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Draft Final Self Governance Modification Report

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 CMP447 is approved as expected.

Modification process & timetable

1	Proposal Form 05 August 2025
2	Code Administrator Consultation 22 August 2025 – 15 September 2025
5	Draft Final SG Modification Report 21 October 2025
6	Appeals Window 07 November 2025 – 28 November 2025
7	Implementation In line with CMP447

Have 30 minutes? Read the full Draft Final Self Governance Modification Report

Have 60 minutes? Read the full Draft Final Self Governance Modification Report and Annexes

Status summary: The Draft Final Self Governance Modification Report has been prepared for the determination vote at Panel.

Panel determination: The Panel will meet on 29 October 2025 to carry out their determination vote.

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 Baker Stephen.baker@neso.energy	Code Administrator Chair: Kat Higby Katharine.higby@neso.energy

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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 [CMP447](#). These changes need to be implemented alongside CMP447.

What is the solution?

Consequential changes that will be needed to reflect the new CUSC definitions of these terms, if CMP447 is approved as expected:

- 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 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
(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

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

* See Electricity System Operator Licence

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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

Code Administrator Consultation Summary

The Code Administrator Consultation was issued on the 22 August 2025, closed on 15 September 2025, and received 1 non-confidential response. A summary of the

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response can be found in the table below, and the full response can be found in **Annex 03**.

Code Administrator Consultation summary	
Question	
Do you believe that the CMP0103 Original Proposal better facilitates the STC Applicable Objectives?	The respondent indicated that the CMP0103 Original Proposal better facilitated STC Applicable Objective d). They stated that the original proposal better facilitates the Applicable Objectives by supporting CMP447, which extends the effect of CMP428. This extension excludes certain Transmission schemes from pre-commissioning Generators' Attributable Works, removing unnecessary securities and barriers to entry for new generation.
Do you support the proposed implementation approach?	The respondent supported the proposed implementation approach. They stated that NESO's connections and finance/banking teams will aim to identify relevant projects and provide the benefits of the modification within a few weeks of designation, subject to resource availability.
Do you have any other comments?	The respondent provided no further comments.
Legal text issues raised in the consultation	
No legal text issues were raised.	

Panel Determination vote

The Panel will meet on the 29 October 2025 to carry out their determination vote.

They will assess whether a change should be made to the STC by assessing the proposed change against the Applicable Objectives.

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When will this change take place?

Implementation date:

10 Business Days after the Authority Decision on CMP447.

Date decision required by:

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

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 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
TO	Transmission Owner
T&Cs	Terms and Conditions

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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](#)

Annexes

Annex	
Annex 01	CM0103 Proposal Form
Annex 02	CM0103 Legal Text
Annex 03	CM0103 Code Administrator Consultation response
Annex 04	CM0103 Self Governance Statement