

SQSS Panel

Wednesday 28 July 2026

Online Meeting via Microsoft Teams

Public

WELCOME

Purpose of Panel & Duties of Panel Members

4.2 Functions of the Panel

4.2.1 The **Panel** shall consider all reasonable requests to modify the **SQSS**. Such requests may be made by any of the **Members**, the **Authority** or any relevant interested person. **SQSS** Modification Proposals shall be raised via the **Secretary**.

4.2.2 The functions of the **Panel** shall be to:

4.2.2.1 keep the **SQSS** and its working under review;

4.2.2.2 evaluate and administrate modifications to the **SQSS** in accordance with procedures set out in the **Governance Framework**;

4.2.2.3 keep the **Governance Framework** and its working under review;

4.2.2.4 publish recommendations to modify the **SQSS** and the reasons for the recommendations;

4.2.2.5 recommend to the **Authority** any modifications of the **SQSS**; and

4.2.2.6 the **Panel** shall endeavour at all times to perform its functions:

- (a) in an efficient, economical and expeditious manner, taking account of the complexity, importance and urgency of a particular modification to the **SQSS**; and
- (b) with a view to ensuring the **SQSS** facilitates achievement of its objectives.

Approval of Panel Minutes

- Approval of Minutes from the SQSS Panel held on 27 May 2026

Actions Log

Actions Log

Action number	Panel Raised	Owner	Action	Comment	Due by	Status
40.8	Mar-24	AJ	ESO to report on progress of GC0117 and if an SQSS modification is required, when this will be raised.	05.12.25 Pending until GC0117 solution is approved/ rejected by Ofgem. 24.03.26 Grid Code modification GC0117 from TJ and GG. confirmed that progress has been made and outlined the current position. GC0117 addresses the equitable treatment of large, medium and small power stations across Great Britain. Originally raised in 2018, the modification was subsequently returned by Ofgem with specific directions, including the requirement to rerun the cost-benefit analysis (CBA) and to assess technical limits and the interaction between NESO and DSO requirements. Workgroup meetings held between October and March have focused on addressing Ofgem's feedback. The group is now finalising responses to stakeholder comments and preparing to commence the revised CBA, using 2024-2025 data alongside CP2030 projections. Workgroup members have also been invited to propose sensitivities for inclusion. Significant preparatory work has been completed, and the modification remains on track for completion around August. Any approval of GC0117 will require consequential amendments to the definition of large power stations within the SQSS and may give rise to further industry code modifications, including consideration of whether existing plant should be included retrospectively. 28.04.26 AJ gave an update: The Workgroup is rerunning the cost-benefit analysis (CBA) using the latest data and has sought stakeholder feedback on key sensitivities. Further updates will be provided as the CBA progresses. No further action is expected until Ofgem decides on the GC117 send-back. 27.05.2026 AJ advised GC0117 was ongoing and the CBA had been started in April 2026. AJ will continue to give updates as the work progresses.	TBC	Open
47	Dec-25	GG	5.12.25 GG to consider the necessity of drafting a consequential SQSS Modificaiton alongside GC0117	14.4.26 GG advised not in a position to raise an SQSS Mod until the GC0117 send back has been completed. 27.05.2026 Consequential SQSS mod – This cannot be addressed until the GC0117 Send back has been completed. Proposed to retain as ongoing.	TBC	Open
53	28-Apr	BJ/CW	BJ/CW to give Ofgem view on FRCR Governance	27.05.2026 Ofgem yet to provide a preferred option, NESO coordinating questionnaire responses. Update expected at July panel	July Panel	Open

