

Information exchange under the STC

**The development of Schedule 3 and
associated STC and Grid Code changes**

An Ofgem consultation

March 2005

Summary

In conjunction with Section F of the STC, Schedule 3 limits the information that transmission owners may receive from other STC parties.

This consultation document provides a background explanation to the content of a Schedule 3 that it is proposed should be put in place to deal with information exchange under the STC from BETTA go-live.

Views are generally invited upon the matters raised in this document as well as specifically on the draft versions of proposed Schedule 3, and a number of associated changes to the STC itself and to the Grid Code.

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1. Introduction

Background

- 1.1. In September 2004, the legal framework for the British Electricity Trading and Transmission Arrangements (BETTA) was introduced. Certain aspects of this legal framework are now in effect, and other aspects will take effect on and from the BETTA go-live date. The currently anticipated BETTA go-live date is 1st April 2005 and it is also anticipated that the Secretary of State will formally indicate this as the BETTA go-live date in a direction in early March 2005.
- 1.2. As was noted in the July 2004 consultation paper¹, one aspect of the legal framework that it was recognised would need to be completed in the period between the introduction of the legal framework in September 2004 and BETTA go-live was Schedule 3 to the SO-TO Code (STC). In conjunction with Section F of the STC, Schedule 3 sets out the information that may be provided to transmission owners by other STC parties under the BETTA arrangements.
- 1.3. The reason that this element of the STC needed to continue to be developed in the transitional period was because in September 2004, the detailed Code Procedures underpinning the STC which set out the detailed interactions between the STC parties were still being developed and consequently the exact detail of the information exchange that was required to support these procedures was not known. In light of this situation, the BETTA legal framework introduced in September 2004 included the following elements:
 - (i) A statement in Schedule 3 of the STC that:

“During the Transition Period², a Party may Disclose to a Transmission Owner such information and data as shall:

¹ The SO-TO Code under BETTA: Draft text in progress and CUSC provisions relating to disputes and limitation of liability. An Ofgem/DTI mini consultation document. July 2004. Ofgem #148/04.

² Essentially, the period between betta go-active and go-live.

- 1.1 be reasonably requested by a relevant Party or Parties for the purpose of Section I and approved by the Authority from time to time; or
- 1.2 otherwise be notified by the Authority from time to time.”

In order to facilitate data exchange in the Transition Period, on 10 September 2004, the Authority published a “Notification of information provision during the BETTA transition period under the System Operator – Transmission Owner Code³” which notified the Parties of certain categories of data or information that may be disclosed to a transmission owner during the Transition Period only for and to the extent required in order for such transmission owner to comply with its obligations under the STC; and

- (ii) Provision within Standard Licence Condition B12 (System Operator – Transmission Owner Code)⁴ for the Authority, where it considers it to be necessary or expedient for the purposes of implementing BETTA (and following such consultation with such persons, and in such manner, as the Authority deems appropriate), to direct the system operator to amend the STC in circumstances including (amongst other things):
 - a) to make changes required or appropriate for the purposes of reflecting in the STC the development of the completion of Schedule 3; and
 - b) to make any other minor incidental, consequential or supplementary changes resulting from the above.

1.4. In the majority of cases, the Code Procedures required to underpin the STC have been completed (or have been completed to a sufficient level of detail for the information exchange requirements under them to be known). Furthermore, whilst the development of the Code Procedures has been undertaken by the three transmission licensees, Ofgem⁵/DTI have been involved throughout the

³http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/8611_transitional_information.pdf

⁴ See paragraph 7 of Standard Licence Condition B12 as amended during the transitional period.

⁵ Ofgem is the Office of the Gas and Electricity Markets, which supports the Gas and Electricity Markets Information exchange under the STC

process (including in the development of the higher-level STC provisions themselves) and have, throughout this process, continued to be mindful of the criteria referred to in the May 2002 report⁶ and December 2002 consultation⁷ which were to be used to guide the allocation of functions between the system operator and transmission owners. These criteria were that the allocation of functions between the system operator and transmission owners should be such that the allocation ensures that:

- “(1a) functions that directly affect market participants, and which cannot be easily codified and effectively monitored to ensure that no bias is being exercised, be separated from those with market affiliations;
- (1b) access to confidential data, which may reveal the intentions of participants in market-based activities, should be available only to those that do not have affiliated interests in those same market-based activities;
- (2a) it is practical, efficient and economic to undertake the various functions of the system operator separately from the functions of the separate transmission owners;
- (2b) appropriate incentives can be given to each of the system operator and transmission owners to undertake their separate activities in an efficient, co-ordinated and economic manner;
- (3) the one-off costs of effecting the changes should be as low as possible, taking into account both central costs and participants’ costs;
- (4) security of supply must not be jeopardized;
- (5) there is the ability to ensure effective asset management, including safety and environmental issues to meet both shorter and longer term obligations; and

Authority, the regulator of the gas and electricity industries in Great Britain. Ofgem’s aim is to bring choice and value to all gas and electricity customers by promoting competition and regulating monopolies. The Authority’s powers are provided for under the Gas Act 1986, the Electricity Act 1989 and the Utilities Act 2000. The terms “Ofgem” and “the Authority” are used interchangeably in this document.

⁶ ‘The Development of British Electricity Trading and Transmission Arrangements (BETTA): Report on consultation and next steps’ Ofgem/DTI, May 2002 Ofgem 38/02.

⁷ ‘Regulatory framework for transmission licensees under BETTA: Volume 3 The SO – TO Code and other contractual interfaces between transmission licensees’, An Ofgem/DTI consultation, December 2003, 88/02.

