

# Code Administrator Meeting Summary

## Meeting name: CM079 Workgroup 5 - Consideration of STC/STCP changes in relation to CMP330/374

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Date: 28/06/2023

### Contact Details

Chair: **Elana Byrne ESO**, [elana.byrne@nationalgrideso.com](mailto:elana.byrne@nationalgrideso.com)

Proposer: **Richard Woodward NGET**, [richard.woodward@nationalgrid.com](mailto:richard.woodward@nationalgrid.com)

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## Key areas of discussion

Discussion points for this Workgroup included in this session were set out in the agenda.

Updated Terms of Reference and Timeline were agreed by STC Panel (meeting 28 June 2023) and shared by the Chair for the Workgroup's information. Objectives for the meeting were also shared:

- Develop Solution
- Review Draft Legal Text
- Consider potential Workgroup Consultation questions
- Updates on actions from WG4

## Action updates

All seven actions were addressed (these can be seen in the action list below), The first two actions were completed.

The third was for the Proposer to share legal text with ESO to allow time to confer with their legal team. This will take place after today's session for work to date legal text. The Proposer advised the Workgroup that further assistance is required to develop certain parts of the legal text in particular the Adoption Agreement Process. ESO will also assess and identify any further input of legal text due to be shared by the Proposer.

The ask for action five was for the proposer and TO members of the Workgroup to share feedback with the Chair/Tech Sec ahead of today's session in relation to the point shown below. An offline discussion was held, and the Proposer summarised this to the group:

- **Consider changes to the application fee type i.e., variable, or fixed solutions**

A variable fee would mitigate concerns about additional costs, the thoughts that were explicitly defining fixed fee type for a contestable application seemed unnecessary/excessive.

Before this Modification goes live the Proposer advised that people will be directed to the variable fees or fixed fees that are specified are charging statements if needed at all. The

Proposer added that they did not think there was anything in terms of this Modification that would be needed, but a paragraph in the Workgroup Report could be an option. The TO members of the group agreed with the Proposers summary.

- **Investigate the process of failure and whether it is codified in the STC or dealt with elsewhere relating to the adoption agreement/price controlling and report back to the next Workgroup session.**

The Proposer referred to the Terms of Reference update stating that section (e) was added and partly covers this, also mentioning that they will be referencing this in their response for CUSC modification CMP330/374/414 and is happy to share this once submitted, again they suggested this could be summarised through the Workgroup Report.

The Intervention process was also discussed by TO members and the Proposer, it was highlighted that this may also be summarised in the Workgroup Report as early sight for Ofgem and the industry.

As the Intervention Process exists in CUSC code we will need to replicate it in STC code. This may be something we come back to as we understand the Modification more.

A Workgroup member made a point for clarification that the Intervention process would be used for potential applications justifying the same grounds repeatedly where there are shared works.

The Proposer responded stating that there are some criteria in the process that TO's can rely on where they do not need to process every case of contestability to be intervened. If they as TO's have really strong perspectives that the risk around shared use is significant then they would go through the effort of specifying that justification up front and that being used on an enduring basis. If the justification was robust and consistent, then they might want to consider that approach. The Workgroup member advised that they agreed.

The next action was for ESO to discuss the application process internally, the ESO representative advised they had spoken internally with an SME and share the view with the group. The Proposer responded the point that ESO were trying to make was if TO's adjusted their statement of charges for a contestable works application fee, ESO would need to follow suit and did ESO have any concerns about that? The Proposer offered to have an offline conversation to discuss and address any concerns.

The final action from Workgroup 4 was for the Proposer to update the Solution Process, this was completed and was shared later in the presentation.

### **Solution Map Update**

There are seven areas highlighted in the Solution Map where the Proposer envisages changes to STC Code, the Proposer advised that the Adoption Agreement will need input from the group, there is not a process for this currently, did the group think one was needed. These were things to consider.

The Proposer advised that there was a concern around disputes and had defined an entirely separate dispute type for contestable works, this was to be discussed later in the session. The connections dispute process is a different type of dispute which is why the Proposer ringfenced it a little bit.

The proposer advised that once the Adoption Agreements had been covered and the role of the ESO was understood for disputes and intervention, legal text could be drafted with confidence.

An ESO representative raised the point that the ESO are not part of the Adoption Agreement process and that this point had previously been made very clear, the Proposer agreed clarifying that the terms of the adoption agreement and the dispute process in the STC are not a matter for the ESO.

A Workgroup member confirmed they were happy with the solution and mentioned that implementation timelines needed to be considered, for not only addressing the STC changes but accommodating changes needed internally for TOs (potentially ESO too) and then alignment with CUSC. They went on to mention the six-month implementation period may not be realistic especially from internal discussions they were having now.

The Chair thanked the member and confirmed their point had been noted.

## **Legal text Review**

### **Definitions Section (J)**

- Adoption Agreement

The wording suggested by the Proposer was reviewed and amended slightly after comments from the group.

- Contestable Assets

As defined in CUSC, no further input needed

- Contestable Works Dispute

Sharing the legal text, the Proposer advised that the biggest challenge here was contestability which is not referred to at present in STC.

There was a lot of discussion on the wording for this definition, the group agreed to come back to it. It was also noted that this definition may not be needed.

### **Schedule Five**

- Proposed New Connection Site

Two changes were made by the Proposer to 1.1.13 and 1.1.17. There were no objections from the group, but these will be reviewed by internal legal teams via Workgroup members.