Actions Log

Action number	Panel Raised	Owner	Action	Comment	Due by	Status
55	28-Apr	NESO/FRCR Team	NESO/FRCR team: consider viable options in light of wider process changes (incl. code manager context).	27.05.26 AJ gave view on the FRCR questionnaire which was circulated by Code Governance. AJ advised NESO were currently assessing the responses and intended on giving an update at the next Panel Meeting in July. CW from Ofgem advised FRCR 2025 decision will be published tomorrow. Ofgem will send a link to the Panel Chair for wider circulation.	TBC	Open
56	May-26	DKC	SQSS Legal Text (J5.2.5) Clarification from Ofgem (via Code Admin) on applicability of J5.2.5 obligations to different licensees, whether obligations apply to all Panel members and the required timescales for submitting licence change requests.	27.5.26 AJ advised NESO were currently assessing the responses and intended on giving an update at the next Panel Meeting in July.	July Panel	Open
57	May-26	TP	Prioritisation Framework Rollout Circulate prioritisation spreadsheet and guidance Request Panel members to review live modifications	27.05.26 Output: Inputs from Panel to inform July discussion	July Panel	Open

Authority Decisions and Update

No new decisions have been made on SQSS modifications since the last Panel meeting.

The Authority's publication on decisions can be found on their website below:

[Energy codes | Ofgem](#)

Inflight Modification Updates

Timeline Updates

- [GSR029](#) – Review of Demand Connection Criteria to Align with EREC P2/7
- [GSR035](#) – System Access Reform: Review of the operational requirements on the Onshore Systems
- [GSR037](#) – Formatting and Housekeeping

GSR029: 'Review of Demand Connection Criteria to Align with EREC P2/7'

	Code Administrator Consultation	DFMR issued to Panel	FMR issued to Ofgem	Decision Date	Implementation Date
Previous timeline	16 May – 16 June 2023	04 Jul 2023	25 Jul 2023	TBC	10 Business Days after Authority decision
New timeline	TBC	TBC	TBC	TBC	10 Business Days after Authority decision

Rationale: Subgroup ongoing and new timeline is to be created after the subgroup stage.

Workgroups Remaining: 7

GSR029 – the asks of Panel

- **AGREE** revised timeline

GSR035: 'System Access Reform: Review of the operational requirements on the Onshore Systems'

	Code Administrator Consultation	DFMR issued to Panel	FMR issued to Ofgem	Decision Date	Implementation Date
Previous timeline	26 November – 24 December 26	January 2027	January 2027	TBC	10 Business Days after Authority decision
New timeline	27 August – 18 September 26	23 September 26	16 October 26	TBC	10 Business Days after Authority decision

Rationale: To allow further Workgroup review, consultation preparation and post-consultation review before the Workgroup Report is finalised.

Workgroups Remaining: 3

GSR035 – the asks of Panel

- **AGREE** revised timeline

GSR037: Formatting and Housekeeping' Timeline Update

	Code Administrator Consultation	DFMR issued to Panel	FMR issued to Ofgem	Decision Date	Implementation Date
Previous timeline	27 March 2026 – 21 April 2026	12 May 2026	04 June 2026	TBC	10 Business Days after Authority decision
New timeline	19 May 2026 – 16 June 2026	14 July 2026	05 August 2026	TBC	10 Business Days after Authority decision

Rationale: The Code Administrator Consultation has been delayed due to an informal meeting being required to resolve additional questions and finalise text.