- (6) functions continue to be carried out by those parties who are currently responsible for them unless there is a requirement to reallocate responsibility in order to meet the objectives of BETTA.”
- 1.5. Insofar as prioritisation of criteria is concerned, Ofgem/DTI stated that they believed that all criteria needed to be taken into account but that a degree of trade-off would be needed to formulate a practical solution. Particular weight would need to be given to 1a and 1b, given the context of the BETTA objectives, but other than this, the numbering of the criteria outlined above should not be taken to imply any hierarchy or priority.
- 1.6. In practice, the need to strike a balance between two or more of these criteria in the allocation of functions between the licensees was largely only of significance in the high-level allocation of functions and in the development of the STC itself. Given the high-level allocation of functions and the provisions of the STC, when developing the further detail of processes under the Code Procedures, there have been few circumstances in which, for example, further detailed consideration of the balance between meeting criteria 1(b) as against other criteria has arisen.
- 1.7. However, in general, the need to continue to ensure that the principles behind criterion 1(b) are met led to the placing of restrictions on the information that transmission owners were permitted to receive under the STC. In conjunction with Section F of the STC, Schedule 3 limits the information that transmission owners may receive from other STC parties. Given the restrictive nature of the provisions of the STC in this regard, where there are future changes in the way in which the processes under the STC operate and such changes require the provision of additional information to transmission owners in order for them to meet their obligations under the STC it is necessary for an STC amendment to be made in order for the additional information exchange to be permitted. Hence, whilst generally STC parties can between themselves agree and implement changes to Code Procedures, such changes cannot be made without an associated modification to the STC if they require additional information to be passed to transmission owners where the information exchange is not permitted by the then current Schedule 3 to the STC.

- 1.8. This approach was also reflected in the Grid Code which anticipated that any User information to be exchanged by the system operator with the transmission owners would be clearly identified in the Grid Code⁸.
- 1.9. The remainder of this consultation document gives some background explanation to the proposed content of Schedule 3 of the STC and a number of proposed consequential changes to the STC itself and invites views upon the drafting and associated matters.

⁸ See Planning Code PC.1.1 'User information that NGC is required by the STC to provide to a Relevant Transmission Licensee is identified in this Planning Code and the Data Registration Code.'

2. Discussion of proposed changes

General

- 2.1. Appendix 1 to this document includes a draft of the amendments that it is proposed should be made to Schedule 3 of the STC. Appendix 2 sets out a number of consequential changes to the STC that have been identified by Ofgem as being required in developing the draft of Schedule 3. This chapter discusses some of the issues behind the drafting of Schedule 3 and the associated STC changes. It does not however attempt to provide a detailed explanation of all of the proposed legal changes.

Schedule 3 in the legal framework

- 2.2. In order to understand where Schedule 3 fits into the legal framework, it is necessary to consider both the STC licence condition and the provisions of the STC itself.

Licence Condition B12

- 2.3. Paragraphs 1 and 2 of the enduring Standard Transmission Licence Condition B12 (System Operator – Transmission Owner Code) state that:

- “1. The licensee shall, in common with those other transmission licensees to which this condition applies, at all times have in force a STC, being a document which:
- (a) sets out terms as between transmission licensees whereby the GB transmission system and each licensee's transmission system forming part thereof is to be planned, developed or operated and transmission services are to be provided together with any associated arrangements;
 - (b) is designed to facilitate achievement of the objectives set out in paragraph 3;
 - (c) includes the amendment procedures required by paragraph 6; and

- (d) provides for mechanisms for the resolution of any disputes arising in relation to any of the matters addressed in the STC.

The licensee shall be taken to comply with this paragraph by:

- (i) adopting (through entry into the STC Framework Agreement), as the STC in force with effect from the date this condition comes into effect, the document designated by the Secretary of State for the purposes of this condition; and
 - (ii) amending such document from time to time in accordance with the transition modification provisions and the provisions of paragraphs 6 and 7 below.
2. For the purposes of this condition, the terms and arrangements referred to in paragraph 1(a) whereby the GB transmission system and each licensee's transmission system forming part thereof are to be planned, developed or operated and transmission services are to be provided are those which:
- (a) are requisite for the enjoyment and discharge of the rights and obligations of transmission licensees arising under their licences and such other code or document as may be specified from time to time by the Authority including, but not limited to, rights and obligations which may arise under each of the core industry documents, the BSC and the CUSC; and
 - (b) provide for matters which include:
 - the provision of transmission services,
 - the operation, including the configuration, of the GB transmission system,
 - the co-ordination of the planning of licensees' transmission systems,

- the progression of matters necessary to respond to applications for new connections (or modifications of existing connections),
- planning for, and co-ordination of, transmission outages,
- procedures for developing, agreeing and implementing party entry processes,
- the resolution of disputes,
- the exchange of information between transmission licensees, which information they are free to disclose and relates to the discharge of their duties under the Act, transmission licences and other relevant statutory obligations,
- procedures to enable the system operator to produce information about the GB transmission system in accordance with standard condition C11 (Production of information about the GB transmission system), and
- procedures established in pursuance of paragraph 6.

Nothing in this condition shall preclude the licensee entering into other terms and arrangements connected with these terms and arrangements, outside of the STC, where such other arrangements are not inconsistent or in conflict with this licence or the STC or other relevant statutory requirements. “

2.4. Given the above, Ofgem views that the scope of STC insofar as it relates to the exchange of information between the licensees to be reasonably wide and to be required to deal with not just matters relating to the interface between the transmission licensees (which is the principal focus of the STC), but also with matters relating to information exchange associated with the discharge of licensees’ duties under the Act, transmission licences and other relevant statutory obligations.

2.5. In relation to the specific issue associated with limiting the information that may be sent to transmission owners under the STC, in light of the above, Ofgem is of

the view that it is appropriate for the STC to address the issue of disclosure of information to transmission owners from other transmission licensees in relation to all matters associated with the discharge of licensees' duties under the Act, transmission licences and other relevant statutory obligations and not just associated with matters directly associated with the interface between the licensees set out in the STC.

