CM054 Code Governance Review (Phase 2): Fast Track Self-Governance and Objections

What stage is this document at?

01 Initial Modification Report

02 Proposed Modification Report

03 Modification Report

This Modification Proposal seeks to introduce a Fast Track Self-Governance process into the STC.

This document assists the Authority in their decision of whether to implement the above Modification.

Published on: **18 September 2013**

The Proposer recommends:
that CM054 should be implemented as it better facilitates applicable STC objectives(a) and (e)

High Impact:
None identified

Medium Impact:
None identified

Low Impact:
Transmission Owners and Developers of Offshore Networks

Contents

1 Executive Summary 3

2 Description of Proposed Modification and its Effects 4

3 Impacts & Assessment 7

4 Consultation Responses 10

5 Recommendations 11

Annex 1 - Draft Legal Text 12

Annex 2 - Draft STCP 24-3 37

Annex 3 - STC Modification Fast Track Process Diagram 41

Annex 4 - STC Modification Fast Track Report 43

Annex 5 - Copies of Representations Received Error! Bookmark not defined.

About this document

Further to the submission of the Modification Proposal CM054 and the subsequent wider industry consultation that was undertaken by the STC Modification Panel, this document is addressed and furnished to the Authority in order to assist them in their decision whether to implement Modification Proposal CM054.

Document Control

Version	Date	Author	Change Reference
0.1	26 September 2013	STC Modification Panel	Draft Modification Report for Authority

Any Questions?

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1 Executive Summary

1.1 CM054 proposes changes to facilitate the implementation of Code Governance Review (Phase 2) into the STC. The STC Modification Fast Track process will allow for minor housekeeping changes to be approved by the STC Modification Panel without the need to follow the full modification process. This would allow for minor housekeeping changes to be implemented in shorter timescales.

1.2 CM054 was proposed by National Grid Electricity Transmission plc (NGET) and submitted to the STC Modification Panel for their consideration on 24 July 2013. The Panel determined that the proposal should progress to Industry Consulation and sent to the wider industry for a period of 30 business days.

STC Modification Panel Recommendation

1.3 The STC Modification Panel recommends that STC Modification Proposal CM054 be approved for implementation. CM054 will support a more efficient governance process by enabling the STC Modification Panel to make a determination on Modification Proposals that meet the Fast Track Self-Governance criteria without requiring Authority approval.

1.4 Should the Authority approve STC Modification Report CM054, it is provisionally recommended that the STC be modified 10 business days after the Authority decision.

2 Description of Proposed Modification and its Effects

Background

2.1 In November 2007, Ofgem initiated Code Governance Review (CGR Phase 1)[1] which sought to address concerns that the existing code arrangements may be too complex and inaccessible to smaller market participants. Following initiation of CGR Phase 1, Ofgem proposed to prioritise changes to the CUSC, UNC and BSC as most major policy reform is achievable through the modification of these codes. Following on from this Ofgem published their final proposals and a consultation on the proposed licence drafting on 31 March 2010[2]. These changes were implemented into their respective codes at the end of 2010.

2.2 In April 2012, Ofgem announced their intention to initiate a second Code Governance Review (CGR Phase 2)[3] which would look at introducing the arrangements from CGR Phase 1 into the other codes such as the System Operator Owner Code the Grid Code. Following on from this, Ofgem published a consultation on their CGR Phase 2 Proposals in September 2012[4] and announced their CGR2 Phase 2 final proposals on 27 March 2013[5].

2.3 Alongside the publication of their Final Proposals, Ofgem also published an updated Electricity Transmission Licence drafting to give effect to their CGR Phase 2 Final Proposals.

2.4 STC Modification Proposal CM054 was proposed by NGET and was formally submitted to the STC Modification Panel on 26 June 2013[6], seeking to introduce a new process for Fast Track Self-Governance into the STC. The STC Modification Fast Track process will allow for minor housekeeping changes to be implemented in shorter timescales, and the proposed changes will also ensure the STC complies with the new revisions set out in the revised Electricity Transmission Licence. It was agreed at the STC Modification Panel meeting by the Panel members that this should progress to an Industry Consultation for a period of 30 business days.

2.5 National Grid proposes to introduce Fast Track Self-Governance into the STC to meet the requirements set out in the revised Electricity Transmission Standard Licence Condition B12[7].

The STC Modification Fast Track Process

2.6 The STC Modification Fast Track process seeks to introduce a new process for STC changes, whereby if the STC Modification Panel unanimously determines that it meets the Fast Track Self-Governance criteria then the modification will proceed without Authority approval.

2.1 This proposal is intended for proposals where a modification can reasonably be considered to simply reflect a matter of fact and a housekeeping modification is required as a result of some error or factual change, the

[1] http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=3&refer=Licensing/IndCodes/CGR

[2] http://www.ofgem.gov.uk/Licensing/IndCodes/CGR/Documents1/CGR_LicenceConDoc_310310.pdf

[3] http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=392&refer=Licensing/IndCodes/CGR

[4] http://www.ofgem.gov.uk/Licensing/IndCodes/CGR/Documents1/Code%20Governance%20Review%20Phase%202.pdf

[5] http://www.ofgem.gov.uk/Licensing/IndCodes/CGR/Documents1/CGR%202%20-%20Final%20Proposals.pdf

[6] Fast Track Self-Governance Modification Proposal:
http://www.nationalgrid.com/uk/Electricity/Codes/sotocode/Modification+Panel/2013/26th+June/

[7] http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=409&refer=LICENSING/INDCODES/CGR

modification may proceed using this Fast Track Self-Governance Process. Examples of such amendments include:

- Updating names or addresses listed in the STC;
- Correcting minor typographical errors;
- Correcting formatting and consistency errors; and
- Updating out of date references to documents or paragraphs.

2.2 The proposer would provide their rationale for Fast Track Self-Governance within a newly developed 'STC Modification Fast Track Report' and the Panel will use this to base their final decision on implementation.

2.3 The proposer will submit a draft STC Modification Fast Track Report to the STC Modification Panel Secretary 10 business days prior to the STC Modification Panel meeting.

2.4 The Code Administrator will update the draft STC Modification Fast Track Report, which will include the proposed legal text for circulation and publication on STC Papers day.

2.5 Following submission of the STC Modification Fast Track Report to the STC Modification Panel, the Panel will discuss and provide a degree of examination before voting on whether the modification should be implemented.