Workgroups Remaining: N/A

GSR037 – the asks of Panel

- **AGREE** revised timeline

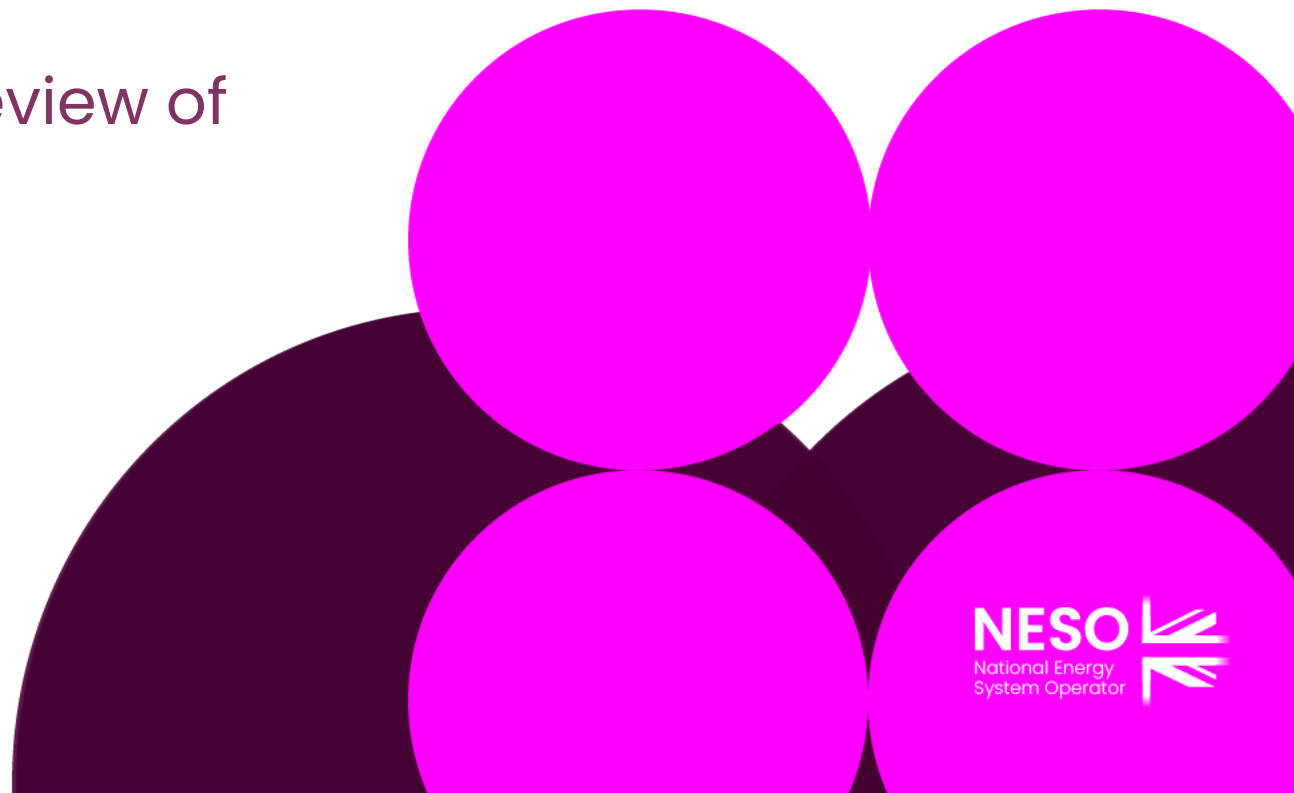
Draft Final Modification Reports

- [GSR036](#): System Access Reform: Review of Voltage Limits
- [GSR037](#): Housekeeping and Formatting

Draft Final Modification Report

GSR036: 'System Access Reform: Review of
Voltage Limits'

Maria Lopez, NESO



Solution

Solution/summary of solutions

- The Modification Proposal is to increase the standard voltage limit in the SQSS from **+9% to +10%** for the 200 kV–300 kV network.
- This would mean that operating up to **+10%** would be treated as normal and compliant, rather than needing special arrangements or extra approvals.
- The change is intended to give NESO and Transmission Owners more flexibility when planning and managing outages.
- It should help more essential maintenance, construction and reinforcement works go ahead without being delayed by small voltage exceedances.
- The proposal is based on evidence showing that voltages up to **+10%** are within the capability of relevant transmission equipment.
- It does **not** allow unlimited voltage increases. Anything above **+10%** would still be treated as non-standard and managed through existing processes.
- The proposal does **not** introduce new risk assessment processes or change existing Grid Code arrangements.
- Any operation above the standard limit would still need agreement from the relevant parties and would be considered on a case-by-case basis.
- The aim is to reduce unnecessary administrative burden, such as repeated derogations or Voltage Event Reports, where the system can safely operate within equipment limits.
- Overall, the solution is designed to support faster and more efficient network upgrades while maintaining system security and safety.