Section F and Schedule 3

- 2.6. Section F of the STC provides, amongst other things for restrictions on the provision of information between the STC parties. In particular, restrictions are placed upon the information that transmission licensees may disclose to third parties and transmission owners. Whilst certain information is permitted to be sent to transmission owners under Section F (for example information that is in the public domain or that is required for a licensee to comply with its licence or statutory obligations), in general parties are restricted from sending any information to transmission owners except and to the extent such disclosure is permitted by Schedule 3 of the STC.
- 2.7. In this way, Schedule 3 provides a catalogue of all of the categories of information which may be provided to a Transmission Owner by a transmission licensee (other than the small number of specific cases where there is no restriction – such as publicly available information etc.). A consequence of this approach to the drafting of the STC is that Schedule 3 is essentially permissive, i.e. where information is set out in Schedule 3, a transmission licensee is permitted to disclose such information to a transmission owner.

The proposed Schedule 3

General

- 2.8. In developing the proposed Schedule 3 set out in appendix 1, Ofgem has sought to ensure that the STC does not place unnecessary constraints on information exchange where such information is not of a market sensitive nature or where such information is generally available to market participants (including in the circumstances where there may be conditions placed on its availability generally). Ofgem's approach to this has been to develop the concepts of "Transmission Information" and "User Data" as being descriptive of the two categories of information which may potentially be market sensitive and to permit the exchange of any information that falls outside these two categories.
- 2.9. Furthermore, it is proposed that both Transmission Information and User Data may be disclosed to a transmission owner if the STC party disclosing the information has made it available to other code parties on equivalent terms (e.g. terms dealing with any relevant charges, non disclosure obligations etc). In this case NGC is required to publish a notice on the STC website describing the information that is being made available by the relevant transmission licensee.
- 2.10. As an overarching principle, even where the Transmission Information or User Data is permitted to be disclosed to a transmission owner, Schedule 3 states that it should be disclosed only if it is necessary for the relevant transmission owner to comply with the STC⁹ (or a Construction Agreement).
- 2.11. In general, Ofgem believes that the scope and nature of the information exchange that it is proposed under the STC and Code Procedures is reasonable given the criteria that were used to allocate functions between transmission licensees. Given that criterion 1(b) was not the only criterion used in allocating functions, it is to be expected that in some areas the scope of information that transmission owners are permitted to receive includes information which is likely to be considered market sensitive. This includes, for example, real-time information about the physical operation and configuration of users connected

⁹ Including the STC procedures (Code Procedures).

to that transmission owner's transmission system and physical information about the real-time operation of that transmission owner's transmission system. The need for this information to be made available reflects the adoption of the "A2" control room model under BETTA¹⁰ in which the transmission owners retain their existing control centres. The proposals in relation to the exchange of User Data submitted under Operating Code 2 of the Grid Code also reflect previous consultations on this issue, in that outage data from users connected to a transmission owner's transmission system is made available to the transmission owner in timescales up to those required by the transmission owner to produce its outage proposals¹¹.

- 2.12. The information exchange provisions also reflect the role of the transmission owners in investment planning. Given that under BETTA transmission owners retain responsibility for investment planning, information which forms part of applications for new connections etc. needs also to be made available to transmission owners. The version of the STC designated in September 2004 incorporated the concept of a boundary of influence, i.e. the amount of information provided to a transmission owner following a new connection application varied depending upon whether the applicant wished to connect to the transmission owner's transmission system itself, within the boundary of influence of the transmission owner's transmission system, or outside of the boundary of influence. This concept has been applied again in Schedule 3 to information permitted to be provided to a transmission owner by other transmission licensees in the context of more general investment planning (i.e. not just forming part of applications for new connections or modifications).
- 2.13. More recent discussions with the transmission licensees have however suggested that the detailed processes that have been developed for BETTA go-live in the area of investment planning may require more information to be made available to transmission owners than that which Ofgem had previously envisaged would be necessary (i.e. requiring information to be provided to a transmission owner

¹⁰ See "The SO-TO Code under BETTA. Summary of responses and conclusions on Volumes 3 and 4 of the December 2002 consultation on the regulatory framework for transmission licensees under BETTA, and further consultation on the content of the SO-TO Code. Ofgem/DTI June 2003.

¹¹ See The SO-TO Code under BETTA. Transmission Owner access to User data submitted under Operating Code No. 2 of the Grid Code. Ofgem/DTI, October 2003.

in relation to areas which fall outside of the boundary of influence of its transmission system). Ofgem understands that there are two reasons for this:

- ◆ the transmission licensees have now indicated to Ofgem that in order for the transmission owners to be able to carry out stability studies on the transmission system, they will need to have access to planning data and detailed planning data (where submitted) for all generators expected to be synchronised to the GB transmission system under certain operating conditions around the summer minimum demand period and not just those connected to their transmission system or within the relevant boundary of influence.] In addition to GB wide generation data, transmission owners will also require a view of the transmission system reinforcements that will be in place on the GB Transmission system; and
- ◆ the approach to development of the seven year statement and production of offers in relation to new applications for connection and use of system is such that it is proposed that transmission owners have access to a model of the entire GB transmission system and not just an equivalent system outside their boundary of influence. Again, this means that transmission owners would need access to additional user data over and above that previously envisaged by Ofgem.

