

## STC Modification Proposal Form

# CM077: Re-alignment of STC and STCP provisions for Construction Offer Timescales

**Overview:** This modification seeks to set explicit timelines in STC for the Onshore TOs to submit final Construction Offers to NGENSO. It also removes the existing ambiguity created by these same provisions being worded differently in STC compared to STC procedures.

## Modification process &amp; 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**

Onshore Transmission Owners; NGENSO

<b>Proposer's recommendation of governance route</b>	Self-Governance modification to proceed to Code Administrator Consultation	
<b>Who can I talk to about the change?</b>	<b>Proposer:</b> Richard Woodward <a href="mailto:Richard.Woodward@nationalgrid.com">Richard.Woodward@nationalgrid.com</a> 07964 541743	<b>Code Administrator Contact:</b> Jennifer Groome <a href="mailto:Jennifer.Groome@nationalgrideso.com">Jennifer.Groome@nationalgrideso.com</a> 07966 130854

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## What is the issue?

The STC has 'main body' clauses which are supported by a suite of more detailed procedures to facilitate day-to-day operational compliance by STC parties.

Due to the nature of iterative code modifications made over time, there are sometimes instances where the STC main body text and the STC procedures fall out of alignment. Where a situation like this arises code changes should be raised to correct any misalignment to ensure compliance obligations are clear to STC parties.

NGET have uncovered one such instance relating to differing timelines for submitting final TO Construction Offers to NGENSO via STC Section D Part 2 and STCP18-1.

## Why change?

To ensure obligations on TO Construction Offer submissions are fully clear to all STC parties and to ensure STC provisions are fully aligned.

Additionally, the current STC text refers to a combination of months and 'Business Days' which could be misleading. The proposed solution would ensure that months and calendar days are referred to, making the timeline much clearer, as per STCP text.

## What is the proposer's solution?

The standard legal approach where disparities between STC main body and STC procedure provisions are discovered is to favour the STC main body text.

However, in this case, the general consensus of STC parties (consulted prior to raising this proposal) was that the STC procedure - STCP18-1 clause 3.2.20.3 - should be applied in this case as it represents long-standing standard operational practices.

This proposal therefore seeks to modify STC Section D Part 2 – clauses 4.8.1/2 and 4.9.1/2 accordingly.

## Draft legal text

4.8 Subject to paragraph 4.3, a Transmission Owner which receives an effective NGENSO Construction Application (other than an OTSDUW Build Application) under paragraph 2.2 above shall, unless otherwise agreed with NGENSO or determined or directed by the Authority, submit a TO Construction Offer to NGENSO as soon as reasonably practicable and, in any event, on or before the later of:

4.8.1 ~~three months less thirteen Business Days~~ two months plus fourteen calendar days after the NGENSO Application Date: and

4.8.2 where relevant, ~~three months less fifteen Business Days~~ two months plus twelve calendar days after the Construction Assumptions Date,

and, in the case of an OTSDUW Build Application, shall submit an OTSDUW Completion Report to NGENSO 6 months prior to the proposed OTSUA Transfer Time, or such other date as the Offshore Transmission Owner and NGENSO shall agree, and, in any event, by the OTSUA Transfer Time.

4.9 NGESO and a Transmission Owner may agree that the Transmission Owner may submit its TO Construction Offer otherwise than in accordance with the dates set out in paragraph 4.8 provided that:

4.9.1 a TO Construction Offer to which sub-paragraph 4.8.1 applies shall be submitted not later than ~~three months less five Business Days~~ **two months plus twenty-one calendar days** after the NGESO Application Date; and

4.9.2 a TO Construction Offer to which sub-paragraph 4.8.2 applies shall be submitted not later than ~~three months less seven Business Days~~ **two months plus nineteen calendar days** after the Construction Assumptions Date,

unless otherwise determined by the Authority in accordance with an application under Standard Condition C9 of NGESO's Transmission Licence.

## 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>Positive</b> Ensures clarity and consistency for the Onshore TOs to submit TO Construction Offers to NGESO, in turn supporting them to issue offers to Users in a timely manner.
(b) development, maintenance and operation of an efficient, economical and coordinated system of electricity transmission	<b>Neutral</b>
(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>Positive</b> Ensures consistent treatment by STC parties for Users requesting construction offers/connection offers.
(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>
(e) promotion of good industry practice and efficiency in the implementation and administration of the arrangements described in the STC	<b>Positive</b> Removes a drafting anomaly causing STC main body text and STC procedures to be misaligned.
(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>

(g) compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.	<b>Neutral</b>
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### 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	<b>Neutral</b>
Lower bills than would otherwise be the case	<b>Neutral</b>
Benefits for society as a whole	<b>Neutral</b>
Reduced environmental damage	<b>Neutral</b>
Improved quality of service	<b>Positive</b> Ensures there is no risk of the STC obligations preventing the Onshore TOs and NGENSO from providing good customer service for issuing construction/connection offers to Users in a timely manner.

### When will this change take place?

#### Implementation date

As soon as possible.

#### Date decision required by

As soon as possible.

#### Implementation approach

Internal processes for the Onshore TOs may need to re-align if they do not already follow the proposed approach.

#### Proposer's justification for governance route

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

This modification is primarily focused on resolving a legal drafting anomaly and ensuring consistent operational practices amongst the Onshore TOs and NGENSO. The proposed solution merely applies standard practice today in the code text by adopting STCP18-1 provisions. Given the nature of this change, it is recommended to apply it as efficiently and swiftly as the governance arrangements permit.

**Interactions**

- |  |   |                                |                               |
|--|---|--------------------------------|-------------------------------|
| <input type="checkbox"/> Grid Code                 | <input type="checkbox"/> BSC                    | <input type="checkbox"/> CUSC  | <input type="checkbox"/> SQSS |
| <input type="checkbox"/> European<br>Network Codes | <input type="checkbox"/> Other<br>modifications | <input type="checkbox"/> Other |                               |

**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
NGESO	National Grid Electricity System Operator
TO	Transmission Operator

**Reference material**

- None.