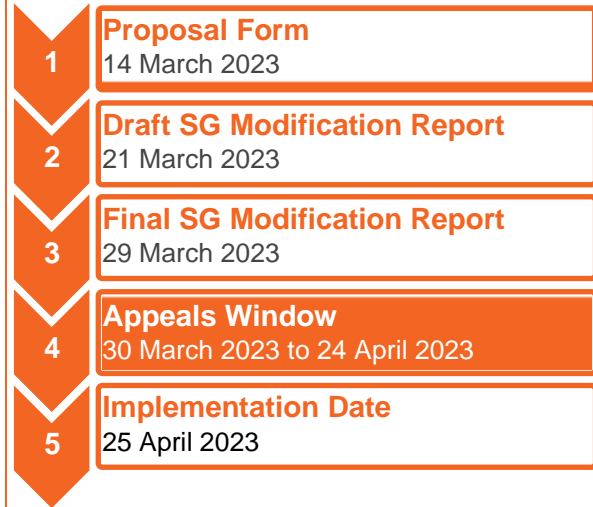


CM090 Modification Fast Track Report

CM090: Housekeeping changes to simplify FSO transition

Overview: This modification makes minor housekeeping changes to the STC which will make a future change to implement transition to an independent Future System Operator much simpler.

Modification process & timetable



Status summary: Appeals Window. If you want to raise an objection, please email stcteam@nationalgrideso.com by 5pm on 24 April 2023.

This modification is expected to have a: Low impact

This modification by itself changes no obligations on any parties and is simply a change in drafting style.

Proposer's recommendation of governance route	Fast-track Self-Governance modification - The Panel unanimously agreed that CM090 met the Self Governance and Fast Track criteria and agreed the modification should be implemented subject to a 15 Working Day appeals window
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Who can I talk to about the change?	Proposer: Rob Wilson Robert.Wilson2@nationalgrideso.com 07799656402	Code Administrator Chair: Milly Lewis Milly.Lewis@nationalgrideso.com 07811036380
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What is the issue?

The Energy Bill that is currently progressing through parliament proposes to establish a Future System Operator (known in the Bill as the Independent System Operator and Planner or ISOP), an independent, first of a kind body, acting as a trusted voice at the heart of the energy sector. To do this will mean establishing the FSO as a new public body rather than the existing arrangements in which the Electricity System Operator licensed role is fulfilled by the National Grid Electricity System Operator Limited (NGESO). To facilitate this change will require amendments to all of the industry codes; many of these changes will be institutional in nature (updating names and references) but some may be related to new roles for the FSO.

Why change?

To maintain functionality of the codes will require changes to reference the new FSO company as the holder of the licence for electricity system operation once the name of this business is known and the licence(s) required for the FSO's licensed activities are granted.

In the interim, this proposal is for minor housekeeping changes to the STC to make the FSO transition simpler to implement when required. While these changes do not by themselves change the obligations on any STC parties, carrying them out now achieves the vast majority of the amendments required for the FSO transition by simply adopting a different style of referencing in the code. It will help to smooth transition, limit what would otherwise be a very high volume of work in implementing changes and will greatly aid baselining issues that will otherwise be encountered.

What is the solution?

Proposer's solution

It is proposed to change references to NGESO throughout the code to instead refer to 'The Company.' A definition will also be added to set out that at present 'The Company' means the National Grid Electricity System Operator Limited. This will make the institutional change required to facilitate a future transition to the FSO in the code much simpler as the majority of this can then be realised through a simple further amendment to this definition of 'The Company' to then refer to the new name for the FSO when this is determined

Legal Text

The legal text for this change can be found in Annex 3.

What is the impact of this change?

Proposer's assessment against Code Objectives

Proposer's assessment against STC Objectives	
Relevant Objective	Identified impact
(a) efficient discharge of the obligations imposed upon transmission licensees by transmission licences and the Act	Neutral
(b) development, maintenance and operation of an efficient, economical and coordinated system of electricity transmission	Neutral
(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	Neutral
(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	Neutral
(e) promotion of good industry practice and efficiency in the implementation and administration of the arrangements described in the STC	Positive This housekeeping change will improve the efficiency of future modifications to achieve implementation of the FSO
(f) facilitation of access to the national electricity transmission system for generation not yet connected to the national electricity transmission system or distribution system;	Neutral
(g) compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.	Neutral

Proposer’s assessment of the impact of the modification on the stakeholder / consumer benefit categories

Stakeholder / consumer benefit categories	Identified impact
Improved safety and reliability of the system	Neutral
Lower bills than would otherwise be the case	Neutral
Benefits for society as a whole	Positive Set-up of the FSO is predicated upon societal benefit by helping to enable net zero and enhancing consumer value; this change will help to improve the efficiency of adoption of the FSO in the STC.
Reduced environmental damage	Neutral
Improved quality of service	Neutral

When will this change take place?

Implementation date

25 April 2023

Date decision required by

Panel 29 March 2023

Implementation approach

Note that an aligned modification proposal (PM0130) has been raised to make similar changes to all STCPs.

Interactions

- Grid Code
- BSC
- STC
- SQSS
- European Network Codes
- EBR Article 18 T&Cs¹
- Other modifications
- Other

None identified at this moment, future mods related to the Future System Operator will be raised as and when required.

¹ If the modification has an impact on Article 18 T&Cs, it will need to follow the process set out in Article 18 of the Electricity Balancing Regulation (EBR – EU Regulation 2017/2195) – the main aspect of this is that the modification will need to be consulted on for 1 month in the Code Administrator Consultation phase. N.B. This will also satisfy the requirements of the NCER process.

Acronyms, key terms and reference material

Acronym / key term	Meaning
BSC	Balancing and Settlement Code
CM	Code Modification
CUSC	Connection and Use of System Code
STC	System Operator Transmission Owner Code
STCP	System Operator Transmission Owner Code Procedures
SQSS	Security and Quality of Supply Standards
T&Cs	Terms and Conditions

Reference material

- Grid Code modification GC0115:
<https://www.nationalgrideso.com/codes/grid-code/modifications/gc0115-legal-separation-housekeeping-nget-company>

Annexes

Annex	Information
Annex 1	Proposal form
Annex 2	Self-Governance statement
Annex 3	Legal Text