



## STC Panel

Online Meeting via Teams

# WELCOME



# Minutes

## Approval of Panel Minutes from the Meeting held 27 September 2023



# Review of Actions within Action Log



# Authority Decisions and Update



## Updates Received since last Panel meeting

CM080 Transmission Impact Assessment process – **Decision date moved out from 20 October 2023 to 16 November 2023**

CM089/91 Implementation of the Electricity System Restoration Standard & Implementation of Emergency and Restoration Code Phase II – **Decision date 15 November 2023**



# Draft STC/STCP Modifications

None



# New STC/STCP Modifications

None

# In flight Modification Updates / Potential New Modifications

- *PM0128 – Implementation of the Electricity System Restoration Standard STCPs verbal update (AJ)*
- *PM0127 - Improving TNUoS Predictability through Increased Notice of the Target Revenue & Inputs used in the TNUoS Tariff Setting Process STCP update (DH)*
- *PM0135 – Proposed changes to STCP19-3 to improve the clarity around Compliance responsibilities between the Electricity System Operation and Transmission owners STCPs Update (DH)*





**Proposal – PM0127 Changes to STCPs required to facilitate CUSC modification  
CMP286:**

***Improving TNUoS Predictability through increased notice of the Target Revenue  
used in the TNUoS Tariff Setting Process***

David Halford - 25 October 2023

## Overview of CMP286 and CMP287 Modification

CMP286 and CMP287 are modifications raised by npower (now E.ON Energy), to improve the predictability of TNUoS demand charges by:

- **CMP286** - Fixing TNUoS Target Revenue 15 months in advance of final TNUoS Tariffs being published (current process is 3 months in advance)
- **CMP287** - Fixing selected parameters which feed into the TNUoS Tariff setting process 15 months in advance of final TNUoS Tariffs being published (current process is 3 months in advance)

It was noted by the proposer that by fixing these elements in advance, it would enable suppliers to more accurately cost fixed tariffs over one year in length and reduce the risk premia that is current applied giving a better deal to consumers. It will however increase the cashflow risk associated with inaccurate forecasts which was also the subject of STC modification [PM0119: TNUoS Revenue Collection Risk Transfer](#).

- **An alternative proposal has been submitted by NGESO which was approved as an official alternative, to remove the “ESO pass through costs” from being fixed 15 months in advance and keep at 3 months in advance as per the current process.**
- **CMP286 and 287 were aligned and presented to Ofgem as a single Final Modification Report on the 7<sup>th</sup> December 2022.**

## PM0127 - STC Requirements/Consequential Changes

**To facilitate these CUSC Modifications, changes will be required to STCPs 13-1, 14-1 and 24-1 to ensure that the amended process and timeline is reflected in:**

- TO General System Charge forecasts requested by the ESO from the TOs reflect the relevant Financial Years
- The deadline for the date that revisions to the TO General System Charges can be made
- The change in the date that onshore TOs will update and provide the final revenue
- Any additional reporting, and frequency of this reporting, required from the ESO to the TOs to enable the TOs to assess any variance to the forecasts once they have been fixed

**Separate changes will not be required for the proposed alternative CUSC solution with the changes identified above applicable to both proposals**

## CUSC Modifications – Ofgem Send Back

- On the 30<sup>th</sup> June 2023, a send back letter was received from Ofgem in respect of the CMP286 and CMP276 modifications, citing the following reasons for the send back:
  - Procedural issues: single set of Panel voting and a single set of proposed legal text.
  - Lack of analysis of the impact of CMP287.
- Following the send back letter (and discussions with the proposer of the modification), a decision was made to separate the CUSC modifications CMP286 and CMP287
- A review has taken place in respect of the STCP changes which were approved in principle at the September 2022 STC Panel, which has concluded that the changes required to STC Procedures **relate to the CMP286 modification only**

**The PM0127 modification was formally raised and approved at the STC Panel on 28th September 2022, but in light of the send back from Ofgem in respect of the CUSC modification, the STCP changes are being re-presented to the Panel for approval in principle.**





**PM0135 – Proposed changes to STCP19-3 to improve clarity and  
Compliance responsibilities between the ESO and TOs - DRAFT**

David Halford – October 2023

# Overview of Draft PM0135 Modification

- STCP19-3 documents the Operational Notification and Compliance Testing processes and responsibilities of both the National Grid Electricity System Operator (NGESO) and the relevant Transmission Owner (TO).
- The ESO is proposing changes to STCP19-3, with the aim to ensure the ESO and TOs are clear on their roles and responsibilities in relation to Operational Notification and Compliance Testing processes in order to avoid potential confusion between parties and provide overall improvements to the process.

