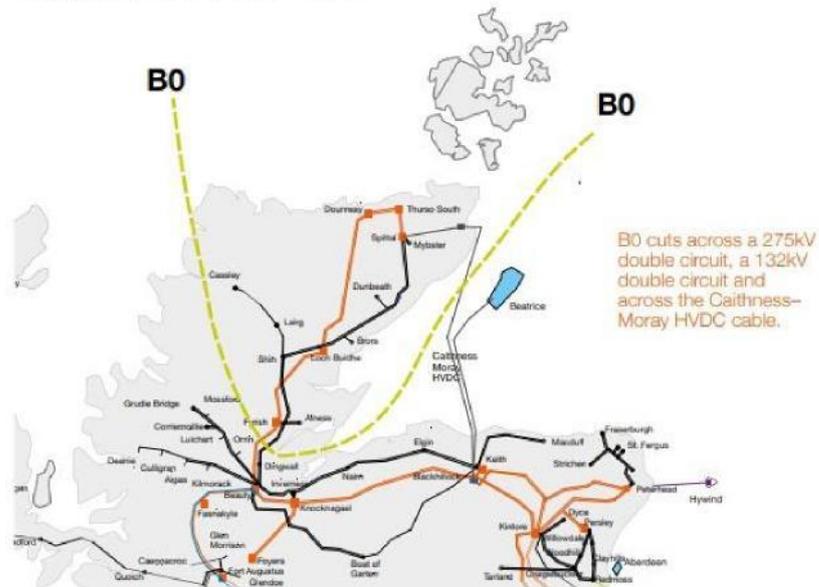
- Boundary Risk Cost
- Requirement Factors for Reactive Compensation

3.5 Initial TO_~~NG-ESO~~The Company **Data Consultation Period**

3.5.1 The Initial TO_ ~~ES~~OThe Company Data Consultation Period begins in Week 6 (beginning of Monday) and ends in Week 8 (end of Friday).

3.5.2 The Onshore TOs and ~~NG-ESO~~The Company shall agree on a list of relevant boundaries to be considered. These boundaries will be consistent with those identified by the 'Network Options Assessment' (NOA) process each year, as in the example below from NOA 2018/19. It is possible that a shorter list of boundaries for study will be agreed between the Onshore TO and ~~NG-ESO~~The Company based on their relevance to system consequence. These shall be a subset of the boundaries identified by NOA.

Geographic representation of boundary B0



Boundary B0 separates the area north of Beaulieu, comprising the north of the Highlands, Caithness, Sutherland and Orkney. The Caithness-Moray HVDC subsea cable, and associated onshore works, were completed in December 2018, and significantly strengthen the transmission network north of Beaulieu. Orkney is connected via a 33kV subsea link from Thurso. High renewables output causes high transfers across this boundary.

3.5.3 The Onshore TOs and ~~NG-ESO~~The Company shall agree a list of reactive compensation equipment to be considered. Nomenclature identifying equipment must be consistent between both parties (~~NG-ESO~~The Company and the relevant TO, not required between TOs).

3.6 Onshore TO provision of data to ~~NG-ESO~~The Company

3.6.1 The Onshore TOs shall provide all required data in the NARM Data Exchange Form to ~~NG-ESO~~The Company on or before the TO Data Provision Date (End of Week 9).

3.6.2 ~~NG-ESO~~The Company will either confirm acceptance of each Onshore TOs' NARM Data Exchange Form submission or provide feedback or queries to each TO within 5 Business Days of the TO Data Provision Date (End of Week 10).

3.6.3 If not initially accepted each Onshore TO will submit an updated NARM Data Exchange Form within 10 Business Days of the TO Provision Date (End of Week 11).

3.6.4 If rejected a second time, the time to resolve (rounded up to the full day) is added to the end of the System Consequence Annual Review Period for that respective Onshore TO and ~~NG-ESO~~The Company.

3.6.5 Disputes are dealt with in line with 3.2.1.

3.7 ~~NG-ESO~~The Company provision of data to Onshore TOs

3.7.1 ~~NG-ESO~~The Company shall undertake data collection and analysis in accordance with the NARM Data Exchange Analysis Guidance.

3.7.2 ~~NG-ESO~~The Company shall then provide all required data in the NARM Data Exchange Form (see guidance document) to the Onshore TOs on or before ~~the NG-ESO~~The Company Data Provision Date (End of Week 15).

3.7.3 The Onshore TOs will either confirm acceptance of ~~NG-ESO~~The Company's NARM Data Exchange Form submission or provide feedback or queries to ~~NG-ESO~~The Company within 5 Business Days of ~~the NG-ESO~~The Company Data Provision Date (End of Week 15).

3.7.4 If not initially accepted ~~NG-ESO~~The Company will submit an updated NARM Data Exchange Form within 15 Business Days after ~~the NG-ESO~~The Company Provision Date (End of Week 18).

3.7.5 If rejected a second time, the time to resolve (rounded up to the full day) is added to the end of the System Consequence Annual Review Period for that respective Onshore TO and ~~NG-ESO~~The Company.

3.7.6 Disputes are dealt with in line with 3.2.1.

3.7.7 This concludes the System Consequence Annual Review.

Appendix A: Abbreviations & Definitions

Abbreviations

| | |
|------------------------|--|
| ESO/ NG ESO | National Grid Electricity System Operator plc |
| NARM | Network Asset Risk Metric |
| NGET | National Grid Electricity Transmission plc |
| SHE Transmission | Scottish Hydro Electric Transmission plc |
| SPT | SP Transmission plc |
| STC | System Operator – Transmission Owner Code |
| TO | Transmission Owner |

Definitions

STC definitions used:

Business Days

The Authority

The Company

Offshore Transmission Owner

Onshore Transmission Owner

~~Electricity System Operator~~

Appendix B: System Consequence Annual Review Period – Timeline of Events

