

Network Access Policy

RIIO T1

Scottish Hydro Electric Transmission Plc
Scottish Power Transmission Ltd

SCOTTISH TO NETWORK ACCESS POLICY – CONTENTS

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INTRODUCTION - THE NETWORK ACCESS POLICY (NAP)

1.1. Executive summary

In order to ensure the safe and efficient operation of the electricity transmission network throughout the UK, it is necessary to ensure that there is an effective planning and management process, designed for the benefit of consumers. This includes comprehensive and effective communication between the System Operator (SO) and the Transmission Asset Owners (TOs). National Grid Electricity Transmission (NGET) are the SO for the whole of Great Britain. In Scotland, the TOs are Scottish Hydro Electric Transmission Plc (SHE Transmission) and Scottish Power Transmission Limited (SP Transmission Ltd), hereafter 'the Scottish TOs'.

To meet UK and Scottish government targets on renewable energy, maintain the Transmission Network and replace ageing infrastructure and assets, it is necessary to switch out parts of the Transmission Network to carry out work safely. Switching out one or more assets for a period of time to permit work to be carried out on those assets is described as an *outage*.

For this work to be done with the minimum impact on system security to consumers and users of the network, a process has been established that involves the SO and Scottish TOs working closely together, known as the Scottish TO Network Access Policy (NAP).

The object of the NAP is to clarify what the SO and other stakeholders can expect from the Scottish TOs insofar as how our actions affect the availability of the Transmission network.

The NAP covers the planning approach taken by the TOs and the SO as well as describing the necessary consultation and stakeholder engagement that may be required.

Key to delivery of this process is a flexible approach taken by both the SO & TO in areas such as outage timing; working with other stakeholders such as generators; innovative solutions to network issues; and frequent and effective consultation with

each other to ensure the optimal system and cost outcomes can be achieved. These are costs which are ultimately borne by customers and therefore need to be minimised.

Within the NAP a short term and long term approach to planning, management and consultation is highlighted. The long term framework looks from one year ahead to eight years ahead (or more where required) to help schedule works; avoid duplication of effort; work with connected users; and seek to ensure that connection dates for new generation customers can be achieved. The short term framework looks at proposed works in the current year. It considers, how these works are scheduled and managed, including how system faults and other real time events can affect the safety, reliability and security of the network.

1.2. Introduction

This NAP has been developed through close discussion and consultation between NGET, SP Transmission Ltd and SHE Transmission, to meet the conditions and expectations set by the industry regulator OFGEM in the RIIO-T1 regulatory period and beyond.

In addition, there is an expectation that there will be ongoing discussion and liaison between NGET and SP Transmission Ltd / SHE Transmission as well as with other stakeholders to ensure a flexible, innovative and managed approach is taken to network activities.

The NAP is developed in the context of consumer impact and incentive mechanisms introduced by OFGEM such as constraint costs, where generators of electricity are compensated by the SO for being unable to produce energy when circuits become unavailable for electricity transmission. The constraint cost mechanism and other SO incentives are currently being reviewed by OFGEM and may change in the future.

1.3. Network Activities during RIIO T1

There will be considerable work carried out on the transmission network during the 8 year period covered by RIIO T1. There is a need for the replacement of some of the existing infrastructure as it reaches the end of its useful life, as well as the construction of new infrastructure to facilitate the growth in renewable energy projects. SP Transmission Ltd's main focus is on infrastructure replacement, whilst SHE Transmission's is on new infrastructure development. Both types of work require significant capital investment.

1.4. Principles of the NAP

The Scottish TOs must ensure that the transmission network in Scotland provides a means for the safe and reliable transportation of electricity throughout the country.

They must ensure that the operation, maintenance and development of the network are undertaken with the principle of value for money for all consumers and users of the network.

The NAP is also developed to show that there is transparency in balancing the requirements of the SO and the Scottish TOs.

This means that the operational and construction costs of work scheduling for the TOs; the impact on project delivery timescales; the constraint payments made to generators by the SO; and the likely impact on network users, consumers and other stakeholders all need to be considered as part of the planning and management process.

1.5. Improvements from the introduction of the NAP

The NAP process requires enhanced co-ordination and liaison between the SO and the Scottish TO's and other stakeholders. There will be regular meetings and working groups to identify issues and solutions and increased transparency on intended works and their impact, both in the short- and long-term.

Two frameworks have been developed through the SO and Scottish TOs working closely together and consulting with other interested parties.

The short term framework focuses on the current year. It deals with planned work and monitors their progress as well as managing real time issues such as faults and system emergencies.

Many of these short term issues may be due to damage caused by severe weather conditions such as snow, ice, wind and lightning. Some may be due to asset deterioration or third party damage and this may result in system power flows being rerouted through alternative circuits.

These issues are normally temporary in nature but can have a considerable impact on the transmission of a safe and reliable power supply if not managed effectively.

The short term framework is designed with the assumption that works will normally be delivered in the timescales identified. However, in exceptional circumstances, this may not be possible. This may be for a number of reasons such as the weather related issues identified above, but may also be due to project related issues.

Where this occurs, the SO and the Scottish TOs will work together to identify solutions to overcome these issues, looking at potential alternative dates, using different working practices and innovative network solutions.