## **The proposed changes to STCP19-3 will cover the following areas:**

- Amend any references to 'NGET' to "The Company" where appropriate.
  - Remove the risk of commercially sensitive data being shared between NGESO and the TOs with the facilitation of a Sharepoint site which will ensure only the relevant data required to validate Compliance is shared between the User and TO.
  - Removal of possible duplication of tasks e.g., where the NGESO compliance Team and Project Engineer are chasing the same updates.
  - Ensure the role and responsibilities between parties are clearly defined.
  - Ensure the compliance process is consistent across all parties.
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- **Two sessions have taken place between ESO and the On-Shore TOs to review and refine the proposed changes to STCP19-3.**
  - **The creation of a Sharepoint site for all TOs to access as apart of these proposed changes is currently in development.**

# 'Asks' of STC Panel

- **We believe that the majority of these changes impact On-Shore TOs only. Do the OFTO Panel Representatives agree with this statement and have any further comments to make in respect of the proposed changes to STCP19-3?**
- **The ESO does not believe these proposed changes will result in any material changes for the TOs as the ESO is not proposing to change the current role and responsibilities it plays in the Compliance process. Does the Panel agree with this?**



# Workgroup Report

None



# Draft Final Modification Report

**CM092 – Schedule 9: TO Construction Terms Update**

Deborah Spencer (STC Panel Chair)



# Solution

## Solution Summary:

The Proposers solution is to change the TO Construction Terms as follows:

1. A change to make clear the best endeavours obligations on Transmission Owners (TO) to obtain Consents does not extend to circumstances where a User is obtaining those Consents on behalf of a TO, in which case NGESO shall use best endeavours to ensure that the User shall obtain those specific Consents for the TO.
  2. A change to clarify that when Schedule 9 confirms “all dates...are subject to ... obtaining Consents” this allows each Transmission Owner to make changes to the charges and dates in the Construction Programme to reflect any delays, as well as the Transmission Construction Works (the TCW variation rights are already specifically called out in the text). This realigns the position with what is understood to already be in the NGESO Construction Agreements.
  3. A change to make clear that whilst a Transmission Owner will be the “client” under the Construction (Design and Management) Regulations 2015 when that TO is carrying out the Transmission Construction Works itself, if the User elects to carry out some of these works under the contestability / user self-build principles, the User will then be the “client” under CDM for the purposes of these works.
- The Proposal was presented to Panel on 30 August 2023, it was agreed that the modification should proceed to Code Administrator Consultation.

# Code Administrator Consultation Responses

## Summary of Code Administrator Consultation Responses :

- Code Administrator Consultation was run from 07/09/2023 to 27/09/2023 and received no responses

# CM092 – Schedule 9:TO Construction Terms Update

- **VOTE** whether or not to implement
- **NOTE** next steps

# CM092 – Next Steps

Milestone	Date
Draft Self Governance Modification Report presented to Panel	25 October 2023
Final Self Governance Modification Report issued to Panel to check votes recorded correctly (5 working days)	26 October 2023 to 02 November 2023
Appeals Window (15 working days)	03 November 2023 to 5pm on 24 November 2023
Implementation Date (5 working days after closure of Appeals Window)	01 December 2023



## Any Other Business

- *Update on Energy Code Reform*
- *Update on CATO*

# Next Panel Meeting



**10am on - 29 November 2023**

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**Papers Day – 21 November 2023**

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**Modification Proposals to be submitted  
by – 14 November 2023**

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# Close



**Deborah Spencer**  
STC Panel Chair