2.6 There will be no evaluation against the STC Applicable objectives, as this is not a licence requirement for a STC Fast Track Self-Governance Modification. The STC Modification Panel will determine their decision based on scrutiny and discussion of the proposed modification.

2.7 At the STC Modification Panel, members will need to be unanimous in their voting. If the Panel were not unanimous this would be an indication that the change is not manifestly obvious or a clear matter of fact, and would therefore be raised using the normal modification process (Authority decision) or through Self-Governance (Panel decision including Industry Consultation).

2.8 When the STC Modification Panel's view is unanimous on the proposed modification meeting the Fast Track Self-Governance criteria, and the Panel unanimously determines that the modification should be made, this will be detailed and confirmed in the STC Modification Fast Track Report.

2.9 If the Panel's view is not unanimous that the proposed modification meets the Self-Governance Fast Track criteria the Panel Secretary will request further information from the proposer in the form of a standard STC Modification Proposal form.

2.10 Following submission, the Modification Proposal will follow the modification change routes and will retain its unique reference number.

2.11 If the Modification Proposal form has not been submitted in time for the next Panel meeting, the Panel Secretary may reject the proposal.

The Objections Process

2.12 The 15 working days objection window would commence from the publication of the approved STC Modification Fast Track Report

2.13 All parties that can propose a modification to the STC can raise an objection.

2.14 An email will be sent to the STC Modification Panel Secretary at STC.Team@nationalgrid.com with details of the objection.

2.15 If an objection is received, the Panel Secretary will notify the STC Parties and the Authority that the approved STC Modification Fast Track Proposal shall not be implemented.

2.16 The Panel Secretary shall notify the proposer that additional information is required, if the proposer wishes the STC Fast Track Modification Proposal to continue as a STC Modification Proposal.

2.17 The Panel Secretary may reject the STC Modification Proposal if the additional information has not been received in time for the next STC Modification Panel meeting.

3 Impacts & Assessment

STC Parties' Assessments

National Grid

3.1 National Grid is supportive of Modification Proposal CM054 and has carried out an Assessment of the Proposed Modification.

3.2 The implementation of CM054 would not have any physical impact on National Grid's Transmission system or require any changes to the IS systems. No additional works or monies would be required to implement the proposed change.

Offshore Transmission Owners (OFTOs)

3.3 The OFTOs are supportive of Modification Proposal CM054, and have completed an Assessment on the Proposed Modification.

3.4 The implementation of CM054 would not have any physical impact on OFTOs system(s) or require changes to IS systems. No additional works or monies would be required to implement the proposed changes.

Scottish Hydro-Electric Transmission plc (SHET)

3.5 SHET are supportive of Modification Proposal CM054, and have completed an Assessment on the Proposed Modification.

3.6 The implementation of CM054 would not have any physical impact on SHET system(s) or require changes to IS systems. No additional works or monies would be required to implement the proposed changes.

SP Transmission Limited (SPT)

3.7 SPT are supportive of Modification Proposal CM054, and have completed an Assessment on the Proposed Modification.

3.8 The implementation of CM054 would not have any physical impact on SPT system(s) or require changes to IS systems. No additional works or monies would be required to implement the proposed changes.

Impact on the System Operator – Transmission Owner Code (STC)

3.9 The proposed modification will require changes to STC Section B Governance, and Section J Interpretation & Definitions.

3.10 There is also a need to develop a new STCP 24-3 to contain the process detail that will support CM054.

Impact on the National Electricity Transmission System (NETS)

3.11 The proposed changes will not have an adverse impact on the NETS.

Impact on STC Users

3.12 The proposed modification to the STC are new processes and will not change current operational process hence the impact is negligible on STC Users.

Impact on Safety

3.13 The proposed modification will not have an impact on safety.

Impact on Greenhouse Emissions

3.14 The proposed modification will not have an impact on greenhouse gas emissions.

Assessment against STC Objectives

3.15 The STC Modification Panel considers that CM054 would better facilitate the STC objective(s):

(a) efficient discharge of the obligations imposed upon transmission licensees by transmission licences and the Act;

The proposed changes to the STC will allow the transmission licensees to meet the new obligations imposed upon them through the transmission licence which have resulted from Code Governance Review (Phase 2).

(b) development, maintenance and operation of an efficient, economical and co-ordinated system of electricity transmission;

The proposal is neutral on this objective

(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;

The proposal is neutral on this objective

(d) protection of the security and quality of supply and safe operation of the national electricity transmission system insofar as it related to interactions between transmission licensees;

The proposal is neutral on this objective

(e) promotion of good industry practice and efficiency in the implementation and administration of the arrangements described in the STC; and

The proposed changes to the STC will promote good industry practice by aligning the STC with other industry codes. The changes will also support a more efficient governance process by enabling the STC Modification Panel to make a determination on Modification Proposals that meet the fast track self governance criteria without requiring Authority approval.

(f) facilitation of access to the national electricity transmission system for generation not yet connected to the national electricity transmission system or distribution system;

The proposal is neutral on this objective

Impact on core industry documents

3.16 The proposed modification does not impact on any core industry documents.

Implementation

3.17 This STC Modification Proposal proposes CM054 should be implemented 10 business days after an Authority decision. Views are invited on this proposed implementation date.

4 Consultation Responses

4.1 Views have been invited from Industry Parties upon the Proposed Modification CM054. The Industry Consultation opened on 30 July 2013 and closed 30 working days later on the 11 September 2013.

4.2 The STC Modification Panel received no responses from Industry in relation to this Modification Proposal.

5 Recommendations

5.1 The STC Modification Panel provisionally recommends that STC Modification Proposal CM054 be approved for implementation.

5.2 Should the Authority approve Modification Proposal CM054, it is recommended that the STC be modified 10 business days after the Authority's decision.

Annex 1 - Draft Legal Text

This section contains the proposed legal text to give effect to the proposals. The proposed new text is in bold and colour coded as shown below. This is based on STC Section B (version 9, 24th March 2013).