The longer term framework looks further ahead, normally as far as eight years and concentrates on long term scheduling of works and the potential impact on the network.

Due to the expected increase of investment and works by both SHE Transmission and SP Transmission Ltd, long term planning becomes more significant to ensure outages are coordinated effectively on the network and do not clash; that alternative means of energy supply can be identified; and all necessary contingencies can be prepared. It also allows for enhanced stakeholder engagement, seeking information from network users such as generators on their own proposed plans and works and further improves the effectiveness of system management.

1.6. Monitoring and Review

The NAP is an ongoing process which requires frequent review, usually through regular meetings between the SO and Scottish TOs, with relevant stakeholders as appropriate.

This regular consultation and engagement with stakeholders is a key component of the process and will allow the SO and TOs to adapt and change the way they work in response to ongoing feedback, review and change management.

In addition, an annual formal review will also ensure that the document changes and adapts to real life experience from those involved.

1.7. Interaction with Industry Arrangements

This NAP is intended to complement existing industry arrangements, focussing predominantly on improving communication between the Scottish TOs and the SO in relation to outage planning, and is in addition to the arrangements set out in the System Operator – Transmission Owner Code (STC). It does not replace any of the codes that govern interactions between industry parties. Therefore network users should continue to use the existing communication channels provided for in these codes.

It is anticipated that increased communication between the Scottish TOs and the SO will have consequential benefits for network users, particularly in relation to the early identification and assessment of changes to both short and long term outage planning. Communication will continue to be provided to network users by the SO and any concerns from interested parties should be directed to the nominated Account Manager, SO control room and / or operational planning departments.

DETAILED INFORMATION ON THE NAP

2.1. Obligations

Transmission Owners (TOs), have an obligation to provide transmission services to the System

Operator (SO) as set out under the transmission licence (our Standard Licence Condition D2).

Transmission system assets in the UK are established to support the transfer of electrical energy around the country between sources of generation and the customers of energy trading and retailing services markets. System Operation is under the control of NGET as the SO. The Scottish TOs have an obligation to provide transmission services to the SO, in accordance with their licence conditions, particularly Standard Licence Condition B12 and the STC. This includes the obligation to make available their network assets to facilitate the safe, economic, and reliable transmission of electricity within the licensed area.

The Network Access Policy does not seek to replace the SO-TO code (STC) or the suite of STCP planning codes but to complement them. The documentation is related to outage planning and lays out our expectation of the outage management processes that will be required to implement and reflect our goal to achieve delivery of the Scottish TOs' RIIO-T1 business plans.

The activities of the TOs can be affected significantly by factors that are outside of the TOs control, primarily due to actions/decisions taken by the SO. Similarly the activities of the SO can be affected by TO actions. This policy is intended to help define the principles for a baseline level of service acceptable to both the Scottish TOs and the SO, which allows for improved coordination and management of the transmission network.

In its role as SO, NGET incurs costs when it takes actions to resolve constraints that can arise in providing system access such that insufficient capacity on the transmission system is a reality given the pattern of electricity generation and consumption. These constraint costs can be substantial and are, in large part ultimately passed on to consumers.

Constraint costs are affected by the availability of the transmission network. This is, in turn, affected by "real time" activities of the TOs, for example taking equipment out of service for maintenance or refurbishment to protect the reliability and health of transmission network assets over the longer term.

Constraint costs may be reduced if the duration of these works is shortened or if works are undertaken at times of favourable energy flows (e.g. when a specific power station that would be behind a constraint is also on maintenance). TOs can also contribute to reducing constraint costs by prioritising actions to sustain asset ratings and / or enable increases in ratings where appropriate, either temporarily or permanently, to maximise power transfers.

The object of the Scottish TOs Network Access Policy is to clarify what the SO, and other stakeholders, can expect from the Scottish TOs insofar as how our actions affect the availability of the transmission network.

The policy sets out how we will plan and manage outages and deal with the risk of over-runs. Our ultimate aim is to secure the best long term outcome (including costs) for customers. This policy is in addition to our existing obligations under the licence and STC, which form the starting point or “base level” of service of our Network Access Policy.

2.2. Policy Objective

The objective of this policy is to set out the principles to be applied by the Scottish TOs in seeking to agree, plan and organise transmission network construction and maintenance activities. These activities ensures that the availability, reliability and utilisation of the Scottish TOs’ assets are optimised, having regard to the duties and obligations of the Scottish TOs, the SO and end users of the services for whom the assets are provided.

The aim of the TOs and SO is to plan and organise outages where possible that minimises the end costs to customers, whilst at the same time meet our legal, licence and regulatory output requirements. In this respect we will take into account:

- The cost of implementing any actual works on the transmission network which require a network outage on one of the Scottish TOs’ transmission networks; and

- Potential constraint costs on the network, associated with outages.

2.3. Communication

It is recognised that the Scottish TOs do not have the same information available to them as the SO on the likely impact of their actions on system constraints. This severely limits the TOs’ ability to independently identify and resolve system constraints and contribute more fully to effective management of outage planning in the longer term. However, through the change control process we have put in place a procedure to try and address any such issues that may occur.