2.14. In light of the fact that:

- i) the consequences of the above are essentially only to expand the geographic scope of the information that it was envisaged that transmission owners would in any event have available in relation to their own transmission systems, and
- ii) any information provided to SPT and SHETL remains the subject of Special Condition C of each of their transmission licences (which limits the disclosure of any information that they do receive under the STC),

Ofgem is of the view that it is appropriate to make provision in Schedule 3 to permit transmission owners to receive the information required to carry out the detailed activities in this manner from BETTA go-live. Paragraphs 2.4.3 of the draft of Schedule 3 of the STC included in appendix 1 reflect the additional

information that it is proposed should be made available to transmission owners in relation to the first category of information (i.e. information required by transmission owners to undertake general investment planning and stability studies).

- 2.15. Ofgem also believe however that it would be appropriate for the transmission licensees to review the arrangements in this area that have been established. In particular, Ofgem believe that it would be appropriate for the licensees to consider further whether it may be more appropriate for NGC to carry out system stability studies and/or whether the network model made available to transmission owners should, in relation to some parts of the GB transmission system, be an equivalent model. Ofgem therefore proposes that the provisions of Schedule 3 permitting this information to be made available to transmission owners should be drafted so as to fall away one year after BETTA go-live (i.e. on 1st April 2006, assuming a BETTA go-live of 1st April 2005). Ofgem believes that following a review of the arrangements, an appropriate amendment proposal to the STC should then be brought forward.

Consequential STC changes

- 2.16. Appendix 2 of this document sets out a number of proposed consequential changes to the STC which Ofgem has, in the development of Schedule 3, identified as being necessary.
- 2.17. The first change to Section F of the STC is intended to clarify that the restriction on information applies not just under the STC but also outside the STC. Clearly it would be inappropriate to restrict the provision of information to a transmission owner under the STC if the same party could simply agree to send it to the transmission owner outside the STC. As explained above, Ofgem believes that this change clarifies the scope of the STC in relation to such matters envisaged by licence condition B12.
- 2.18. A change has also been proposed to paragraph 5.1 of section G so as to permit third parties to enforce the terms of paragraphs 2.1.3 and 2.1.4 of Schedule 3.
- 2.19. The additional paragraph in relation to derogations is an omission from the designated version of the STC that has come to Ofgem's attention when

considering matters in relation to Schedule 3. In common with the arrangements applying in relation to the Grid Code licence condition (Standard Condition C14), provision exists in paragraph 15 of the STC licence condition (Standard Condition B12) for the Authority (following consultation with all affected STC parties) to issue directions relieving the licensee of its obligations to implement or comply with the STC in respect of such parts of the licensee's transmission system or the GB transmission system or to such extent as may be specified in the direction. From a contractual perspective, however, Ofgem is of the view that it is necessary also to include in the STC provisions that relieve parties from their contractual obligation to comply with the STC where and to the extent such relief is granted by the Authority. The equivalent arrangements for the Grid Code are set out in paragraph 6.3 of the CUSC (the document through which the Grid Code is contractually enforced).

- 2.20. The specific Schedule 3 issue in relation to which this omission came to Ofgem's attention was an issue that was brought to Ofgem's attention in relation to the existing Inter Utility Data Exchange (IUDE) links. Under the existing arrangements certain operational information is exchanged between the transmission licensees under the aegis of the British Grid Systems Agreement (BGSA), British Grid Systems Code No. 16 (BGSC16). This Code sets out a list of real-time data to be exchanged between the transmission licensees under the existing arrangements. This information includes real-time physical information relating to the transmission systems and in some cases, generation connected to them. Under BETTA, some of this information will continue to be permitted to be exchanged under Schedule 3 and some will not. For example, for safety reasons, it is proposed that transmission owners should continue to receive information relating to the real-time configuration of transmission circuits directly connected to their transmission system. Given their more limited role in relation to real-time operation of the transmission system, under BETTA, transmission owners do not however, require all the information currently exchanged under BGSC16.
- 2.21. Given that the existing IUDE links carry some information that will be permitted to be exchanged under the STC and some that will not, it will be necessary for the licensees to either decommission the links or to change the content of the data flowing over them. However, Ofgem understands that the current IUDE

links used by SPT and SHETL feed into a number of different control room applications and that given the substantial activity that SPT and SHETL have had to undertake in the run up to BETTA go-live, there has been insufficient time to give assurance that these links can be decommissioned or amended without an adverse impact on enduring control room systems. Ofgem believes that it is appropriate for this matter to be dealt with after BETTA go-live.

- 2.22. Appendix 3 includes an extract of the relevant BGSC document which identifies the information that is currently sent to SHETL and SPT via these links. Ofgem is of the view that given the nature of this information (essentially information about the disposition of the neighbouring transmission system and connected plant and apparatus and operating levels of generation upon it), it would not necessarily be inappropriate for SPT and SHETL to be permitted to receive this information for a period of time from BETTA go-live so as to give some additional time (i.e. until 1 October 2005) for the IUDE links to be decommissioned or for the data sent down them to be amended. Ofgem believes that this should provide sufficient time for the necessary changes to the existing links to be made. From a drafting perspective, Ofgem is of the view that this issue would be most appropriately dealt with via a derogation to the STC, rather than by permitting the exchange of the additional information under Schedule 3. This is because this Ofgem do not think the additional information exchange is appropriate on an enduring basis and consequently do not believe that it is appropriate to hard-wire the information exchange into the STC.
- 2.23. Changes are proposed to schedules five, six and seven so as to include within the NGC Connection Application (submitted to the transmission owner to who's system a user is proposing to connect) details of any charging options exercised by the User to the extent necessary for the transmission owner to calculate its charges in accordance with its charging methodology. This amendment to these schedules was anticipated at the designation of the STC and is required in order to reflect the approach which has been developed to charging for new connections and modifications, since designation, and which is reflected in subsequent development of Schedule Ten of the STC (Charges) and the revenue restriction licence conditions which will apply to transmission licensees.

