

Progress Report on the Proposed Modifications to the System Operator Transmission Owner Code (STC)

Covering period
February 2018 - April 2018
STC Modification Panel

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Document Control

A. National Grid Document Control

| Version | Date | Author | Change Reference |
|---------|------------|------------------------|------------------------------------|
| 1.0 | 1 May 2018 | STC Modification Panel | Version submitted to the Authority |

B. Distribution

| Name | Organisation |
|--------------------------------|--------------|
| STC Modification Panel Members | Various |
| The Authority | Ofgem |
| National Grid website | |

C. Document Location

<https://www.nationalgrid.com/uk/electricity/codes/system-operator-transmission-owner-code>

1 INTRODUCTION

- 1.1 This Progress Report is prepared in accordance with Section B, Paragraph 7.2.8 of the STC and provides inter alia, details of current Modification Proposals and matters arising during the preceding months together with details of key decisions made at the STC Modification Panel meeting held on **28 February 2018, 28 March 2018 and 25 April 2018** regarding the prioritisation and timetabling of Modification Proposals. Progress Reports are prepared every 3 months, unless the STC Modification Panel decides otherwise.

2 REFUSED MODIFICATION PROPOSALS

- 2.1 This section details Modification Proposals refused by the Panel Secretary or by the STC Modification Panel meetings (in accordance with Section B, Paragraph 7.2.2.2 of the STC).

- None

3 NEW MODIFICATION PROPOSALS

- 3.1 This section details any new modification proposals that have been presented to the STC Modification Panel since the last progress report was published.

- CM063 'Modify the definition of Force Majeure (Section J: Interpretation and Definitions)'
- CM064 'Update to the STC Schedule 4, Boundaries of Influence'
- CM065 'National Grid Legal Separation - consequential changes to reference NGESO in STC Section C and changes to Outage Planning Data Timescales'
- CM066 'National Grid Legal Separation - consequential changes to reference NGESO in STC Section G and to place Nuclear Site Licence Provisions Agreement obligations on NGET for England and Wales'
- CM067 'National Grid Legal Separation - consequential changes to reference NGESO into STC Section B and changes to STC Modification Panel membership to add NGESO as Member'
- CM068 'National Grid Legal Separation - consequential changes to reference NGESO in STC Section D and to provide clarity that only Transmission Owners create Transmission Investment Plans'
- CM069 'National Grid Legal Separation - consequential changes to incorporate NGESO in STC Sections & Schedules'

4 AMALGAMATIONS

- 4.1 This section contains details of any decision of the STC Modification Panel to amalgamate Modification Proposals in accordance with Section B, Paragraph 7.2.3.1 of the STC.

- None

5 AUTHORITY DECISIONS

- 5.1 This section details any Authority decisions that have been published since the last progress report was published.

- None

6 SCHEDULING & TIMETABLES

6.1 Modification Summary Table

| Modification Reference | Modification Title | Presented at STC Modification Panel Meeting | Referred to Assessment & Report or Evaluation Phase | Evaluation Phase Concluded | Proposed STC Modification Report Approved | Proposed STC Modification Report Published | Consultation Period Concluded | Panel Recommendation Vote | STC Modification Report Submitted to Authority | STC Self-governance Modification Report Submitted to STC | STC Panel Self-governance Decision | Authority Determination | Date of Implementation |
|------------------------|---|---|---|----------------------------|---|--|-------------------------------|---------------------------|--|--|------------------------------------|-------------------------|------------------------|
| CM059 (Self-gov) | Changes to Section C and H following OFGEM Response to Adjudication Request | 22/09/16 | N/A | N/A | 27/09/2017 | 28/09/2017 | 19/10/2017 | N/A | N/A | 22/11/17 | 29/11/17 | N/A | 22/12/17 |
| CM063 | 'Modify the definition of Force Majeure (Section J: Interpretation and Definitions)' | 28/03/18 | May-July 2018 | Aug 2018 | Sept/Oct 2018 | November 2018 | December 2018 | December 2018 | Jan 2019 | N/A | N/A | TBC | TBC |
| CM064 | 'Update to the STC Schedule 4, Boundaries of Influence' | 28/03/18 | N/A | N/A | 28/03/18 | 17/04/18 | 08/05/18 | N/A | N/A | 22/05/18 | 30/05/18 | N/A | 10/07/18 |
| CM065 | 'National Grid Legal Separation - consequential changes to reference NGESO in STC Section C and changes to Outage Planning Data Timescales' | 25/04/18 | N/A | N/A | N/A | 09/07/18 | 28/06/18 | 25/07/18 | 07/08/18 | N/A | N/A | 11/09/18 | 01/04/19 |
| CM066 | 'National Grid Legal Separation - consequential changes to reference NGESO in STC Section G and to place Nuclear Site Licence | 25/04/18 | N/A | N/A | N/A | 09/07/18 | 28/06/18 | 25/07/18 | 07/08/18 | N/A | N/A | 11/09/18 | 01/04/19 |

