

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

Covering period
August – October 2011
STC Committee

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Document Control

A. National Grid Document Control

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B. Distribution

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

C. Document Location

<http://www.nationalgrid.com/uk/Electricity/Codes/sotocode/Amendments>

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 Amendment Proposals and matters arising during the preceding months together with details of key decisions made at the STC Committee meetings held on 13th September 2011 and 25th October 2011 regarding the prioritisation and timetabling of Amendment Proposals. Progress Reports are prepared every 3 months, unless the STC Committee decides otherwise.

2 REFUSED AMENDMENT PROPOSALS

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

- None

3 NEW AMENDMENT PROPOSALS

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

- CA045 – Arrangements for User Commitment

4 AMALGAMATIONS

- 4.1 This section contains details of any decision of the STC Committee to amalgamate Amendment 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.

Approval of:

- CA039 - Outage Planning Development
- CA042 - Offshore Transmission System Compliance and Testing

6 SCHEDULING & TIMETABLES

6.1 Amendment Summary Table

| Amendment Reference | Amendment Title | Presented at STC Committee Meeting | Evaluation Phase Concluded | Proposed Amendment Report Approved | Proposed Amendment Report Published | Consultation Period Concluded | Amendment Report Submitted to Authority | Authority Determination | Date of Implementation |
|---------------------|--|------------------------------------|----------------------------|------------------------------------|-------------------------------------|-------------------------------|---|-------------------------|------------------------|
| CA039 | Outage Planning Development | 27/07/10 | 21/09/10 | 26/10/10 | 27/10/10 | 10/11/10 | 13/07/11 | 17/08/11 | 24/08/11 |
| CA042 | Offshore Transmission System Compliance and Testing | 28/09/10 | N/A | 21/12/10 | 05/01/11 | 02/02/11 | 21/07/11 | 16/08/11 | 23/08/11 |
| CA043 | Clarification of Workgroups within the Evaluation Phase | 01/06/11 | N/A | 13/09/11 | 16/09/11 | 30/09/11 | | | |
| CA044 | Clarification of Party and Party Representation Responsibilities | 26/07/11 | N/A | | | | | | |
| CA045 | Arrangements for User Commitment | 25/10/11 | | | | | | | |

6.2 Amendment Register (as at 1st November 2011)

6.2.1 CA039 - OUTAGE PLANNING DEVELOPMENT

| Proposer | NATIONAL GRID |
|---|--|
| Submitted | 27/07/10 |
| Submission Priority | NORMAL |
| Amendment Description | Current Progress |
| CA039 Outage Planning Development. The amendment proposal seeks to put in place a clause within Section C of the STC to ensure the TO's provide outage planning information for the following financial year and the subsequent year. This will allow NGET to coordinate outage plans for all Transmission Owners further ahead to help reduce constraint costs | CA039 was submitted to the July STC Committee meeting for discussion. The Committee agreed for CA039 to go to Evaluation Stage to develop and approve the legal text. Evaluation Phase concluded on 21 st September 2010. At the September STC Committee meeting the members approved CA039 to proceed to Assessment and Report Phase. At the October 2010 STC Committee meeting, CA039 was approved to go to industry consultation on 27 th October 2010, for 10 working days. One response to the consultation was received. A draft Amendment Report was circulated to the STC Committee and at February's STC Committee meeting Ofgem requested that more information was included in the draft Amendment Report regarding materiality and discussion regarding potential licence changes. At March's STC Committee meeting, in order to allow Ofgem further time to consider the latest drafting in respect of materiality, a 1 month extension to the end of April 2011 to the Assessment and Report Phase was granted by the Authority. On 27 th April, the STC Committee requested a further month's extension in order to allow Ofgem's comments regarding materiality to be addressed and was granted at the STC Committee on 4 th May 2011. The Amendment Report was considered further at the 1 st June STC Committee meeting. Following this consideration, it was agreed that further work was required on the report and therefore, a month's extension was requested and granted from the Authority. At June's STC Committee meeting, the Committee approved the Amendment Report for submission to the Authority. The Amendment Report was submitted for determination to the Authority on 13 th July 2011. Following a couple of minor comments from Ofgem, a revised Amendment Report was submitted for determination to the Authority on 16 th August 2011. On 17 th August 2011, the Authority approved CA039 and it was implemented on 24 th August 2011. |

