

# **AMENDMENT REPORT**

## **STC Proposed Amendment CA023**

### **Exchange of Best View Investment Planning Data Outside the Boundary of Influence**

*The purpose of this report is to assist the Authority  
in their decision of whether to implement  
Amendment Proposal CA023*

Amendment Ref	CA023
Issue	2.1
Date of Issue	29 <sup>th</sup> August 2007
Prepared by	STC Committee

**I DOCUMENT CONTROL****a STC Document Control**

Version	Date	Author	Change Reference
0.1	13/03/07	STC Committee	Draft for STC Committee
1.0	10/05/07	STC Committee	Draft for Industry Consultation
2.0	21/08/07	STC Committee	Formal Version for submission to Authority
2.1	29/08/07	STC Committee	Revised Version for submission to Authority

**b Document Location**

National Grid Website:

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

**c Distribution**

Name	Organisation
The Gas and Electricity Markets Authority	Ofgem
STC Parties	Various
Interested Parties	Various
Core Industry Document Owners	Various
National Grid Industry Information Website	

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## 1.0 SUMMARY AND RECOMMENDATION

- 1.1 STC Amendment Proposal CA023 seeks to amend Schedule 3 of the STC to allow STC Parties to disclose the full GB Investment Planning model to Transmission Owners on an enduring basis for the purposes of transmission investment planning.
- 1.2 Amendment Proposal CA023 was proposed by National Grid Electricity Transmission plc (“National Grid”) and submitted for consideration to the STC Committee Meeting on Tuesday, 20<sup>th</sup> February 2007. The Committee recommended that it proceed directly to the Assessment and Report Phase.

### STC Committee Recommendation

- 1.3 The STC Committee recommends that CA023 be approved for implementation.
- 1.4 Should the Authority approve CA023, the STC Committee recommends that the STC be modified 5 business days after the Authority’s decision.

## 2.0 PURPOSE AND INTRODUCTION

- 2.1 This Amendment Report has been prepared and issued by the STC Committee under the rules and procedures specified in the System Operator – Transmission Owner Code. It addresses issues relating to the disclosure of the full GB Investment Planning models to Transmission Owners on an enduring basis for the purposes of transmission investment planning.
- 2.2 This document outlines the nature of the STC changes that are proposed. It incorporates the STC Committee’s recommendation concerning the Amendment.
- 2.3 This Amendment Report has been prepared in accordance with the terms of the STC. An electronic copy can be found on the National Grid website, at <http://www.nationalgrid.com/uk/Electricity/Codes/sotocode/>.

## 3.0 THE PROPOSED AMENDMENT

- 3.1 Schedule 3 of the STC sets out the information and data permitted to be disclosed by a STC Party to a Transmission Owner in accordance with Section F of the STC. The existing provisions of paragraph 2.4.3 of Schedule 3 permit National Grid to provide certain data to Transmission Owners relating to Generating Units outside of their Boundary of Influence (Bol). Bol are defined boundaries outside of which future changes to the Transmission System should not affect the Transmission Owner’s network in the short term.
- 3.2 As part of investment planning process it is necessary to transfer investment planning ‘best view’ generation ranking orders and network models between the Transmission Owners and National Grid. The application of the Bol restrictions means that a hybrid investment planning generation ranking order and network models has to be created for each Transmission Owner. The hybrid model contains full GB Investment Planning details within the affected Transmission Owner’s Bol and the final compliant Seven Year Statement (SYS) network outside the Bol.

