

Public

STC Panel

Wednesday 24 September 2025

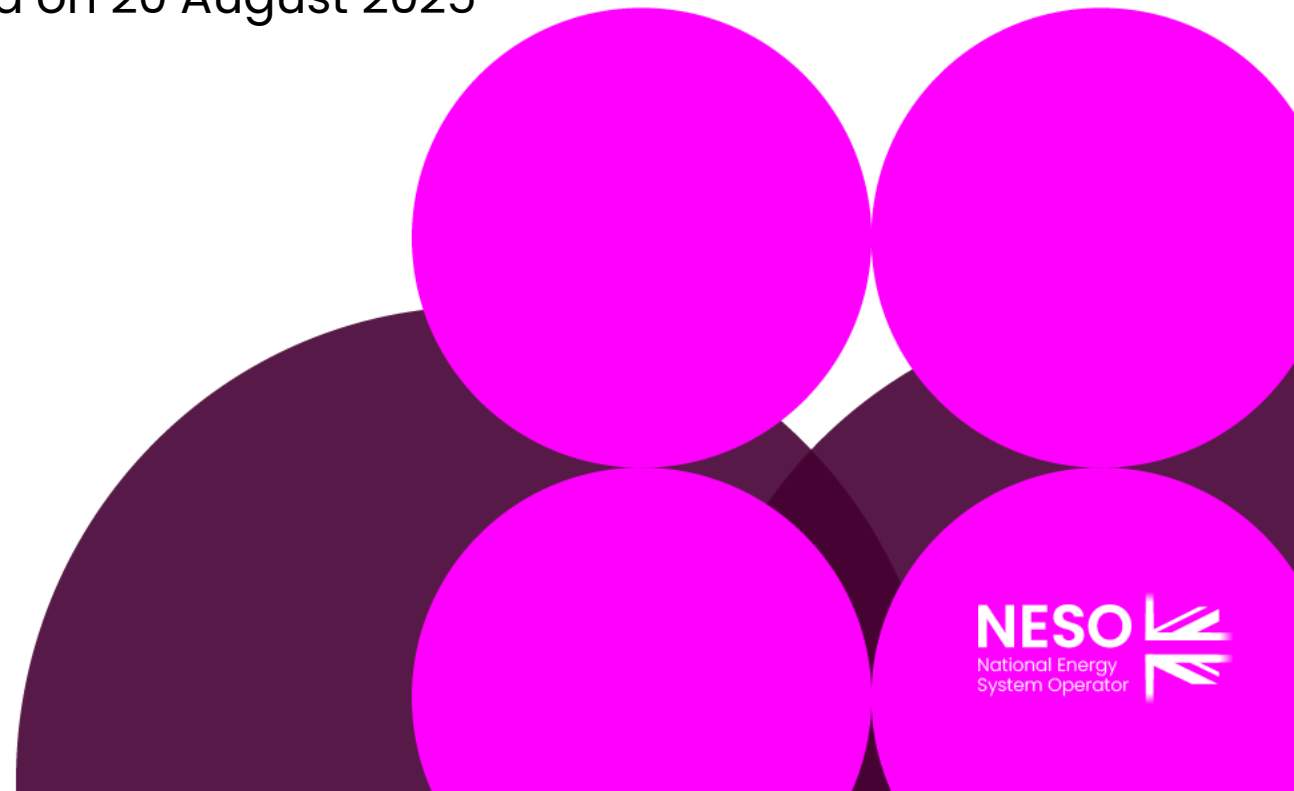
Online Meeting via Teams

Public

WELCOME

Approval of Panel Minutes

Approval of Panel Minutes from the Meeting held on 20 August 2025



Action Log

Action Raised	Ref	Action	Current Position	Due by	Status
Feb-25	Minute 6954	ML to raise a new proposal that will facilitate a requirement to share contact details for STC Party members	Update: ML has now met with Code Governance and will determine whether to raise a new modification.	Sep-25	To be closed

