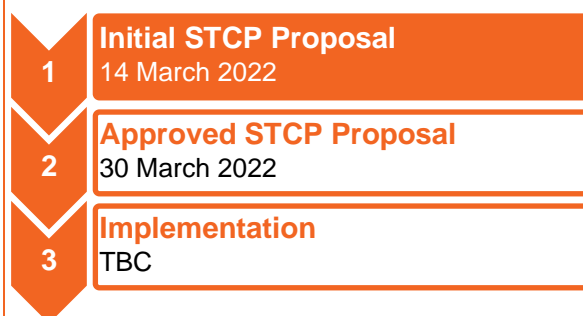


## STCP Modification Proposal Form

# PM0124: Enduring Expansion Constant & Expansion Factor Review Overview

**Overview:** This is a consequential modification to revise data requirements set out in the STC and facilitate changes arising from CUSC modifications CMP315 and CMP375 which amend the calculation of the Expansion Constant & Expansion factors to better reflect the growth of and investment in the National Electricity Transmission System (NETS)

**Modification process & timetable**

**Status summary:** The Proposer has raised a modification and is seeking a decision from the Panel on the governance route to be taken.

**This modification is expected to have a: High impact**

This proposal facilitates delivery of a CUSC amendment having a high impact on all Users who pay TNUoS charges, ESO and Onshore and Offshore Transmission Owners.

**Who can I talk to about the change?****Proposer:**

Stephen Baker

Stephen.baker@nationalgrideso.com

07929724347

**Code Administrator Contact:**

Sally Musaka

[Sally.Musaka@nationalgrideso.com](mailto:Sally.Musaka@nationalgrideso.com)

07790 778 560

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## What is the issue?

An STC(P) modification is required to reflect changes to data requirements, templates, and processes as a consequence of CUSC modifications CMP315 & CMP375. Also, to incorporate 'Lessons Learned' from the RIIO-2 Expansion Constant EC & Expansion Factors EF re-calculation.

## Why change?

The Expansion Constant (EC) influences the locational signal in the calculation of TNUoS charges and is recalculated for the start of each onshore TO price control. The EC and Expansion Factor (EF) currently used within the calculation of TNUoS tariffs look at a limited scope of development to the NETS. As the nature of NETS development and investment has changed over time, the number of projects eligible for consideration within calculation of the EC and EFs have shrunk.

CMP315 and CMP375 may create a new methodology for calculating the EC and EF and therefore this STC(P) proposal is required to update the data provided by TOs to be reflective of this methodology and to incorporate 'Lessons Learned' from the RIIO-2 Expansion Constant EC & Expansion Factors EF re-calculation.

## What is the proposer's solution?

The Proposers solution is to incorporate the required changes resulting from CMP315 and CMP375 and Lessons Learned from the RIIO-2 EC & EF re-calculation.

## Legal text

The legal text will be developed if STC changes are deemed to be required

## What is the impact of this change?

### 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 Act	<b>Neutral</b> N/A
(b) development, maintenance and operation of an efficient, economical and coordinated system of electricity transmission	<b>Positive</b> This reflects changes arising from CMP315 and CMP375 amending the calculation of the Expansion Constant & Expansion factors to better reflect the growth of and investment in the National Electricity Transmission System (NETS)
(c) facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the distribution of electricity	<b>Neutral</b> N/A

(d) 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	<b>Neutral</b> N/A
(e) promotion of good industry practice and efficiency in the implementation and administration of the arrangements described in the STC	<b>Neutral</b> N/A
(f) facilitation of access to the national electricity transmission system for generation not yet connected to the national electricity transmission system or distribution system;	<b>Neutral</b> N/A
(g) compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.	<b>Neutral</b> N/A

Proposer's assessment against the STCP change requirements <sup>1</sup>	Proposer's assessment
(a) the amendment or addition does not impair, frustrate or invalidate the provisions of the Code	Requirement met
(b) 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 met
(c) the amendment or addition is not inconsistent or in conflict with the Code, Transmission Licence Conditions or other relevant statutory requirements	Requirement met
(d) 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

06 April 2022, 5 working days after Panel decision

### Implementation approach

No systems or processes will need to be amended as a result of this proposal

<sup>1</sup> STCP changes may only be made if they meet the requirements in Section B, 7.3.2

## Interactions

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

[Explain how this modification interacts with other codes, industry documents, modifications or industry projects.]

## Panel Determination

Party	Determination
National Grid (ESO)	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
EC	Expansion Constant
EF	Expansion Factor
NETS	National Electricity Transmission System
TO	Transmission Owner
TNUoS	Transmission Network Use of System

## Reference material

- CMP315 <https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/cmp315-tnuos>
- CMP375 <https://www.nationalgrideso.com/document/194606/download>