2.24. Finally, Ofgem notes the proposals¹² whereby minimum changes to the existing Scottish Nuclear Site Licence Provisions Agreement (NSLPA) between Scottish Power Transmission Limited (SPT) and British Energy (BE) are to be made to enable the arrangements to operate satisfactorily under BETTA. Ofgem notes that where SPT requires information from NGC such that SPT can comply with its obligations under the NSLPA, this information exchange would be subject to the provisions of Section F and Schedule 3 of the STC, i.e. unless otherwise permitted by Section F, it would be necessary for any such information to be sent by NGC to SPT for such purposes to be set out in Schedule 3.

¹² See Consultation on Scottish Nuclear Site Licence Provisions Agreements. Ofgem consultation document 16/02/05. Ofgem #46/05.

3. Grid Code changes

- 3.1. In the designated version of the Grid Code to apply under BETTA, paragraph PC.1.1 of the Planning Code of the Grid Code states that “NGC may pass on User data to a Relevant Transmission Licensee where it is required to do so under the STC. User information that NGC is required by the STC to provide to a Relevant Transmission Licensee is identified in this Planning Code and the Data Registration Code.”.
- 3.2. In practice, rather than duplicate elements of Schedule 3 in the Grid Code for such purposes, Ofgem is of the view that it would be more practicable simply to refer users to Schedule 3 of the STC for such purposes. The proposed Grid Code changes to give effect to this are set out in Appendix 4 to this document.

4. Views invited and way forward

- 4.1. Respondents are invited to comment on any of the proposals covered in this paper, but in particular, views are invited upon:
- ◆ The draft of the proposed Schedule 3 set out in Appendix 1
 - ◆ The proposed consequential changes to the STC set out in Appendix 2
 - ◆ The proposed Grid Code changes set out in Appendix 4; and
 - ◆ Whether or not it would be appropriate for the Authority to grant a derogation permitting the transmission owners to receive the information set out in Appendix 3 for a period up to 1 October 2005.
- 4.2. Each response will be published on the Ofgem website and held electronically in Ofgem's Research and Information Centre, unless there is a good reason why it must remain confidential. Respondents are asked to put any confidential material in appendices, such that the main body of the response can still be published.
- 4.3. Responses, marked "Data Exchange under the SO-TO Code" should be sent by 16th March 2005. Ofgem would prefer responses to be sent by email to BETTA.consultationresponse@ofgem.gov.uk, but responses can also be posted to:
- David Haldearn
BETTA Project
Office of Gas and Electricity Markets
9 Millbank
London
SW1P 3GE
- 4.4. Ofgem will consider the responses received and propose to publish a conclusions paper in March 2005 which will include revised versions of Schedule 3 and of the associated consequential STC changes, each updated to take into account any comments received. It is also proposed that the Authority will, subject to a consideration of the responses, direct the system operator to

make changes to the STC to incorporate these revised versions shortly thereafter (and before BETTA go-live) in accordance with the provisions of standard licence condition B12, paragraphs 7(e)(ii) and 7(g) and the changes to the Grid Code in accordance with the provisions of standard licence condition C14, paragraph 7(f).

- 4.5. If you wish to discuss any aspect of this document, please contact Richard Haigh by emailing Richard.Haigh@ofgem.gov.uk, or telephoning 020 7901 7487.

Appendix 1 : Proposed Schedule 3 text

See accompanying separate file

Appendix 2 : Consequential STC changes

Amendment to Section F,

amend paragraph 3.3 as follows:

- 3.3 A Party shall not Disclose any information to a Transmission Owner under this Code or otherwise other than ...

Amendments to Section G

amend paragraph 5.1 as follows:

- 5.1 Subject to the remainder of this paragraph 5, a CUSC Party (other than NGC) may rely upon and enforce the terms of paragraph 4.4, against a Transmission Owner and an Other Code Party (other than NGC) may rely upon and enforce the terms of paragraphs 2.1.3 and 2.1.4 of Schedule Three against a Party.

insert new paragraph 20 as follows:

20 TRANSMISSION DEROGATIONS

- 20.1 A Party's obligation(s) under this Code shall be relieved, as regards any other Party, to the extent and for such period as such obligation(s) are specified as being relieved by a direction issued by the Authority under paragraph 15 of Standard Condition B12 of its Transmission Licence.

Amendment to Schedule Five: NGC Connection Applications

insert as sub paragraph 1.1.19

- 1.1.19 The details of any charging options exercised by the User to the extent necessary for the Transmission Owner to calculate TO Charges in respect of those options in accordance with its charging methodology.

Amendment to Schedule Six: NGC Modification Applications

insert as sub paragraph 1.1.10

1.1.10 The details of any charging options exercised by the User to the extent necessary for the Transmission Owner to calculate TO Charges in respect of those options in accordance with its charging methodology.

Amendment to Schedule Seven: System Construction Applications

insert as sub paragraph 1.1.6

1.1.16 The details of any charging options exercised by the User to the extent necessary for the Transmission Owner to calculate TO Charges in respect of those options in accordance with its charging methodology.

Appendix 3 : Extract from Appendix of BGSC16

THE APPENDIX TO BGSC 16

REAL TIME DATA TO BE TRANSMITTED BY NGC TO SP IN RESPECT OF THE FOLLOWING

NGC 400kV Substations:

Daines, Harker, Hawthorn Pit, Heysham, Hutton, Lackenby, Norton, Osbaldwick, Padiham, Penwortham, Thornton and Stannah.

NGC 275kV Substations:

Blyth, Harker, Hartlepool, Hart Moor, Hawthorne Pit, Kirkby, Lackenby, Norton, Offerton, Penwortham, Saltholm, South Shields, Spennymoor, Stella West, Tod Point, Tynemouth, West Boldon and Washway Farm.

