

STC Modification Panel Minutes

25 October 2023

STC Modification Panel Minutes: Meeting Number 216

Date: 25 October 2023 **Location:** Microsoft Teams

Start: 10:00am **End:** 11:05am

Participants

Attendee	Initials	Company
Deborah Spencer	DS	Chair, Code Administrator, National Grid Electricity System Operator (NGESO)
Rashpal Gata-Aura	RGA	Tech Sec, Code Administrator, National Grid Electricity System Operator (NGESO)
Terry Baldwin	TB	National Grid Electricity System Operator (NGESO)
David Halford	DH	National Grid Electricity System Operator (NGESO)
Anthony Johnson	AJ	National Grid Electricity System Operator (NGESO)
Andy Keegan	AK	National Grid Electricity System Operator (NGESO) Observer
Gareth Williams	GW	Scottish Power Transmission plc. (SPT)
Michelle Macdonald-Sandison	MM	Scottish Hydro Electric Transmission plc. (SHET)
Harriet Eckweiler	HE	Scottish Hydro Electric Transmission plc. (SHET)
Richard Woodward	RW	National Grid Electricity Transmission (NGET)
Cyrus Motashaw	CM	National Grid Electricity Transmission (NGET) Observer
Joel Matthews	JM	Offshore Transmission Owner (OFTO)
Mike Lee	ML	Offshore Transmission Owner (OFTO)
Nadir Hafeez	NH	Authority Representative
Sue Richards	SR	Authority Representative
Apologies	Initials	Company
Keith Jones	KJ	National Grid Electricity System Operator (NGESO)

1. Introductions and Apologies for Absence

6363. Apologies were received from Keith Jones.

2. Approval of Minutes from Previous Meeting

6364. The Panel approved the minutes from the meeting held on 27 September 2023 (**Post Panel Meeting Note**: The minutes are now available on the National Grid ESO [website](#)).

3. Review of Actions

6365. There were no Actions to review from the September 2023 Panel meeting.

4. Authority Decisions and Update

6366. NH advised the Panel that: -

CM078 – *Connections Triggering Distribution Impact Assessment* was still with Ofgem as this was connected to **CMP328** - *Connections Triggering Distribution Impact Assessment* which was a send back, and there has been no change in status to date.

CM080 – *Transmission Impact Assessment Process*, the decision is linked to CUSC modification **CMP298** - *Updating the Statement of Works process to facilitate aggregated assessment of relevant and collectively relevant embedded generation* and both decisions have now been revised to **16 November 2023** due to priority being given to the Connections Reform work currently being undertaken.

CM089/CM091 – *Implementation of the Electricity System Restoration Standard & Implementation of Emergency and Restoration Code Phase II* – decision date is **15 November 2023** in line with the other ERS modifications.

5. New STC/STCP Modification Proposals for Panel Decision

6367. The Chair advised that no new modifications had been received for October 2023 Panel.

6. Draft STC/STCP Modifications

6368. The Chair affirmed that no draft modifications had been received for October 2023 Panel.

6369. RW informed the Panel that NGET may be returning to Panel with an STCP19-6 – Application Fee procedure change, following further discussions with the ESO and Revenue colleagues.

6370. ML advised the Panel that when OFTOs were going through the process of taking over an OFTO as preferred bidder, they often discovered that the alarms that were passed to the ESO (and those that just the OFTO saw) were incorrectly categorised. Alarms are categorised by importance, ESO sees 1 & 2 and the OFTOs 1-4. Further detail was needed in the STCP to help OTDUW users correctly categorise alarms, so they are correct the first time.

6371. TB requested that ML have a conversation offline to discuss this further to clarify which code the modification will be raised in, as there may be a possibility this could be a Grid Code modification.

6372. ML acknowledged the request and stated that once more work had been undertaken, they would reach out to the ESO to discuss the way forward.

7. Inflight Modification Updates/Potential New Modifications

6373. The Chair informed the Panel that the Cross Code modification tracker had been shared for their reference and called on AJ to give a verbal update on: -

PM0128 – *Implementation of the Electricity System Restoration Standard STCPs*

6374. AJ proceeded to advise the Panel that PM0128 and PM0132 were the modifications associated with the STCPs and ESO had been following up on the actions raised in August and September 2023.

6375. AJ advised that there were many STCP changes as a result of *the Electricity System Restoration Standard*, and they also included the changes as a result of GC0148 and GC0156 *the implementation of EU Emergency and Restoration Code Phase II*. A view was taken that GC0148 and GC0156 could be merged which was done in line with the governance rules.