Due to the nature of the changes required to implement all of the Code Governance Review Phase 2 proposals, the following legal text contains the changes required for:

CM050: Code Governance Review (Phase 2): Self-Governance and Appeals

CM051: Code Governance Review (Phase 2): Significant Code Review

CM052: Code Governance Review (Phase 2): Code Administrator and Code Administration Code of Practice

CM053: Code Governance Review (Phase 2): Send Back Process

CM054: Code Governance Review (Phase 2): Fast Track Self-Governance and Objections

4. PARTY DETAILS

4.1 For the purposes of this Code, the "**Party Details**" of a Party, which shall include for the purposes of this paragraph 4, a Party Applicant, are the following details and documentation of the Party:

4.1.1 its full name and contact details;

4.1.2 the name, address, and facsimile number of the person for whose attention notices issued in accordance with Section G, paragraph 12 should be marked;

4.1.3 details for service of process;

4.1.4 a copy of its current Transmission Licence (in the case of an Offshore Transmission Owner a copy of the notice from the Authority shall be provided and following this a copy of its Transmission Licence shall be provided five Business Days after the grant of its Transmission Licence);

4.1.5 the Party's VAT registration number; and

4.1.6 its Party Category.

4.2 Each Party shall:

4.2.1 provide its Party Details to the Panel Secretary; and

4.2.2 ensure that its Party Details for the time being provided to the Panel Secretary remain accurate and complete in all material respects.

4.3 Without prejudice to the generality of paragraph 4.2, if at any time:

4.3.1 a Party wishes to change any of its contact details forming part of such Party Details; or

4.3.2 the Party Details of a Party otherwise cease for whatever reason to be accurate and complete in all material respects,

then such Party shall notify the Panel Secretary as soon as reasonably practicable (and, wherever possible, in advance of such change) and shall provide such further information and supporting documentation as the Panel Secretary may reasonably require to evidence such change.

4.4 The Panel Secretary shall:

4.4.1 maintain an up-to-date list of the contact details forming a part of the Party Details in respect of each of the Parties and ensure that such list is available on the Code Website;

4.4.2 upon receipt of Party Details from a Party pursuant to paragraph 4.2, make available such Party Details to each of the other Parties and the Authority. The Panel Secretary shall update Schedule A of this STC accordingly;

4.4.3 promptly update the Party Details pursuant to paragraph 4.3 and notify the Parties and the Authority of any such changes; and

4.4.4 fulfil the role of the Code Administrator for the STC Modification Panel, maintain, publish, review and (where appropriate) amend from time to time the Code Administration Code of Practice approved by the Authority in conjunction with other code administrators.

5. WITHDRAWAL

5.1 Procedure

5.1.1 Each Party (the "**Withdrawing Party**") shall be entitled to withdraw from the Framework Agreement (including pursuant to an assignment or transfer under Section G paragraph 6) and thereby cease to be a Party from the Withdrawal Date under sub-paragraph 5.1.4.

5.1.2 A Withdrawing Party shall give notice to the Panel Secretary, each of the other Parties and the Authority of its intention to withdraw from the Framework Agreement (a "**Withdrawal Notice**"), which Withdrawal Notice shall include a Proposed Withdrawal Date. In any case where a Party is notified that its Transmission Licence will be revoked, that Party shall be deemed to have issued a Withdrawal Notice on the date of such notice of revocation.

5.1.3 As soon as reasonably practicable following the date of issue of a Withdrawal Notice under sub-paragraph 5.1.2, each Party Representative shall use its reasonable endeavours to agree the procedures, processes and steps required to be taken by each of the Parties (such agreement not to be unreasonably withheld) such that a remaining Party would not be caused to be in breach of its obligations under the Code as a consequence of the withdrawal of the Withdrawing Party ("**Decommissioning Actions**") after the Withdrawal Date (as defined at sub-paragraph 5.1.4) and such Decommissioning Actions may be amended as required from time to time upon agreement by the Party Representatives (such agreement not to be unreasonably withheld).

5.1.4 Each Party shall expeditiously undertake such actions as are required of it under and pursuant to the Decommissioning Actions to give effect to their timely completion, following which, the Panel Secretary shall give notice to the Authority of the completion of such Decommissioning Actions on behalf of the Parties following agreement by the Party Representatives of such notice. Such notification shall specify the date upon which the Withdrawing Party shall withdraw from the Framework Agreement which date (subject to sub-paragraph 5.1.5) shall be referred to herein as the "**Withdrawal Date**".

Website and (where relevant details are supplied to the Panel Secretary) despatch by electronic mail shall fulfil this obligation.

6.2 **Functions of the STC Modification Panel and Code Administrator**

6.2.1 The functions of the STC Modification Panel shall be the:

6.2.1.1 evaluation and administration of amendments to the Code in accordance with the procedures set out in this Section B;

6.2.1.2 review of the consequences of amendments to the Code;

6.2.1.3 administration of the Code as specified in this Section B; ~~and~~

6.2.1.4 establishment of joint working arrangements pursuant to sub-paragraph 7.2.9.1 below~~.~~; **and**

6.2.1.5 consider any changes to the Code Administrator Code of Practice that the Code Administrator considers appropriate to raise.

6.2.2 The STC Modification Panel shall endeavour at all times to perform its functions:

6.2.2.1 in an efficient, economical and expeditious manner, taking account of the complexity, importance and urgency of particular STC Modification Proposals; and

6.2.2.2 with a view to ensuring that the Code facilitates achievement of the Applicable STC Objectives.

6.2.3 NGET shall establish and maintain a Code Administrator function, which shall carry out the roles referred to in Paragraph 4.4.4 and 6.2.4.

6.2.4 The Code Administrator will undertake, and the STC Modification Panel shall ensure that the Code Administrator will undertake, its functions consistently with the Code Administrator Code of Practice.

6.2.5 The procedures set out in the Code, to the extent that they are dealt with in the Code Administration Code of Practice, are consistent with the principles contained in the Code Administration Code of Practice. Where inconsistencies or conflicts exist between the Code and the Code Administration Code of Practice, the Code shall take precedence.

6.3 **Structure of STC Modification Panel Meetings**

6.3.1 STC Modification Panel Meetings shall be held on a monthly basis unless otherwise requested by a Party Representative and with the agreement of the other Party Representatives, or as otherwise specifically provided for in this Section B, at such time, at such place in Great Britain and in such form including,

6.3.6 The Panel Secretary shall send a copy of the notice convening a STC Modification Panel Meeting, and the agenda and papers accompanying the notice to the following persons at the same time as the notice under sub-paragraph 6.3.5 is given to the Party Representatives:

6.3.6.1 the appointed representative(s) of the Authority; and

6.3.6.2 any other person designated by the Authority under sub-paragraph 7.2.2.1(b),

and subsequently send to such persons any supporting papers received not less than five Business Days or on such earlier date as the Party Representatives receive such supporting papers under sub-paragraph 6.3.5.