Chair's Update

- Horizon Scanning
- Authority Update

STC Panel Horizon Scanning

Expected Panel	Title	Proposer	Company	Type	Governance Route	Associated Mods	Description
Oct-25	Reconciliation Period Extension	Harriet Eckweiler	SSE	STC Modification	TBC	None	Draft STCP was presented to the Panel in May, formal STCP to be raised at October Panel
Dec-25	Standardisation of Power Flow Metering Polarity when sending data to NESO	Jay Chandarana	NESO	STC Modification	Standard Governance with Workgroup	Grid Code modifications	The modification aims to provide a unified standard for Power Flow Metering Polarity when the data is sent to NESO. The standard will be in the format of diagram and explanatory notes
Oct-25	Pathfinder feasibility studies	Graham Lear	NESO	STCP	TBC	Not yet known	Draft presented to Panel in August. The Proposer will present the final modification to Panel in October.
TBC	STCP 12-2 Issue 001 RMS and EMT Model Sharing Process	Frank Kasebante	NESO	STCP	NA	CM097	On hold in line with modifications GC0168 and CM097 .
TBC	Not yet known	Steve Baker	NESO	STCP	Not yet known	Not yet known	Housekeeping mod for Strategic Investment Factor (SIF) & Local Asset Reuse Factor (LARF) Methodology
TBC	Further connections reform mods	Not yet known	NESO	Not yet known	TBC	Not yet known	We are confirming the forward programme of work and will keep STC Panel updated on future mods.
TBC	System Access Reform	Not yet known	NESO	Not yet known	TBC	Not yet known	Presentation to be provided at July 2025 Panel as a precursor to the Modification.
TBC	GC0139 related modifications	Stuart McLarnon	NESO	Not yet known	TBC	GC0139 related	TBC

Authority Decisions and Updates as of 24 September 2025

Authority decisions:

There have been no Authority decisions since August Panel.

Updates:

NESO has implemented STCP modification [PM0134](#), which was a consequential change for STC modification [CM086](#) and was approved by the Panel in November 2023. This implementation had previously been missed.

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

<https://www.ofgem.gov.uk/publications/code-modificationmodification-proposals-ofgem-decision-expected-publication-dates-timetable>

New Modifications

PM0148 'STCP consequential modification for CMP447: Removal of designated strategic works from cancellation charges/securitisation'

Steve Baker – NESO

**PM0148 'STCP consequential
modification for CMP447:
Removal of designated strategic
works from cancellation
charges/securitisation'**

Critical Friend Feedback: PM0148

Code Administrator comments	Amendments made by the Proposer
<ul style="list-style-type: none">• Correct modification title• Legal Text should be an annex and not written out in the proposal• Matching Fonts• Delete comments on the proposal form.• Summarise overview.	<ul style="list-style-type: none">• Modification title updated• Legal Text annex sent• Font updated• Comments deleted• Overview summarised

PM0148 'STCP Consequential Modification for CMP447: Removal of designated strategic works from cancellation charges/securitisation'

- NESO propose consequential changes in STCP19-2 that will be needed to reflect the new CUSC modification [CMP447](#) if it is approved as expected towards the end of October 2025
- To exclude from the Attributable Works part of Generators' potential cancellation charges, certain Transmission works that are not Generator-dependent

Four variants of CMP447 will be before Ofgem for determination from 15 October, but this change to STCP 19-2, and another STC modification [CM0103](#), are robust and work regardless of which (if any) is approved.

STC Panel Slides for PM0148 Legal Text Changes

SECTION	EXISTING STCP19-2 TEXT	PROPOSED STCP19-2 TEXT
5.7	<p>5.7 TO Final Sums Reporting</p> <p>5.7.1 The TO(s) shall provide TO Final Sums reporting in the format set out in Appendix B, in accordance with the terms of the TO Construction Agreement.</p>	<p>5.7 TO Final Sums Reporting</p> <p>5.7.1 The TO(s) shall provide TO Final Sums reporting in the format set out in Appendix B, in accordance with the terms of the TO Construction Agreement. Appendix B also requires The Company to provide certain information to the TO(s).</p>
Appendix B: TO Final Sums Reporting	Appendix B: TO Final Sums Reporting	<p>Appendix B: TO Final Sums Reporting</p> <p>Prior to suggesting or recommending to The Authority that it designate new Excepted Works, The Company will provide the relevant TO(s) reasonable notice of this proposed submission to The Authority of recommended excepted works, allowing TOs to provide The Company with any assistance and advice.</p> <p>Whenever new transmission works are formally identified by The Company or The Authority as Excepted Works, The Company will notify the TOs within 20 days following such classification.</p>

PM0148 'STCP Consequential Modification for CMP447: Removal of designated strategic works from cancellation charges/securitisation'

PM0148 was outlined in conceptual form at the August STC Panel. It is not vital to have in place when CMP447 is first implemented, but PM0148 is desirable to aid CMP447 functioning in the longer term.

