

Code Administrator Consultation Response Proforma

CM087: Introducing Connections Process to facilitate Competitively Appointed Transmission Owners

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses to stcteam@nationalgrideso.com by **5pm on 08 February 2024**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration.

If you have any queries on the content of this consultation, please contact Catia Gomes catia.gomes@nationalgrideso.com or stcteam@nationalgrideso.com

Respondent details	Please enter your details	
Respondent name:	Greg Stevenson, Gareth Williams,	
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Which best describes your organisation?	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input type="checkbox"/> Distribution Network Operator <input type="checkbox"/> Generator <input type="checkbox"/> Industry body <input type="checkbox"/> Interconnector	<input type="checkbox"/> Storage <input type="checkbox"/> Supplier <input type="checkbox"/> System Operator <input checked="" type="checkbox"/> Transmission Owner <input type="checkbox"/> Virtual Lead Party <input type="checkbox"/> Other

I wish my response to be:
 (Please mark the relevant box) Non-Confidential Confidential

Note: A confidential response will be disclosed to the Authority in full but, unless agreed otherwise, will not be shared with the Panel or the industry and may therefore not influence the debate to the same extent as a non-confidential response.

For reference 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.*

Please express your views in the right-hand side of the table below, including your rationale.

Standard Code Administrator Consultation questions				
1	Please provide your assessment for the proposed solution against the Applicable Objectives?	<p>Mark the Objectives which you believe the proposed solution better facilitates:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 45%;">Original</td> <td style="width: 55%;"> <input type="checkbox"/>A <input type="checkbox"/>B <input type="checkbox"/>C <input type="checkbox"/>D <input type="checkbox"/>E <input type="checkbox"/>F <input checked="" type="checkbox"/>G </td> </tr> </table> <p>In relation to the proposed solution for CM087, we have assessed each applicable objective being impacted as follows:</p> <p>A) Negative:</p> <p>We accept and understand the need for this modification as it resolves a defect in the STC by specifying the process to enable CATOs to connect new transmission assets to the NETS. However, we still believe it does so in an inefficient manner.</p> <p>The proposed changes cause concern that we will not be able to efficiently discharge our own transmission licence obligations as the updates to Section D of the STC are over specifying and overcomplicating technical and operational interactions between CATOs and Pre-Existing Transmission Owners (PTOs).</p> <p>The proposal introduces new and additional complexities around the current interface arrangements. To ensure that there is clarity on the responsibilities and interactions</p>	Original	<input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E <input type="checkbox"/> F <input checked="" type="checkbox"/> G
Original	<input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E <input type="checkbox"/> F <input checked="" type="checkbox"/> G			

between parties at interface sites it is important that this is codified in sufficient detail. This is particularly important when it comes to such areas as system restoration and network coordination to allow work on the NETS to be undertaken on a daily basis.

Increasing the number of interface sites can lead to physical safety and security concerns surrounding access to existing TO substations. As a result there will be a need to implement relevant procedures and processes to ensure the competency of CATO staff who may require access so that the sites can continue to be operated in a safe and secure manner

B) Negative

As we have mentioned elsewhere in our response, we do not believe that processes introduced by this modification are the most efficient or economic means of achieving the outcomes

C) Neutral

D) Negative

We believe the proposals increase the potential for risk in the security and quality of supply and safe operation of the NETS by adding complexity to the baseline interface arrangements between transmission licensees.

E) Negative

We do not believe that the proposed STC changes allow for efficiency in the implementation and administration of the arrangements described in the STC as this proposal adds more complexity than is necessary to implement CATO connection processes by applying a 'generator-like' compliance process through proposed STCP 19-7. A Transmission Owner should be governed by stringent safety and system design obligations through their transmission licence.

To ensure safe and secure operation of the NETS, it is important that any potential CATOs have in place similar obligations, standards and processes which comply with Good Industry practice and therefore minimise any complexity at the interface with existing TOs or future CATO should this be the case.

		<p>F) Neutral</p> <p>G) Positive</p> <p>This modification will align with relevant GB legislation enabling Early Competition following the Energy Bill receiving Royal Assent. Therefore it is necessary for changes to ensure resultant CATOs comply with all relevant regulations and that the required processes are codified to reflect this.</p>
2	Do you have a preferred proposed solution?	<p><input checked="" type="checkbox"/>Original <input type="checkbox"/>Baseline <input type="checkbox"/>No preference</p> <p>We believe the Original solution is the best option but stress the need to further refine the changes and associated STCPs prior to implementation.</p>
3	Do you support the proposed implementation approach?	<p><input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</p> <p>We note the on-going work and collaboration on finalising the proposed STCP changes, primarily 18-5 & 19-7 and that the STCP Modification PM0136 has been raised. This is welcomed and we are aware they are not part of CM087 but must be considered when reviewing this modification. We believe there is still further work required to get these in a workable position and we stress the need for these to be finalised prior to implementation of CM087.</p>
4	Do you have any other comments?	<p>Under existing industry practices, the current TO-TO relationship recognises that there are project risks that both parties share, which are dealt with in a co-ordinated way.</p> <p>The proposed change would put additional obligations on PTOs (for example requiring TOs as ‘Lead Parties’ to take all reasonable steps to ensure the CATO milestones are met) and could potentially change the nature of existing TO-TO relationships, which currently work well.</p> <p>During a time of unprecedented regulatory change and the commencement of considerations of the new TO Price Control, we are worried the implementation of the CATO regime in this way may be an excessive burden which is not yet fully understood both from a resource and funding position.</p>

		<p>We have previously flagged risk of industry disruption at a time where transmission investment should be focused on acceleration for net-zero and coordination in a strategically planned way. We note and welcome the recent announcement that the ESO believe that Early Competition should support the decisions made during the options assessment which forms part of the Centralised Strategic Network Plan.</p> <p>We would also wish to raise that whilst the modifications introduces the concept of CATOs, that the enduring regime when a CATO (upon the award of their TO Licence?) becomes a TO needs to be considered to ensure that there are no unforeseen consequences as any obligations which specifically refer to CATO will no longer apply and the conventional TO term will.</p>
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