6.3.7 With the consent of all Party Representatives the requirements of this paragraph 6.3 as to the date of, manner in and notice on which a STC Modification Panel Meeting is convened, may be waived or modified including, without limitation, pursuant to sub-paragraph 6.3.8 (save that the Party Representatives may not exercise this right to waive or detrimentally modify the rights held by Authority representatives or persons designated by the Authority under sub-paragraph 7.2.2.1(b)).

6.3.8 Where:

6.3.8.1 any matter not contained in the agenda for a STC Modification Panel Meeting is put before a STC Modification Panel Meeting; and

6.3.8.2 in the opinion of the Party Representatives it is necessary (in view of the urgency of the matter) that the STC Modification Panel should resolve upon such matter at the STC Modification Panel Meeting,

(subject always to the provisions of paragraph 6.4), the Party Representatives may so resolve upon such matter at the STC Modification Panel Meeting.

6.4 **Proceedings at STC Modification Panel Meetings**

6.4.1 Subject as expressly provided in the Code, the Party Representatives may regulate the conduct of and adjourn and convene STC Modification Panel Meetings as they deem fit.

6.4.2 The Panel Chair shall preside as chairman of every STC Modification Panel Meeting unless the Panel Chair is unable to attend in which case such other person shall take the position of chair as the Panel Chair shall nominate to act in his place.

6.4.3 Subject to sub-paragraph 6.4.6, no business shall be transacted at any STC Modification Panel Meeting unless a Quorum (as defined in sub-paragraph 6.4.5) is present.

6.4.4 Each (and only each) Party Representative shall be entitled to exercise one vote at a STC Modification Panel Meeting. A matter before the STC Modification Panel must be agreed in accordance with sub-paragraph 6.6 in order to be passed.

6.4.5 For the purposes of this paragraph 6, a "**Quorum**" shall be constituted where each Party Category is represented by at least one Party Representative unless

(a) all of the Party Representatives representing a Party Category notify the Panel Secretary and the other Party Representatives that the matters to be discussed at such STC Modification Panel Meeting do not materially affect the Party Category, in which case such Party Representatives (with the consent of the other Party Representatives) may waive their right to attend and vote, or

(b) no Party Representatives have been appointed in accordance with paragraph 6.1.2 by a Party Category.

For the avoidance of doubt, in the circumstances where Party Representatives representing a Party Category have waived their right to attend a meeting matters may only to be voted upon that are contained within the agenda or papers circulated pursuant to paragraph 6.3.5 or 6.3.6.

6.4.6 Where a Quorum is not present, the Panel Secretary shall seek to adjourn such STC Modification Panel Meeting to a later date unless it is the third consecutive STC Modification Panel Meeting that has been required to be adjourned as a consequence of the failure to attend by a particular Party Representative, in which case, such STC Modification Panel Meeting shall nonetheless proceed and subsequent ratification of decisions taken at the STC Modification Panel Meeting by such non-attending Party Representative shall not be required unless the lack of attendance by such Party Representative (on any of the three occasions) was as a consequence of an omission to send such Party Representative the details of the STC Modification Panel Meeting required pursuant to sub-paragraph 6.3.5 (unless otherwise agreed pursuant to sub-paragraph 6.3.7), in which case such ratification must be obtained.

6.4.7 An omission to send STC Modification Panel Meeting documents to a person entitled to receive them under sub-paragraph 6.3.6.2 shall not prevent a STC Modification Panel Meeting from proceeding unless otherwise directed by the Authority.

6.4.8 As soon as is practicable after each STC Modification Panel Meeting, the **Code Administrator** ~~**Panel Secretary**~~ shall prepare and send to the Party Representatives and the Authority the minutes of such STC Modification Panel Meeting, which shall be approved (or amended and approved) by the STC Modification Panel at the next STC Modification Panel Meeting after they were so sent and, when approved, the Panel Secretary shall publish the approved

achievement of the Applicable STC Objectives than if that proposal were not made; and

6.7.7.2 where it wishes to do so, provide a statement in accordance with the system established under Paragraph 6.7.4 of the reasons, by reference to the Applicable STC Objectives, for its vote.

6.7.8 Where, in respect of a proposal and a Party Category that is specified in the relevant STC Modification Report as being eligible to vote, no Group in that Party Category casts a vote, such Party Category shall, for the purposes of Paragraph 6.8, be treated as if it were not eligible to vote.

6.8 Decision

6.8.1 An STC Modification Proposal shall be accepted where, in respect of each Party Category that was eligible to vote, the number of Groups in that Party Category which voted to accept the proposal is greater than 65% of the total number of Groups in that Party Category which voted

6.8.2 In all other cases an STC Modification Proposal shall be rejected.

6.8.3 The Secretariat shall, as soon as is reasonably practicable after the acceptance or rejection of an STC Modification Proposal, give notice of that decision to:

6.8.3.1 each Party Representative;

6.8.3.2 any person or body that is designated in writing by the Authority for the purpose of paragraph 7.2.2.1 (b); and

6.8.3.3 the Authority,

7. MODIFICATION OF THE CODE AND CODE PROCEDURES

7.1 General

7.1.1 For the purposes of this paragraph 7 only, references to the "Code" shall be deemed not to include reference to the Code Procedures or to Schedule Two.

7.1.2 The process for amending Code Procedures and Schedule Two is set out in paragraph 7.3.

7.1.3 The Code and Code Procedures may (and may only) be amended from time to time pursuant to the Transmission Licence.

7.1.3A Amendments to The Code and Code Procedures may be in response to a Significant Code Review, as provided for in the Transmission Licence.

7.1.3A Change Routes

(a) A STC Modification Proposal may either proceed directly along the Standard STC Modification Process, or it may be subject to

additional process steps, if raised during a Significant Code Review.

(b) If a STC Modification Proposal is deemed by the STC Modification Panel to meet the Self-Governance Criteria, it will be subject to a different process.

(c) If a STC Fast Track Modification Proposal is determined by the STC Modification Panel to meet the Fast Track Criteria, it will be subject to the process set out at STCP24-3 and shall become a STC FastTrack Report.

