

Public

STC Modification Proposal Form		
<h1>CM0103:</h1> <h2>STC Consequential Modification for CMP447 (Follow on Modification to CMP428)</h2> <p>Overview: This modification seeks to introduce consequential changes needed to reflect the new Connection and Use of System Code (CUSC) definitions of terms, if <u>CMP447</u> is approved as expected towards the end of October 2025.</p>		<h3>Modification process & timetable</h3> <div> <div>1</div> <div>2</div> <div>3</div> <div>4</div> <div>5</div> </div> <div> <div> Proposal Form 05 August 2025 </div> <div> Code Administrator Consultation 22 August 2025 – 15 September 2025 </div> <div> Draft Final Modification Report 21 October 2025 </div> <div> Final Modification Report 07 November 2025 </div> <div> Implementation 10 BD after Decision </div> </div>
<p>Status summary: The Proposer has raised a modification and is seeking a decision from the Panel on the governance route to be taken.</p>		
<p>This modification is expected to have a: Low impact Suppliers, Generators</p>		
<p>Proposer's recommendation of governance route</p>	<p>Self-Governance modification to proceed to Code Administrator Consultation</p>	
<p>Who can I talk to about the change?</p>	<p>Proposer:</p> <p>Stephen Baker Stephen.baker@neso.energy</p>	<p>Code Administrator Contact:</p> <p>Kat Higby Katharine.higby@neso.energy</p>

Public

Contents

What is the issue?	3
Why change?	3
What is the Proposer's solution?	3
Draft legal text.....	3
What is the impact of this change?	3
Proposer's assessment against STC Objectives	3
Proposer's assessment of the impact of the modification on the stakeholder / consumer benefit categories	5
When will this change take place?	6
Date decision required by:	6
Implementation approach	6
Proposer's justification for governance route.....	6
Interactions	6
Acronyms, key terms and reference material	6
Reference material.....	7

Public

What is the issue?

Consequential changes need to be made in the System Operator Transmission Owner Code (STC) to reflect changes made by [CMP447](#). These changes need to be implemented alongside [CMP447](#).

Why change?

This modification introduces the consequential changes that will be needed to the definitions of Excepted (not “Expected”) Works and of Attributable Works in the STC, to exactly reflect the new CUSC definitions of these terms, if [CMP447](#) is approved.

What is the Proposer’s solution?

Consequential changes that will be needed to reflect the new CUSC definitions of these terms, if [CMP447](#) is approved as expected towards the end of October:

- Definition of Excepted Works (which is mis-spelt in STC as “expected works”); and
- Definition of Attributable Works in the STC.

Draft legal text

Supplied in **Annex 01**.

What is the impact of this change?

These are consequential changes that will be needed to reflect the new CUSC definitions of these terms, if [CMP447](#) is approved as expected.

Proposer’s assessment against STC Objectives	
Relevant Objective	Identified impact
(a) efficient discharge of the obligations imposed upon Transmission Licensees by Transmission Licences and the Electricity Act 1989;	Neutral
(b) efficient discharge of the obligations imposed upon the licensee by the Electricity System Operator licence, the Energy Act 2023 and Electricity Act 1989;	Neutral

Public

(c) development, maintenance, and operation of an efficient, economical, and coordinated system of electricity transmission;	Neutral
(d) facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the distribution of electricity;	Positive Supports CMP447 which enhances competition by ensuring that generation stakeholders all face appropriate attributable works within their potential cancellation charge liabilities (and hence are securitising an appropriate amount). It will, if passed, provide clarity to the industry on what assets are classified as Attributable Works for Generators. It is likely that an increasing number of Customer connections will be realised by reducing the number of unnecessary securities required by Generators/demand Customers.
(e) protection of the security and quality of supply and safe operation of the National Electricity Transmission System insofar as it relates to interactions between Transmission Licensees and the licensee*;	Neutral
(f) promotion of good industry practice and efficiency in the implementation and administration of the arrangements described in the STC;	Neutral
(g) facilitation of access to the National Electricity Transmission System for generation not yet connected to the National Electricity Transmission System or Distribution System; and	Neutral
(h) compliance with the Electricity Regulation and any Relevant Legally	Neutral

Public

Binding Decisions of the European Commission and/or the Agency.

* See Electricity System Operator Licence

Proposer's assessment of the impact of the modification on the stakeholder / consumer benefit categories

Stakeholder / consumer benefit categories	Identified impact
Improved safety and reliability of the system	Neutral
Lower bills than would otherwise be the case	Positive Possible that more efficient competition could reduce bills allowing net zero to be achieved more cheaply. Progressing with reform now will ensure that the securities regime is fit for purpose to support timely connection to projects associated with Accelerated Strategic Transmission Investment (ASTI) and future Centralised Strategic Network Plan (CSNP) works.
Benefits for society as a whole	Positive Possible that more efficient competition could allow net zero to be achieved more cheaply and sooner. The modification if passed would help meet net zero targets of both the Scottish Assembly and United Kingdom government by enabling additional renewable development. Potential benefit to the Orkney and Scottish economies, through enabling community owned wind farm developments.
Reduced environmental damage	Positive Possible that more efficient competition could allow net zero to be achieved more cheaply and sooner.
Improved quality of service	Neutral N/A

Public

When will this change take place?

Implementation date:

10 Business Days after Authority Decision.

Date decision required by:

Aim to be in place in alignment with anticipated CMP447 decision in October 2025.

Implementation approach

As with CMP447, NESO will work with the Transmission Owners (TOs) to agree the contents of any communications and the most appropriate methods for communicating these changes to customers.

Proposer's justification for governance route

Governance route: Self-Governance modification to proceed to Code Administrator Consultation

Aim to get approval in alignment and in support of CMP447 to ensure that Code changes are congruent.

Interactions

☐ Grid Code ☐ BSC ☒ CUSC ☐ SQSS
☐ European Network Codes ☐ Other modifications ☐ Other

Acronyms, key terms and reference material

Acronym / key term	Meaning
ASTI	Accelerated Strategic Transmission Investment
BSC	Balancing and Settlement Code
CM	Code Modification
CMP	CUSC Modification Proposal
CUSC	Connection and Use of System Code
CSNP	Centralised Strategic Network Plan
EBR	Electricity Balancing Regulation
STC	System Operator Transmission Owner Code
SQSS	Security and Quality of Supply Standards

Public

TO	Transmission Owner
T&Cs	Terms and Conditions

Annex

Annex 01	Legal Text
----------	------------

Reference material

- [CM094 – Amendment to Bi-annual estimate provisions](#)
- [CM094 Decision](#)
- [CMP428: User Commitment liabilities for Onshore Transmission \(reinforcement\) in the Holistic Network Design](#)
- [CMP447: Removal of designated strategic works from cancellation charges/securitisation](#)