### **Schedule Six**

- Connection Site to be Modified

1.1.8 is a new addition and 1.1.9 had wording added with no objections from the group.

### **Schedule Nine**

- TO Construction

No track changes added here, the Proposer advised this is where they would need input from the group, should references be made throughout the section or should a new section be added? A Workgroup member advised they had no preference and would leave the decision up to others. The ESO Representative advised they thought a separate section would be best. This was agreed with by the Proposer, with members due to confer with respective internal legal teams on the drafted text.

The proposed new section of CUSC was shared with the group for CMP330/374 in relation to Contestability and Adoption Agreement. This will assist with potential wording for a new section in Schedule Nine of the STC.

2.23.3 was the first point that the Proposer thought could be replicated in the STC code, this was noted. 2.23.4 was also suitable to be replicated in STC but the criteria list was not needed, the Workgroup agreed.

2.23.5 and 2.23.6 were also being replicated, although there will be some rewording to be shared in the draft legal text documents.

2.24.1 re: Contestable Assets. The Proposer advised the group that they would like to incorporate what is in the CUSC section and add a little bit more detail.

2.24.3 – the Proposer suggested points a), b), c) in the CUSC were not needed for STC but would like to add d). The group agreed.

The Proposer raised the following question for ESO:

“Is anything in the CUSC disputable and is it envisaged that the Adoption Agreement Principles in 2.24.3 are disputable also.”

ESO took an action to refer to their internal legal team.

The Proposer asked the group if they thought an Intervention Process (as an STCP) was needed. The group advised they did not think this was necessary. The Proposer advised the group that they would take a look at the section and if needed draft wording to share at the next session. Any STCP updates are to be made separately to this Modification,

### **Potential Consultation Questions**

The Chair shared the Draft Workgroup Consultation document with the group, asking if in addition to the standard questions, were there any specific questions they wanted adding to the document.

The Proposer had a suggestion for an additional question that a ESO representative queried, asking if it belonged in CUSC rather than STC.

The Proposer clarified their reasons for wanting the question added and the group agreed they were happy to add it to the consultation as a specific question.

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### **Next Steps**

The Proposer is to share details of legal text discussed in Workgroup 5 with the group, with work to date draft text shared Friday 30 June, and outstanding draft text on hearing back from the ESO about what's disputable in the CUSC.

The Chair and Proposer are to work on the draft Workgroup Consultation document in readiness for 19 July when it will be sent out to the industry.

Next Workgroup 12 July 2023

**Actions**

For the full action log, [click here](#).

Action number	Workgroup Raised	Owner	Action	Comment	Due by	Status
1	WG4	Chair	Chair to share an updated version of the Terms of Reference, using the agreed text, with the Workgroup before being submitted to Panel	NA	16/06/2023	Complete
2	WG4	Chair	High level action for Code Admin team and ESO Representative to see when updates can be shared by respective parties with the group regarding the related CUSC modifications	NA	NA	Complete
3	WG4	Proposer	Proposer to draft legal text and consult with ESO regarding contestability and ramifications of proposed changes (ESO to involve the internal ESO legal team)	NA	ASAP	Pending
4	WG4	ESO	ESO to identify whether anything further needs to feature in the legal text for TO support	NA	NA	Pending
5	WG4	Proposer/TOs	The Proposer and TO Workgroup members are to action the following and feedback to Chair/Tech Sec ahead of the next Workgroup: Investigate the process of failure and whether it is codified in the STC or dealt with elsewhere relating to the adoption agreement/price controlling and report back to the next Workgroup session. Consider changes to the application fee type i.e., variable, or fixed solutions.	NA	NA	Complete
6	WG4	ESO	ESO to also discuss the application fee type internally	NA	WG5	Complete
7	WG4	Proposer	Proposer to update the Solution Process map, this will then be shared with the Workgroup	NA	WG5	Complete

8	WG5	ESO	ESO to confirm position re: application fee and changing ESO charging statements accordingly	NA	WG6 or before	Open
9	WG5	Proposer	Updated Solution map shared for WG6 if necessary	NA	5 July	Open
9	WG5	Proposer	Proposer to think about the Intervention Criteria regarding STCP creation and changes to STCP (18.1)	NA	WG6	Open
10	WG5	ESO	ESO to refer to their internal legal team to see if there is anything disputable in CUSC & Adoption Agreement Principles	NA	WG6	Open
11	WG5	ESO	The ESO to consider what supports is needed from TOs regarding CUSC 7.4 process (and if a timeframe needs applying to the dispute process)	NA	WG6	Open
12	WG5	Proposer	Proposer to share updated legal text with Chair	NA	30/06/2023	Open
13	WG5	Workgroup	Draft legal text to be considered and reviewed by relevant parties and feedback shared with the Chair to collate	NA	WG6 (for documents available in time)	Open
14	WG5	Code Admin	Potential housekeeping change to be checked for NGET reference	NA	WG6	Open

**Attendees**

Name	Initial	Company	Role
Richard Woodward	RW	NGET	Proposer
Elana Byrne	EB	Code Administrator, ESO	Chair
Deborah Spencer	DS	Code Administrator, ESO	Tech Sec
Barney Cowin	BC	Statkraft	Workgroup member
Harriet Eckweiler	HE	SHET	Alternate
Joe Jordan	JJ	SPT	Workgroup Member
Neil Bennett	NB	SHET	Alternate
Neil Dewar	ND	ESO	ESO Rep
Stephen Baker	SB	ESO	ESO Rep