7.1.4 An amendment to the Code or to a Code Procedure may necessitate amendment to the contents of a relevant TO Construction Agreement (as opposed to the form of the terms which are set out in a Schedule to the Code and therefore a part of the Code) and, in those circumstances, those agreements contain provisions for such alterations to be effected.

7.1.5 Each Party shall keep under review whether any possible change to this Code or any Code Procedure would better facilitate achievement of the Applicable STC Objectives and shall, in accordance with this paragraph 7 and, to the extent that such matter is not covered by a STC Modification Proposal or a proposed amendment to a Code Procedure, propose such change which, in the Party's opinion, would do so.

7.1.6 The Party Representatives shall endeavour at all times to act pursuant to this Section B, paragraph 7:

7.1.6.1 in an efficient, economical and expeditious manner taking account of the complexity, importance and urgency of a particular amendment; and

7.1.6.2 with a view to ensuring that the Code, Schedule Two and the Code Procedures facilitate achievement of the Applicable STC Objectives.

7.1.7 Significant Code Review

(a) A Significant Code Review is a code review process initiated and led by the Authority, on one of a number of potential triggers. The Authority will launch a Significant Code Review on publication of a notice setting out matters such as the scope of the review, reasons for it and announcing the start date.

(b) A Significant Code Review Phase begins on the start date set out in the Authority's notice, during which time STC Modification Proposals that relate to the subject matter of the review are restricted, to ensure the process is as efficient as possible. The Significant Code Review Phase shall end either:

(i) on the date on which the Authority issues a statement that no directions will be issued in relation to the STC; or

(ii) if no statement is made, on the date on which a Party has made a modification proposal in accordance with directions issued by the Authority; or

(iii) immediately, if neither a statement nor directions are issued by the Authority within (and including) twenty-eight (28) days from the Authority's publication of its Significant Code Review conclusions.

(c) A process is set out in this Section B and Code Procedure 24-1 for analysing and consulting on STC Modification Proposals with a view to referring to the Authority those that may be restricted during a Significant Code Review. Subject to Paragraph 7.1.8, those STC Modification Proposals that are not so restricted proceed along the standard STC Modification Process of consultation with the industry followed by approval or non-approval by the Authority.

7.1.8 Self-Governance

In addition, Self-Governance Criteria are set out against which STC Modification Proposals must also be evaluated and consulted upon. If a proposal meets the criteria, it may proceed without Authority approval, and the STC Modification Panel may consult on and determine itself whether to implement the STC Modification Proposal.

7.1.9 Fast Track

If the STC Modification Panel unanimously determine that a STC Modification Fast Track Report meets the Fast Track Criteria, it will proceed without Authority approval.

7.2 **Amendment of the Code**

7.2.1 The remainder of this paragraph 7.2 is subject to the Urgent STC Modification Proposal procedures under sub-paragraph 7.2.6.

7.2.2 **STC Modification Proposals**

7.2.2.1 A proposal to amend the Code may be made by any of the following:

(a) a Party; or

(b) such person or persons having a relevant interest as may be designated in writing for this purpose by the Authority from time to time; or,

(c) a Party Representative

(referred to in this Section B as the **"Proposer"**).

7.2.2.2 A proposal made pursuant to sub-paragraph 7.2.2.1 shall be submitted in writing to the Panel Secretary and shall contain the following information in relation to such proposal:

(a) the name of the Proposer;

(b) a description (in reasonable but not excessive detail) of the issue or defect which the proposal seeks to address;

(c) a description (in reasonable but not excessive detail) of the proposal and of its nature and purpose;

(d) where possible, an indication of those parts of the Code and Code Procedures which, in the opinion of the Proposer, would be likely to require amendment in order to give effect to (or would otherwise be affected by) the proposal and an indication of the nature and contents of those amendments or effects (including, where relevant, any need for the establishment of new Code Procedures or removal of existing Code Procedures);

(e) the reasons why the Proposer believes that the proposal would better facilitate achievement of the Applicable STC Objectives as compared with the then current version of the Code, together with background information in support thereof;

(f) where possible, an indication of the potential impact of the proposal on the BSC, CUSC or any Core Industry Document;

(g) the reasoned opinion of the Proposer as to whether the STC Modification Proposal would have a quantifiable effect on greenhouse gas emissions, where the impact is likely to be material, assessed in accordance with such current guidance on the treatment of carbon costs and evaluation of the greenhouse gas emissions as may be issued by the Authority from time to time;

(h) where possible, an indication of the potential impact of the proposal on relevant computer systems and processes used by the Parties and on any STC Modification Proposal; ~~and~~

(i) where a Proposer is a person falling under sub-paragraph 7.2.2.1(b), a statement to the effect that the Proposer acknowledges that, on acceptance of the proposal as a STC Modification Proposal for consideration by the STC Modification Panel (pursuant to sub-paragraph 7.2.2.3) and, notwithstanding that the Proposer is not a Party, the Proposer shall grant a licence and provide a warranty in the same terms as set out in sub-paragraph 7.2.2.5; and~~.~~

(j) **the reasoned opinion of the Proposer as to why the proposed modification should not fall within a current Significant Code Review, whether the proposed modification meets the Self-Governance Criteria or whether the proposed modification should proceed along the Standard STC Modification Proposal route.**

If a proposal fails to contain any information required under this sub-paragraph 7.2.2.2, the Panel Secretary shall notify the Proposer, who may submit a revised proposal in compliance with this sub-paragraph 7.2.2.

Notwithstanding the Proposer failing to provide the information listed in (j) above, the STC Modification Panel may still determine that a STC Modification Proposal meets the Self-Governance Criteria.

7.2.2.3 A proposal made pursuant to and in compliance with sub-paragraph 7.2.2.2 shall be processed as a **"STC Modification Proposal"** as further provided in this paragraph 7.2.

7.2.2.4 Upon receipt of a STC Modification Proposal, the Panel Secretary shall as soon as reasonably practicable:

(a) send a copy of the STC Modification Proposal (including the information set out in sub-paragraphs 7.2.2.2(a) to (h)) to the Party Representatives, the Authority and any other person designated by the Authority under sub-paragraph 7.2.2.1(b);

(b) subject to the provisions of paragraph 6.3, put the STC Modification Proposal on the agenda for the next STC Modification Panel Meeting; and

(c) post the STC Modification Proposal on the Code Website or, failing that, publish the STC Modification Proposal in such other manner as the Party Representatives deem appropriate to bring it to the attention of interested third parties.

