

STC Modification Proposal Form

**CM092:
Schedule 9: TO
Construction Terms
Updates**

Overview: Updates to the terms contained in Schedule 9 to reflect current working practices more accurately with NG ESO and to avoid any potential for misinterpretation.

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: Low impact

NG ESO: Onshore Transmission Owners

Proposer's recommendation of governance route	Self-Governance modification to proceed to Code Administrator Consultation
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Who can I talk to about the change?	Proposer: Sam Grant Sam.Grant@nationalgrid.com (0)7970373193	Code Administrator Contact: Deborah Spencer Deborah.spencer@nationalgrid.eso.com 07752 466421
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What is the issue?

Why change?

This Proposal seeks to reflect the existing position under the contracts in practice and/or to reflect the perceived intent behind certain terms and/or to reflect the position under the NGESO Construction Agreements to confirm flow-through / mirroring of terms.

What is the proposer's solution?

The changes to the TO Construction Terms can be summarised as:

1. A change to make clear the best endeavours obligations on Transmission Owners (TO) to obtain Consents does not extend to circumstances where a User is obtaining those Consents on behalf of a TO, in which case NGESO shall use best endeavours to ensure that the User shall obtain those specific Consents for the TO.
2. A change to clarify that when Schedule 9 confirms "all dates...are subject to ... obtaining Consents" this allows each Transmission Owner to make changes to the charges and dates in the Construction Programme to reflect any delays, as well as the Transmission Construction Works (the TCW variation rights are already specifically called out in the text). This realigns the position with what is understood to already be in the NGESO Construction Agreements.
3. A change to make clear that whilst a Transmission Owner will be the "client" under the Construction (Design and Management) Regulations 2015 when that TO is carrying out the Transmission Construction Works itself, if the User elects to carry out some of these works under the contestability / user self-build principles, the User will then be the "client" under CDM for the purposes of these works.
4. A change to make clear that if a Transmission Owner's works are delayed by the actions of a User, force majeure event, or another Transmission Owner then as well as being entitled to change the Construction Programme to reflect this delay, provided it is fair and reasonable in the circumstances (as per the existing rights under the STC, Schedule 9), that Transmission Owner would also be entitled to make changes to its charges due to and to reflect this delay. This realigns the position with what is understood to already be in the NGESO Construction Agreements.

Draft legal text

Please see Annex 1

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	Positive Sets a better standard for contracting for connections

	between NG ESO and Onshore TOs.
(b) development, maintenance and operation of an efficient, economical and coordinated system of electricity transmission	Neutral
(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	Neutral
(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	Neutral
(e) promotion of good industry practice and efficiency in the implementation and administration of the arrangements described in the STC	Positive Removes potential for ambiguity in the baseline
(f) facilitation of access to the national electricity transmission system for generation not yet connected to the national electricity transmission system or distribution system;	Neutral
(g) compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.	Neutral

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	Neutral
Benefits for society as a whole	Neutral [
Reduced environmental damage	Neutral
Improved quality of service	Neutral

When will this change take place?

Implementation date

10 Working following Panel/Authority Decision

Date decision required by

As soon as possible.

Implementation approach

N/A

Proposer's justification for governance route

Governance route: Self-Governance modification to proceed to Code Administrator Consultation

Due to the nature of the changes and how they are proposed to reflect the position in the NGESO connection agreements or working practices, we are of the view that they should not discriminate between different STC Parties nor have a material effect on the five bullet points listed below.

Guidance on governance routes		
Timescales	Route	Who makes the decision (Governance type)
Normal	Proceed to Code Administrator Consultation*	Authority (Standard Governance) or Panel (Self-Governance)
	Assessment by a Workgroup**	
Urgent	Proceed to Code Administrator Consultation	Authority (Standard Governance)
	Assessment by a Workgroup	
Fast-track	Straight to appeals window, then implementation	Panel (Self-Governance)
<p>* This route is for modifications which have a fully developed solution and therefore don't need to be considered by a Workgroup.</p> <p>** For modifications which need further input from industry to develop the solution.</p>		
Self-Governance Criteria		
<p>It depends on the material effect of the modification as to whether it should be subject to Standard or Self-Governance. If you are proposing that your modification should be subject to Self-Governance, you must explain how it meets the below criteria.</p> <p>The modification is unlikely to discriminate between different STC Parties and is unlikely to have a material effect on:</p> <ul style="list-style-type: none"> Existing or future electricity customers; Competition in the generation, distribution, or supply of electricity or any commercial activities connected with the generation, distribution or supply of electricity, The operation of the National Electricity Transmission System Matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies The STC Panel's governance procedures or the STC Panel's modification procedures 		
<ul style="list-style-type: none"> 		
<ul style="list-style-type: none"> 		

Interactions

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

This is some interaction with the Construction Agreements under CUSC, however as detailed above it is understood that most / all changes above are already included in the Construction Agreements so no further changes would be needed.

Acronyms, key terms and reference material

Acronym / key term	Meaning
BSC	Balancing and Settlement Code
CM	Code Modification
CUSC	Connection and Use of System Code

STC	System Operator Transmission Owner Code
SQSS	Security and Quality of Supply Standards
NG ESO	National Grid Electricity System Operator

Reference material

- Legal Text