- 3.3 To plan and develop the GB Transmission System in an economic and efficient manner, National Grid and each of the Transmission Owners need to base their studies on a consistent base model. However, the power flows in the hybrid model of the GB Transmission System differ significantly from those in the full GB Investment Planning model held by National Grid.
- 3.4 To ensure consistent results between the hybrid model and the full GB Investment Planning model, National Grid has undertaken power flow studies. The aim of these studies is to ensure that the differences in the power flows during contingency analysis are within the tolerance limits specified in the GB Investment Planning Guidelines. The limits specify that the difference in power flows should be within 3% for boundaries between the Licensees' areas and BoI boundaries and 5% for any circuit in the network.
- 3.5 Considerable effort has been expended trying to improve consistency between the models by scaling generation in the SYS part of the hybrid models to give equal transfer across the major boundaries. By scaling different zones, the power flows across different circuits can be varied; however despite this, it has not been possible to bring all circuit flows within the required tolerance.
- 3.6 If the hybrid models were used for investment planning purposes then it may potentially result in the wrong investment decisions being made, either over investing or under investing in the system.
- 3.7 It is therefore proposed to release the full GB Investment Planning model to the Transmission Owners. This would mean that the base model used by each of the Transmission Licensees would be consistent and investment decisions would be made on a fully informed basis. It should be noted that the full GB Investment Planning network models are already released to the Transmission Owners for the purposes of stability analysis. The only additional information the Transmission Owner would require is the full GB Investment Planning Ranking Order.
- 3.8 These proposals would therefore result in the deletion of paragraph 2.4.3 and the amending of paragraph 2.4.2 of Schedule 3 such that it permits National Grid to provide the full GB Investment Plan to the Transmission Owners without any associated data restrictions.
- 3.9 Minor changes to Schedule 14 are also proposed such that it refers to the relevant paragraph within Schedule 3. The proposals would also recommend a minor change to Section F, paragraph 3.3.1 such that the provision is inclusive of data referred to in Schedule 3.
- 3.10 The final proposed legal text to give effect to Amendment Proposal CA023 is attached as Annex 2 of this document.

#### **4.0 ALTERNATIVE AMENDMENTS**

- 4.1 No Alternative Amendments to CA023 were submitted.

#### **5.0 EVALUATION PHASE**

- 5.1 The STC Committee considered that CA023 should be referred directly to the Assessment and Report Phase, and that an Evaluation Phase was not therefore required. In arriving to this decision, the STC Committee noted

that the proposal had been discussed and agreed by the Joint Planning Committee (JPC).

## **6.0 STC PARTIES' ASSESSMENTS**

- 6.1 This section sets out the analysis and impact assessment ("Assessment") provided by STC Parties during the Assessment and Report Phase in respect of the Proposed Amendment, in accordance with Section B, Paragraph 7.2.5.2 of the STC.

### **National Grid Assessment**

- 6.2 National Grid is supportive of Amendment Proposal CA023, and has carried out an Assessment on the Proposed Amendment.
- 6.3 The implementation of CA023 would not have any physical impact on National Grid's Transmission System or require changes to IS systems. No additional works or monies would be required to implement the proposed change.
- 6.4 However, National Grid believes that it more relevant to consider the implications of the amendment not being approved. In National Grid's opinion, the restrictions on the data transfer of the full GB Investment Planning models and the consequential use of the hybrid models could potentially result in conflicting investment signals and significant potential for either over or under investment. This may in turn lead to further problems which National Grid, as GB System Operator, may have to address in operational timescales. This would potentially lead to increases in transmission constraints and hence balancing costs, a proportion of which would be passed on to customers.

### **Scottish Hydro Electric Transmission Limited ("SHETL") Assessment**

- 6.5 SHETL is supportive of Amendment Proposal CA023, and has carried out an Assessment on the Proposed Amendment.
- 6.6 The implementation of CA023 would not have any physical impact on SHETL's Transmission System or require changes to IS systems. No additional works or monies would be required to implement the proposed change.

### **Scottish Power Transmission Limited ("SPTL") Assessment**

- 6.7 SPTL is supportive of Amendment Proposal CA023, and has carried out an Assessment on the Proposed Amendment.
- 6.8 The implementation of CA023 will not have immediate or direct impact on SPTL and no additional works, capital or operating costs are required to implement the proposed change.
- 6.9 SPTL is of the view that any impact in the implementation of CA023 is that of a positive one and hence agrees that the implications of not making the amendment are more relevant for consideration. On this note it is worth recognising that the importance of making planning and investment calculations and decisions is based on the exchange of data sets and therefore it is essential that the information being used is as consistent and as accurate as possible. The use of the hybrid models in the current

arrangements does not provide this and is a problematic and resource intensive technique.

