

Minutes

Meeting name	STC Modification Panel Meeting
Meeting number	157
Date of meeting	Wednesday 28 March 2018
Time	10:00am – 12:00pm
Location	G2-02, National Grid House, Warwick and WebEx

Attendees

Name	Initials	Company
Caroline Wright	CW	Chair, Code Administrator
Lurrentia Walker	LW	Panel Secretary, Code Administrator
Rob Wilson	RW	National Grid (NGET)
Zhibo Ma	ZM	National Grid (NGET)
Neil Bennett	NB	Scottish Hydro Electric Transmission plc. (SHET)
Neil Sandison	NS	Scottish Hydro Electric Transmission plc. (SHET)
Deborah MacPherson	DM	Scottish Power Transmission plc. (SPT)
Milorad Dobrijevic	MD	Scottish Power Transmission plc. (SPT)
Mike Lee	ML	Transmission Capital (TC)
David Lyon	DL	Blue Transmission (BT)
Nadir Hafeez	NH	Ofgem (Alternate)
Bec Thornton	BT	National Grid
Richard Woodward	RWO	National Grid(Observer)
Richard Smith	RS	National Grid
Dave Michie	DMI	National Grid (Proposer)
Richard Lavender	RL	National Grid (Proposer)
John Sinclair	JS	Balfour Beatty (Proposer)
Richard Proctor	RP	National Grid (Proposer)
Rui Zhang	RZ	National Grid (Observer)

Apologies

Name	Initials	Company
Roberta Fernie	RF	Ofgem

1 Introductions and Apologies for Absence

4496. Apologies were received from Roberta Fernie, Ofgem. CW advised the Panel she has secured another role within National Grid and this will be her last STC Panel. RS will be replacing CW as the STC Panel Chair.

2 Approval of Minutes from the last meeting

4497. The minutes from the STC Modification Panel held on 28 February 2018 were approved. LW will arrange publication of the final minutes.

ACTION

3 Review of Actions

4498. All STC Modification Panel actions are detailed in the Actions Log.

4 Potential Future Modifications

4499. **Modification Tracker**

All STC progression updates are detailed on the Modification Tracker.

4500. **Impact on SO and TO Legal Separation**

BT from National Grid delivered a presentation on SO and TO legal separation. BT advised the Panel the changes being raised are uniform across the Codes. BT noted National Grid is trying to raise minimal changes as part of the legal separation.

BT noted in terms of timescales, the Modifications are on track to be raised at the April Panel, in regards the STCP's BT advised the Panel the Legal Separation Team are tracking what STCP's are being raised so they can ensure that the NGENSO changes are incorporated before 1 April 2019. BT advised there will be two Modification proposals for STCP changes, one Modification will incorporate all the STCP's will NGENSO changes and the other changes will include the interface design changes. BT advised all Panel members have had sight of the legal text.

BT will raise the STC and STCP changes at the April STC Panel meeting.

4501. **STCP11-4**

MD advised he will provide an update on STCP11-4 under agenda item 17.

5 New STC / STCP Modification Proposals

4502. **STCP13-2 'SIF and LARF Methodology'**

LW advised the Panel STCP13-2 seeks to establish a common methodology for TOs to calculate Local Asset Reuse Factor (LARF) and Secured Capability (required to calculate Strategic Investment Factor (SIF)) and in doing this will create a new STCP (STCP13-2) following on from STCP13-1 'Invoicing and Payment'. Comments were received have been captured within the proposal. LW advised the Panel the Proposer believes that this change will better facilitate relevant objective(s) A & E and Section B 7.3.2 is satisfied by ensuring that good industry practice provides a consistent methodology and results in the more efficient application of the SIF & LARF factors. This will promote the efficient development of the system and optimum investment in assets.

NB noted on the track changes under paragraph 1.3.4 there is a reference to CUSC Section 15; NB asked the Proposer if this comment was still relevant. The Proposer confirmed this comment is not needed within the legal text of the STCP therefore this can be removed. DM noted she had previously asked for an example of how National Grid would be applying this methodology as this would be useful to share with colleagues. RW asked the Panel if they were expecting the example to form part of the STCP, the Panel confirmed they did not want this to form part of the STCP. The Panel confirmed the example would provide better understanding.

CW advised the Panel part of the process is for the Panel to vote and by majority approve the STCP. The Panel Representatives for NGET, SHET, SPT and OFTOs support the changes for STCP13-2 against the applicable objectives.

The Panel Secretary is to ensure clause referencing CUSC Section 15, paragraph 1.3.4 is removed from the STCP and circulate the approved version for sign off by STC Parties. The Proposer is to provide the Panel with a working example of STCP13-2.