6.2.2 CA042 - OFFSHORE TRANSMISSION SYSTEM COMPLIANCE & TESTING

| Proposer | NATIONAL GRID |
|---|---|
| Submitted | 28/09/10 |
| Submission Priority | NORMAL |
| Amendment Description | Current Progress |
| <p>The amendment proposes to amend the STC such that the Offshore Transmission Owner (OFTO) must cooperate and demonstrate to National Grid, compliance of the technical design and operation of its transmission system in accordance with Section K of the STC.</p> | <p>CA042 was submitted to the September STC Committee meeting for discussion. The Committee agreed for CA042 to proceed to Assessment & Report Phase. At the December STC Committee meeting, CA042 was approved to go to industry consultation for 20 working days. Consultation closed on 2nd February and 4 responses were received. At March's STC Committee meeting, in order to allow further work in respect of development of the STCP 19-5 process, a 1 month extension to the Assessment and Report Phase to end of April 2011 was granted by the Authority. At the 4th May STC Committee meeting, a further months extension was granted by the Authority in order to allow the continuing discussions regarding the associated STCP 19-5 process to be concluded. The Amendment Report was considered further at the 1st June STC Committee meeting. Following this consideration, it was agreed that further work was required on the report and therefore, a month's extension was requested and granted from the Authority. At June's STC Committee meeting, the Committee approved the Amendment Report for submission to the Authority, subject to slight amendment to the wording in Section 6.7. On 16th August 2011, the Authority approved CA042 and it was implemented on 23rd August 2011.</p> |

6.2.3 CA043 – CLARIFICATION OF WORKGROUPS WITHIN THE EVALUATION PHASE

| Proposer | NATIONAL GRID |
|---|--|
| Submitted | 01/06/11 |
| Submission Priority | NORMAL |
| Amendment Description | Current Progress |
| The Evaluation Phase laid out in Section B of the STC is not very clear in its aim and usage. As a result the Evaluation Phase has been reviewed and this Amendment Proposal seeks to provide some additional clarity and governance in relation to working groups. | CA043 was submitted to the 1 June 2011 STC Committee meeting for discussion. At 28 th June 2011 STC Committee meeting, the Committee agreed for the Proposal to be progressed to Assessment and Report Phase. At the September 2011 STC Committee meeting, CA043 was approved to go to industry consultation for 10 working days on 16 th September 2010. Consultation closed on 30th September and 1 response was received. At October's STC Committee meeting, the Committee approved the Amendment Report for submission to the Authority . |

6.2.4 CA044 – CLARIFICATION OF PARTY AND PARTY REPRESENTATION RESPONSIBILITIES

| Proposer | NATIONAL GRID |
|---|---|
| Submitted | 26/07/11 |
| Submission Priority | NORMAL |
| Amendment Description | Current Progress |
| <p>Offshore Transmission Owners (OFTOs) may appoint two persons via an election to the STC Committee as Party Representatives. It is proposed that the elected Party Representatives shall represent the OFTOs collectively and, as appropriate, inform the Committee of the views of all the OFTOs in relation to the functions of the Committee and in particular the amendment of the Code.</p> <p>National Grid has reviewed references to Party/Parties/Party Representatives within Section B of the STC to ensure that the correct defined term is being utilised since the accession of the OFTOs to the STC. For clarity it is proposed to update a number of references to Party/Parties/Party Representatives.</p> | <p>CA044 was submitted to 28th June STC Committee meeting for discussion. The Proposal was formally submitted to 26th July STC Committee meeting where the STC Committee agreed for the Proposal to progress to Assessment and Report Phase. Proposed legal text is being developed.</p> |

6.2.5 CA045 – ARRANGEMENTS FOR USER COMMITMENT

| | |
|---|---|
| Proposer | NATIONAL GRID |
| Submitted | 25/10/11 |
| Submission Priority | NORMAL |
| Amendment Description | Current Progress |
| This amendment is being raised a consequential change to CUSC Modification Proposal CMP192 – Arrangements for Enduring Generation User Commitment, which seeks to add a new section to the CUSC to replace the existing methodology used to determine a generator’s financial liabilities in relation to the provision of new or additional capacity. Changing the User Commitment regime will result in the need to share more information with the TOs, this includes the requirement for the TOs to provide capital expenditure data to NGET every year, for the current year plus a three year forecast. There will also be a requirement for the TOs to provide project information on a 6 monthly basis | CA045 was submitted to the 25 October STC Committee meeting. |