6376. AJ stated that whilst PM0128 was discussed at the STC Panel in August, an action was taken to understand the changes in more details and confirm if they were material? A meeting followed on 22 September 2023 to take the Panel members and any other interested parties through the changes. It was agreed that the changes were believed to be material.

6377. AJ advised that additionally, comments were received from SP Energy Networks GV (Graeme Vincent), along with several parties during the workgroup itself on the STC procedures. An email response had been provided recently to GV on his comments and concerns, ESO await a response.

6378. AJ summarised that the latest position on PM0128 - *Implementation of the Electricity System Restoration* was that materiality had been identified and comments addressed.

6379. NH commented that Ofgem had indicated that the STCPs regarding the ESRS were material and Ofgem would be considering the STCPs alongside CM089/CM091 modifications.

6380. NH requested input from Panel members regarding these STCPs alongside Ofgem decision, following the CM084 - *Clarify STCP modification approach for cross-code changes* decision.

6381. Ofgem were happy to consider PM0128 alongside CM089/CM091 decision, however the ask of the Panel was whether it was expected that a decision on the STCPs would be forthcoming from Ofgem or would it be a strong steer/recommendation regarding the STCPs.

6382. RW responded that it may be beneficial to allow the Panel to vote as if they were being approved, as it may be identified that some aspects of the solution may be problematic. Alternatively, if the Panel felt the changes were material and wanted to approve them anyway, then the decision was with the Panel members. The Panel would be able to provide a recommendation to assist Ofgem in the STCPs.

6383. NH referred to CM084 where the aim was to get Ofgem input alongside the related code decisions, therefore in the decision document of CM089/CM091 where a section

mentions the STCPs, could either be a decision or it could be a strong steer/recommendation from Ofgem to show that the STCPs had been assessed alongside CM089/CM091 and also alongside GC0156 as Ofgem were looking at the whole suite of the modifications together.

6384. NH commented that either Ofgem gave a steer/recommendation and Panel make the decision or the Panel make a recommendation and Ofgem make their decision.
6385. RW stated that whilst ultimately Ofgem had the power to make the decision, it may be that the Panel get a steer from Ofgem once the whole suite of modifications had been considered. The Panel then make the final decision on the STCPs bearing in mind that the whole package had been looked at by the Authority.
6386. AJ clarified that he had had an email from Ofgem and wanted to raise a couple of points in that the STCPs and the legal text for the STC were developed around the same time in April 2023. The Workgroup then had the opportunity to comment on both the STC legal drafting and the STCPs with many comments around the STCPs which were used to bring them to the state they are now.
6387. AJ endorsed that whilst Ofgem can take a view on this, ultimately PM0128 should be brought back to Panel noting the Panel and the Workgroup had both an opportunity to look through all the STCPs and the only comments received were from GV which would be discussed and addressed upon his return from annual leave.
6388. AJ confirmed that an email will be sent to Ofgem and Panel, regarding what was done, and the process followed.
6389. DH was invited to provide update to the Panel on: -
***PM0127** - Improving TNUoS Predictability through Increased Notice of the Target Revenue & Inputs used in the TNUoS Tariff Setting Process STCP*, please see slides within the [Panel Papers](#) for more detail.
6390. DH summarised that on the 30th June 2023, a send back letter was received from Ofgem in respect of the [CMP286 and CMP287](#) 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.
6391. 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
6392. 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 CMP286 modification only**.
6393. 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 were being re-presented to the Panel for approval in principle.
6394. DH advised that if it was felt there was materiality following the changes, then the normal process would be followed and communicated to Ofgem and get a steer as to whether they need to have these STCPs at the same time as CMP286.

6395. RW stated that the benefit of Ofgem’s approval of CM084 was that it avoided the Panel members to give caveated approval for modifications that are not objectively supported.
6396. RW commented that NGET believe there to be material changes and sought the views of Ofgem in their direction of CMP286/CMP287.
6397. DS summarised that the same approach would be taken for PM0128, the STCPs would be sent to Ofgem to get a steer/recommendation along with CMP286 and the STCPs would then come back to Panel for approval.
6398. NH confirmed that as the Panel had established the materiality of the STCPs and therefore the Proposer should send in a request to Ofgem for the STCPs to be considered alongside the associated modifications.
6399. **ACTION** DH confirmed that the documents would need to be re-baselined, also that there was a CMP286 Workgroup on 8 November, and whilst it was understood that there will be no impact on what has been presented, it may be good to enable that Workgroup and then check that there was no impact on the STCPs changes.
6400. DH stated that ESO would then start the process to reach out to Ofgem to talk about the materiality.
6401. **PM0135** – *Proposed changes to STCP19-3 to improve the clarity around Compliance responsibilities between the Electricity System Operation and Transmission owners STCPs.* For further details please see the slides within the [Panel papers](#).
6402. DH summarised the modification where PM0135 was looking to make changes to STCP19-3. The potential changes the ESO were looking to make were summarised on the slide within the [Panel papers](#).
6403. DH advised the Panel that the proposed changes to STCP19-3 would 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.
6404. DH advised that two sessions had taken place between ESO and the On-Shore TOs to review and refine the proposed changes to STCP19-3. Currently these changes were presented in draft form, and the legal text was also in draft including some comments received from the feedback session.
6405. DH affirmed that the creation of a SharePoint site for all TOs to access as apart of these proposed changes was currently being developed.
6406. ESO believed that most of these changes would impact On-Shore TOs only and asked the OFTO Panel Representatives if they agreed with this statement, adding a request for further comments in respect of the proposed changes to STCP19-3?

