

Modification proposal:	System Operator (“SO”) – Transmission Owner (“TO”) Code (“STC”) CM056: Reporting requirements under EU Transparency Regulation		
Decision:	The Authority ¹ directs that this modification be made ²		
Target audience:	National Grid Electricity Transmission PLC (NGET), Parties to the STC and other interested parties		
Date of publication:	26 November 2014	Implementation Date:	3 December 2014

Background to the modification proposal

The European Commission’s Regulation (EU) No 543/2013 on submission and publication of data in electricity markets³ (the Transparency Regulation) came into force on 5 July 2013.⁴ It is directly applicable and legally binding in Great Britain (GB). National Grid Electricity Transmission plc (NGET) is obliged by the Transparency Regulation (as the main GB Transmission System Operator (TSO) data provider) to collect, verify and process data for its onward publication. NGET considers that some elements of the Transparency Regulation should be incorporated into the relevant GB industry codes for the sake of coherence and to make the codes comprehensible to the market participants who are required to comply with them.

The Transparency Regulation amends Annex I to Regulation (EC) No. 714/2009 of the European Parliament and of the Council (the Electricity Regulation⁵). The Transparency Regulation was adopted on the basis of the Electricity Regulation which it supplements and of which it forms an integral part.

The Transparency Regulation requires the provision of a common set of data relating to the generation, transportation and consumption of electricity to be made available to market participants. The European Network of Transmission System Operators for Electricity (ENTSO-E) is required to publish this data on a new central European transparency platform (the Electricity Market Fundamental Information Platform (EMFIP)). The STC modification proposal CM056 aims to clarify how NGET and Offshore Transmission Owners (OFTOs) should work together to ensure that the required data is submitted to ENTSO-E.

The Transparency Regulation contains twelve Articles setting out specific data reporting requirements (Articles 6 to 17). It identifies who the ‘primary owners’ are of the data that

¹ The terms ‘the Authority’, ‘Ofgem’ and ‘we’ are used interchangeably in this document. Ofgem is the Office of the Gas and Electricity Markets Authority.

² This document is notice of the reasons for this decision as required by section 49A of the Electricity Act 1989.

³ European Commission Regulation No 543/2013 can be found here: <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32013R0543&from=EN>

⁴ The Final Modification Report refers to the Transparency Regulation coming into force on 4 July 2013 with implementation required by 4 January 2015. However, the correct dates are 5 July 2013 and 5 January 2015 respectively.

⁵ The Electricity Regulation can be found here: <http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1415199737572&uri=CELEX:32009R0714>

is to be submitted by the TSO for onward transmission to the ENTSO-E and for publication on the EMFIP. Under the Transparency Regulation, in some cases, primary owners of data can submit this data directly to the ENTSO-E for publication on the EMFIP.

Article 10(1)(c) of the Transparency Regulation requires TSOs to report certain changes to reductions in the actual availability of offshore grid infrastructure (reportable outages). In the CM056 Final Modification Report (FMR), NGET explains that in order to demonstrate compliance with Article 10(1)(c), it is necessary that the existing requirements within the STC relating to information exchanges between OFTOs and NGET are made more explicit. Given existing data interactions required between relevant OFTOs and NGET (as the National Electricity TSO (NETSO)) in the event of a reportable outage, it is proposed that it would be a more efficient solution for NGET to report this type of event on behalf of OFTOs than for OFTOs to report it directly.

As well as CM056, Grid Code modifications have been made to ensure that NGET receives the relevant information for reporting to ENTSO-E from generators and consumption units⁶, as well as from embedded generation.⁷ Also, as a result of our decision to approve Balancing and Settlement Code (BSC) modification P295⁸, Elexon is the GB data provider for all the information that NGET is required to submit to ENTSO-E.

The proposed Modification

CM056 proposes to include a new paragraph 4.5A in Section C (Transmission Services and Operations) of the STC to clarify that OFTOs shall provide NGET with all the necessary information to fulfil the reporting obligation under Article 10(1)(c) of the Transparency Regulation. It also specifies that the detailed reporting requirements are set out in STC Procedure (STCP) 02-1 (Alarm & Event Management).

Responses to the STC Modification Panel⁹ consultation

The STC Modification Panel consulted on the modification proposal in August 2014. However no responses were received.

STC Modification Panel recommendation

The STC Panel prepared the Final Modification Report (FMR¹⁰) for CM056 for the Authority's decision following consultation. The Panel voted to recommend approval of the modification proposal as better facilitating a number of the STC Applicable Objectives.¹¹

⁶ The Authority's decision to approve GC0083 can be found here: <https://www.ofgem.gov.uk/publications-and-updates/grid-code-gc0083-european-transparency-regulation-implementation>

⁷ The Authority's decision to approve GC0042 can be found here: <https://www.ofgem.gov.uk/publications-and-updates/grid-code-gc0042-information-embedded-small-power-stations>

⁸ Papers relating to P295 are on the Elexon website here: <http://www.elexon.co.uk/mod-proposal/p295/>

⁹ The STC Modification Panel is established and constituted from time to time pursuant to and in accordance with section B6 of the STC.

¹⁰ All papers relating to CM056, including the FMR, appear on the NGET website here: <http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/STC/Modifications/CM056/>

¹¹ The STC Applicable Objectives are set out in Standard Licence Condition B12(3) of the electricity Transmission Licence: <https://epr.ofgem.gov.uk/Content/Documents/Electricity%20transmission%20full%20set%20of%20consolidated%20standard%20licence%20conditions%20-%20Current%20Version.pdf>

The Authority's decision

We have considered the FMR for CM056, including the proposed legal text, submitted on 23 October 2014. We conclude that implementation of the modification proposal would better facilitate the achievement of the STC Applicable Objectives and that directing that the modification is made is consistent with our principal objective and statutory duties.¹²

Reasons for the Authority's decision

We consider that the modification better facilitates the STC Applicable Objectives below and has no impact on the other Objectives.

Facilitation of STC Objectives

Applicable Objective (e) 'promotion of good industry practice and efficiency in the implementation and administration of the arrangements described in the STC'

We consider that it is good industry practice to provide clarity on EU requirements, where needed. Clarifying the requirements of the Transparency Regulation in the STC and in more detail in the relevant STC Procedure promotes a consistent and clear set of industry arrangements. For this reason, we consider that the modification better facilitates this objective.

Applicable objective (g) 'compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency'

We consider that CM056 facilitates the submission of data required for compliance with Article 10(1)(c) of the Transparency Regulation. Although the Transparency Regulation is directly applicable, CM056 helps to clarify how the information flows would take place at national level. As we consider that CM056 facilitates the achievement of relevant legal EU obligations, in our view, it better facilitates this objective.

Ofgem's statutory duties

With regards to our statutory duties, Section 3E of the Electricity Act 1989 specifically requires us to carry out our functions in the manner we consider is best to implement, or to ensure compliance with, any binding decision of the Agency for the Co-operation of Energy Regulators (ACER) or the Commission made under the Electricity Directive, the Electricity Regulation or the ACER Regulation, in relation to electricity. The Transparency Regulation is a Regulation that supplements and forms part of the Electricity Regulation.

Decision notice

In accordance with Standard Condition B12 of the Electricity Transmission Licence, the Authority directs that proposed STC modification CM056: *'Reporting requirements under EU Transparency Regulation'* should be made.

Mark Copley
Associate Partner, Markets

Signed on behalf of the Authority and authorised for that purpose

¹² The Authority's statutory duties are wider than matters which the Panel must take into consideration and are detailed in the Electricity Act 1989 as amended and in other relevant legislation.