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|-------|--|----------|-----|-----|-----|----------|----------|----------|----------|-----|-----|----------|----------|
| | Provisions Agreement obligations on NGET for England and Wales' | | | | | | | | | | | | |
| CM067 | 'National Grid Legal Separation - consequential changes to reference NGESO into STC Section B and changes to STC Modification Panel membership to add NGESO as Member' | 25/04/18 | N/A | N/A | N/A | 09/07/18 | 28/06/18 | 25/07/18 | 07/08/18 | N/A | N/A | 11/09/18 | 01/04/19 |
| CM068 | 'National Grid Legal Separation - consequential changes to reference NGESO in STC Section D and to provide clarity that only Transmission Owners create Transmission Investment Plans' | 25/04/18 | N/A | N/A | N/A | 09/07/18 | 28/06/18 | 25/07/18 | 07/08/18 | N/A | N/A | 11/09/18 | 01/04/19 |
| CM069 | 'National Grid Legal Separation - consequential changes to incorporate NGESO in STC Sections & Schedules' | 25/04/18 | N/A | N/A | N/A | 09/07/18 | 28/06/18 | 25/07/18 | 07/08/18 | N/A | N/A | 11/09/18 | 01/04/19 |

6.2 STC Modification Register (as at 25 April 2018)

6.2.1 CM059 – CHANGES TO SECTION C AND H FOLLOWING OFGEM RESPONSE TO ADJUDICATION REQUEST (SELF-GOVERNANCE)

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| Proposer | NATIONAL GRID |
| Submitted | COMPLETE |
| Submission Priority | NORMAL |
| Modification Description | Current Progress |
| This proposal seeks to modify the System Operator Transmission Owner Code (STC) to reflect the incorrect referral in Section C Paragraph 5.9.5 to the Licence instead of Section H identified by OFGEM on 3 rd September 2015 after a referral by SHET. | CM059 was submitted to the September 2016 STC Modification Panel meeting where the Panel agreed that it should be progressed via self-governance. The initial modification report was submitted to the October Panel meeting, some clarification on some points within the modification and it was resubmitted to the November Panel meeting. CM059 remains with the Panel until National Grid's legal team understand what disputes processes are included in an OFTO's licence for to determine whether the |

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| | <p>Modification needs to be amended. The legal text has been approved by National Grid's legal team and the STC Panel. Ofgem had one further comment regarding the use of the term and/or, National Grid is to seek clarification from the National Grid Legal Team on this point and report back to Ofgem. The next step is to bring the Initial Modification Report to the Panel for approval before it is sent out to Industry Consultation. CM059 was presented at the September 2017 STC Panel meeting, the Panel agreed that this modification should continue to proceed as a Self-Governance Modification. The Panel approved the draft initial modification report; this was then published for industry consultation for 15 working days. One response was received supporting the modification. On 20 October the draft final modification report was issued to the industry and Authority for 5 working days, no responses were received. The draft final modification report will be submitted to Panel in November. CM059 was implemented into the STC on 22 December 2017.</p> |
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6.2.2 CM063- 'Modify the definition of Force Majeure (Section J: Interpretation and Definitions)'

| <p>Proposer Balfour Beatty Submitted 28 March 2018 Submission Priority Normal</p> | |
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| Modification Description | Current Progress |
| <p>This proposal seeks to clarify the intention of the existing definition of Force Majeure by adding some new words in order to ensure a common understanding of this definition.</p> | <p>CM063 was submitted to the March 2018 STC Panel meeting where 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. The Code Administrator advised this Modification Proposal will also need to be raised at the next CUSC Panel in April, which the Code Administrator will raise.</p> |

6.2.3 CM064- 'Update to the STC Schedule 4, Boundaries of Influence'

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| Proposer National Grid Submitted 28 March 2018 Submission Priority Normal | |
| Modification Description | Current Progress |
| <p>This proposal seeks to update the STC Schedule 4 Boundaries of Influence to reflect changes in transmission network.</p> | <p>CM064 was submitted to the March 2018 STC Panel meeting where the Panel unanimously agreed that this Modification meets the Self-Governance criteria and should proceed to consultation. 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.</p> |

6.2.4 CM065- 'National Grid Legal Separation - consequential changes to reference NGENSO in STC Section C and changes to Outage Planning Data Timescales'

