

STC Workgroup Vote

CM079: Consideration of STC/STCP changes in relation to CMP330/374

Please note: To participate in any votes, Workgroup members need to have attended at least 50% of meetings.

Stage 1 – Alternative Vote

~~If Workgroup Alternative Requests have been made, vote on whether they should become Alternative STC Modifications.~~

Stage 2 - Workgroup Vote

2a) Assess the Original solution and Alternative STC Modifications (if there are any) against the STC objectives compared to the baseline (the current STC).

~~2b) If Alternative STC Modifications exist, vote on whether each Alternative STC Modification better facilitates the Applicable STC Objectives better than the Original Modification Proposal.~~

2c) Vote on which of the options is best.

Terms used in this document

Term	Meaning
Baseline	The current STC (if voting for the Baseline, you believe no modification should be made)
Original	The solution which was firstly proposed by the Proposer of the modification
Alternative STC Modification	An Alternative Solution which has been developed by the Workgroup

The Applicable STC Objectives are:

- (a) efficient discharge of the obligations imposed upon transmission licensees by transmission licences and the Act
- (b) development, maintenance and operation of an efficient, economical and coordinated system of electricity transmission
- (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
- (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

(e) promotion of good industry practice and efficiency in the implementation and administration of the arrangements described in the STC.

(f) facilitation of access to the national electricity transmission system for generation not yet connected to the national electricity transmission system or distribution system;

(g) compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.

Workgroup Vote

Stage 2a – Assessment against objectives

To assess the Original against the STC objectives compared to the baseline (the current STC).

You will also be asked to provide a statement to be added to the Workgroup Report alongside your vote to assist the reader in understanding the rationale for your vote.

ASO = Applicable STC Objective

Workgroup Member	Better facilitates ASO (a)	Better facilitates ASO (b)	Better facilitates ASO (c)	Better facilitates ASO (d)	Better facilitates ASO (e)	Better facilitates ASO (f)	Better facilitates ASO (g)	Overall (Y/N)
	Richard Woodward – National Grid Electricity Transmission							
Original	Neutral	Neutral	Neutral	Neutral	Negative	Neutral	Neutral	Yes
<p>Voting Statement:</p> <p>We believe the original solution gives the best possible chance of implementing the corresponding CUSC modification(s) should Ofgem approve the package of changes.</p> <p>Where we have assessed applicable objectives as 'neutral', this reflects an overall position where risks/issues are anticipated if sufficient safeguards are not put in place. We also accept though that where these issues can be mitigated, that the CUSC and STC solution may provide a viable route for Users to successfully deliver certain transmission works via the updated contestability provisions.</p> <p>The safeguards we refer to include; the fair and reasonable negotiation of important controls by Onshore TOs in Adoption Agreements (which we believe could be undermined by the CUSC solution as proposed), and definitive positions agreed with Ofgem on the outstanding regulatory issues as flagged in the report (which have also been shared directly).</p> <p>For objective (e) - we believe the CUSC solution inherently leads to ambiguity in roles between NG ESO and Onshore TOs, which could impair the licensees' abilities to discharge their obligations.</p>								

Workgroup Member	Better facilitates ASO (a)	Better facilitates ASO (b)	Better facilitates ASO (c)	Better facilitates ASO (d)	Better facilitates ASO (e)	Better facilitates ASO (f)	Better facilitates ASO (g)	Overall (Y/N)
	Stephen Baker – ESO							

Original	<i>Neutral</i>	<i>Neutral</i>	<i>Positive</i>	<i>Neutral</i>	<i>Neutral</i>	<i>Neutral</i>	<i>Neutral</i>	<i>Yes</i>
<p>Voting Statement: I am supportive of this Modification (consequential to CMP330/374 and CMP414) which, if approved will promote competition in network development to deliver benefits to end consumers through facilitating more cost-effective solutions.</p>								

Workgroup	Better	Better	Better	Better	Better	Better	Better	Overall
Member	facilitates	facilitates	facilitates	facilitates	facilitates	facilitates	facilitates	(Y/N)
	ASO (a)	ASO (b)	ASO (c)	ASO (d)	ASO (e)	ASO (f)	ASO (g)	
Michelle MacDonald Sandison – SSENT								
Original	<i>Negative</i>	<i>Neutral</i>	<i>Neutral</i>	<i>Neutral</i>	<i>Negative</i>	<i>Neutral</i>	<i>Neutral</i>	<i>Yes</i>
<p>Voting Statement: SHET recognises the need for CM079 as it identifies and rectifies changes in the STC which will be required should the CUSC modifications CMP330 / 374 / 414 be approved, however we continue to have concerns around these modifications.</p> <p>We believe Objective A is negative as the changes proposed under CMP330 / 374 / 414 impact our licence obligations to provide economic and efficient network investment planning. Objective E is also negative as the proposed STC changes, in line with the CUSC proposals, further complicates the relationship between Onshore TOs and the ESO. If the proposed STC & CUSC changes are implemented as is, this will create a new level of uncertainty in roles during the contestable process. For example, where the ESO would require to be the arbitrator for disputes on 3rd party agreements.</p> <p>We believe Objectives B, C, D, F and G are also neutral at best, as they increase inefficiency in developing, maintaining, and operating our network due to assets being built by multiple parties. However, the proposed changes to the STC and subsequent STCP changes will help to alleviate some of the risks by adding intervention criteria, allowing the TO to intervene in circumstances where we believe the integrity of the network or our efficient investment plans become at risk.</p>								

Workgroup	Better	Better	Better	Better	Better	Better	Better	Overall
Member	facilitates	facilitates	facilitates	facilitates	facilitates	facilitates	facilitates	(Y/N)
	ASO (a)	ASO (b)	ASO (c)	ASO (d)	ASO (e)	ASO (f)	ASO (g)	
Joe Jordan – SP Energy Networks								
Original	<i>Negative</i>	<i>Neutral</i>	<i>Neutral</i>	<i>Negative</i>	<i>Negative</i>	<i>Neutral</i>	<i>Neutral</i>	<i>Yes</i>
<p>Voting Statement: Overall I am supportive of this consequential Modification, which ensures the SO:TO Code reflects the modifications currently underway through the CUSC (CMP330/374/414). Whilst I have concerns that the CUSC proposals do not represent an efficient outcome for consumers and create additional risks to safe and efficient network development, I am supportive of the specific modification to the STC (CM079) insofar as it is required to facilitate the changes currently underway through the CUSC and ensure coherence within the codes.”</p>								

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Workgroup Member	Better facilitates ASO (a)	Better facilitates ASO (b)	Better facilitates ASO (c)	Better facilitates ASO (d)	Better facilitates ASO (e)	Better facilitates ASO (f)	Better facilitates ASO (g)	Overall (Y/N)
Barney Cowin – Statkraft								
Original	Neutral	Yes						
Voting Statement: -								

Of the 5 votes, how many voters said this option was better than the Baseline.

Option	Number of voters that voted this option as better than the Baseline
Original	5

Stage 2c – Workgroup Vote

Which option is the best? (Baseline, Original Proposal)

Workgroup Member	Company	BEST Option?	Which objective(s) does the change better facilitate? (if baseline not applicable)
Richard Woodward	NGET	Original	None
Stephen Baker	ESO	Original	C
Michelle MacDonald Sandison	SSENT	Original	None
Joe Jordan	SP Energy Networks	Original	None
Barney Cowin	Statkraft	Original	None