



Code Administrator Consultation

CM0103

STC Consequential Modification for CMP447 (Follow on Modification to CMP428)

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.

Modification process & timetable

Proposal Form 05 August 2025

Code Administrator Consultation

22 August 2025 - 15 September 2025

Draft Final Modification Report

21 October 2025

Final Modification Report/Appeals Window

07 November 2025 – 28 November 2025

Implementation

10 Business Days after Decision

Have 40 minutes? Read the full Code Administrator Consultation **Have 60 minutes?** Read the full Code Administrator Consultation and Annexes.

Status summary: We are now consulting on this proposed change.

This modification is expected to have a: Low impact on Suppliers and Generators

| Governance route | Self-Governance modification to proceed to Code Administrator Consultation | |
|-------------------------------------|---|---|
| Who can I talk to about the change? | Proposer: Stephen <u>Baker</u> Stephen.baker@neso.energy | Code Administrator Chair: Kat Higby Katharine.higby@neso.energy |
| How do I respond? | Send your response proforma to state September 2025 | e <u>am@neso.energy</u> by 5pm on 15 |





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What is the issue?

Consequential changes need to be made in the System Operator Transmission Owner Code (STC) to reflect changes made by <u>CMP447</u>. These changes need to be implemented alongside <u>CMP447</u>.

What is the solution?

Consequential changes that will be needed to reflect the new CUSC definitions of these terms, if <u>CMP447</u> 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.

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 <u>CMP447</u> is approved as expected.

| Proposer's assessment against STC Objectives | | |
|--|---|--|
| Relevant Objective | Identified impact | |
| (a) efficient discharge of the obligations | Neutral | |
| imposed upon Transmission Licensees | | |
| by Transmission Licences and the | | |
| Electricity Act 1989; | | |
| (b) efficient discharge of the obligations | Neutral | |
| imposed upon the licensee by the | | |
| Electricity System Operator licence, the | | |
| Energy Act 2023 and Electricity Act 1989; | | |
| (c) development, maintenance, and | Neutral | |
| operation of an efficient, economical, | | |
| and coordinated system of electricity | | |
| transmission; | | |
| (d) facilitating effective competition in | Positive | |
| the generation and supply of electricity, | Supports <u>CMP447</u> which enhances | |
| and (so far as consistent therewith) | competition by ensuring that generation | |
| facilitating such competition in the | stakeholders all face appropriate | |
| distribution of electricity; | 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 | Neutral |
| of supply and safe operation of the | |
| National Electricity Transmission System | |
| insofar as it relates to interactions | |
| between Transmission Licensees and | |
| the licensee*; | |
| (f) promotion of good industry practice | Neutral |
| and efficiency in the implementation | |
| and administration of the arrangements | |
| described in the STC; | |
| (g) facilitation of access to the National | Neutral |
| Electricity Transmission System for | |
| generation not yet connected to the | |
| National Electricity Transmission System | |
| or Distribution System; and | |
| (h) compliance with the Electricity | Neutral |
| Regulation and any Relevant Legally | |
| 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 | Identified impact | |
| benefit categories | | |
| Improved safety and | Neutral | |
| reliability of the system | | |
| Lower bills than would | Positive | |
| otherwise be the case | 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 | Positive | |
| whole | 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 | Positive | |
| damage | Possible that more efficient competition could allow | |
| | net zero to be achieved more cheaply and sooner. | |
| Improved quality of service | Neutral | |
| | N/A | |





When will this change take place?

Implementation date:

10 Business Days after 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.

| Interactions | | | |
|-------------------|---------------|--------|-------|
| □Grid Code | □BSC | ⊠CUSC | □SQSS |
| □European Network | □Other | □Other | |
| Codes | modifications | | |

How to respond

Code Administrator Consultation questions

- Please provide your assessment for the proposed solution against the Applicable Objectives versus the current baseline?
- Do you have a preferred proposed solution?
- Do you support the proposed implementation approach?
- Do you have any other comments?

Views are invited on the proposals outlined in this consultation, which should be received by **5pm** on **15 September 2025**. Please send your response to stcteam@neso.energy using the response pro-forma which can be found on the modification.energy.

If you wish to submit a confidential response, mark the relevant box on your consultation proforma. Confidential responses will be disclosed to the Authority in full but, unless agreed otherwise, will not be shared with the Panel or the industry and may therefore not influence the debate to the same extent as a non-confidential response.

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Acronyms, key terms and reference material

| Acronym / key term | Meaning |
|--------------------|---|
| ASTI | Accelerated Strategic Transmission Investment |
| BSC | Balancing and Settlement Code |
| СМ | Code Modification |
| СМР | 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 |
| ТО | Transmission Owner |
| T&Cs | Terms and Conditions |

Reference material

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

Annexes

| Annex | |
|----------|---------------|
| Annex 01 | Proposal Form |
| Annex 02 | Legal Text |