Code Administrator Consultation Responses

Summary of Code Administrator Consultation Responses:

Code Administrator Consultation was run from 12/06/2026 to 03/07/2026 and received 3 non-confidential responses.

Key points were:

- Respondents supported the Modification and its intent.
- Some respondents challenged the implementation approach noting that there is insufficient detail or detailed plan.
- Several minor typographical legal text issues were identified and accepted by the Proposer.

GSR036: Asks of Panel

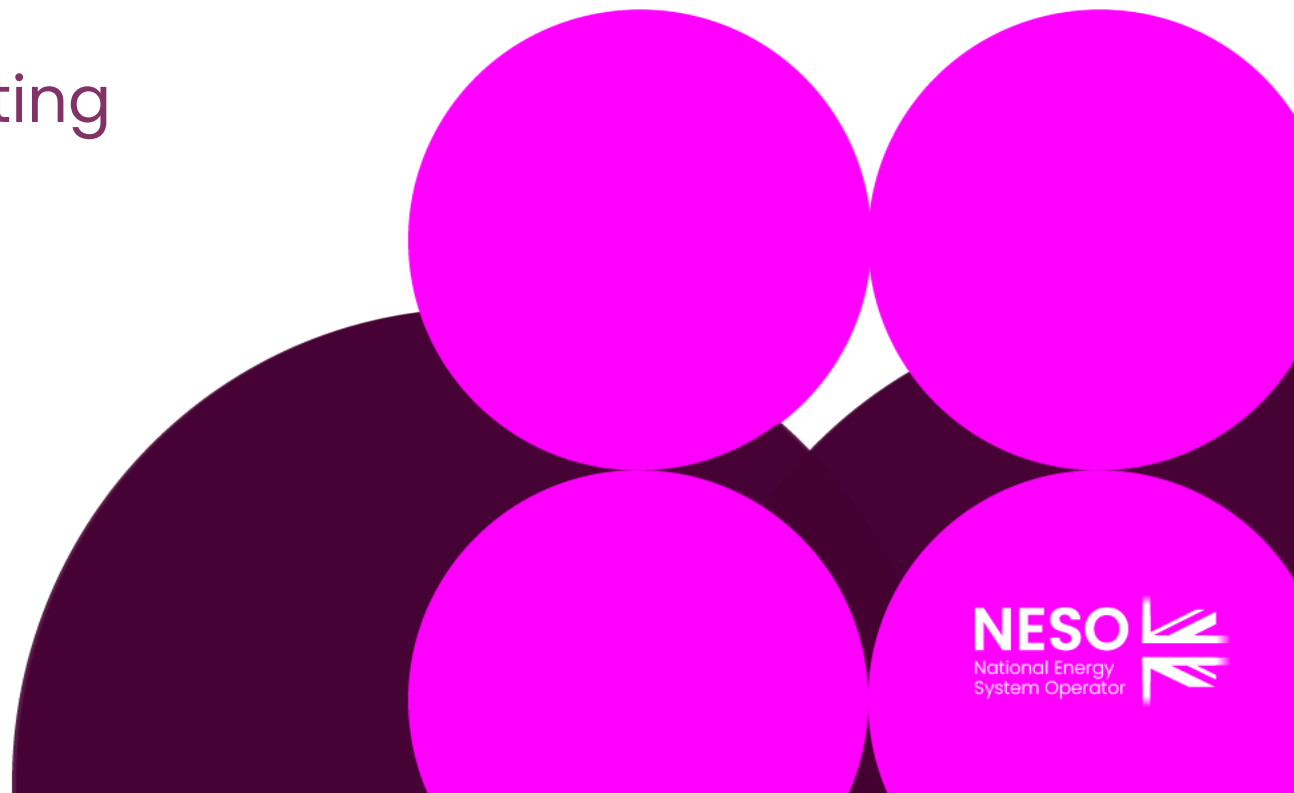
- **VOTE** whether or not to recommend implementation.
- **NOTE** next steps

