

Workgroup Consultation Response Proforma

CM094: Amendment to Bi-annual estimate provisions

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 14 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 Milly Lewis milly.lewis@nationalgrideso.com or stcteam@nationalgrideso.com

Respondent details		Please enter your details	
Respondent name:	Anthony Cotton		
Company name:	Energy Technical & Renewable Services Ltd		
Email address:	tony@energytechnical.com		
Phone number:	07774102942		
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 type="checkbox"/> Transmission Owner <input type="checkbox"/> Virtual Lead Party <input checked="" type="checkbox"/> Other	

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

Non-Confidential (*this will be shared with industry and the Panel for further consideration*)

Confidential (*this will be disclosed to the Authority in full but, unless specified, will not be shared with the Workgroup, Panel or the industry for further consideration*)

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 Workgroup Consultation questions		
1	Do you believe that the Original Proposal better facilitate the Applicable Objectives?	Mark the Objectives which you believe the solution better facilitates: Original <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E <input checked="" type="checkbox"/> F <input type="checkbox"/> G Click or tap here to enter text.
2	Do you support the proposed implementation approach?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Click or tap here to enter text.
3	Do you have any other comments?	<p>There is a cross-code impact not yet identified in the report, namely that the terms used in the definition of “Wider Cancellation Charge Information” also exist in the CUSC at section 15 part two paragraph 3.8. Whilst there is no formal definition of “Wider Cancellation Charge Information” in the CUSC, there are definitions of “Load Related Boundary Capex” and “Non-Load Related Boundary Capex” which together mirror the term used in the STC. To maintain consistency between the STC and CUSC, and ensure that the relevant costs are not passed on to Users via the Wider Cancellation Charge, these CUSC definitions need to be changed to exclude the costs of any Transmission Construction Works that have received Construction Approval.</p> <p>There is an associated issue, not directly related to this modification which I would like to raise as it affects the same part of the STC. This is that the STC definition of “Wider Cancellation Charge Information” and CUSC definitions of “Load Related Boundary Capex” and “Non-Load Related Boundary Capex” contain an error, namely that they double-count (for wider cancellation liability and security purposes) costs from boundary capex that is or will be secured under Final Sums. This was raised at the CISC meeting on 1 February (in relation to the CUSC definition) and an action was taken by ESO to check the materiality of the problem. However, if an urgent change is to be being made to the STC (and as I advocate to the CUSC) in the very same definitions couldn't the opportunity be taken to correct it at the same time?</p>
4	Do you wish to raise a Workgroup	<input type="checkbox"/> Yes (the request form can be found in the Workgroup Consultation Section) <input checked="" type="checkbox"/> No

	<p>Consultation Alternative Request for the Workgroup to consider?</p>	<p>Click or tap here to enter text.</p>
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Specific Workgroup Consultation questions		
<p>5</p>	<p>Do you agree that the Construction Approval should be based on the needs case approval rather than funding approval?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Click or tap here to enter text.</p>
<p>6</p>	<p>Do you agree that it's non material when customers contract?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>I don't have enough information to say either way</p>
<p>7</p>	<p>Do you agree that the next security period is a reasonable time for the change?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If the sums are material then consideration should be given to earlier implementation ie reducing securities partway through a security period. In the report it is stated at page 6 "<i>Customers ... will continue to securitise against large transmission reinforcement works until the next security period, where reasonable, after that Construction Approval has been received</i>" I do not understand the text in yellow, which implies that sometimes it might be reasonable for a customer to secure Transmission Construction Works that have received Construction Approval, and sometimes it is not. What is the basis for this and how is it reflected in the legal text?</p>
<p>8</p>	<p>Is it clear that prior to Construction Approval (needs case) that customers will still need to provide securities for construction works?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Click or tap here to enter text.</p>
<p>9</p>	<p>Does the legal text satisfy the intent of the modification in improving the security process in a transparent way?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>This response is subject to clarifying the point in 7 above.</p>