ACTION

4503. STCP09-1

LW advised the Panel STCP09-1 seeks to provide additional guidance on the subject of Proximity HV safety management and HV Testing across control boundaries by updating STC Procedure STCP09-1 which was first produced at BETTA go-live and has since been updated on a number of occasions. It provides additional information on Emergency processes and aligns the document more closely to Grid Code OC8 processes. Additional RISSP forms have been included within the appendices which allow greater flexibility to users who may wish to record testing activities via the RISSP process documentation. Comments were received from the Panel which have been captured within the proposal. The Proposer believes that this change will better facilitate relevant objective(s) A , B, D & E and Section B 7.3.2 is satisfied. The proposed amendment updates the STCP 09-1 procedure in line with current discussion, therefore clarifying the procedure. There are no material changes to the procedure or additional accountabilities of the STC parties.

MD noted STCP09-1 add stability to the process, therefore he is happy with what is being proposed. CW advised the Panel part of the process is for the Panel to vote and by majority approve the STCP. The Panel Representatives for NGET, SHET, SPT and OFTOs support the changes for STCP09-1 against the applicable objectives.

The Panel Secretary will circulate the approved STCP for sign off by the STC Parties.

ACTION

4504. STCP19-3

LW advised the Panel STCP19-3 seeks to clarify accountabilities and update the STCP to match current practices between the System Operator and Transmission during the Grid Code Compliance Process for new connections. Comments were received from the Panel which have been captured within the proposal. The Proposer believes that this change will better facilitate relevant objective(s) A & E and Section B 7.3.2 is satisfied. The proposed amendment updates the STCP19-3 procedure in line with current discussion, therefore clarifying the procedure. There are no material changes to the procedure or additional accountabilities of the STC parties.

NB advised the Panel he had further comments on the STCP but after speaking with RL he is comfortable that the change addresses the modification proposal however data requirement across the TO's does need to be looked at within the STCP's.

CW advised the Panel part of the process is for the Panel to vote and by majority approve the STCP. The Panel Representatives for NGET, SHET, SPT and OFTOs support the changes for STCP19-3 against the applicable objectives.

The Panel Secretary will circulate the approved STCP for sign off by the STC Parties.

ACTION

4505. CM063

JS advised the Panel the modification is intended to clarify a misunderstanding regarding the extent of Good Industry Practice as applied within the definition of Force Majeure. JS noted this change is being proposed because there has been at least one significant example where the extent of what is meant by Good Industry Practice has been misunderstood. He advised the Panel the example he is referring to was Ofgem's decision on Gwynt-Y-Mor OFTO, 23 May 2017.

JS noted the wording 'good industry practice' is in brackets so the wording is separate and doesn't agree it's clear what was intended so to avoid this happening again he is proposing to amend the wording in the definition. NH noted in the decision on Gwynt-Y-Mor OFTO Ofgem did consider the definition for the Force Majeure and the definition proposed in this did not align with Ofgem's decision.

CW noted taking all the comments on board and from a Code Administrator view it seems a Workgroup seems sensible for this modification. CW noted it is the Panel's responsibility to approve if this modification proposal is a valid modification and then to also determine the route this modification takes. RWO asked if a legal view had been sought, JS advised lawyers at Balfour Beatty have provided a view but no external view has been sought. JS noted the view from Balfour Beatty is that the wording at the start of the definition should work meaning the wording in red is not required, however because a decision went against Balfour Beatty due to the wording in brackets the lawyers view is clarity is needed and by putting in explicit wording would achieve this. RW advised the Force Majeure definition is also in the CUSC, would this mean a CUSC change will need to be raised in line with the STC change. CW advised because Balfour Beatty is a non CUSC Party they would not be able to raise the CUSC Modification Proposal. CW noted, as part of the Panel's determination it is for the Panel to decide to take the modification to the CUSC Panel.

ML noted does the CUSC definition need the same wording as the STC. CW advised Force Majeure being the clause it is can have unintended consequences. RWO noted the definition is a standard legal term used not a Code term. RWO asked if any other codes would be impacted as a result of this modification, CW advised this would be an industry wide change that needs to be considered across codes.

CW noted as Code Administrator she feels this Modification Proposal needs to be considered under a wider Workgroup, NH stated a Workgroup is prudent for this Modification. The Panel was asked to agree if this Modification should proceed to a Workgroup or follow the Self-Governance route.