GSR036: Next Steps

Milestone	Date
Final Modification Report issued to Panel to check votes recorded correctly (5 Business Days)	28 July 2026
Submission of Final Modification Report to Ofgem	11 August 2026
Ofgem decision date	TBC
Implementation Date	10 Business Days after Authority Decision

Draft Final Modification Report

GSR037: Housekeeping and Formatting
Stuart McLarnon (NESO)



Solution

Solution:

- This Modification provides an updated SQSS document aimed at improving clarity, accessibility, and ease of use for all stakeholders.

Code Administrator Consultation Responses

Summary of Code Administrator Consultation Responses

Code Administrator Consultation was run from 19/05/2026 to 16/06/2026 and received 4 non-confidential responses.

Key points were:

- Respondents considered that the Original Proposal better facilitates the SQSS by improving its readability, consistency, usability and clarity.
- All respondents supported the proposed implementation approach.
- Additional legal text changes were suggested.

GSR037: Asks of Panel

- **VOTE** whether or not to recommend implementation
- **NOTE** next steps

GSR037: Next Steps

Milestone	Date
Final Modification Report issued to Panel to check votes recorded correctly (5 Business Days)	29 July 2026
Submission of Final Modification Report to Ofgem	05 August 2026
Ofgem decision date	TBC
Implementation Date	10 Business Days after Authority Decision

Updates on other industry codes

24 June | 2026 STC [Panel Papers and Headline Report](#)

25 June 2026 Grid Code Review [Panel Papers and Headline Report](#)

26 June 2026 CUSC [Panel Papers and Headline Report](#)

Any other business

- SDS Prioritisation – Update
- FRCR Governance Options
- OFTO Appointment

FRCR Governance Options

FRCR Governance Options

- Background
- FRCR Governance – 2025 Consultation feedback
- Options considered

Background

- November 2024: the SQSS Panel discussed the need for external assurance of FRCR 2025 due to concerns over the technical complexity of the work.
- January 2025: NESO proposed an integrated technical assurance approach using Accenture to perform an independent review. NESO suggested other FRCR governance routes could be used without requiring approval of SQSS Panel Members. This was consulted on during the FRCR 2025 cycle (see next slide).
- For FRCR 2025, the review used NESO prepared test criteria of the end-to-end FRCR report process, with oversight provided by NESO's functionally independent Engineering Assurance Team. The FRCR team hosted industry events and delivered presentations to SQSS Panel at key milestones during the process.
- This approach was implemented to minimise any delay to the FRCR 2025 timeline and provide greater transparency to stakeholders.
- May 2025: FRCR 2025 recommendations were presented to the SQSS Panel for the approval of the final submission to the Authority.
- SQSS Panel members collectively acknowledged NESO for its enhanced engagement and transparency during the FRCR 2025 review cycle.
- However, 3 of 7 Panel members still chose to abstain from a vote on FRCR 2025's suitability for final submission to the Authority.
- Reasons for the abstentions stemmed from the complexity of the FRCR work and the specific knowledge required.
- In response, NESO will work with the SQSS Panel to explore governance options for future iterations of FRCR.
- The following provides possible governance options and considerations for each.

FRCR Governance – 2025

Consultation feedback

Question 15: Do you foresee any issues that may arise from moving the obligation to produce the FRCR to a NESO License Condition rather than an Annex to the NETS SQSS?

The majority of respondents express concerns about transferring the obligation to produce the FRCR to a NESO License Condition. While some do not foresee immediate issues, they emphasise the importance of maintaining robust scrutiny and governance. There is a general consensus that any changes should not diminish industry oversight or the quality of recommendations.