NGC 132kV Substations:

Harker.

NGC 132kV Equipment:

Stannah and Washway Farm.

NGC Circuits:

Blyth - Harker 1; Blyth - Harker 2; Blyth - South Shields; Blyth - Stella West 1 / SGT3; Blyth - Stella West 2; Blyth – Tynemouth; Daines – Penwortham; Harker - Hutton 1; Harker -

Hutton 2; Hartlepool – Hartmoor; Hartlepool – Saltholm; Hartlepool - Tod Point; Hartlepool - West Boldon; Hartmoor - Hawthorne Pit; Hawthorne Pit - Norton 400Kv; Hawthorne Pit - Norton 275kV; Hawthorne Pit – Offerton; Heysham - Hutton - Penwortham 1; Heysham - Hutton - Penwortham 2; Heysham - Stannah -Penwortham 1; Heysham - Stannah - Penwortham 2; Kirkby - Washway Farm - Penwortham 1; Kirkby - Washway Farm - Penwortham 2; Lackenby - Norton 400kV; Lackenby - Norton 1; Lackenby - Norton 2; Lackenby - Tod Point; Norton –Osballdwick; Norton – Thornton; Norton – Saltholm; Norton - Spennymoor 1; Norton - Spennymoor 2; Offerton - West Boldon; Padiham – Penwortham; South Shields - West Boldon; Spennymoor - Stella West 1; Spennymoor - Stella West 2; Tynemouth - West Boldon.

InterBus Transformers:

Lackenby SGT 5; Norton SGT 4 and SGT 6; Penwortham SGT 5, SGT 6 and SGT 7; Harker SGT5A, 5B, 6A, 6B.

REAL TIME DATA TO BE TRANSMITTED BY NGC TO SSE IN RESPECT OF THE FOLLOWING

General Information:

Net Transfer NGC/Scotland

REAL TIME DATA TO BE TRANSMITTED BY SP TO SSE IN RESPECT OF THE FOLLOWING

275 kV Substations:

Bonnybridge, Glenrothes, Kincardine, Lambhill, Longannet, Mossmorran, Townhill, Westfield and Windyhill.

132 kV Substations:

Bonnybridge, Helensburgh, Kincardine, Strathleven, Westfield, Whistlefield and Windyhill

SP Circuits:

Information exchange under the STC

Bonnybridge - Braco/Errochty East; Bonnybridge - Braco/Errochty West; Bonnybridge – Devonside; Bonnybridge – Longannet; Bonnybridge – Westfield; Devonside – Westfield; Dunfermline – Westfield; Glenrothes – Tealing; Helensburgh – Windyhill; Helensburgh – Sloy; Kincardine – Currie; Kincardine – Dunfermline; Kincardine – Grangemeouth; Kincardine – Kintore; Kincardine – Tealing; Lambhill – Bonnybridge; Longannet – Clyde’s Mill; Longannet – Easterhouse; Longannet - Kincardine 1; Longannet - Kincardine 2; Longannet – Townhill; Longannet - Westfield 1; Strathleven – Sloy; Strathleven – Windyhill; Westfield – Tealing; Westfield – Townhill; Windyhill - Devol Moor; Windyhill – Hunterston; Windyhill – Lambhill; Windyhill - Longannet/Lambhill Tee’d; Windyhill - Whistlefield/Dunoon/Sloy East 1; Windyhill - Whistlefield/Dunoon/Sloy West 2;

SP Supergrid Transformers:

Bonnybridge, Glenrothes, Kincardine, Mossmorran, Westfield and Windyhill

Grid Transformers:

Helensburgh, Strathleven and Whistlefield

Generation within SP’s Network

Hunterston and Torness

General Information:

Strathleven SSE Load; Strathleven SP load; Net Transfer SP/SSE; Net Transfer SP/NGC.

Interconnection Intertrip information:

Cockenzie, Harker, Longannet, Stella West, Strathaven and Torness.

REAL TIME DATA TO BE TRANSMITTED BY SSE TO SP IN RESPECT OF THE FOLLOWING

275 kV Substations:

Kintore, Tealing.

132 kV Substations:

Dunoon, Errochty, Sloy

SSE Circuits:

Errochty - Bonnybridge East; Errochty - Bonnybridge West; Kintore – Kincardine; Sloy – Helensborough; Sloy – Strathleven; Sloy - Whistlefield/Dunoon/Windyhill East 1; Sloy - Whistlefield/Dunoon/Windyhill West 2; Tealing – Glenrothes; Tealing – Kincardine; Tealing – Westfield.

General Information:

Braco SSE Load; Dunoon SSE load; Strathleven SSE load; Peterhead TGO; Peterhead generator CBs; Foyers generator CBs.

Appendix 4 : Grid Code changes

Amend PC.1.1 as follows:

PC.1.1 The **Planning Code** ("PC") specifies the technical and design criteria and procedures to be applied by **NGC** in the planning and development of the **GB Transmission System** and to be taken into account by **Users** in the planning and development of their own **Systems**. It details information to be supplied by **Users** to **NGC**, and certain information to be supplied by **NGC** to **Users**. In Scotland, **NGC** has obligations under the **STC** to inform **Relevant Transmission Licensees** of data required for the planning of the **GB Transmission System**. **NGC** may pass on **User** data to a **Relevant Transmission Licensee** where it is required to do so under the **STC**. **User** information that **NGC** is ~~required~~ permitted by the **STC** to ~~provide~~ disclose to a **Relevant Transmission Licensee** is ~~identified~~ set out in ~~this **Planning Code** and the **Data Registration Code**~~ Section F and Schedule Three of the **STC** ('Information and data exchange specification').