7.2.2.5 It shall be a condition to the right to make a proposal to amend the Code under this paragraph 7.2 that the Proposer:

(a) grants a non-exclusive royalty-free licence to all Parties who request the same covering all present and future rights, Intellectual Property Rights and moral rights it may have in such proposal (as regards use or application in Great Britain and Offshore); and

(b) warrants that, to the best of its knowledge, information and belief, no other person has asserted to the Proposer that such person has any Intellectual Property Rights or moral rights or rights of confidence in such proposal inconsistent with the Parties' rights to make, publish or use such proposal,

and, in making a proposal, a Party shall be deemed to have granted the licence and given the warranty contained in sub-paragraphs (a) and (b) above respectively.

7.2.2.6 Save where a STC Modification Proposal has been determined by the STC Modification Panel to fall within a Significant Code Review, ~~T~~the Proposer may withdraw:

(a) its STC Modification Proposal on notice to the Panel Secretary at any time;~~, or~~

(b) its support for a STC Modification Proposal that meets the Self-Governance Criteria by notice to the Panel Secretary at any time prior to the STC Modification Panel Self-Governance Vote undertaken in relation to that STC Modification Proposal pursuant to Paragraph 7.2.6B.10; and,

(c) its support for an STC Modifciation Fast Track by notice to the Panel Secretary.

in which case, the Panel Secretary shall promptly notify the Party Representatives, the Authority and any other person designated by the Authority under sub-paragraph 7.2.2.1(b) and then, six Business Days after issue of such notice by the Panel Secretary, shall (unless a notice is received pursuant to sub-paragraph 7.2.2.7):

(a) revise the STC Modification Register;

(b) remove the STC Modification Proposal from the agenda of the next STC Modification Panel Meeting (as relevant); and

(c) remove the STC Modification Proposal from the Code Website.

7.2.2.7 Each Party, or any other person designated by the Authority under sub-paragraph 7.2.2.1(b), may within five Business Days of the date of a notice from the Panel Secretary under sub-paragraph 7.2.2.6, notify the Panel Secretary that it is prepared to support the STC Modification Proposal in place of the original Proposer. If such notice is received, the name of such Party or other person designated by the Authority under sub-paragraph 7.2.2.1(b) shall replace that of the original Proposer and such Party or other person shall be treated as the Proposer of the STC Modification Proposal and, subject to the provisions of paragraph 6.3 the STC Modification Proposal shall otherwise continue in accordance with this paragraph 7.2. If more than one notice is received under this sub-paragraph 7.2.2.7, the first received notice shall have effect.

7.2.2.8 Each Party, or any other person designated by the Authority under sub-paragraph 7.2.2.1(b), may propose one or more alternatives to a

STC Modification Proposal. Such alternative proposal(s) may be so submitted to the Panel Secretary at any time up until the point at which a STC Modification Proposal is referred to the Assessment and Report Phase under sub-paragraphs 7.2.3.3 or 7.2.4.4 and shall be submitted in the same form as a proposal pursuant to sub-paragraph 7.2.2.2 and, upon compliance with which, such proposal shall be referred to as an **"Alternative STC Modification"**. An Alternative STC Modification may be withdrawn and supported in the same manner as a STC Modification Proposal pursuant to sub-paragraphs 7.2.2.6 and 7.2.2.7. The Proposer of an Alternative STC Modification shall be deemed to be a Proposer for the purposes of this paragraph 7.2.

7.2.3 **STC Modification Panel Amendment Meetings**

7.2.3.1 Pursuant to sub-paragraph 7.2.2.4, the STC Modification Panel shall consider a STC Modification Proposal or any Alternative STC Modification (unless it or they have been withdrawn under sub-paragraph 7.2.2.6) at the next STC Modification Panel Meeting, in accordance with and subject to the provisions of paragraph 6.3, and at such STC Modification Panel Meeting shall use all reasonable endeavours to decide (as and where relevant) whether:

(a) the Party Representatives require additional information in order to assess whether the STC Modification Proposal or any Alternative STC Modification would better facilitate achievement of the Applicable STC Objectives;

(b) pursuant to a recommendation under sub-paragraph 7.2.6.1(a) to recommend to the Authority that the STC Modification Proposal or any Alternative STC Modification should be treated as an Urgent STC Modification Proposal;

(c) pursuant to sub-paragraph 7.2.3.4, to amalgamate the STC Modification Proposal with any other STC Modification Proposal;~~,~~

(d) to recommend whether or not the STC Modification Proposal should fall within a current Significant Code Review (save where there has been an exemption granted by the Authority in respect of the STC Modification Proposal, which the Authority may grant at any time);

(e) the STC Modification Proposal satisfies the Self-Governance Criteria or not.

7.2.3.1A Notwithstanding paragraph 7.2.3.1 above, during a Significant Code Review Phase the Authority may conclusively determine

that a STC Modification Proposal should fall within a current Significant Code Review.

7.2.3.2 Where, pursuant to sub-paragraph 7.2.3.1(a) above, the STC Modification Panel decides that any of the Party Representatives requires additional information or the STC Modification Panel cannot reach a decision on such matter, the STC Modification Panel shall refer the STC Modification Proposal or any Alternative STC Modification for evaluation under sub-paragraph 7.2.4.

7.2.3.3 Where, pursuant to sub-paragraph 7.2.3.1(a) above, the STC Modification Panel decides that the Party Representatives do not require additional information, the STC Modification Panel shall refer the STC Modification Proposal or any Alternative STC Modification directly to the Assessment and Report Phase under sub-paragraph 7.2.5.

7.2.3.4 The STC Modification Panel may decide to amalgamate a STC Modification Proposal with one or more other STC Modification Proposal(s) where the subject matter of STC Modification Proposal is sufficiently proximate to justify amalgamation on the grounds of efficiency and/or where such STC Modification Proposal(s) are logically dependent on each other.

7.2.3.5 Where STC Modification Proposals are amalgamated pursuant to sub-paragraph 7.2.3.4:

(a) such STC Modification Proposals shall be treated as a single STC Modification Proposal;

(b) references in this Section B to a STC Modification Proposal shall include and apply to a group of two or more STC Modification Proposals so amalgamated; and

(c) the Proposers of each such amalgamated STC Modification Proposal shall co-operate in deciding which of them shall constitute the Proposer of such amalgamated STC Modification Proposal, failing which agreement, the STC Modification Proposals shall continue separately as before.