## **7.0 IMPACT ON THE STC**

- 7.1 The Proposed Amendment would require the deletion of paragraph 2.4.3 and the amending of paragraph 2.4.2 of Schedule 3 (Information and Data Exchange Specification) of the STC such that the data restrictions are removed. The existing sub-paragraphs 2.4.4 – 2.4.8 would be renumbered as 2.4.3 – 2.4.7.
- 7.2 The Proposed Amendment would require minor amendments to Schedule 14 (Transmission Planning Data) of the STC such that it refers to the relevant paragraph within Schedule 3. The proposals would also require changes to Section F (Communications and Data), paragraph 3.3.1 that the provision is inclusive of data referred to in Schedule 3.
- 7.2 The text required to give effect to the Proposed Amendment is contained as Annex 2 of this document.

## **8.0 IMPACT ON CORE INDUSTRY DOCUMENTS**

- 8.1 The Proposed Amendment will have an impact on the Grid Code. PC1.1 and GC12.2 of the Grid Code which permits the transfer of User data to the Relevant Transmission Licensee as specified by the STC as at 1<sup>st</sup> April 2005. At the time of BETTA Go-Live a specific reference to the 1<sup>st</sup> April 2005 version of Schedule 3 of the STC was placed in the Grid Code. As such, any amendments proposed to Schedule 3 of the STC, with respect to the exchange of User Data, would require a consequential amendment to the Grid Code.
- 8.2 An Extraordinary Grid Code Review Panel (GCRP) meeting was held on 31<sup>st</sup> July 2007 to discuss an amendment to the Grid Code such that it is reflective of the STC provisions for the exchange of User Data. At this meeting it was agreed that an interim solution would be progressed to amend the Grid Code to include a reference to the most relevant version of the STC. It was also agreed to progress discussions between the STC Committee and the GCRP regarding an enduring solution due to the fact that the governance arrangements for both codes are currently incompatible.
- 8.3 The Proposed Amendment would have no impact on any other Core Industry Documents or other industry documentation apart from the Grid Code, or require any changes to computer systems established under Core Industry Documents.

## **9.0 STC COMMITTEE VIEWS AND RECOMMENDATION**

- 9.1 The STC Committee believes that amendment of the STC on the basis on CA023 would better facilitate achievement of the applicable STC objectives, in particular applicable STC objective (b) in that the facilitation through the STC to facilitate the disclosure of the full GB Investment Planning models would enable licensees to develop, maintain and operate an efficient, economical and coordinated system of electricity transmission.

- 9.2 The implementation of such provisions would also better facilitate achievement of applicable STC objective (a) as they would enable the efficient discharge by Scottish Transmission Owners of the obligations imposed upon them by their transmission licences and the Act, in particular the terms of Licence Conditions D3 which requires them to plan and develop their transmission system in accordance with the GB SQSS and the STC.
- 9.3 Indeed were this Amendment Proposal not be approved, Scottish Transmission Owners would be unable to fulfil their licence obligation of planning and developing the GB Transmission System in an economic and efficient manner due to the inconsistencies in power flows produced by the hybrid model. The STC Committee noted that in their Consultation document, Ofgem acknowledged that the use of equivalence models was highly problematic and that full network models may need to be used in studies<sup>1</sup>.
- 9.4 The STC Committee therefore recommends that the Authority should approve Amendment Proposal CA023 for implementation.

## 10.0 IMPLEMENTATION AND TIMESCALES

- 10.1 Should the Authority approve Amendment Proposal CA023, it is recommended that the STC be modified 5 business days after the Authority's decision.

## 11.0 INDUSTRY VIEWS AND REPRESENTATIONS

- 11.1 Views invited from industry parties upon the Proposed Amendment are outlined in this Amendment Report.
- 11.2 The STC Committee received 1 response following the publication of the Proposed Amendment Report.

Reference	Company	Summary of Comments
CA023-AR-01	E.ON UK plc	<p>Suggests that:</p> <ul style="list-style-type: none"> <li>a) There does not seem to be any evidence to suggest that the present arrangements are leading to inefficient investment decisions;</li> <li>b) It is not appropriate to make sensitive information available to the TOs and data that is not sensitive should be provided to all industry parties;</li> <li>c) The Grid Code at present does not allow NGET to release such data; and</li> <li>d) An industry consultation period of around 4 weeks is more appropriate than the current consultation period defined in the STC of a maximum of 10 Business Days.</li> </ul>

- 11.3 The Committee note the views put forward by E.ON UK plc in response to the consultation of STC proposed amendment CA023.