STCP Governance

If a change is developed which has the potential to materially amend an existing STCP the proposer is obligated to seek Panel's views on materiality before proceeding.

When considering the proposed changes to the STCPs, the 1st ask on voting members is whether you agree that the change is material.

- If not, then approved/rejected as has been done in the past;
- If material, then the proposer of the change would need to seek Ofgem's written approval to proceed, and to clarify who should approve the change.

Ofgem can then decide either:

- It is acceptable for the Panel to approve/reject the STCP changes (as has been done in the past; or
- They will make the decision themselves.

PM0148 Asks of Panel

- **AGREE** the materiality of the STCP change
- **AGREE** the implementation next steps
- **NOTE** that Implementation Date will be in line with Modification CMP447 if Panel agree to implement this change and Panel identify no material impacts

Updates on other Industry Codes

03 September 2025 CUSC [Panel Papers and Headline Report](#)

29 July 2025 SQSS [Special Panel Papers and Headline Report](#)

21 August 2025 [Grid Code Review Panel Papers and Headline Report](#)

20 August 2025 STC [Panel Papers and Headline Report](#)

Any other business

GC0181: Enhance the Effectiveness of System Incidents Reporting – Request for STC representative

Lizzie Timmins, NESO Code Administrator

Update on GC0139 related Consequential modifications

Stuart McLarnon, NESO

Update on PM0149: Reconciliation – Change to STCP 19-2

Harriet Eckweiler, SSE

Update on Due Dates for Monthly Payment to TOs

Nick George, NESO Revenue Manager – Billing

GC0181: Enhance the Effectiveness of System Incidents Reporting – Request for STC representative

Lizzie Timmins, NESO Code Administrator

GC0181: Enhance the Effectiveness of System Incidents Reporting – Request for STC representative

At the Grid Code Review Panel on 21 August, the Panel discussed new modification [GC0181](#) and noted that there was likely to be an impact on the STC.

Under GR.20.3, the Grid Code Review Panel are inviting the STC Panel to appoint a representative to become a member of the Workgroup.

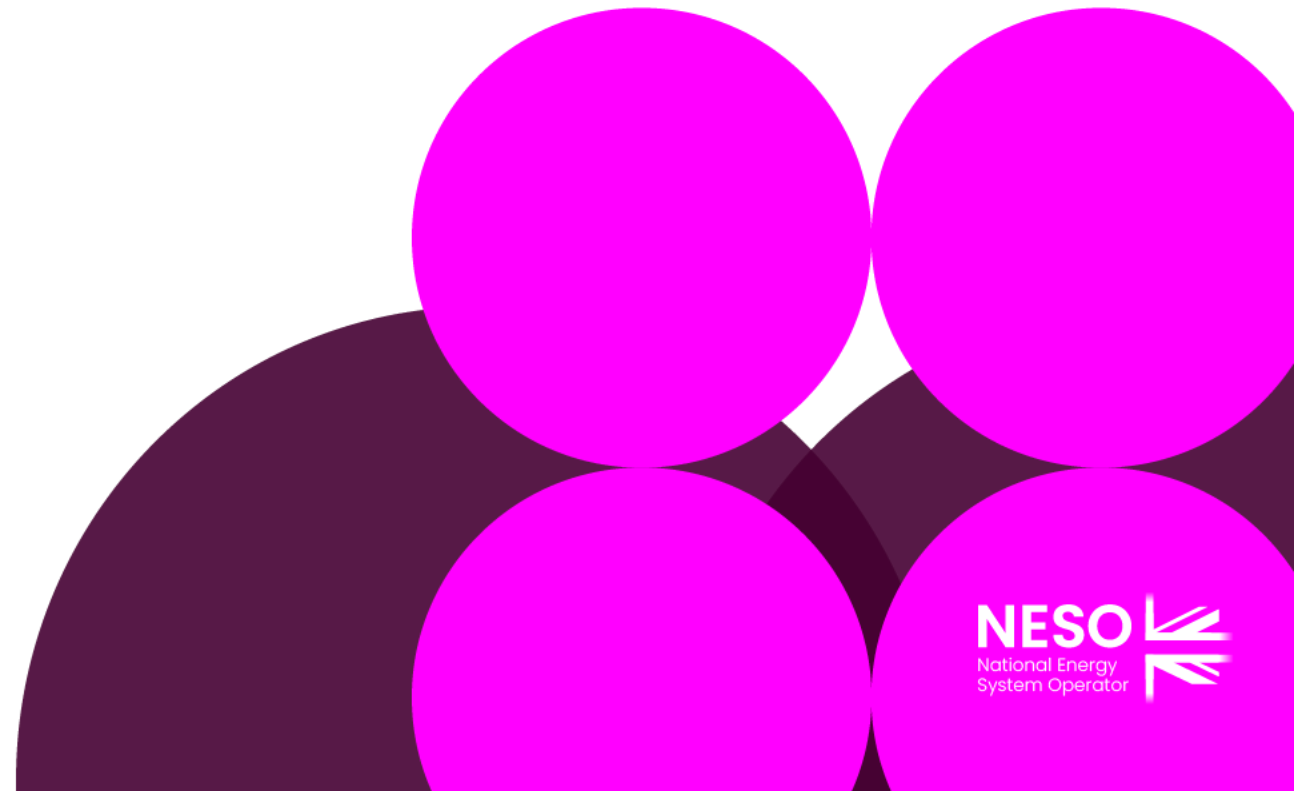
GC0181 ask of the Panel: Appoint a representative to become a member of the GC0181 Workgroup.