7.2.3.6 Where, pursuant to sub-paragraph 7.2.3.1(d) above, the STC Modification Panel decides that a Modification Proposal may fall within the Significant Code Review the process set out in Code Procedure 24-1 shall apply.

7.2.3.7 The STC Modification Panel shall evaluate each STC Modification Proposal against the Self-Governance Criteria. The STC Modification Panel shall follow the procedure set out in Code Procedure 7.2.6B in respect of any STC Modification Proposal

that the STC Modification Panel considers meets the Self-Governance Criteria unless the Authority makes a direction in accordance with Paragraph 7.2.6B.2 and in such a case that STC Modification Proposal shall be a Standard STC Modification Proposal.

7.2.3.8 Unless the Authority makes a direction in accordance with Paragraph [8.25.4], a STC Modification Proposal that the STC Modification Panel considers does not meet the Self-Governance Criteria shall be a Standard STC Modification Proposal.

7.2.4 Evaluation Phase

7.2.4.1 The STC Modification Panel shall use its reasonable endeavours in order to ensure that the Evaluation Phase as set out in this sub-paragraph 7.2.4 shall take no longer than two months (or if a Workgroup is established 4 months) from its referral under sub-paragraph 7.2.3.2 up to the referral to the Assessment and Report Phase under sub-paragraph 7.2.4.4 unless otherwise agreed by the Authority.

7.2.4.2 Following referral of a STC Modification Proposal or any Alternative STC Modification pursuant to sub-paragraph 7.2.3.2, the STC Modification Panel shall invite representations or commission such studies, and other evaluation including through establishing a Workgroup as it deems appropriate in order that each Party Representative is provided with sufficient information such that it can assess whether the STC Modification Proposal or any Alternative STC Modification would better facilitate achievement of the Applicable STC Objectives.

7.2.4.A1 Where the STC Modification Panel deems it appropriate, it shall establish a Workgroup in accordance with sub-paragraph 7.2.4.2:

7.2.4.A2 A Workgroup shall comprise at least three (3) persons[(who may be STC Modification Panel Members) agreed by the STC Modification Panel provided there shall always be at least one member representing NGET, one member representing Onshore Transmission Owners and one member representing Offshore Transmission Owner. A representative of the Authority may attend any meeting of a Workgroup as an observer and may speak at such meeting.

7.2.4.A3 In addition to the quorum in 7.2.4A2. the STC Modification Panel shall appoint the chair of the Workgroup who will not be able to vote.

7.2.4.A4 The Workgroup shall be assisted by a secretary who shall be appointed by the STC Modification Panel.

7.2.5.14 NGET shall copy any notice received by it from the Authority following submission of the STC Modification Report in relation to the approval (or otherwise) of a STC Modification Proposal or any Alternative STC Modification to each of the Party Representatives and persons designated by the Authority under sub-paragraph 7.2.2.1(b) and the Panel Secretary shall publish such notice on the Code Website.

7.2.5.15 If the Authority determines that the STC Modification Report is such that the Authority cannot properly form an opinion on the STC Modification Proposal and any Alternative STC Modification(s), it may issue a direction to the STC Modification Panel:

(a) specifying the additional steps (including drafting or amending existing drafting associated with the STC Modification Proposal and any Alternative STC Modification(s)), revision (including revision to the timetable), analysis or information that it requires in order to form such an opinion; and

(b) requiring the STC Modification Report to be revised and to be re-submitted

And in the event of the Authority making such a direction STCP 24-2 shall apply.

7.2.6 **Urgent STC Modification Proposals**

7.2.6.1 Any Party or the Proposer (where the Proposer is not a Party) may:

(a) recommend to the STC Modification Panel that a proposal to amend the Code be treated as an Urgent STC Modification Proposal and provide a suggested timetable in relation to same; or

(b) request that the Panel Secretary convenes a STC Modification Panel Meeting by such means as are reasonably practicable to obtain the agreement of the STC Modification Panel (or otherwise) that the proposal be treated as an Urgent STC Modification Proposal; or

(c) where a STC Modification Panel Meeting cannot be arranged pursuant to sub-paragraph (b) above due to lack of agreement on the part of the Party Representatives, itself refer the proposal to the Authority for determination as to whether such proposal may be treated as an Urgent STC Modification Proposal and, if so, as to the procedure and timetable which should apply in respect thereof and, in doing so, shall state

that the STC Modification Panel has not considered the matter.

7.2.6.2 If the STC Modification Panel decides that such proposal should be treated as an Urgent STC Modification Proposal pursuant to sub-paragraph 7.2.6.1, the STC Modification Panel shall promptly consult with the Authority as to whether such proposal should be treated as an Urgent STC Modification Proposal and, if so, as to the procedure and timetable which should apply in respect thereof.

7.2.6.3 If the STC Modification Panel is not in agreement pursuant to sub-paragraph 7.2.6.1 that a proposal be treated as an Urgent STC Modification Proposal, any Party may itself refer the matter to the Authority but, in doing so, shall state that the STC Modification Panel do not recommend that the proposal be treated as an Urgent STC Modification Proposal.

7.2.6.4 The STC Modification Panel shall:

(a) not treat any proposal as an Urgent STC Modification Proposal except with the prior consent of the Authority;

(b) comply with the procedure and timetable in respect of any Urgent STC Modification Proposal approved by the Authority; and

(c) comply with any instruction of the Authority issued in respect of such Urgent STC Modification Proposal.

7.2.6.5 For the purposes of this sub-paragraph 7.2.6, the procedure and timetable in respect of an Urgent STC Modification Proposal may (with the approval of the Authority pursuant to sub-paragraphs 7.2.6.2 or 7.2.6.3) deviate from all or part of the STC Modification Procedures (save for this sub-paragraph 7.2.6) or follow any other procedure or timetable approved by the Authority.

7.2.6.6 Any STC Modification Report (unless the Authority states that this is not required pursuant to sub-paragraphs 7.2.6.2 or 7.2.6.3) in respect of an Urgent STC Modification Proposal (as relevant pursuant to sub-paragraph 7.2.6.5) shall include a statement as to why the STC Modification Panel or the Proposer (as relevant) believes that such proposal should be treated as an Urgent STC Modification Proposal and the extent to which the procedure followed deviated from the other STC Modification Procedures that would apply to a STC Modification Proposal.