The Panel unanimously agreed this Modification Proposal does not meet the Self-Governance criteria and should be sent to the Authority to make the determination. CW noted this will be the first Workgroup held under the STC. CW advised the Panel this Modification Proposal will also need to be raised at the next CUSC Panel in April, which the Code Administrator will raise.

CW advised JS that as Proposer he is responsible for providing an update on the status of the Modification to Balfour Beatty and all discussions from the Panel are documented within the minutes.

The Panel Secretary will email JS and advise of the next steps in the process.

ACTION

4506. CM064

RP advised the Panel this Modification seeks to update the STC Schedule 4 Boundaries of Influence to reflect the changes in transmission network. RP advised the Panel Schedule 4 was last updated in 2009, since this a number of network changes have happened. The Boundaries of Influence have been reviewed, updated and agreed but the Joint Planning Committee on 1 February 2018.

RP noted all the diagrams are published within the ten year statements. DM asked RP if someone from SPT had been involved with updating the Boundaries of Influence, RP confirmed SPT were involved in the JPC and agreed with the changes. NS noted updating the Boundaries of Influence has helped his planning colleagues with having the data more easily. BT asked if this change would have any impact on the legal separation changes, RP advised this wouldn't impact the changes.

CW advised the Panel they are to decide what route this Modification follows. The Panel unanimously agreed that this Modification meets the Self-Governance criteria and should proceed to consultation. CW noted the consultation will be published in April, this will be open for 15 working days. If no responses are received then the Panel will make the determination. The Technical Secretary is to circulate the consultation in line with the timetable.

ACTION

6 Evaluation Phase/Workgroup Updates

4507. There were no new Evaluation Phase/Workgroup Updates.

7 Evaluation Phase Reports

4508. There were no Evaluation Phase/Workgroup Updates.

8 Initial Modification Reports

4509. There were no initial Modification reports.

9 Proposed Modification Reports

4510. There were no proposed Modification Reports.

10 Modification Reports

4511. There were no Modification Reports.

11 Pending Authority Decisions

4512. There were no pending Authority Decisions.

12 Authority Decisions

4513. There were no Authority Decisions.

13 Implementation

4514. There were no implementations.

14 STC Procedures

4515. There were no STC Procedures.

15 Europe

4516. Joint European Stakeholder Forum (JESG)

LW provided an update on the last JESG meeting. LW advised the Panel National Grid provided updates on European Network Code methodologies. National Grid Ventures also delivered a presentation on their BREXIT analysis.

Ofgem provided an update on the CACM and FCA methodologies which are currently with regulators for a decision. The next JESG meeting will be held on 10 April 2018.

4517. **European Network Codes Impacts**

RW advised the Panel that GC0100, GC0101, GC0102 are still with Ofgem, a decision is expected by 16 April 2018. RW noted GC0104 which implements demand and connection codes is out for Workgroup Consultation. This consultation closes on 29 March 2018. RW noted further development work needs to be carried out then GC0104 will be submitted to the Authority.

4518. **TSO Issues**

There were no TSO issues.

16 **Impact of Other Code Modifications**

4519. STC Panel members had no comments on the Codes Summary Document.

17 **Reports from Sub-Committees**

4520. **JPC**

CW advised the Panel the date of the next JPC is to be arranged and going forward RS will be attending the JPC meetings.

4521. **Network Access Policy Workgroup**

MD advised the Panel the most recent Network Access Policy Workgroup was held in March 2018. MD noted updates were provided by National Grid on the SO and TO legal Separation. He stated that a result of the split would require National Grid TO to have a seat on the Network Access Policy Workgroup.

MD advised the Scottish TO's provided an update on outage programme for next year, he noted this would be a critical period as large projects will be on-going between now and RIIO T1 but by May 2018 the remaining projects will be complete.

STCP11-4 trial period is complete and all the information from this is to be gathered and from this the SO will be discussing with Ofgem if a Modification will be going forward. MD noted sub issues with this trial is STCP11-4 is dealing with SO/TO interaction and how funding works between the two parties, looking at how the TO and Users work together to fund changes to the TO's project which could have an impact on a User.

MD noted a major outage has been identified in 202 which will affect Users for five months resulting in a financial impact in excess of £10 million. By using the STCP's the User can request a change to the design and delivery which would reduce the outage window. MD stated this project is a trial but hoping to get the first stages of this started.

18 **Any other Business**

4522. **Code Administrators Performance Survey**

CW advised the Panel Ofgem are running the Code Administrators Performance Survey and are encouraging Panel members to participate in this survey to aid the Code Administrators to know where to focus.

Date of Next Meeting

4523. The date of the next meeting is **Wednesday 25 April 2018**.

