

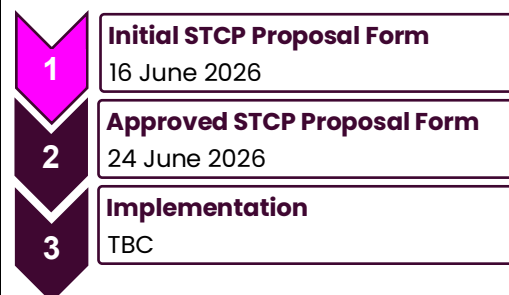
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STCP Modification Proposal Form

PM0159: Managing STCP impacts from CMP471 'Interim Connection Date Delay Process Ahead of CMP43'

Overview: This modification proposes adjustments to STCP18-8 resulting from the potential approval of CUSC proposal CMP471

Modification process & timetable



Status summary: The Proposer has raised a modification and is seeking a decision from the Panel on whether the modification should be implemented.

This modification is expected to have a: High impact
NESO; Onshore Transmission Owners

Proposer's assessment of materiality

A material change – Authority decision

Who can I talk to about the change?

Proposer:

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What is the issue?

Due to the extended implementation of Connections Reform, developer project delivery timelines have continued to shift but contracted positions have not been able to be changed due to an application 'pause'. This situation was to ensure networks have a stable background from which to deliver restudied connection offers reflecting the newly formed queue. The proposer for CMP471 has highlighted that, in their view, this growing timeline misalignment between contracted and deliverable connection dates exposes them and other project developers to avoidable cost and programme risk which should be rectified via a new, one-off, contractual modification process during the 'Gate 2 to Whole Queue' period. From an STC governance perspective however, the CMP471 proposal specifically highlights 'high impact' on Transmission Owners – who are not CUSC Parties. Consequently, our view is that the CMP471 proposal alone cannot undertake either the necessary validation of this TO impact, nor propose the necessary changes to align corresponding obligations in STCPs if CUSC itself is to be modified via CMP471 (subject of course to Ofgem approval).

Why change?

We are therefore raising an aligned STCP mod now to reflect the Authority's expectation that early engagement and alignment through the code process – particularly on matters impacting timely Connection Reform delivery – can reduce the need for a subsequent minded-to decision and avoid unnecessary delays for all parties.

Additionally, wider to code legal text matters, CMP471 as proposed inherently has an impact on NESO/TO resource to deliver Reform implementation in agreed timescales. Or, in other words, our compliance to provisions applied via Ofgem's previous approval of modifications CM095 and PM0142 specifically.

Again, as we see no viable route under CUSC code governance for these various TO/STC/STCP impacts to be directly assessed or mitigated, this modification proposal provides for holistic consideration of the full extent of impacts of CMP471.

The governance and joint working approach we recommend in this proposal also aligns with the precedent established to develop the initial TMO4+ solution across CUSC and STC – via CMP434, CMP435, CM095, PM0142 and PM0143. We strongly urge that the same joint working arrangements apply in this case. This best ensures Ofgem have the full

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picture of the impact of change across the codes and impacted parties prior to their determination.

What is the Proposer's solution?

Solution development and impact assessment of the necessary changes to STC Procedures – likely limited to STCP18-8 (either paragraph 3.2 or new provisions) to apply the CMP471 proposer solution (along with any workgroup-led alternative proposals), ideally via joint working with CMP471 allowing TOs to reasonably influence the outcome of CMP471 as workgroup members (not just observers) and with CUSC Parties also able to influence the development of relevant changes to STCP provisions as necessary.

Legal text

Legal text will follow as the solution for CMP471 is developed.

What is the impact of this change?

The following impact assessment is based on our current understanding of the potential CMP471 proposer solution which is yet to be approved, and how it interacts with NESO-to-TO process governed by STCPs. We are therefore providing an early view of the merits of applying the totality of the changes in consideration of the baseline.

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 Could improve conditions for connection for developers impacted by the CMP471 defect, but via a solution which could risk inefficient ways of working and

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	therefore timely completion of networks activity (in compliance to STC/STCPs) to deliver Connections Reform
(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 To be determined in relation to the CMP471 proposer solution or WACMs.
(c) development, maintenance, and operation of an efficient, economical, and coordinated system of electricity transmission;	Neutral Could improve conditions for connection for developers impacted by the CMP471 defect, but via a solution which could risk inefficient ways of working and therefore timely completion of networks activity (in compliance to STC/STCPs) to deliver Connections Reform
(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;	Neutral
(e) protection of the security and quality of supply and safe operation of the National Electricity Transmission System insofar as it relates to	Neutral

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interactions between Transmission Licensees and the licensee*;	
(f) promotion of good industry practice and efficiency in the implementation and administration of the arrangements described in the STC;	Negative CMP471 introduces a new contractual process via additional code provisions in CUSC and STC which will likely only have a one-off, time-limited purpose.
(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 Could improve conditions for connection for developers impacted by the CMP471 defect, but via a solution which could risk timely completion of ongoing networks activity (in compliance to STC/STCPs) to deliver Connections Reform
(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 against the STCP change requirements ¹	Proposer's assessment
(a) the amendment or addition falls within the terms and arrangements set out in condition E4 of the ESO Licence Standard Condition B12 of the Transmission Licence; and	Requirement met
(b) the amendment or addition does not impair, frustrate or invalidate the provisions of the Code	Requirement not met
(c) the amendment or addition does not impose new obligations or liabilities or restrictions of a material nature on Relevant Parties which are not subsidiary to the rights and obligations of the Relevant Parties under the Code	Requirement not met
(d) the amendment or addition is not inconsistent or in conflict with the Code, ESO Licence or Transmission Licence Conditions or other relevant statutory requirements; and	Requirement met
(e) the Relevant Party Representatives deem that the amendment or addition is appropriate to support compliance with the Code	Requirement met

When will this change take place?

Implementation date:

In alignment with the governance route for CMP471.

Implementation approach:

In alignment with the governance route for CMP471

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Interactions

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

Interaction with CMP471.

Panel Determination

Party	Determination
National Energy System Operator (NESO)	To be updated following Panel determination
National Grid (TO)	To be updated following Panel determination
Offshore Transmission Owners (OFTOs)	To be updated following Panel determination
Scottish Hydro Electric Transmission plc (SHET)	To be updated following Panel determination
SP Transmission Limited (SPT)	To be updated following Panel determination

Acronyms, key terms and reference material

Acronym / key term	Meaning
BSC	Balancing and Settlement Code
PM	Procedure Modification
CUSC	Connection and Use of System Code
STC	System Operator Transmission Owner Code
SQSS	Security and Quality of Supply Standards

Reference material

- No material.