<sup>1</sup> Information Exchange under the STC – Ofgem conclusions (March 2005)

- 11.4 In response to the suggestion that does not appear to be any evidence to suggest that the present arrangements are leading to inefficient decisions the Committee would like to point out that without the exchange of the full GB Investment Planning model, a hybrid model has been used which has meant that the results from the power system analysis, undertaken by NGET and each of the TOs, have given inconsistent results. Therefore, the required transmission reinforcements being identified by the NGET and the TOs are not consistent. It is believed that by exchanging the full GB Investment Planning model instead on the hybrid models will result in more accurate and consistent results from the power system analysis, which in turn will facilitate the most economic and efficient transmission reinforcement solutions being taken forward. There is also a question of long term system stability. It is strongly believed that if the Scottish TOs are not provided with the full GB Investment Planning model their ability to undertaken accurate stability analysis is restricted. Therefore the full impact of future changes to the transmission system will not be able to be account for in a timely, efficient or economic manner.
- 11.5 In response to the point on making certain data available to TOs and certain data being made available to all industry parties, National Grid's Best View of generation ranking orders and network models is confidential and should only be exchanged between those parties needing to use it to make the relevant investment decisions i.e. the TOs. It is not appropriate for this information to be made publicly available to the commercial sensitivity of the information. All STC Parties have licence obligations which prohibit the transfer of this data to non relevant parties. In addition, for less sensitive data e.g. dynamic User Data, NGET would be happy to facilitate making it available to the industry but this would be a decision that would require a number of changes to the Grid Code.
- 11.6 In response to the suggestion regarding the Grid Code not allowing the release of such data as suggested in CA023, the Committee believe this is considered in paragraphs 8.1 and 8.2.
- 11.7 The STC Committee are currently considering the issue raised regarding the Consultation Period.

**Annex 1 – Amendment Proposal Form****STC Amendment Proposal Form****CA023**

<p><b>1. <u>Title of Amendment Proposal</u></b> Exchange of Best View Investment Planning Data Outside the Boundary of Influence</p>
<p><b>2. <u>Description of the Proposed Amendment</u></b> <i>(mandatory field)</i> This amendment proposes changes to Schedule 3 and Schedule 14 of the STC. The changes would allow National Grid to release the full GB Investment Planning models, including the Investment Planning Ranking Orders and Investment Planning network models, to the TOs for the purposes of investment planning.</p>
<p><b>3. <u>Description of Issue or Defect that Proposed Amendment seeks to Address</u></b> <i>(mandatory field)</i> As part of the investment planning process it is necessary to transfer investment planning 'best view' generation ranking orders and network models between the TOs and National Grid. Currently this data exchange is restricted to each TO's Boundary of Influence, which has resulted in a hybrid investment planning generation ranking order and network models being created for each TO. The hybrid model contains GB investment planning details within the affected TO's Boundary of Influence and publicly available Seven Year Statement details outside the Boundary of Influence.</p> <p>Whilst producing the hybrid models it has become apparent that the power flows differ significantly from those in the full GB Investment Planning Model. If the hybrid models are used for investment planning decisions, this inconsistency may result in incorrect investment decisions being made and as a consequence over or under investing in the GB Transmission System.</p>
<p><b>4. <u>Impact on the STC</u></b> <i>(information should be given where possible)</i> Changes to Schedule 3 paragraph 2.4.2 and the deletion of 2.4.3 are required. Minor changes to paragraph 1 of Schedule 14 are also proposed.</p> <p>Consequential changes to STCP16-1 and STCP22-1 will be necessary.</p>
<p><b>5. <u>Impact on other frameworks e.g. CUSC, BSC</u></b> <i>(information should be given where possible)</i> None</p>
<p><b>6. <u>Impact on Core Industry Documentation</u></b> <i>(information should be given where possible)</i> None</p>
<p><b>7. <u>Impact on Computer Systems and Processes used by STC Parties</u></b> <b>(information should be given where possible)</b> <b>Internal National Grid modelling and data creation process.</b></p>
<p><b>8. <u>Details of any Related Modifications to Other Industry Codes</u></b> <i>(where known)</i> None</p>
<p><b>9. <u>Justification for Proposed Amendment with Reference to Applicable STC Objectives</u></b> <i>(mandatory field)</i> Amending the STC in this manner would mean that Transmission Owners would continue to be able to efficiently discharge the obligations imposed on them by transmission licences and the Act. It would allow the development of an efficient, economical and coordinated system of electricity transmission.</p>