Question 16: If the obligation to produce FRCR and the governance rules surrounding that process are moved to NESO's License, do you believe that the NETS SQSS Panel should continue to provide oversight?

Most responses support the continued oversight of the FRCR by the NETS SQSS Panel, even if the obligation moves to NESO's License.

Question 17: If you answer to Question 16 is "Yes" to what extent should this oversight be? For example, should it include technically assessing the recommendations and approving/rejecting it, or should it be limited to confirming that the governance process and methodology has been followed correctly?

Regarding the extent of oversight, the responses vary. Some suggest that oversight should include a thorough technical assessment of the recommendations, while others highlight the need for a balance between detailed technical assessments and confirming adherence to governance processes. There is a shared belief that oversight should ensure the effectiveness of the FRCR process and adapt to transitional changes in the power system.

Option 1

Appoint an independent specialist to conduct a comprehensive technical review of the FRCR model in future FRCR cycles.

Pros:

- Maintains existing approach to FRCR governance.
- Ensures scrutiny of technical content of FRCR by an independent party with the requisite technical understanding.
- No Code changes required.

Cons:

- SQSS Panel ultimately still solely responsible for approving FRCR is ready for final submission, noting that they are approving the process rather than confirming the analysis.
- Difficulty finding a qualified organisation to carry this out.
- Wider industry may still not trust the outputs where NESO has appointed the independent specialist.
- Need to consider how this would be funded.

Option 2

Establish an ongoing relationship with another TSO to conduct a comprehensive technical review of the FRCR model in future FRCR cycles.

Pros:

- Maintains existing approach to FRCR governance.
- Ensures scrutiny of technical content of FRCR by an independent party with the requisite technical understanding.
- Greater assurance to wider industry that the technical review is carried out by an organisation with the necessary knowledge with nothing to gain from supporting the NESO view.
- No Code changes required.

Cons:

- SQSS Panel ultimately still solely responsible for approving FRCR is ready for final submission.
- Need to establish this relationship formally .
- Another TSO will not necessarily carry out the same work, and their system behaviour will be different.

Option 3

SQSS Panel approves the process has been followed, but a separate industry supported technical panel approves the technical content.

Pros:

- SQSS Panel still involved and can focus on the process aspects only.
- The new technical panel can be made up of industry stakeholders with a strong understanding of the technical content.

Cons:

- Additional governance processes to create.
- A new body to set up and ensure the adequacy of for the role.
- Risk of additional time added to the process with more steps to complete to submit the final FRCR.
- Code changes required.
- Need to consider potential cost / funding implications.
- Time and resource to implement.

Option 4

Remove FRCR from SQSS Panel remit and create a new independent governance structure.

Pros:

- Removes obligation from SQSS Panel reps.
- Possible to create a more streamlined process for governance.
- A new panel can be made up of industry stakeholders with a strong understanding of the technical content.

Cons:

- Additional governance processes to create.
- A new body to set up and ensure the adequacy of the role.
- Possible further industry scrutiny issues due to removal from the SQSS and the use of a new unproven process.
- Code changes required.
- Need to consider potential cost / funding implications.
- Time and resource to implement.

Option 5

Place an obligation on NESO to produce the FRCR through a licence requirement.

Pros:

- Removes obligation from SQSS Panel reps.
- No new formal governance route to create.

Cons:

- Possible further industry scrutiny issues due to removal from SQSS remit.
- Code changes required.
- Time and resource to implement.

Option 6

Apply the same approach as used for FRCR 2025 with an independent review aided by a NESO functionally independent technical team.

Pros:

- Maintains existing approach to FRCR governance.
- Ensures scrutiny of the FRCR processes by an independent party.
- Approach has been carried out previously and can be improved as required based on prior experience.
- No Code changes required.

Cons:

- SQSS Panel ultimately still solely responsible for approving FRCR for final submission.
- No increased technical scrutiny.
- Wider industry may still not trust the outputs from NESO.