Communication between the TOs and SO is critical to the success of delivering the respective business plans which seeks to accommodate a large increase in onshore/offshore renewable connections, increased export capacity, reduced constraints and the modernisation and maintenance of assets. More frequent and detailed communication between the SO and TOs will be required.

The SO and the Scottish TOs are joint owners of the STCP’s relevant to the outage planning process.

The Scottish TOs have therefore discussed and agreed with the SO that there are significant benefits to the TOs having the same information available to them as the SO has in respect of Generation Outages. This would allow the Scottish TOs to make better informed decisions when placing outages to minimise their impact on constraint costs and ultimately the customer. The Scottish TOs consider regular communication (on the minimum of a monthly basis) with the SO is essential to the successful implementation of the NAP. The liaison will greatly aid coordination between the SO and TOs. Examples of this are through:

- SO requests to the TO for voluntary improvements in its service, based on the SO’s understanding of the latest information on the scale, location and timing of constraint costs.

- The TO being able to offer enhanced services to the SO, which the SO could choose to take up, again based on the SO's understanding of constraint costs.

It is anticipated that increased communication between the Scottish TOs and the SO will have consequential benefits for network users, particularly in relation to the early identification and assessment of changes to both short and long term outage planning. Communication will continue to be provided to network users by the SO and any concerns from interested parties should be directed to the nominated Account Manager, SO control room and / or operational planning departments.

2.4. Principles & Prioritisation for Managing System Outages.

Over the coming decade, it is expected that there will be significant expansion of the Transmission Network to facilitate the growth of renewable generation in Scotland to meet national renewable energy targets. The potential scale and timing of this investment is not fixed as it depends on new generation projects proceeding. Nevertheless, forecasts indicate that there will be significant investment in the network relative to the value of the existing businesses.

The expected scale of investment will result in a significant increase in the volume of requested outages on the transmission network for associated construction and connection works. These outages are in addition to the routine level of outages across the expanding interconnected transmission network required for essential operations, maintenance and fault repairs. It is clear that there will be significant implications with respect to system constraints in securing the required overall outage programme but equally national renewable energy targets, system safety and security of supply will be compromised if the required outages are not managed and delivered.

The Scottish TOs recognise that managing the impact of works on the network is critical to system operation. It is important to balance the need of securing system outages with the need to manage all costs directly associated with an outage, in

order that these may be arranged in the best interests of all stakeholders, including end users.

This policy assumes that critical outage windows will normally be agreed many years in advance, in particular for large capital projects (see Long Term Outage Planning Framework) thus achieving a firmer long term view with the SO. The potential of "bundling" together more than one outage due to increasing volumes will be essential to leverage the necessary outage efficiencies in relation to identification of costs / constraints; enhanced TO services; supply chain management; and stakeholder requirements, including the timing of connections.

In addition there is a need for flexibility from the SO in outage management with scope for a wider outage season in which outages may be booked outside of British Summer Time (traditionally between beginning April and end of October) and for further flexibility from the TOs to extend the working week beyond Monday to Friday if possible. When requested to work extended hours, additional costs incurred by the TOs and claimed back from the SO may be minimal compared to constraint costs that could otherwise be incurred.

Key components of this flexible approach are the Short and Long Term Outage Planning Frameworks that outline the delivery requirements of the Scottish TOs capital programmes. This approach requires earlier firm outage placement for critical projects. As highlighted in the outage frameworks, this will be achieved through regular monthly and/or weekly strategic SO/TO planning forums, specifically working to agreed protocols; timescales of, for example, the Strategic Wider Works arrangements; and a more frequent SO/TO outage programming forum. In defining and prioritising outages, our policy is to apply the following principles:

- Operate the GB Transmission Network safely and securely;
- To facilitate the development and maintenance of an efficient, co-ordinated and economical system of electricity transmission.

- To consult with all affected network stakeholders regarding necessary coordination of activities to optimise the availability and utilisation of assets.

In meeting the above principles, the priorities in managing system outages, in order of precedence will be:

1. System faults and repairs, quality of supply and urgent asset interventions to ensure the safe operation of the system;
2. The replacement, refurbishment and maintenance of transmission network assets, to ensure the ongoing safe and secure operation of the transmission system and subsequently minimise longer term system costs; and
3. Customer connections, renewable energy connections and re-enforcement to accommodate carbon reduction and maximise the export capacity of the Transmission Network which will reduce constraints.

2.5. Assumptions

The following assumptions should be applied:

- 1) In co-ordinating and directing the flow of electricity on the transmission system, the SO shall ensure that it does so in accordance with its transmission licence, and associated standards and obligations;
- 2) In managing outages, and in complying with the STC and STCPs, outages will be planned taking into account:
 - The impact on maintaining a safe, secure system,
 - Resourcing requirements, and
 - The impact on system costs in short, medium and longer term, and
- 3) Through the outage management process the TOs and the SO shall work together to try to resolve any SO : TO trade offs in the best interests of the consumer. Where the

TO incurs additional costs in the current year as a result of these agreements they shall be remunerated through the agreed mechanism in line with STCP 11-3 TO Outage Change Costing.