<b>Details of Proposer</b> Organisation's Name	National Grid Electricity Transmission plc
<i>Capacity in which the Amendment is being proposed</i> (i.e. STC Party or other Party as designated by the Authority pursuant to STC section B7.2.2.1 (b))	STC Party
<b>Details of Proposer's Representative</b> Name Organisation Telephone Number Email Address	Bec Thornton National Grid Electricity Transmission plc 01926 656386 Bec.Thornton@uk.ngrid.com
<b>Details of Representative's Alternate</b> Name Organisation Telephone Number Email Address	John Zammit-Haber National Grid Electricity Transmission plc 01926 655389 John.Zammir-Haber@uk.ngrid.com
<b>Attachments (Yes/No): Yes</b> If yes, title and number of pages of each attachment: (i) Indicative Legal Text (3 pages) (ii) JPC Evaluation Paper (5 pages)	

**Notes:**

- Those wishing to propose an Amendment to the STC should do so by filling in this "Amendment Proposal Form" that is based on the provisions contained in Section 7.2 of the STC.
- The Committee Secretary will check that the form has been completed, in accordance with the requirements of the STC, prior to submitting it to the Committee. If the Committee Secretary accepts the Amendment Proposal form as complete, then she/he will write back to the Proposer informing them of the reference number for the Amendment Proposal and the date on which the Committee will consider the Proposal. If, in the opinion of the Committee Secretary, the form fails to provide the information required in the STC, then he/she may reject the Proposal. The Committee Secretary will inform the Proposer of the rejection and report the matter to the Committee at their next meeting. The Committee can reverse the Committee Secretary's decision and if this happens the Committee Secretary will inform the Proposer.

The completed form should be returned to:

Lilian Macleod  
STC Committee Secretary  
Commercial Frameworks  
National Grid  
National Grid House  
Warwick Technology Park  
Gallows Hill  
Warwick, CV34 6DA

Or via e-mail to: STCTeam@uk.ngrid.com

## Annex 2 - Proposed Text to Amend the STC

### Amend Section F, paragraph 3.3.1 as follows:

3.3.1 as, and to the extent, set out or referred to, in Schedule Three; and

### Amend Schedule Three, paragraph 2.4 as follows:

#### 2.4 User Data

2.4.1 A Party may Disclose the following User Data to a Transmission Owner:

- (a) numbering or nomenclature information;
- (b) information which has been made available in accordance with the CUSC to all CUSC Parties (including where such information is made available pursuant to the Grid Code);
- (c) information which has been made available in accordance with the BSC to all BSC Parties; and
- (d) information for the purpose of safety co-ordination including, without limitation, Safety Rules, Site Responsibility Schedules and Local Safety Instructions.

2.4.2 A Party may Disclose to a Transmission Owner:

- (a) where the Disclosing Party is NGET:
  - (i) information submitted to or by NGET under Appendix A to the Planning Code or OC2.4.2.1(a) in respect of any Relevant Unit;
  - (ii) information specified in Schedule Fourteen in respect of any User;
  - (iii) NGET's forecast(s) of which Users will be connected to the ~~Receiving Transmission Owner's Transmission System or connected within the Boundary of Influence of such GB~~ Transmission System at any time or times during the current or following six Financial Years;
  - (iv~~ii~~) NGET's forecast(s) of the Ranking Order for the GB Transmission System, specifying:
    - ~~a. relevant individual Generation Units connected to the Receiving Party's GB Transmission System or connected within the Boundary of Influence of such Transmission System; and~~
    - ~~b. relevant aggregations of Generation Units connected outside of the Boundary of Influence of such Transmission System,~~
 at any time or times during the current or following six Financial Years;
  - ~~(iv) the Ranking Order of all Generation Units which are Relevant Units and which NGET forecasts will be synchronised at the point in time when Demand on the GB Transmission System is at the forecast minimum in the current and following six Financial Years;~~
  - (v) the high level results of any economic studies undertaken for the purpose of assessing options for investment planning or Construction Projects, in each case involving the Receiving Transmission Owner, but not including the detailed content or analysis in such studies; and

