

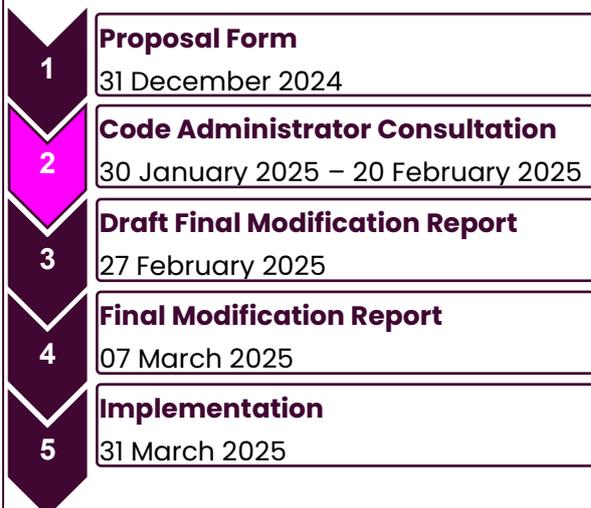
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Code Administrator Consultation

GSR033: Code Maintenance

Overview: This modification aims to amend the SQSS Governance Framework and bring it into the formal SQSS in line with licence changes set out by Ofgem and putting obligations on NESO.

Modification process & timetable



Have 10 minutes? Read the full [Code Administrator Consultation](#)

Have 120 minutes? Read the full Code Administrator Consultation and Annexes.

Status summary: We are now consulting on this proposed change.

This modification is expected to have a: **Low impact** on Generators, Transmission Owners, Offshore Transmission Owners, Distribution Network Operators, National Energy System Operator and the Authority

Governance route	Standard Governance modification proceeding to Code Administrator Consultation	
Who can I talk to about the change?	<p>Proposer: Stuart McLarnon Stuart.mclarnon@nationalenergyso.com 07596 579914</p>	<p>Code Administrator Contact: Tammy Meek tametha.meek@nationalenergysystemoperator.com 07938 737807</p>
How do I respond?	Send your response proforma to box.sqss@nationalenergyso.com by 5pm on 20 February 2025	

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What is the issue?

On 08 October 2024 Ofgem consulted on changes to conditions A1 and E7 of the Electricity System Operator Licence and standard conditions D3 and E16 of the Electricity Transmission Licence, proposing changes place duties on the National Energy System Operator to maintain the National Electricity Transmission System Security and Quality of Supply Standard (SQSS).

On 11 December 2024 Ofgem issued their decision to modify conditions A1 and E7 of the electricity system operator licence (**Annex 3**), and to modify standard conditions A1, D1, D3 and E16 of the electricity transmission licence, to place obligations on the National Energy System Operator to maintain the National Electricity Transmission System Security and Quality of Supply Code (SQSS), and to make relevant consequential changes.

This would formalise the existing SQSS and SQSS Governance framework and set out roles for NESO, the Authority and the SQSS Panel. The Current Governance Framework is a voluntary document which sits in isolation from the SQSS and therefore review is required before bringing it into the SQSS to enable NESO to fulfil its obligations under the new licence arrangements. The licence modification will come into effect on 07 February 2025.

Why change?

The changes issued by Ofgem will enable the SQSS to be designated by the Secretary of State as a 'qualifying document' for the purposes of Schedule 12 of the Energy Act 2023. This would allow Ofgem to use its transitional powers under the act with respect to the SQSS to help implement energy code reform.

It is intended that the Governance Framework will become part of the SQSS and therefore review is required to ensure that the current voluntary document is sufficient to allow NESO to fulfil its obligations under the new licence, in particular the modification process.

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What is the solution?

It is intended that this modification will provide sufficient changes to the Governance Framework to meet the new licence obligations (**Annex 4**). Key changes are:

- The Governance Framework will be bought into the SQSS (Appendix J) meaning that it will be a formalised part of the SQSS and any change will therefore be subject to the Governance set out within.
- Ofgem will have a formal power to approve SQSS modifications, with NESO responsible for modifying the code.
- Provisions in the Governance Framework relating to the licence change request process for SQSS code modifications is removed.
- This modification is not intended to change the Panel composition or make changes to the current SQSS modification process.