2.6. Policy Execution

Outage proposals are generally based on the TOs' most efficient cost of delivery of its works. There may be exceptions where the TOs are limited by available outage windows or inclement weather conditions. Schemes and implementation programmes will be developed taking account of the potential for constraints, where known. The basis of assessment of the options will be to minimise the overall cost to the electricity consumer.

In addition, any efficient capital expenditure requirements identified may be included in the TOs plans. For example, where it would be beneficial to group together programmes of works utilising the same outages and outage windows.

To facilitate co-ordination of outages across the GB transmission system, the SO will chair regular Transmission Outage Planning forums. These forums will include skilled and informed representatives from the SO and the TOs as required in line with the short and long term outage frameworks.

Circuit outage plans will be formally agreed in line with the Short and Long Term Outage Frameworks based on the TO proposals and discussion at the Transmission Outage Planning forums and will be refined at one year ahead. Reviews at the agreed timescales will be carried out between the SO and the TOs.

The Scottish TOs and the SO will utilise network planning software to capture all network outages in all timeframes that are compatible with each other. This will give the required flexibility and accuracy to meet the needs of the Scottish TOs, the SO and other stakeholders in relation to co-ordinating outages in the interests of achieving the most efficient plan.

To ensure we minimise the real time cost as we continue with our works to strengthen the networks, the Scottish TOs will facilitate regular stakeholder participation in programme coordination. In addition transparency of future outages will be provided through the publication of intended programmes of works to those stakeholders affected and to those who can assist in directly influencing its efficient development.

The Scottish TOs will each coordinate their outage planning activities centrally through dedicated teams working across new connections, investment planning, project delivery and network control. This approach will provide stakeholders an informed point of contact within each TOs dedicated central team.

Through the programming forums we will seek to develop effective levels of information sharing. The Scottish TOs and the SO have agreed to work in a collaborative manner with open communication. This will assist with resolution of issues and earlier identification of any potential programming conflicts. In addition we will seek to ensure that the availability, reliability and utilisation of the Scottish TOs' assets are optimised, having due regard to our duties and obligations as TOs; the needs of the SO; and impact on end users of the services for whom the assets are provided.

The respective TOs' programming teams will focus on the following areas:

- Liaison on the programme of circuit and equipment outages, with the SO and all relevant stakeholders;
- Liaise on any changes to these outages;
- Aim to where possible minimise the duration of those outages;
- Seek to ensure outage overlap and duplication is avoided wherever possible;
- Bundling of outages (where outages for a number of projects on the same circuits have the opportunity to be programmed during the same outage window); and

- Ensuring plans are in place to return equipment to service quickly should the need arise (Emergency Return to Service).

Essentially, the TOs will seek to ensure the most efficient placement of outages, with regard to the information made available through liaison with the SO and all other concerned relevant stakeholders.

A critical component of this will be the level of interaction and timing of permissible information flow between SO and TOs. This will also directly influence any timescales that will apply to requests for any changes to outage plans already agreed with the SO.

Where the SO requires an amendment to an agreed outage window or an agreed outage the Scottish TOs will consider the following options to minimise the associated constraint costs.

- Increased manpower – additional resource enabling shorter overall outage
- S37 conditions / Planning conditions.
- Network reconfiguration – changes in network configuration, and
- Alternative engineering outage arrangements – outage requiring sub-optimal work procedures and increased costs.

Managing risks relating to over-runs and delays to outages will be addressed through detailed return to service and contingency plans which will accompany all outages requests for approval by the SO. Where the TOs incur additional costs as a result of SO requested improvements to return to service times, they shall be appropriately remunerated through the agreed cost recovery mechanism. This process is explained more fully under Section 3.3 Change Control Process.

2.7. Providing enhanced services over and above the baseline level of service.

During the RIIO T1 period, there may be opportunities for the Scottish TOs to do things that go beyond the minimum requirements of the

Network Access Policy and which are in the interests of consumers. Opportunities may arise from a number of different sources, such as changes over a period of time in the costs that a TO faces or innovations to asset management practices during the price control period. Examples may include:

- Compressed working hours – shorter outages but longer overall project durations;
- Real time equipment monitoring;
- Thermal monitoring;
- Sag monitors;
- Reduction of Emergency Return to Service times;
- Temporary intertrip schemes;
- Energy management schemes / constraint management across boundaries;
- Temporary bypass schemes;
- Hotwiring schemes;
- Meteorological Office Ratings Enhancement;
- Bringing investment forward; and
- Enhanced supply chain / procurement / resourcing contracts.

This may be driven by SO requests to the TO for voluntary improvements in its service, based on the SO's understanding of the latest information on the scale, location and timing of constraint costs. Alternatively the TO could offer enhanced services to SO, which the SO could choose to take up, again based on the SO's understanding of constraint costs. The TOs are open to any suggestions for improvements in its service. However the TOs will always need to consider the full impacts of any enhanced service before taking any decision on any proposed approach.

2.8. Monitoring and Review

The NAP is an ongoing process which will be frequently reviewed. This would usually be through regular meetings between the SO and TOs, with relevant stakeholders and with other relevant interested parties. This will facilitate consideration of any potential changes required to either the processes or indeed to outages.