Summary table

	CODE CHANGES	SQSS PANEL OVERSIGHT	TIME TO IMPLEMENT	ADVANTAGES	CHALLENGES
1. Independent Technical Review	No	No Change	Short	Technical scrutiny by an external party.	Do suitable external parties exist? Will industry accept an external party verdict if contracted by NESO?
2. TSO Technical Review	No	No Change	Long	Technical scrutiny by an external party that is neutral.	Not necessarily a TSO that carries out the same work (although undoubtedly will understand it). Challenges engaging another TSO in this kind of relationship.
3. Additional Technical Panel	Yes	Process Only	Long	Technical scrutiny by an external panel.	Work to create this new governance process as well as code changes to the existing processes. Challenges creating a suitably technically knowledgeable panel.
4. Remove from SQSS – New Governance	Yes	No Oversight	Long	Technical and process scrutiny by an external panel.	Work to create this new governance process as well as code changes to the existing processes. Challenges creating a suitably technically knowledgeable panel.
5. Remove from SQSS – Licence Condition	Yes	No Oversight	Medium	Less formal steps for NESO to produce FRCR.	Lack of oversight will likely be disliked by industry. Code changes to existing process.
6. Independent Process Review (FRCR 2025 approach)	No	No Change	Short	Experience already taking this approach which can be learnt from.	This approach ultimately didn't provide the level of confidence hoped for when carrying out FRCR 2025.

Survey Summary

	SHORT TERM PREFERENCE	LONG TERM PREFERENCE
1. Independent Technical Review	2	2
2. TSO Technical Review	1	1
3. Additional Technical Panel	2	1
4. Remove from SQSS – New Governance	1	2
5. Remove from SQSS – Licence Condition	0	2
6. Independent Process Review (FRCR 2025 approach)	2	0

- There is no clear route that is seen as preferable in the short or long term.
- Some responses suggested the exploration of multiple options in conjunction.
- However, long term preferences suggest that whichever route is taken, FRCR should ultimately not sit under SQSS Governance.

Panel Comments

- **Comments in favour of removing FRCR from SQSS Governance:**
 - The SQSS Panel adds little value to the FRCR process, lacking the expertise, time and funding to do so. A better process for governance and scrutiny is required. This would be more efficient outside the SQSS governance processes.
 - As frequency management during operation is an area of expertise from NESO, it does not seem appropriate for all SQSS panel members to fully understand and provide technical assurance to the subject. There may be short term needs for the panel to ensure process is followed for immediate future rounds of publications before any modification can be facilitated in SQSS and NESO licence.
 - In developing licence requirements, we could explore the extent to which industry would provide oversight / review of NESO's work. Examples are available of other processes for which NESO has licence requirements (e.g. CSNP), which could provide a useful model.
- **Comments in favour of SQSS Governance for FRCR:**
 - Establishing the appropriate level of inertia ensures security of supply to GB customers whilst minimising costs. Ofgem consultation responses suggest there is merit in the SQSS Panel having an input in establishing this balance. The present situation where some SQSS panel members are uncomfortable recommending that the FRCR proposals be adopted clearly has issues. The creation of a separate industrial panel, as a subgroup of the SQSS could work with appropriate technical experts.

Provisional recommendation

Short term:

In the short term it feels necessary that FRCR remain under the SQSS Governance route. Some level of external scrutiny evaluating the technical process and/or outputs is clearly supported.

Long term:

In the long term FRCR should be separated out of the SQSS Governance remit. A licence condition could be placed on NESO whilst further consultation on the appropriate level and method of external scrutiny is carried out.

Activities ahead of the next Panel Meeting

Modification Proposal Deadline for November Panel	02 September 2026
Papers Day	09 September 2026
Panel Meeting	23 September 2026 Teams

Close

Teri Puddefoot
Chair, SQSS Panel