Update on GC0139 related consequential modifications

Stuart McLarnon, NESO

Update on PM0149: Reconciliation – Change to STCP 19-2

Harriet Eckweiler, SSE



PM0149 – Reconciliation Modification

- This modification seeks to align STCP 19-2 7.2.1 to align with CUSC Section 2.14.3
- STCP 19-2 specifies that project closure and reconciliation must take place within timescales agreed between relevant parties “but in any event within twelve months.”
- The corresponding CUSC, Section 2.14.3 (c) requires project reconciliation to be completed “as soon as is practicable after the Completion Date, and in any event within one year (or such later period as The Company and the relevant User shall agree).”
- The discrepancy in language between STCP 19-2 7.2.1 and CUSC Section 2.14.3 (c) recognises that projects sometimes require a longer reconciliation period and allows NESO to agree a later date with Users but does not allow TOs to do so.

Due Date for Monthly Payments to TOs

STC Panel – 24 September 2025

Nick George

NESO Revenue Manager – Billing

nick.george@neso.energy

Problem Statement

- The due date for NESO to make payments to Transmission Owners (TOs) can fall on the same day that National Energy System Operator (NESO) is due to receive payments for Transmission Network Use of System (TNUoS) and Connection Charges, causing cashflow problems for NESO
- NESO used to have benefit of National Grid Group balance sheet, but now independent, government owned entity, it has a relatively low working capital.
- System Operator Transmission Owner Code (STC) is inconsistent between main body of code and System Operator Transmission Owner Code Procedure (STCP) as to when monthly payments to TOs are to be made.

Current CUSC Legal Text

Payment is on 15th day of month, or if not a business day, the next business day (as invoices issued on 1st of month)

6.6.2 **Users** shall pay **Connection Charges** and/or **Use of System Charges** and the **STTEC Charge** and the **LDTEC Charge** and due to **The Company** under the **CUSC** and/or each **Bilateral Agreement** and/or as otherwise notified to the **User** where there is no **Bilateral Agreement**, in accordance with the **CUSC** and/or the **Charging Statements** in the following manner:

(a) in the case of recurrent monthly charges and the **STTEC Charge** and the **LDTEC Charge** on the later of:

(i) 15th day of the month to which the invoiced charges relate; and

(ii) the 14th day following the day that **The Company's** invoice was despatched unless, in any such case, the said date is not a **Business Day** in which case payment shall be made on the next **Business Day**;

Current STC Section E Legal Text

Payment is on 16th day of month, or if not a business day, the next business day. This assumes TO was to invoice on 1st of month, although in practise that's not possible for onshore TOs, as they can't invoice until NESO have notified amount to invoice.