- (b) any changes which the Disclosing Party is planning to undertake to its Transmission System in the current or following six Financial Years and which will materially affect the planning or development ~~of those parts of the Receiving Transmission Owner's Transmission System as are located within the Boundary of Influence of the Disclosing Party's Transmission System.~~

~~2.4.3 Without prejudice to sub-paragraph 2.4.2, a Party may Disclose to a Transmission Owner:~~

~~(a) where the Disclosing Party is NGET:~~

- ~~(i) information specified in Schedule Fourteen in respect of any User;~~
- ~~(ii) lists of all Generation Units which NGET forecasts will be synchronised to meet specified levels of Demand on the GB Transmission System in the current and following six Financial Years, including, but not limited to:~~
- ~~a. the forecast minimum Demand;~~
- ~~b. 60% of the forecast peak Demand;~~
- ~~c. the forecast peak Demand; and~~

~~(b) any changes which the Disclosing Party is planning to undertake to its Transmission System in the current or following six Financial Years and which will materially affect the planning or development of the Receiving Transmission Owner's Transmission System.~~

2.4.43 A Party may Disclose to a Transmission Owner any information which is submitted to NGET pursuant to OC2.4.1.2.1(a)(i) or OC2.4.1.2.1(e) of the Grid Code, provided that such information relates only to Relevant Units.

2.4.54 A Party may Disclose to a Transmission Owner any part(s) of:

- (a) the Final Generation Outage Programme for Years 3 to 5 agreed pursuant to OC2.4.1.2.1(j) of the Grid Code;
- (b) any updated proposed Generation Outage Programme submitted to NGET under OC2.4.1.2.2(a) of the Grid Code; or
- (c) the revised Final Generation Outage Programme for Year 1 and Year 2 agreed pursuant to OC2.4.1.2.2(i) of the Grid Code, which relates to outages or proposed outages of Relevant Units.

2.4.65 A Party may Disclose to a Transmission Owner information about outages or proposed outages of Relevant Units submitted to NGET under OC 2.4.1.3.2(a) or (b) and OC 2.4.1.3.3 of the Grid Code.

2.4.76 A Party may Disclose to a Transmission Owner information related to the past or present physical properties, including both actual and designed physical properties, of Plant and Apparatus forming part of any Relevant Units including, but not limited to:

- (a) the voltage of any part of such Plant and Apparatus;
- (b) the electrical current flowing in or over such Plant and Apparatus;
- (c) the configuration of any part of such Plant and Apparatus;
- (d) the temperature of any part of such Plant and Apparatus;

- (e) the pressure of any fluid forming part of such Plant and Apparatus
- (f) the electromagnetic properties of such Plant and Apparatus; and
- (g) the technical specifications, settings or operation of any Protection Systems forming part of such Plant and Apparatus.

2.4.87 NGET may Disclose to a Transmission Owner the Export and Import Limits of a Relevant Unit as part of the implementation of a Local Joint Restoration Plan or De-synchronised Island(s) procedure.

**Amend Schedule Fourteen, paragraph 1 as follows:**

1. Pursuant to Schedule Three, sub-paragraph 2.4.32, NGET may disclose to a Transmission Owner information submitted to or by NGET under Schedule 1 of the Data Registration Code in respect of any User, with the exception of the data items specified in the below extract:

*Table to remain unchanged*

### **Annex 3 – Copies of Comments Received on the Proposed Amendment Report**

This Annex includes copies of any representations received following circulation of the Proposed Amendment Report (circulated on 10<sup>th</sup> May 2007, requesting comments by close of business on 17<sup>th</sup> May 2007).