Insert new GC.12.2

GC.12.2 **NGC** has obligations under the **STC** to inform **Relevant Transmission Licensees** of certain data. **NGC** may pass on **User** data to a **Relevant Transmission Licensee** where it is required to do so under the **STC**. **User** information that **NGC** is permitted by the **STC** to disclose to a **Relevant Transmission Licensee** is set out in Schedule Three of the **STC** ('Information and data exchange specification').

APPENDIX 1

SCHEDULE THREE

INFORMATION AND DATA EXCHANGE SPECIFICATION

This Schedule sets out the information and data permitted to be Disclosed by a Party to a Transmission Owner in accordance with Section F of the Code.

1. Information and Data Exchange During the Transition Period

During the Transition Period, a Party may Disclose to a Transmission Owner such information and data as shall:

- 1.1 be reasonably requested by a relevant Party or Parties for the purpose of Section I and approved by the Authority from time to time; or
- 1.2 otherwise be notified by the Authority from time to time.

2. Information and Data Exchange Other than During the Transition Period

2.1 General Principles

2.1.1 For the purposes of this Schedule Three:

- (a) "**BM Unit**" as defined in the Grid Code as at the Code Effective Date;
- (b) "**Boundary of Influence**" in relation to a Transmission System, means the area identified as the boundary of influence for such Transmission System in Schedule Four;
- (c) "**Demand**" as defined in the Grid Code as at the Code Effective Date;
- (d) "**De-synchronised Island(s)**" as defined in the Grid Code as at the Code Effective Date;
- (e) "**Export and Import Limits**" shall have the same meaning as the term "Export and Import Limits" in the Grid Code as at the Code Effective Date;
- (f) "**Generating Unit**" as defined in the Grid Code as at the Code Effective Date;
- (g) "**Ranking Order**" means NGC's forecast of available Generating Units, listed in order of likely operation, whose generated output would contribute to meeting forecast Demand;
- (h) "**Receiving Transmission Owner**" means a Transmission Owner to whom information is Disclosed;

- (i) **"Transmission Information"** means information related to the planning, development, operation or configuration of any part of a Transmission System or of the GB Transmission System; and
- (j) **"User Data"** means information of or related to a User or Users including, without limitation, information about the business of a User, a User Site, User Works, User Outage or the operation or configuration of any User Equipment or User System.

2.1.2 A Party may Disclose any information or data to a Transmission Owner other than User Data or Transmission Information, which may only be Disclosed in accordance with this Schedule Three.

2.1.3 Without prejudice to any other provision of this Schedule Three, a Party may Disclose Transmission Information or User Data to a Transmission Owner where such Party has first made available such Transmission Information or User Data to all Parties and all Other Code Parties on equivalent terms (including, without limitation as to charges and non Disclosure obligations) and otherwise in accordance with sub-paragraph 2.1.4.

2.1.4 For the purposes of sub-paragraph 2.1.3 above, a Party shall make available Transmission Information or User Data by publishing a notice on the Code Website stating that such information is available (or, where the Disclosing Party is a Transmission Owner, by forwarding such notice to NGC, which notice NGC shall then promptly publish on the Code Website).

2.1.5 In Disclosing User Data or Transmission Information to a Transmission Owner in accordance with this Schedule Three, a Party shall:

- (a) only Disclose User Data or Transmission Information which, in its reasonable opinion, is necessary for the Receiving Transmission Owner to comply with this Code or a Construction Agreement;
- (b) be entitled to Disclose Transmission Information derived from information already held by the Receiving Transmission Owner or derived from information which a Party is permitted to Disclose to such Transmission Owner; and
- (c) be entitled to Disclose correction(s) to any error(s) in User Data or Transmission Information previously Disclosed by it to the Receiving Transmission Owner.

2.1.6 For the avoidance of doubt:

- (a) sub-paragraph 2.1.5(c) is limited to the correction of errors and shall not permit a Party to update User Data or Transmission Information held by a Transmission Owner other than in accordance with the process or timeframe specified for such updates in this Code; and

- (b) Transmission Information shall not include information related to or forming part of any administrative process under this Code including, without limitation, invoices, credit notes, contact details of staff and office locations.

2.1.7 NGC may Disclose to a Transmission Owner any User Data or Transmission Information specified in Schedules Five, Six or Seven and forming part of a NGC Construction Application.

2.1.8 Without limitation to sub-paragraph 2.1.7, a Party may disclose to a Transmission Owner any Transmission Information or User Data necessary for the Receiving Transmission Owner and the Party Disclosing such Transmission Information or User Data to harmonise:

- (a) their TO Offers for a Construction Project; or
- (b) their respective design options following, or as part of, any feasibility studies being undertaken in respect of a proposed Construction Project.

2.2 **General Transmission Information**

2.2.1 A Party may Disclose the following Transmission Information to a Transmission Owner:

- (a) specifications of any current or future IT or communications system(s) of the Disclosing Party and the operation and maintenance of such system(s);
- (b) information incidental to the development of the form of any Services Capability Specification;
- (c) information incidental to Party Entry Processes or Decommissioning Actions;
- (d) any information in, or related to the development of, a Local Joint Restoration Plan or De-synchronised Island(s) procedure for the Receiving Transmission Owner's Transmission System;
- (e) information forming part of or related to the conduct of a Joint Investigation;
- (f) numbering or nomenclature information;
- (g) information for the purpose of safety co-ordination including, without limitation, Safety Rules, Site Responsibility Schedules and Local Safety Instructions;
- (h) information related to the development or conduct of tests, but not including the results of such tests (except and to the extent that such

results are otherwise permitted to be Disclosed under this Schedule Three);

- (i) information related to the subject matter of any Dispute referred to arbitration under Section D, paragraph 5 or an Independent Engineer under a Construction Agreement;
- (j) information in relation to any direction or notice issued or proposed by NGC in respect of Nuclear Installations under Section G, paragraph 3;
- (k) technical or other information under Section G, paragraph 6, following the disposal or the whole or any part of the Disclosing Party's business or undertaking; and
- (l) information forming part of any notice of Force Majeure.