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| Proposer National Grid Submitted 25 April 2018 Submission Priority Normal | |
| Modification Description | Current Progress |
| <p>This proposal seeks to modify the System Operator Transmission Owner Code (STC) to reflect the creation of a new National Grid Electricity System Operator (NGESO) that is legally separated from National Grid Electricity Transmission Limited. References to NGET have been replaced by NGESO, where relevant, throughout the STC Section C in order to ensure the System Operator and Transmission Owner obligations are clear. It also Changes also include, in Section C, Part Two, inclusion of the option for a Transmission Owner to submit outage planning</p> | <p>CM065 was submitted to the April 2018 STC Panel meeting where the Panel unanimously agreed that this Modification should be issued straight to Industry Consultation for 20 Working Days. The Authority will make the decision for this Modification.</p> |

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| information to NGESO in timescales beyond 6 Financial Years. | |
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6.2.5 CM066-‘National Grid Legal Separation - consequential changes to reference NGESO in STC Section G and to place Nuclear Site Licence Provisions Agreement obligations on NGET for England and Wales’

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| Proposer | National Grid |
| Submitted | 25 April 2018 |
| Submission Priority | Normal |
| Modification Description | Current Progress |
| This proposal seeks to modify the System Operator Transmission Owner Code (STC) to reflect the creation of a new National Grid Electricity System Operator (NGESO) that is legally separated from National Grid Electricity Transmission Limited. References to NGET have been replaced by NGESO, where relevant, throughout the STC Section G in order to ensure the System Operator and Transmission Owner obligations are clear. It also seeks to modify Section G of the System Operator Transmission Owner Code (STC) to place Nuclear Site Licence Provisions Agreement obligations on NGET for England and Wales. | CM066 was submitted to the April 2018 STC Panel meeting where the Panel unanimously agreed that this Modification should be issued straight to Industry Consultation for 20 Working Days. The Authority will make the decision for this Modification. |

6.2.6 CM067- ‘National Grid Legal Separation - consequential changes to reference NGESO into STC Section B and changes to STC Modification Panel membership to add NGESO as Member’

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|------------------|---------------|
| Proposer | National Grid |
| Submitted | 25 April 2018 |

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|--|---|
| Submission Priority Normal | |
| Modification Description | Current Progress |
| This proposal seeks to modify the System Operator Transmission Owner Code (STC) to reflect the creation of a new National Grid Electricity System Operator (NGESO) that is legally separated from National Grid Electricity Transmission Limited. References to NGET have been replaced by NGESO, where relevant, throughout the STC Section B in order to ensure the System Operator and Transmission Owner obligations are clear. Changes also include in Section B, NGESO as a new STC Modification Panel member and as a voting member in the STC Group. | CM067 was submitted to the April 2018 STC Panel meeting where the Panel unanimously agreed that this Modification should be issued straight to Industry Consultation for 20 Working Days. The Authority will make the decision for this Modification. |

6.2.7 CM068- 'National Grid Legal Separation - consequential changes to reference NGESO in STC Section D and to provide clarity that only Transmission Owners create Transmission Investment Plans'

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|---|---|
| Proposer | National Grid |
| Submitted | 25 April 2018 |
| Submission Priority | Normal |
| Modification Description | Current Progress |
| This proposal seeks to modify the System Operator Transmission Owner Code (STC) to reflect the creation of a new National Grid Electricity System Operator (NGESO) that is legally separated from National Grid Electricity Transmission Limited. References to NGET have been replaced by NGESO, where relevant, throughout the STC Section D in order to ensure the System Operator and Transmission Owner obligations are clear. It also removes the references in Section D, Part One for NGET Transmission Investment Plans. | CM068 was submitted to the April 2018 STC Panel meeting where the Panel unanimously agreed that this Modification should be issued straight to Industry Consultation for 20 Working Days. The Authority will make the decision for this Modification. |

6.2.8 CM069- 'National Grid Legal Separation - consequential changes to incorporate NGESO in STC Sections & Schedules'

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|--|---|
| Proposer National Grid Submitted 25 April 2018 Submission Priority Normal | |
| Modification Description | Current Progress |
| This proposal seeks to modify the System Operator Transmission Owner Code (STC) to reflect the creation of a new National Grid Electricity System Operator (NGESO) that is legally separated from National Grid Electricity Transmission Limited. References to NGET have been replaced by NGESO, where relevant, throughout the STC Sections and Schedules in order to ensure the System Operator and Transmission Owner obligations are clear. | CM069 was submitted to the April 2018 STC Panel meeting where the Panel unanimously agreed that this Modification should be issued straight to Industry Consultation for 20 Working Days. The Authority will make the decision for this Modification. |