6407. The ESO did not believe these proposed changes would result in any material changes for the TOs as the ESO was not proposing to change the current role and responsibilities it plays in the Compliance process. The ask of the Panel was whether it agreed with this?
6408. DH stated that it would be good to get a steer from Panel bearing in mind this was all discussed in the separate offline sessions held.
6409. ESO were looking to get the final versions of STCPs made with a view to bring them back to the Panel on the proviso that the SharePoint site was set up and everything was available for all to use the SharePoint site. ESO are aware that these changes cannot be introduced until the SharePoint site had been set up.
6410. **ACTION** DH to take the STCPs with the comments on presently, tidy them up and get them to a stage where only the proposed changes to be made would show, DH to re-circulate them to all involved in the conversations, for a final confirmation from all parties that they are happy with the changes.
6411. DH confirmed that ESO would ensure the SharePoint site being set up was ready and would then be looking to bring it back to November. Should there be any issues regarding SharePoint then the modification would be brought to Panel following the issues being resolved.
6412. The Chair summarised that following the meetings, no materiality was identified, and the opportunity should now be taken by any Panel member who feel there was something else that needed to be clarified. When the modification is brought back to Panel, the ask of the Panel would be to approve proposed changes and proceed to implementation.

8. Workgroup Reports

9. The Chair advised that no Workgroup Reports had been received for October 2023 Panel.

10. Draft Final Modification Reports

6413. The Chair advised the Panel that there was one Draft Final Modification Report – [CM092](#) - *Schedule 9: TO Construction Terms Update* and gave a brief update.
6414. The Chair summarised that the Code Administrator Consultation was open from the 07 September 2023 to 27 September 2023, no responses were received. For more details, please see [Panel papers](#).
6415. The ask of the Panel was for their determination vote as to whether this modification should be implemented.
6416. The Chair walked through the next steps, please refer to the [Panel slides](#) for stage gate date.

11. Code Administrator Update

6417. None.

12. Any other Business

6418. NH addressed the Panel on the Energy Code Reform and advised on the consultation due to take place over the winter, jointly with (Department for Energy Security and Net Zero) DESZN. At the same time Ofgem plan to consult on potential code consolidation.

- 6419. NH updated the Panel on the FSO project advising that on 18 October 2023, Ofgem published their decision on Call for Volunteers, confirming members of the Cross Code Work Group (CCWG) and Ofgem's response on Stakeholder feedback.
- 6420. On 19 October the first CCWG was held where the members discussed the institutional package of changes initially set out. It was expected for the CCWG to meet bi-weekly to develop all code change proposals related to the institutional package and in relation to the new roles and duties to be confirmed on the ESO bi-licence modifications.
- 6421. NH continued to advise that Ofgem would be having a publishing moratorium from 14 December to 4 January 2024 in line with previous years.
- 6422. RW confirmed to the Panel that he was the representative from NGET along with a legal representative from SSEN Transmission (not an STC Panel member) and should any updates be required; he would be happy to share the information with the STC Panel bearing in mind that Ofgem would also be publishing the outcomes on their [website](#).
- 6423. The Chair gave a brief update on the Energy Code Reform.
- 6424. The Chair advised that several CATO modifications in the progress had been halted whilst legislation went through Government. The decision was originally due at the end of the summer but was then moved to the end of October. Panel will be updated as the decision is known.
- 6425. The Chair thanked Michelle MacDonald-Sandison for her services to the STC Panel and wished her well in her new role.

Date of next meeting

- 6426. The next STC Panel meeting will be held on **Wednesday 29 November 2023**
- 6427. New Modification Proposal date **Tuesday 14 November 2023**
- 6428. Panel papers day **Tuesday 21 November 2023**