

SECTION I: TRANSITION

PART 1: BETTA TRANSITION – NOT USED

PART 2: TRANSITION RELATING TO STC MODIFICATION PROPOSALS CM065-69(Amendments relating to the transfer of the system operator functions from NGET) and CMPXXX (Establishing the ISOP in GB industry codes 2024)

1. INTRODUCTION

- 1.1 This Section I Part 2 deals with issues arising out of the transition associated with the approval and implementation of STC Modification Proposals CM065-69 (Amendments relating to the transfer of the system operator functions from NGET to NGESO).
 - 1.1.1 References in this section to NGESO will with effect from July 2024 take account of The Company's designation as the ISOP under section 162 of the Energy Act 2023. On the same date, the Company's Transmission Licence is directed under section 167 of the Energy Act 2023 to have effect as the ESO Licence
- 1.2 This Section I, Part 2 sets out the arrangements such that:
 - 1.2.1 the rights and obligations of NGET under the STC that relate to the role of system operator are novated to NGESO;
 - 1.2.2 certain amendments are made to Existing STC Related Agreements;
 - 1.2.3 NGET is deemed to have followed the processes set out in Section B such that it becomes an Onshore Transmission Owner party under the STC; and
 - 1.2.4 each Party co-operates in relation to the transition.
- 1.3 The provisions of the Post STC CM065-69 STC shall be suspended except for this Section I (which will take immediate effect) until the Transfer Date.
- 1.4 In this Section I, Part 2:
 - 1.4.1 the term "STC CM065-69" shall mean STC Modification Proposals CM065-69 (Amendments relating to the transfer of the system operator functions from NGET to NGESO);
 - 1.4.2 the term "Post STC CM065-69] STC" means the version of the STC as amended by STC CM065-69;
 - 1.4.3 the term "Pre STC CM065-69 STC" means the version of the STC prior to amendment by STC CM065-69;

1.4.4 the term “Transfer Date” means the date on which the Transmission Licence granted to NGET was transferred in part to NGESO to reflect the transfer of the system operator functions which was 1st April 2019.

1.5 Without prejudice to any specific provision under this Section I, Part 2 as to the time within which or the manner in which any Party should perform its obligations under this Section I Part 2 where a Party is required to take any step or measure under this Section I Part 2, such requirement shall be construed as including any obligation to:

1.5.1 take such step or measure as quickly as reasonably practicable; and

1.5.2 do such associated or ancillary things as may be necessary to complete such step or measure as quickly as reasonably practicable.

2. STC CM065-69: NOVATION

2.1 This paragraph applies to facilitate the transfer of all NGET’s rights and obligations under the STC that relate to its role as system operator to NGESO on the Transfer Date to reflect the transfer of the system operator functions from NGET to NGESO.

2.2 NGET and NGESO shall each enter into a novation agreement in a form published by NGET.

2.3 Such novation agreement will, with effect from the Transfer Date, novate to NGESO all rights and obligations of NGET that relate to its role as system operator under the agreements referred to in paragraph [2.4] (including all rights, obligations and liabilities of NGET as system operator that may have accrued in respect of the period prior to the Transfer Date).

2.4 Such novation agreement shall be in respect of the following agreements:

2.4.1 The Framework Agreement; and

2.4.2 all TO Construction Agreements¹.

2.5 NGET shall enter into such novation agreement in (to the extent applicable) its own right, and also (to the extent applicable) on behalf of the Parties that are counterparties to the agreements referred to in paragraph 2.4.

2.6 Each Party hereby irrevocably and unconditionally authorises NGET to execute and deliver, on behalf of such Party, a novation agreement as envisaged by this section.

¹ Please consider whether there are any additional contracts that should be listed here.

- 2.7 Each Party shall do all such things as NGET or NGESO may reasonably request in relation to the novation of the agreements referred to in paragraph 2.4 from NGET to NGESO.
- 2.8 All rights and obligations novated to NGESO from NGET pursuant to a novation in accordance with this section shall take effect on the Transfer Date without any requirement to follow the admission procedure or the party entry processes set out in Section B of the STC and this paragraph constitutes express provision for the purposes of Section B, paragraph 3.2.1 and applies notwithstanding Section G, paragraph 6.
- 2.9 A novation in accordance with this section shall not affect NGET's continuing status as a Party in its capacity as a Transmission Owner.

3. STC CM065-69: AMENDMENTS TO EXISTING AGREEMENTS AND DOCUMENTS

- 3.1 Each existing TO Construction Agreement AND each existing Transmission Interface Agreement shall be read and construed, with effect from the Transfer Date, as if the defined terms within it, and the effect of those defined terms², had been amended in accordance with any changes to its corresponding proforma exhibit to the Post STC CM065-69 STC. Each Party acknowledges and agrees that the provisions of this paragraph shall apply notwithstanding the provisions in the agreements as to variation of those agreements.
- 3.2 Each existing document issued by a Party in accordance with the terms of the Pre STC CM065-69 STC shall be read and construed, with effect from the Transfer Date, as if any references in it to NGET in the context of its the system operator role were references to NGESO.

4. ACCESSION OF NGET AS ONSHORE TRANSMISSION OWNER

- 4.1 The Parties agree that effective on the Transfer Date NGET in its role as an Onshore Transmission Owner shall be deemed to have followed the process set out in Section B to accede to the STC in its role as an Onshore Transmission Owner and followed all due process.
- 4.2 NGET shall take such steps and do all things necessary or appropriate prior to the Transfer Date in order to ensure that it has provided such information as is required to the Panel Secretary and shall sign an Accession Agreement on the Transfer Date.

5. STC CM065-69: TRANSITION

- 5.1 Each Party shall take such steps and do such things [in relation to the STC and the existing TO Construction Agreements and Transmission Interface Agreements as are within its power and as are necessary or appropriate in order to give full and timely effect to the transfer of the system operator functions from NGET to [NGESO].

² Consider making this wider than just the definitions – to review once new pro-formas are settled.

- 5.2 Each Party agrees that all things done by NGET prior to the Transfer Date (including but not limited to the making of offers, the provision of reports and statements and the serving of notices) shall be deemed to have been done by [NGESO] and all things received by NGET (including but not limited to applications and notices) shall be deemed to have been received by [NGESO].
- 5.3 NGET shall take such steps and do such things as a necessary or appropriate prior to the Transfer Date in order to ensure that all contracts and documents (including without limitation any Services Capability Specification or Connection Site Specification) required pursuant to the terms of the STC to govern the relationship between NGET and NGESO will be in place and take effect on the Transfer Date or as soon as reasonably practicable thereafter.