This regular consultation and engagement with relevant stakeholders is an important part of the process and will allow the SO and TOs to adapt and change the way they work in response to ongoing feedback, review and change management.

In addition, an annual formal review will also ensure that the document changes and adapts to real life experience from those involved.

Scotland Wide – Short Term Outage Planning Framework

The detailed framework and timescales for short term planning are specified in the STCP 11-1. This framework will run alongside the STCPs for a period of no greater than 12 months before amendments to the suite of STCPs, where appropriate, are proposed.

The assumption is made that, within the current year, the only changes normally made to the outage plan in general terms are those that are unforeseen such as faults, safety issues, defects that affect apparatus ratings, unforeseen project issues and unforeseen maintenance requirements.

3.1. Project Prioritisation Approaches

The year ahead plan (year 1) identifies all outages required by the Transmission Owner in the next year which is then agreed with the SO. If changes are subsequently required to this plan during the current year due to unforeseen issues, a means of prioritising network access is required for the SO and TO. Therefore four categories of outages have been identified to assist in prioritising network

access during the current year (year 0), these are as listed below.

- Faults, safety issues and/or defects that affect apparatus ratings.

These are high priority works that are identified within year which without rectification would affect the safe, secure and efficient operation of the TO's transmission network.

- Agreed Large / Complex Projects

These are higher priority and/or complex projects looking at wider works, which will be agreed between the SO and the relevant TOs. These works are mostly transmission owner driven and are key projects agreed and / or provided through RIIO-T1, to develop and maintain an efficient, coordinated and economical system of electrical transmission.

They represent large capital expenditure and tend to be complex both in implementation and their effect on the electricity network. As a result, early agreement and planning is particularly important and beneficial. In general, all of the outages associated with these large projects require agreed placed outages in all timescales.

- Outages on key boundaries

Outages on key circuits / boundaries are generally driven by the SO. These scheme works are known to affect the electricity transmissions system and forecasts of constraint limits and actions are required to manage system flows. These types of outages on the key boundaries are normally driven by capital projects such as new connections and asset replacement, but could be due to maintenance or other works. These outages need careful management due to the potential clash between TO requirements and system cost risk.

- Other outages (less sensitive)

The less sensitive outages are those that are not included in the above categories and do not heavily impact on the interconnected transmission system and therefore may be treated in isolation. These types of schemes can include work such as

discrete connection schemes; "like for like" asset replacements; and maintenance.

3.2. Planning of Work

The overall aim of the planning process is for the TO and SO to deliver the TO's non-load and load related work programmes, whilst minimising the overall cost to the end consumer. Using the year ahead plan as a starting point, the SO will aim to minimise the movement of these outages. However, various unforeseen events can occur within the year, including issues such as faults and changes in generator availability, which result in a need to change outage timing. Additionally it may be cost effective for the SO to request changes to the placement of outages to align with more favourable system conditions, e.g. wind. The SO should balance the benefits in minimising constraints against the costs associated with moving outages and the impact on the work being done, including potential knock on effects on the programme of works for other projects. The TO will aim to minimise the changes requested to the year ahead plan and mitigate the impact of these changes where possible. The TO will where possible provide flexibility in working with the SO to align outages with favourable system conditions.

3.3. Change Control Process

In the event that the SO or TO requires to make a change to the agreed outage plan and that change may result in system security issues; excessive constraint costs; severe project delay' and/or additional costs to the TO, the TO and SO will then jointly prepare a Change Control Document. Examples of the issues that may trigger a change in the plan are faults, third party access, system security or significant changes of constraint costs. For a more complete list, please refer to the SO/TO within year Outage Change Control Document guide in Appendix A.

The document will specify the reason for the change to the outage plan, the impact the change will have on the SO and the impact the change will have on the TO. The change control document will identify if the change to the agreed planned outage can be effectively managed from a system security,

TO cost and overall system constraint cost view point.

Factors for consideration in the Change Control document include:

From the SO:

- Potential constraint payments, based on bid prices submitted by potentially affected generators;
- Potential system security issues based on transmission system availability and generation profile;
- Alternative options for re-routing power, increasing demand and / or other commercial arrangements for minimising potential constraint costs; and
- Environmental / Water Management Issues

From the TO:

- Potential costs from delaying the outage, including manpower costs, equipment hire, variation costs and environmental / wayleaves issues and hydro generation;
- Alternative options for redeploying resources, such as bringing forward an alternative outage, compressed / extended working patterns etc;
- Where demand customers are affected, use of standby / mobile generation to maintain security of supplies;
- Potential cumulative effect on other projects of rescheduling outages; and
- Environmental Issues
- S37 Conditions / Planning Conditions.

The within-year outage plan change control process will provide the SO, TOs and OFGEM with clearer visibility of what effect changes to the TOs outage plan will have on within year and (where appropriate) longer term system constraint costs.

All parties will strive to seek to ensure their outage plan delivery will maintain a safe and secure system while delivering their RIIO-T1 outputs and also minimising the within-year and longer term impacts to the customer.

Where the TO & SO outage change control process identifies a system security issue, the TO will work with the SO to eliminate the system security concern.

