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STCP Modification Proposal Form – DRAFT

PM0142: Application of Gate 2 Criteria to existing contracted background

Overview: This Modification proposes to introduce a time-limited, one-off, Procedure to facilitate the introduction of CUSC Modification CMP435. This new STCP will set out a high-level process to manage **what** happens to (A)TOCOs related to developers (including DNOs and transmission connected iDNOs) contracted with NESO in the existing queue and when. It will include engagement on the Existing Agreement (EA) Timetable to set an equivalent to the offers out date (as introduced by CM095), how and when NESO provide SBN-related information in relation to declaration/applications being received by NESO within the application window from Gate 2 Projects, and the technical competency process/timescales associated with such applications. It will therefore include similar activities as in STCP18-1 but in the context of the Gate 2 to Whole Queue Exercise (and the EA Timetable) for Gate 2 Projects, and Gate 1 Projects (with Reservation). Additionally, it will include the timescales and process in relation to a review of the (A)TOCAs associated with Gate 1 Projects (without Reservation) and what action may be taken as a result for those (A)TOCAs and when.

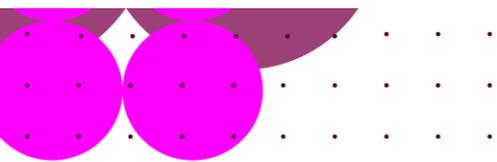
Modification process & timetable



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

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<p>This modification is expected to have a: High impact</p> <p>Transmission System Operators, Transmission Owners (including OFTOs).</p>		
<p>Proposer's assessment of materiality</p>	<p>A material change – Authority decision</p>	
<p>Who can I talk to about the change?</p>	<p>Proposer:</p> <p>Steve Baker Stephen.Baker@nationalenergyso.com 07929 724347</p>	<p>Code Administrator Contact:</p> <p>Deb Spencer Deborah.Spencer@nationalenergyso.com 07752 466421</p>



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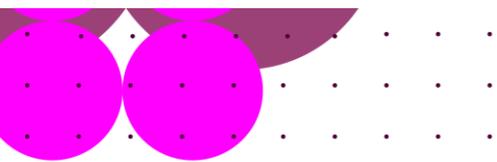
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What is the issue?

The current connections process is not enabling the timely connection of projects to meet net zero. A wholesale revision is needed to the connections process to meet those targets and the needs of project developers. This proposal introduces new procedures to facilitate the transition of the existing queue to updated processes and enable more ready projects to progress more rapidly to connection.

Why change?

We need a time-limited, one-off, high-level STCP to set out arrangements which ensure the contractual arrangements that NESO have with developers impacted by the CMP435 arrangements are appropriately reflected in (or through) alternative arrangements between NESO and the TOs related to the existing Transmission Owner Construction Agreements and Affected Transmission Owner Construction Agreements for such projects.

What is the Proposer's solution?

This Modification proposes to introduce a time-limited, one-off, Procedure to facilitate the introduction of CUSC Modification [CMP435](#).

This new STCP will set out a high-level process to manage what happens to (A)TOCOs related to developers contracted with NESO in the existing queue and when. It will include engagement on the EA Timetable to set an equivalent to the 'offers out date' (as introduced by CM095), how and when NESO provide SBN-related information in related to declaration/applications being received by NESO within the application window from Gate 2 Projects, and the technical competency process/timescales associated with such applications. It will therefore include similar activities as in STCP18-1 but in the context of the Gate 2 to Whole Queue Exercise (and the EA Timetable) for Gate 2 Projects, and Gate 1 Projects (with Reservation).

Additionally, it will include the timescales and process in relation to a review of the (A)TOCAs associated with Gate 1 Projects (without Reservation) and what action may be taken as a result for those (A)TOCAs and when.



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Legal text

Legal text under development internally to meet end of January deadline.
 Working draft legal text to be circulated for review from early December onwards.
 Finalised legal text circulated for TO approval ahead of January STC Panel Papers Day.

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 Prioritises readier and/or more viable projects enabling us to help the government to meet its Net Zero targets.
(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	Positive Quicker connections for viable projects (by removing speculative and stalled projects from the connections queue) needed to deliver Net Zero (at the moment developers seeking to connect are experiencing significant delays, with some customers being offered

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	connection dates in the late 2030s).
(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	Neutral
(f) facilitation of access to the national electricity transmission system for generation not yet connected to the national electricity transmission system or distribution system;	Positive Addresses the current queue (by reducing its size or slowing down the rate at which new projects are added to the queue) allowing readier and/or more viable projects to access earlier connection dates.
(g) compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.	Neutral

Proposer's assessment against the STCP change requirements ¹	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	Requirement met

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the rights and obligations of the Relevant Parties under the Code	
(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	[Select item]

Commented [SB(1)]: This will move to Requirement met by January Panel, but isn't there yet.

When will this change take place?

Implementation date

Implementation date to align with (i.e. be the same date as) the implementation date of CMP435.

Implementation approach

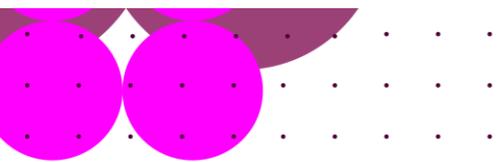
This modification contains Material changes and will be submitted to Ofgem for review.

From the implementation date both NESO and the TOs will utilise the new STCP (amongst other things) to ensure the successfully delivery of CMP435.

Interactions

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

There is an interaction with CMP435.



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Panel Determination

Party	Determination
National Energy System Operator (NESO)	To be updated following Panel determination
National Grid (NGET)	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
DNO	District Network Operator
NESO	National Energy System Operator
SBN	Scheme Briefing Note
STC	System Operator Transmission Owner Code
SQSS	Security and Quality of Supply Standards
TOCA	Transmission Owner Construction Agreement

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TOCO	Transmission Owner Construction Offer
ATOCA	Affected Transmission Owner Construction Agreement
ATOCO	Affected Transmission Owner Construction Offer

Reference material

- [CMP434 Implementing Connections Reform | National Energy System Operator](#)
- [CM095 - Implementing Connections Reform | National Energy System Operator](#)
- [CMP435 Application of Gate 2 Criteria to existing contracted background | National Energy System Operator](#)