2.2.2 Where information is being Disclosed under Party Entry Processes, a Party may Disclose to a Transmission Owner pursuant to the Party Entry Processes any information which would otherwise be permitted to be Disclosed to such Transmission Owner if the Party Entry Processes were completed and all relevant parts of the Code applied to the entering Party who is the subject of the Part Entry Processes at the time of the Disclosure.

2.3 **Transmission Information required for the configuration and operation of the GB Transmission System**

2.3.1 NGC may Disclose the following Transmission Information to a Transmission Owner in relation to such Receiving Transmission Owner's Transmission System or any neighbouring circuits of a neighbouring Transmission System which are directly connected to the Receiving Transmission Owner's Transmission System:

- (a) information related to the actual or designed physical properties, including, but not limited to:
 - (i) the voltage of any part;
 - (ii) the electrical current flowing in or over any part;
 - (iii) the temperature of any part;
 - (iv) the pressure of any fluid part;
 - (v) the electromagnetic properties of any part; and
 - (vi) the technical specifications, settings or operation of any Protection Systems associated with any part;
- (b) any estimation made by NGC of the physical properties referred to in sub-paragraph (a);

- (c) details of and reasons for Operational Capability Limits or other limits or conditions notified pursuant to Section C, Part One, paragraph 4.14 being exceeded or breached on the Receiving Transmission Owner's Transmission System;
- (d) details of any Event, Significant Incident or other circumstance which will or is likely to materially affect the provision of Transmission Services by the Receiving Transmission Owner including, but not limited to, the information set out in Section C, Part Three, sub-paragraph 4.1.4; and
- (e) information in respect of a Disaster Recovery Plan or System Incident Centre.

2.3.2 Any Party may Disclose to a Transmission Owner, Transmission Information related to the current or future configuration of:

- (a) the Receiving Transmission Owner's Transmission System; and
- (b) any circuits of a neighbouring Transmission System which are directly connected to the Receiving Transmission Owner's Transmission System.

2.4 User Data

2.4.1 For the purpose of this paragraph 2.4, a "**Directly Connected Unit**" shall refer to any Generating Unit, Power Station, Plant or Apparatus forming part of a Power Station, Non-Embedded Customer or User System which is directly connected to:

- (a) the Receiving Transmission Owner's Transmission System; or
- (b) a User System which is directly connected the Receiving Transmission Owner's Transmission System.

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

- (a) 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);
- (b) information which has been made available in accordance with the BSC to all BSC Parties; and
- (c) information for the purpose of safety co-ordination including, without limitation, Safety Rules, Site Responsibility Schedules and Local Safety Instructions.

2.4.3 From the Code Effective Date to 31 March 2006 (inclusive), a Party may Disclose to a Transmission Owner:

- (a) where the Disclosing Party is NGC:

- (i) information submitted to or by NGC under Appendix A to the Planning Code or OC2.4.2.1(a);
 - (ii) NGC'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 Transmission System at any time or times during the current or following six Financial Years;
 - (iii) NGC's forecast(s) of the Ranking Order for the GB Transmission System, specifying:
 - a. relevant individual Generation Units connected to the Receiving Party's 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;
 - (v) the Ranking Order of all Generation Units which NGC 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;
 - (vi) 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 Party may Disclose to a Transmission Owner 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,

provided that, on each occasion in respect of sub-paragraphs (a) or (b), the Disclosing Party has received the Authority's written approval for such Disclosure.

2.4.4 A Party may Disclose to a Transmission Owner any information which is submitted to NGC 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 Directly Connected Units.

2.4.5 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 NGC 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 Directly Connected Units.

2.4.6 A Party may Disclose to a Transmission Owner information about outages or proposed outages of Directly Connected Units submitted to NGC under OC 2.4.1.3.2(a) or (b) of the Grid Code.

2.4.7 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 Directly Connected 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.

2.4.8 A Party may Disclose to a Transmission Owner Transmission Information including, but not limited to, the matters set out in sub-paragraphs 2.4.7(a)-(g), related to the past or present physical properties, including both actual and designed physical properties, of any circuits of the Disclosing Party's Transmission System which are directly connected to the Receiving Transmission Owner's Transmission System.

2.4.9 NGC may Disclose to a Transmission Owner the Export and Import Limits of a Directly Connected User as part of the implementation of a Local Joint Restoration Plan or De-synchronised Island(s) procedure.

2.5 Construction Projects

2.5.1 NGC may Disclose the following Transmission Information and User Data to a Transmission Owner which is party to a Construction Agreement provided that Disclosure is only made in connection with such Construction Agreement:

- (a) information about any Consents which materially affect the Works being undertaken by the Receiving Transmission Owner as part of the relevant Construction Project;
- (b) information related to commissioning or on-load testing;
- (c) information incidental to the disconnection of Users or removal of User Equipment or Plant and Apparatus;
- (d) information in relation to the sub-contractors of NGC or the relevant User;
- (e) the grounds for any discontinuation, postponement or delay of Works or other activities under paragraph 2.10 of the Construction Agreement;
- (f) regulations in relation to site access made by a relevant site owner or occupier;
- (g) information forming part of, or incidental to the development of, the Construction Programme or Commissioning Programme, including information in relation to User Works where this is necessary for the development of such Construction Programme or Commissioning Programme;
- (h) reasons for any delay in the performance by NGC of a Construction Programme or Commissioning Programme;
- (i) any statement of Liquidated Damages; and
- (j) information related to the selection of an Independent Engineer.