Additional changes to the SQSS

A further update will be made to the SQSS to correct an error identified with the legal text implemented when Establishing ISOP in industry codes on 01 October 2024.

Legal Text

Please see **Annex 1** for full legal text.

Annex 2 details the comparison of legal text against existing documentation:

- Comparison of Governance Framework Changes – shows changes to the existing Governance Framework on Tracked Changes (the new Appendix J within Annex 1 is shown as all new text)
- Establishing ISOP in industry codes – shows the amendments introduced on 01 October 2024 as accepted changes within the document, with additional amendments shown in tracked changes, to show the corrections required to correct draft v2.8 of the SQSS

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Annex 1 has all the above legal text changes incorporated into it, but also shows the amendments introduced on 01 October 2024 in tracked changes, as this is still in draft.

The SQSS Panel also asked for additional typographical corrections and minor clarifications to be made to the legal text, at the Panel meeting on 23 January 2025. Some of the additional changes have been made and are detailed within **Annex 2**.

In addition to this, all references to Transmission Licensee within the SQSS have been amended to refer to a Licensee, and the definition of Transmission Licensee has been removed. This is due to the two definitions having the same meaning.

However, not all comments made to the draft legal text were able to be addressed as part of this Modification due to being out of scope of GSR033 or formatting amendments not being able to be addressed within the modification timeline. These comments primarily include the need for a review and clarification of the use of the various terms for different groups of Licensee, and the responsibility for establishing an SQSS Panel. While NESO agree that these need to be considered and addressed, it is believed they are not in scope of this Modification or can be addressed in time for the 31 March 2025 implementation. It is NESO’s intention to consider these comments as part of a separate SQSS Modification so that the proper time can be allocated to considering and actioning them. A list of outstanding comments to be addressed can be found in **Annex 6**.

What is the impact of this change?

Proposer’s assessment against SQSS Objectives

Relevant Objective	Identified impact
(i) facilitate the planning, development and maintenance of an efficient, coordinated and economical system of electricity transmission, and the operation of that system in an efficient, economic and coordinated manner;	Positive Ensures stakeholders can easily access SQSS Governance Rules, due to them being incorporated within the SQSS.

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(ii) ensure an appropriate level of security and quality of supply and safe operation of the National Electricity Transmission System;	Neutral
(iii) facilitate effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the distribution of electricity; and	Neutral
(iv) facilitate Licensees to comply with any relevant obligations under Assimilated Law	Neutral

When will this change take place?

Implementation date

31 March 2025

Date decision required by

24 March 2025

Implementation approach

Implementation to take place as per Ofgem’s Licence obligations.

Interactions

Grid Code BSC STC CUSC
 European Network Codes Other modifications Other

No interactions with other codes have been identified.

How to respond

Code Administrator Consultation questions

- Please provide your assessment for the proposed solution against the Applicable Objectives?
- Do you support the proposed implementation approach?
- Do you have any other comments?

Views are invited on the proposals outlined in this consultation, which should be received by 5pm on **20 February 2025**. Please send your response to

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box.sqss@nationalenergyso.com using the response pro-forma which can be found on the [modification page](#).

If you wish to submit a confidential response, mark the relevant box on your consultation proforma. Confidential responses will be disclosed to the Authority in full but, unless agreed otherwise, will not be shared with the Panel or the industry and may therefore not influence the debate to the same extent as a non-confidential response.

Acronyms, key terms and reference material

Acronym / key term	Meaning
BSC	Balancing and Settlement Code
CUSC	Connection and Use of System Code
ISOP	Independent System Operator and Planner
NESO	National Energy System Operator
STC	System Operator Transmission Owner Code
SQSS	Security and Quality of Supply Standards

Reference material

- [Licence modifications for SQSS code maintenance: decision | Ofgem](#)

Annexes

Annex	Information
Annex 1	Legal Text
Annex 2	Legal Text Comparison Documents
Annex 3	Ofgem decision on proposed modifications to conditions A1 and E7
Annex 4	Modification of conditions A1 and E7

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Annex 5	Changes to SQSS Governance Framework against Licence changes
Annex 6	Additional legal text comments to be addressed in separate modification