Where the TO & SO outage change control process identifies the costs to the TO exceeding the potential constraint costs if the outage is rescheduled, including the impact any delay the TO's outage may have on future system constraint costs due to network reinforcement not being completed on time, then the TO's outage change request shall be agreed. If the constraint costs exceed the costs incurred by the TO and the impact on the wider network costs are minimal, the TO shall work with the SO to minimise the system constraint concern.

Where there is a significant effect on a project (either the immediate project or other affected works) by rescheduling an outage, these potential costs that include the impact of delays to wider network reinforcement and the effect on any customer connection dates must be considered in the TO calculation of costs for rescheduling outages.

3.4. Regular Meetings

To facilitate the communication between the SO and Scottish TOs, regular meetings will occur between the SO & TOs, and also directly between the TOs, which will include the details required for the costs benefit analysis. Ongoing risks to the plan will also be highlighted, including the status of all outages; potential TO cross boundary outage clashes; outages currently underway; and those that are due to start.

The meetings between the SO & TO will discuss for example:

From the SO

- Identification of those outages which are at risk due to significant constraint costs and the associated forecast constraint costs;
- Identification of those outages that require to be moved in the within year plan due to a change in the transmission network configuration or a generation \ transmission capacity restriction; and/or
- Highlighting the options for the TO, in terms of extended services, that could minimise the impact of either costs or impacts from other access issues.

From the TO

- Identification of the impact of any fault outages on the ongoing plan;
- Raising requests for urgent maintenance requirements;
- Highlighting any operational restrictions that the TO places on the system as soon as they are aware;
- Highlighting any risks to the current outage plan as soon as they are aware of them, such as possible outage overruns etc;
- Identification of outage change costs for those outages identified as at risk by the SO and TO; and/or
- Identification of the extended services and associated costs that they could offer to the SO to mitigate any system access or cost impacts.

If required, additional meetings may be arranged if an urgent operational issue is identified by either the SO or TO.

Scotland Wide – Long Term Outage Planning Framework.

As part of our commitment to the Network Access Policy both the SO and the Scottish TOs will share our network planning knowledge eight years ahead

of time to provide a robust and cost efficient outage plan.

The objective of this process is to ensure that both the increasing Scottish capital investment in the Transmission System is delivered and that the transmission system is managed and operated safely, securely and efficiently. To help to achieve this objective, it is proposed that capital projects are adequately developed and have sufficient information about outage and resource requirements as they enter building of the year ahead plan. In addition an outage planning framework has been developed to manage outage requests from one to eight years ahead. Figure 1 indicates the relationship between the outage planning stages and milestones.

4.1. Project Prioritisation Approaches

Three categories of outages have been developed as follows:

- **Agreed Large / Complex Projects**

These are higher priority and/or complex projects looking at wider works, which will be agreed between the SO and the TOs. These works are mostly TO driven key projects agreed through the RIIO-T1 process to develop and maintain an efficient, coordinated and economical system of electrical transmission.

They represent large capital expenditure and tend to be complex, both for implementation and their effect on the electricity network. As a result, early agreement and planning is particularly important and beneficial. In general all of the outages associated with these large projects will have agreed planned outages in all timescales.

- **Outages on Key Boundaries**

Outage changes on key circuits and/or boundaries are generally driven by the SO. Outages on these are known to have a greater effect on the operation of the transmission system and forecasts of constraint limits and actions are required to manage system flows. Outages on key boundaries

are normally driven by capital projects to increase the transfer capability, provide new connections or asset replacement, but could also be due to maintenance or other works. These outages need careful management due to potential clash between the delivery of system enhancements and operational costs.

- **Other Outages**

The less sensitive outages are those that are not included in the above categories and do not heavily impact on the interconnected transmission system and therefore may be treated in isolation. These types of schemes can include work such as discrete connection schemes, “like for like” asset replacements, maintenance, etc.

4.2. Planning of Work

- **Three – Eight Year Ahead – High level view of works.**

A six monthly review of the work required to be carried out on the transmission system will be undertaken. For “Agreed Large / Complex Projects” this stage will look in detail at all of the planned outages. “Key Boundaries” will primarily be assessed based on outage volumes which will then lead to more detailed reviews where major congestion is identified. The remaining outages will not be reviewed routinely unless any specific projects or outages are agreed between the SO and TOs. The process will reflect the fact that projects and outages will become progressively more certain as the planning timeframe moves closer to year 0. A primary objective of the three – eight year ahead process will be to ensure that a deliverable three year ahead plan moves into the two year ahead process.

- **Two Year Ahead – Assembling outage plan for critical work.**

The works generally become progressively firmer and therefore, with a more stable plan of works, a more detailed programme can be formulated. Based on information available in the three – eight year ahead stage, capital expenditure, resource and outage requirements for the overall plan are determined at a high level. This stage will identify

any potential delivery “pinch points” and options to overcome them. Critical works with outage placements should be agreed by the end of the 2 year ahead stage. These will be reviewed on a monthly basis.

- **Year Ahead – Fixed in Plan**

At the year ahead stage, the detailed plan build process commences. In this phase, all the capital schemes will have been developed to a sufficient level to provide a reasonably accurate assessment of outage and resource requirements. The plan is developed over several months and will be optimised against the critical requirement that the plan should be deliverable. During this phase the most realistic choices are made in relation to the planning process in the planned works.

