What is a CATO? Workshop Report

Context

As part of its extending competition in transmission (ECIT) project, Ofgem has established a steering group to assess policy options. This steering group is attended by TOs, potential CATOs, generators and the Scottish Government, along with the ENA.

ENA was asked to facilitate a one off stakeholder session to discuss the question 'what is a CATO?'. The workshop took place on 19th May and was attended by TOs, the SO and wider industry stakeholders including potential CATOs, generators and suppliers. SP Energy Networks, SHETL and National Grid presented their views of activities that would need to be performed by a CATO during construction, operation, and in any unforeseen incidents. The group then agreed a list of CATO activities and discussed what would drive the CATO to behave as required. The ECIT steering group asked ENA to draft a short report to capture the views expressed by stakeholders at the workshop. The note below captures those stakeholder views but does not represent an ENA position on these questions.

Annex 1 to the note includes a list of the stakeholders who attended the workshop on 19th May.

Activity	Driver to undertake	Notes
Operation		
Service capability specification (line ratings, cable ratings –seasonal, short term, temporary)	STC	
Operational switching – following SO instruction and informing SO if outside parameters	STC	
Physical switching and safety management	CATO's own arrangements but obligation in STC	
Black start capability	STC	
Planning		
Updating access plan (in year)	STC –although separate access plan (published)	Potentially to merge in STC fully
Additional requests to access plan (in year)	STC	
1-2 year ahead access plan	STC	
3-8 year ahead plan	STC	
Provide SO with data for 10 year development statement	STC	
Solution request forms when greater network capacity needed	Part of NOA but moving into STC	
Work with SO to develop network model	STC	
Ongoing data exchange with SO for system operation	STC	
CATO/TO interface on switching and outage management	Gap	STC only deals with TO-SO needs something on TO/CATO boundary. Should this be in STC.

Managing harmonics on CATO network	Grid Code and links to Grid code	
Engagement with generators		
Provide data to nuclear generators where they are in network	Nuclear site licence provisions agreement	Direct contract between nuclear generator and TO. Licence requirement on generator in licence and back off onto TO. New nuclear may have different arrangements in place
Responding to developments		
Facilitate new connections onto CATO	STC and will be CATO licence requirement	
Highlight where new connections might impact TOs (affected TO)	STC	Current responsibility for TO (CATO) to undertake assessment and report to SO
Provide new services to SO on request	STC	
Comply with planning standards	Grid code and SQSS	
Comply with SQSS design standards	SQSS, STC & licence	
Stakeholder engagement with potential new connectees	Gap	Touches on licence obligations. Could be codified with STC or licence
Wider stakeholder engagement to feed into longer term forecasting.	Gap	Touches on broader stakeholder engagement under RIIO incentives
Include new connections in annual data to SO	STC	
Interactions with SoW process with DNOs and manage GSP thresholds	CUSC for SO STC obligation	Obligation on SO who engage Obligation may be general and needs to be looked at.
SO requests for equipment to manage operational issues	Commercial agreement between TO/CATO and SO	But need to agree funding
Provide design for new connection assets	Licence requirement & STC to provide these to SO	
Boundary of Influence	STC sets out what this is but will need updating to reflect CATO specifics	
Construction		
Due diligence and adoptions of assets	Commercial drivers/ pre bid work and financial management	
Technical and geo-physical surveys	Commercial drivers/ pre bid work and financial management	
Verifying stakeholders impacted and ongoing stakeholder management	Commercial drivers/ pre bid work and financial management	

Strategy to get stakeholders to provide permission	Commercial drivers/ pre bid work and financial management	
Manage the supply chain	Commercial drivers/ pre bid work and financial management	
Tendering of work	Commercial drivers/ pre bid work and financial management	
Develop design and approve contractors submissions	Commercial drivers/ pre bid work and financial management	
Agree land access with land owners	Commercial drivers/ pre bid work and financial management	
Commission new assets	Commercial drivers/ pre bid work and financial management	
Regulatory reporting and impact on other generation	Licence	
Compliance with industry codes (STC) & legislative requirements (HSE)	STC & HSE	
Handover of operation including verification on capability of assets to SO (STCP 19/4)	STC	
Asset management		
Efficient and effective asset management	Captured in tender process and some availability incentive	TOs have NOMs as an output but something similar is more difficult for small asset base which is all new.

Though much of the necessary activity is already captured in industry codes, the group did identify some areas in which there were potential gaps for Ofgem to consider. These are highlighted in the table above.

1. **Black Start Capability**
   This may be partially covered by the STC but members were unsure if this would be enough.
2. **CATO/TO Interface on Switching and Outage Management**
   The STC only deals with TO and SO interaction. Additional regulation is required for the TO/CATO boundary. This may be best placed in the STC.
3. **Stakeholder Engagement with Potential New Connectees**
   This is touched on in licence obligations but may need to be more explicitly written into licences or the STC.
4. **Wider stakeholder engagement to feed into longer term forecasting.**
   This is touched on in broader stakeholder engagement under RIIO incentives but may require further thought for CATOs.

Annex 1 – Stakeholder attendees at 'What is a CATO?' workshop, 19 May 2016

Name	Organisation
Mark Askew	Energy Networks Association
Elizabeth Smith	Energy Networks Association
Ben Graff	National Grid
Lloyd Griffiths	National Grid
Keith Dan	National Grid
Dave Bevan	EBD
Alan Kelly	SP Energy Networks
Craig McTaggart	SP Energy Networks
Simon Deacon	RES
Paul Leddie	SHETL
Gary Thornton	Diamond Transmission
Vlad Ivic	Laing
Chris Veal	Transmission Investment
Gordon Hutcheson	Ofgem
Matt Ball	Ofgem
Natasha Ranatunga	EDF Energy
Colin Green	ABB