Representations were received from the following parties:

<b>No.</b>	<b>Company</b>	<b>File Number</b>
1	E.ON UK plc	CA023-AR-01

<b>Reference</b>	CA023-AR-01
<b>Company</b>	E.ON UK plc



Bali Virk  
STC Committee Secretary  
National Grid  
National Grid House  
Warwick Technology Park  
Gallows Hill  
Warwick  
CV34 6DA

**E.ON UK plc**  
Westwood Way  
Westwood Business Park  
Coventry  
CV4 8LG  
eon-uk.com

Paul Jones  
024 76 183 383  
paul.jones@eon-uk.com

17 May, 2007

Dear Bali,

**CA023 – Exchange of Best View Investment Planning Data Outside the Boundary of Influence**

Thank you for the opportunity to respond to the above consultation document. This response is made on behalf of E.ON UK plc. We have a number of concerns about the proposal and do not believe that it should be implemented. We are particularly concerned that such a change has been issued to the industry for consultation with only a week allowed for response.

The reason that Schedule 3 of the STC exists is to ensure that the data relating to Users that is provided to TOs with associated supply and generation interests is carefully controlled. This is an important issue with significant competition implications. Therefore, relaxing these provisions in any way should not be regarded as a trivial exercise. The exact details of what exactly will be released to the TOs under CA023 are a little unclear. Therefore, it is difficult to comment precisely on the appropriateness of the amendment. However, we will make our response in terms of general principles.

Any relaxation of Schedule 3 should be undertaken for good reasons and mindful of the sensitivity of the data concerned. The amendment report appears to suggest that the amendment has been raised to reduce a current administrative burden associated with operating and validating the present hybrid model. There also appears to be a concern that the present arrangements could lead to inefficient investment decisions. Given the important competition reasons for limiting the data provided to companies with associated

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Registered in  
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Registered Office:  
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Westwood Business Park  
Coventry CV4 8LG

supply and generation interests, we do not believe that additional data should be released purely for administrative convenience. Clearly, if operational costs are disproportionately high, then there may be argument for change. However, there is insufficient information in the consultation to allow us to assess whether or not this is the case. Additionally, we are unsure why National Grid has been able to reconcile flows on some circuits in the hybrid model with those on the GB model, but has been unable to do so for others. There also does not appear to be any evidence to suggest that the present arrangements are leading to inefficient investment decisions.

The sensitivity of the data concerned is important when deciding whether or not it is appropriate for it to be released. If the information is indeed sensitive, then it is not appropriate to make it available to the TOs and the present arrangements should prevail. If it is not particularly sensitive, we would suggest that the data is provided to all industry parties. In that way there can be no question that individual parties would be handed an unfair advantage, as everyone would have access to the same data.

— When we commented in June 2004 (as Powergen UK) on the draft STC, we raised concerns that information about Users was to be released to Transmission Owners under the governance of the STC. We stated our view that any provisions allowing the release of User related data to Transmission Owners should be contained in the relevant User facing code. We were similarly concerned that the Planning Code of the draft Grid Code simply stated that User data could be released to TOs if required under the STC. In response to concerns about this, PC1.1 of the Grid Code states that data can be released only if required under the version of the STC current as at 1 April 2005. Therefore, if this amendment were to be approved we do not believe that the Grid Code at present would allow National Grid to release the necessary data. Therefore, we assume that a change to the Grid Code will also need to be raised to facilitate implementation of this STC amendment. This should also be reflected in paragraph 8.1 of the consultation document.

Given the sensitivity of releasing information on Users to the TOs, we are surprised that industry participants have been given only a week to respond to this proposal. As Users are not represented at the STC Panel, this is the first opportunity that they will have been given to comment on this amendment. In view of the nature of the amendment a timescale of around 4 weeks or more would have been more appropriate, although we note that the present provisions of 7.2.5.9 presently limit this consultation period to 10 working days. We would also question whether paragraphs 7.2.9.1 and 7.2.9.2 of the STC regarding working arrangements to coordinate changes across the STC and other codes have been met in this instance.

Yours sincerely

Paul Jones  
Trading Arrangements