4.3 Change Control Process

It is critical that the long term planning framework includes a change control process that allows the SO flexibility in influencing the design, delivery of the project, while ensuring the TO is not financially disadvantaged by this change to the original project plan. This process will allow the right engineering solutions to be developed by the TO during the planning phase, with the engineering changes funded by the SO via an appropriate constraint mechanism. This approach should ensure that the overall long term system constraint costs on the TO’s network can be managed for the benefit of all relevant stakeholders.

For example, future proofing a substation design in the short term by adding extra circuit breakers can allow future system constraint costs to be minimised in the event that future design changes to the substation requires extra circuit breakers.

In the event that the SO or TO requests a significant change to a project in the long term outage plan, including the design or delivery of the project, or a TO offers an additional service to the SO, a Change Control Document will be produced. This document will specify the reason for the change; the benefit the change will have on the wider network; and the costs involved. The costs shall include the TO’s cost for changing the scope of the project or for providing additional services and the SO’s forecasted constraint savings. The

change will be implemented if agreed by the SO and TO. Depending on the costs involved, OFGEM agreement may be required.

The following scenarios may be considered for inclusion into the long term planning change control process:

- Design changes to future proof the network that cannot be funded under the TO's regulatory allowance;
- Design changes such as an offline build of key network nodes rather than inline build;
- Accelerated working by the TO such as compressing a four month outage into three months (this must be considered in the long term planning period); and
- Building contingency circuits e.g. trident bypass lines, distribution reinforcement etc.

to construction with a degree of confidence. Any confirmation at such an early stage can only be based on the information known at that time and may be subject to change by either the SO or TO.

However when major network projects in the 2 year ahead plan are fixed and the TOs have signed contracts for the major works to go ahead, the SO will allow these to take priority over any short term constraint issues at the time in line with the Short Term Outage Planning Framework when the costs incurred to the TO if the outages were to be cancelled would be greater than those to the SO.

4.4. Committed Capital Schemes

Many Capital Schemes will become "committed" from 2 years onwards once they reach the execution phase. The TOs will submit to the SO a detailed Stage by Stage Outage Diagram for consideration and confirmation by the SO that the outages are available to enable the TOs to proceed

Long Term Planning – Scotland

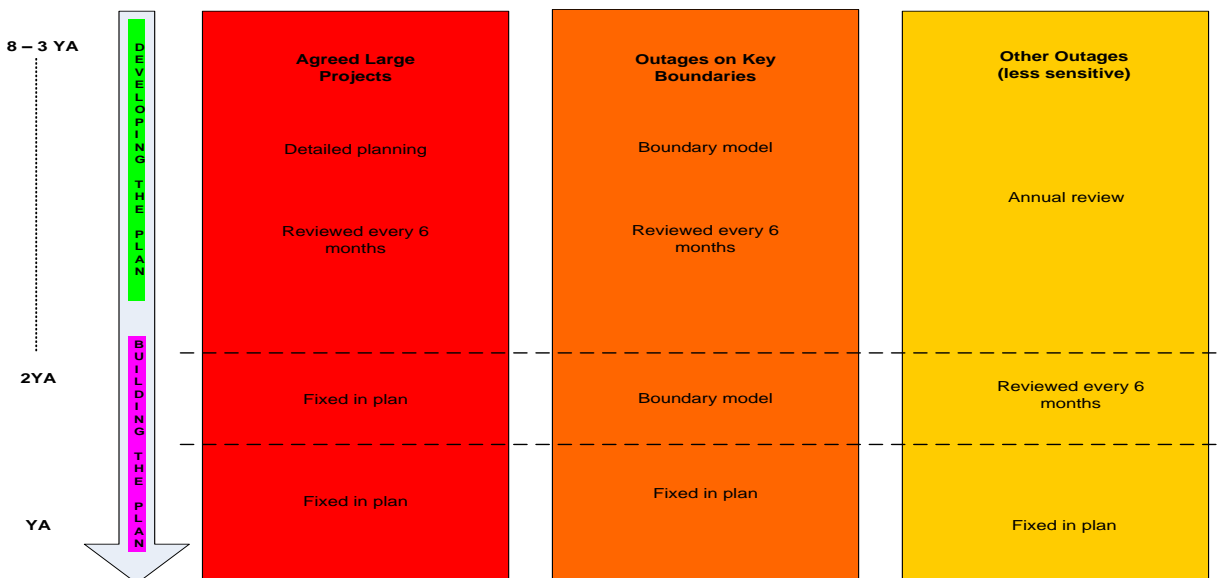


Figure 1 – Long Term Planning – Scotland. Outages and Priorities

APPENDIX A

SO/TO Within Year Outage Change Control Document

Title (Heading of Works Involved) REF : Year \ No.

1. Summary
2. Background: Transmission Owner
3. Background: System Operator
4. Options and Mitigating Actions
5. Forecast Costs
6. Implications on BSIS
7. Conclusions
8. Recommendations

On behalf of National Grid Electricity Transmission Limited, the Energy Operations Manager is invited to:

APPROVE.....