4.3 NGESO shall pay TO Charges and all other payments due under a TO Construction Agreement to Transmission Owners, in the following manner:

4.3.1 in the case of recurrent monthly TO Charges or other payments, on the later of:

4.3.1.1 the 15th day following the day that the Transmission Owner's invoice therefor was despatched; and

4.3.1.2 the 16th day of the month to which the invoiced TO Charges or other payments relate,

unless, in any such case, such payment day is not a Business Day in which case payment shall be made on the next Business Day;

Current STCP 13-1 Legal Text

Payment is on 15th day of month, or if not a business day, the next business day (note difference to main body of STC which is 16th day)

- 3.1.6 Each OFTO or CATO shall on the 1st Business Day of each month invoice The Company equal amounts over the remaining months of the year, matching the amounts provided under clause 3.1.2 or 3.1.3 and totalling the annual General System Charges and TO Site Specific Charges forecast in 3.1.1, 3.1.2 3.1.3 and 3.1.4 less any one-off General System Charges that have been invoiced during the year. The Company shall pay the recurrent monthly OFTO or CATO invoice on the 15th of the month, unless such payment day is not a Business Day in which case payment shall be made on the next Business Day.
- 3.1.10 In respect of the Onshore TOs, for payments due from The Company for TO Charges forecast in 3.1.1 and 3.1.2, the following process shall apply:
- 3.1.10.1 On the 1st Business Day of each month, The Company shall confirm to the TO Revenue Contact the amount payable to the Onshore TO for the current month.
- 3.1.10.2 On the 4th Business Day of each month, the Onshore TO shall invoice The Company the monthly amount communicated to it under 3.1.9.1.
- 3.1.10.3 On the 15th of each month (unless such day is not a Business Day, in which case payment shall be provided on the next Business Day) The Company shall pay the Onshore TO the amount shown on the invoice issued to it by the Onshore TO in accordance with 3.1.9.2.

CUSC / STC / STCP Comparison

- CUSC – 15th day of month
- STC – 16th day of month
- STCP – 15th day of month

Note – STC Section A para 4.1 says that in event of inconsistency between main body of STC and a STCP, the main body of STC prevails.

Based on main body of STC, when 15th is a business day, the CUSC and STC payments have a 1-day lag. But when 15th is a non-business day, the payments would be on same day. This causes cashflow problems for NESO.

To date NESO has been paying on 15th, but that is now much more difficult because of lower working capital.

Proposal

- Amend STC Section E and STCPI3-1 so that TO payments are made on 2nd Business Day immediately following the 14th of the month.
- This will ensure there is a one business day lag between payments into NESO and payments out to TOs
- This will generally mean paying TOs one day later than historic practise
- Draft legal text on following slides

Draft Legal Text – STC Section E

4.3 NGESO shall pay TO Charges and all other payments due under a TO Construction Agreement to Transmission Owners, in the following manner:

4.3.1 in the case of recurrent monthly TO Charges or other payments, on the later of:

4.3.1.1 the 10th day following the day that the Transmission Owner's invoice therefor was despatched; and

4.3.1.2 the 2nd Business Day immediately following the 14th day of the month to which the invoiced TO Charges or other payments relate,

unless, in any such case, such payment day is not a Business Day in which case payment shall be made on the next Business Day;

Note change to 10th day in 4.3.1.1 is to reflect that onshore TOs need to wait for NESO notification of amount to invoice.

Draft Legal Text – STCP 13-1

- 3.1.6 Each OFTO or CATO shall on the 1st Business Day of each month invoice The Company equal amounts over the remaining months of the year, matching the amounts provided under clause 3.1.2 or 3.1.3 and totalling the annual General System Charges and TO Site Specific Charges forecast in 3.1.1, 3.1.2 3.1.3 and 3.1.4 less any one-off General System Charges that have been invoiced during the year. The Company shall pay the recurrent monthly OFTO or CATO invoice on the 2nd Business Day immediately following the 14th of the month, unless such payment day is not a Business Day in which case payment shall be made on the next Business Day.
- 3.1.10 In respect of the Onshore TOs, for payments due from The Company for TO Charges forecast in 3.1.1 and 3.1.2, the following process shall apply:
- 3.1.10.1 On the 1st Business Day of each month, The Company shall confirm to the TO Revenue Contact the amount payable to the Onshore TO for the current month.
- 3.1.10.2 On the 4th Business Day of each month, the Onshore TO shall invoice The Company the monthly amount communicated to it under 3.1.9.1.
- 3.1.10.3 On the 2nd Business Day immediately following the 14th of each month ~~(unless such day is not a Business Day, in which case payment shall be provided on the next Business Day)~~ The Company shall pay the Onshore TO the amount shown on the invoice issued to it by the Onshore TO in accordance with 3.1.9.2.

Activities ahead of the next Panel Meeting

Grid Code Development Forum

01 October 2025

**Modification Proposal Deadline for October
Panel**

14 October 2025

Papers Day

21 October 2025

Panel Meeting

29 October 2025
Teams

Close

Kat Higby – Chair
STC Panel