ACKNOWLEDGE.....

Signed..... Date.....

On behalf of SHE Transmission or SP Transmission Ltd:

CONFIRM that the details provided in the Background section and, where appropriate, the Options and Mitigating Actions section and Outage Change Costs Estimate are correct based on the best available information.

APPROVE the Outage Change Costs Pro-forma for the revised outage to be submitted to the System Operator in accordance with the NAP / STCP 11-3 (where appropriate).

Signed..... Date.....

Name..... Title.....

SO/TO Within Year Outage Change Control Document Guide

Title (Heading of Works Involved) REF : Year \ No.

1. Summary

Summary of Works and costs involved

2. Background: Transmission Owner

Background of TO works.

Trigger for change (if TO change driven) e.g.

- Fault / urgent maintenance access requirements
- Safety
- System Security – e.g. Loss of part of the system which is required for an outage
- 3rd Party – e.g. Site access problems (Wayleaves, Forestry, roads etc), Plant procurement/delivery
- Project overruns as soon as known

Costs associated with change request.

Options of extended services with associated costs.

3. Background: System Operator

SO Background issues including constraint costs

Trigger for change (If SO driven) e.g.

- System security (may change in year due to generation availability issues)
- Impact of fault outages or overruns on other planned access work
- Significant changes in constraint costs

4. Options and Mitigating Actions

Coverage of options and actions considered both SO actions and use of available TO extended services. Consideration of the end consumer costs should be covered.

5. Forecast Costs

Analysis of forecast cost exposure and expected outcome (this takes into account issues of forecast generation output and contracting costs.

6. Implications on BSIS

7. Conclusions

Conclusion of action to be taken.

8. Recommendations



Sign off by SO senior management that they approve the outage change and the costs involved, TO confirming all their details provide are correct

On behalf of National Grid Electricity Transmission Limited, the Energy Operations Manager is invited to:

APPROVE.....

ACKNOWLEDGE.....

Signed.....

Date.....

On behalf of SHE Transmission or SP Transmission Ltd:

CONFIRM that the details provided in the Background section and, where appropriate, the Options and Mitigating Actions section and Outage Change Costs Estimate are correct based on the best available information.

APPROVE the Outage Change Costs Pro-forma for the revised outage to be submitted to the System Operator in accordance with the NAP / STCP 11-3 (where appropriate).

Signed.....

Date.....

Name..... Title.....

APPENDIX B

SO/TO Long Term Planning Change Control Document

Title (Heading of Works Involved) REF : Year \ No.

1. Summary
2. Background: Transmission Owner
3. Transmission Owner – RIIO Standard Design Criteria & Forecast Capital Costs
4. Transmission Owner – Proposed Enhanced Design Criteria & Forecast Capital Costs
5. System Operator - Implications on BSIS
6. Conclusions
7. Recommendations

On behalf of National Grid Electricity Transmission Limited, the Energy Operations Manager is invited to:

APPROVE the Transmission Owners proposed network design change and fund the agreed change via the approved funding mechanism.

REJECT the Transmission Owners proposed network design change due to the reason specified in Section 6.

Signed..... Date.....

On behalf of SHE Transmission or SP Transmission Ltd:

CONFIRM that the details provided by the Transmission Owner are accurate and correct at the time of submission and that the proposed design change may if implemented result in a reduction in Constraint Costs during the construction phase of the project or during future transmission network outages

Signed..... Date.....

Name..... Title.....

SO/TO Long Term Planning Change Control Document Guide

Title (Heading of Works Involved) REF : Year \ No.

1. Summary

Summary of project and high level description of proposed change

2. Background: Transmission Owner

Details of TO's project

- Trigger for changing the project scope e.g. constraint cost reduction, system security concerns

3. Transmission Owner – RIIO Standard Design Criteria & Forecast Capital Costs

- Initial project design parameters e.g. type of build, timescales, equipment type, contingency requirements (if any)
- Project cost
- Forecast delivery year

4. Transmission Owner – Proposed Enhanced Design Criteria & Forecast Capital Costs

- Proposed design change e.g. Offline build instead of inline build, extra CB's added to substation to accommodate possible future requirements, by pass circuits,
- Changes to delivery contract e.g. 12hrs working during the delivery phase, 7 day working during the delivery phase
- Forecast change to project costs for providing this type of enhanced design \ delivery

5. System Operator - Implications on BSIS

- Forecast change in constraint costs between to standard \ enhanced design

6. Conclusions

7. Recommendations

Sign off by SO senior management that they recommend the proposed project change and the costs involved, TO confirming all their details provide are correct



On behalf of National Grid Electricity Transmission Limited, the Energy Operations Manager is invited to:

APPROVE the Transmission Owners proposed network design change and fund the agreed change via the approved funding mechanism.

REJECT the Transmission Owners proposed network design change due to the reason specified in Section 6.

Signed..... Date.....

On behalf of SHE Transmission or SP transmission Ltd:

CONFIRM that the details provided by the Transmission Owner are accurate and correct at the time of submission and that the proposed design change may if implemented result in a reduction in Constraint Costs during the construction phase of the project or during future transmission network outages

Signed..... Date.....

Name..... Title.....