7.2.6.7 The STC Modification Panel shall respectively take all reasonable steps to ensure that an Urgent STC Modification Proposal is considered, evaluated and (subject to the approval of the Authority)

implemented as soon as reasonably practicable, having regard to the urgency of the matter and, for the avoidance of doubt, an Urgent STC Modification Proposal may (subject to the approval of the Authority) result in an amendment to the Code being made on the day on which such proposal is submitted.

7.2.6A Significant Code Review

7.2.6A.1 The Process set out in the Code Procedure 24-1 shall apply during a Significant Code Review Phase.

7.2.6A.2 The Authority shall publish its Significant Code Review conclusions, and, if within 28 days after such publication the Authority issues to a Party directions, including directions to a Party to make STC Modification Proposals, such Party shall comply with those directions. Where the Party makes a STC Modification Proposal in accordance with the Authority's directions, that STC Modification Proposal shall be treated as a Standard STC Modification Proposal and shall proceed through the process for Standard STC Modification Proposals set out in Paragraph 7. Such Authority conclusions and directions shall not fetter the voting rights of the Panel Members or any recommendation it makes in relation to any STC Modification Proposal or the recommendation procedures informing the STC Modification Report.

7.2.6A.3 Any Party which makes an STC Modification Proposal pursuant to 7.2.6A.2 may not, without the prior consent of the Authority, withdraw such STC Modification Proposal.

7.2.6B Self-Governance

7.2.6B.1 If the STC Modification Panel, having evaluated a STC Modification Proposal against the Self-Governance Criteria, pursuant to Paragraph 7.2.3.7, considers that the STC Modification Proposal meets the Self-Governance Criteria, the Panel Secretary shall:

(a) document the decision in the minutes of the relevant Panel Meeting;

(b) within two (2) days of the Panel Meeting, prepare and send to all Parties, and in the event that the Authority did not attend the Panel Meeting, the Authority, a Self-Governance Statement setting out its reasoning in detail and publish the Self-Governance Statement on the Code Website.

7.2.6B.2 The Authority may, at any time prior to the STC Modification Panel's determination made pursuant to Paragraph 7.2.6B.4, give

written notice that it disagrees with the Self-Governance Statement and may direct that the STC Modification Proposal proceeds through the process for Standard STC Modification Proposals.

7.2.6B.3 Subject to Paragraph 7.2.6B.2, after publishing a Self-Governance Statement, the STC Modification Panel shall follow the procedure set out in Paragraphs 7.2.4 and 7.2.5.1 to 7.2.5.7.

7.2.6B.4 The Authority may issue a direction to the STC Modification Panel in relation to a STC Modification Proposal to follow the procedure set out for STC Modification Proposals that meet the Self-Governance Criteria, notwithstanding that no Self-Governance Statement has been submitted or a Self-Governance Statement has been retracted and the STC Modification Panel shall follow the procedure set out in Paragraphs 7 save for this Paragraph 7.2.6B.

7.2.6B.5 Subject to completion of the Evaluation Phase pursuant to Paragraph 7.2.4, the STC Modification Panel shall prepare a report (the "STC Modification Self-Governance Report").

7.2.6B.6 The matters to be included in a STC Modification Self-Governance Report shall be the following (in respect of the STC Modification Proposal):

(a) details of its analysis of the STC Modification Proposal against the Self-Governance Criteria;

(b) copies of any/all consultation responses received;

(c) the date on which the STC Modification Panel Self-Governance Vote shall take place, which shall not be earlier than seven (7) days from the date on which the STC Modification Self-Governance Report is furnished to the Authority in accordance with Paragraph 7.2.6B.7; and

such other information that is considered relevant by the STC Modification Panel.

7.2.6B.7 A draft of the STC Modification Self-Governance Report will be circulated by the Code Administrator to the Party Representatives (and its provision in electronic form on the Code Website and in electronic mails to Party Representatives, who must supply relevant details, shall meet this requirement) and a period of no less than five (5) Business Days given for comments to be made thereon. Any unresolved comments made shall be reflected in the final STC Modification Self-Governance Report.

7.2.6B.8 Each STC Modification Self-Governance Report shall be addressed and furnished to the Authority and none of the facts, opinions or statements contained in such STC Modification Self-Governance Report may be relied upon by any other person.

7.2.6B.9 The Code Administrator shall make available on the Code Website and copy (by electronic mail to those persons who have supplied relevant details to the Code Administrator) the STC Modification Self-Governance Report prepared in accordance with Paragraph 7.2.6B to:

(i) the Party Representatives;

(ii) each Panel Member; and

(iii) any person who may request a copy,

and shall place a copy on the Code Website.

7.2.6B.10 If the Authority does not give written notice that its decision is required pursuant to Paragraph 7.2.6B.2, or if the Authority determines that the Self-Governance Criteria are satisfied in accordance with Paragraph 7.2.6B.4, then the STC Modification Self-Governance Report shall be tabled at the Panel Meeting following submission of that STC Modification Self-Governance Report to the Authority at which the Panel Chairman will undertake the STC Modification Panel Self-Governance Vote based on an assessment against the applicable STC Objectives and the STC Modificatio Panel shall give notice of the outcome of such vote to the Panel Secretary.

7.2.6B.11 If the STC Modification Panel vote to approve the STC Modification Proposal pursuant to Paragraph 7.2.6B.10 (which shall then be an "Approved STC Modification Proposal" until implemented), then subject to the appeal procedures set out in Paragraphs 7.2.6B.14 to Paragraph 7.2.6B.19 the STC Modification Proposal will be implemented in accordance with Paragraphs 7.2.10.2 to 7.2.10.8 by the Code Administrator without the Authority's approval and brought to the attention of the Parties and such other persons as may properly considered to have an appropriate interest in it.

7.2.6B.12 The STC Modification Panel may at any time prior to the STC Modification Panel's determination retract a Self-Governance Statement subject to Paragraph 7.2.6B.10, or if the Authority notifies the STC Modification Panel that it has determined that a STC Modification Proposal does not meet the Self-Governance Criteria the STC Modification Panel shall treat the STC Modification Proposal as a Standard STC Modification Proposal

and shall comply with Paragraph 7.2.5, using the STC Modification Self-Governance Report as a basis for its Proposed STC Modification Report.

7.2.6B.13 Except where the Authority has issued a direction pursuant to Paragraph 7.2.6B.10, the STC Modification Panel may remove a STC Modification Proposal from the process detailed in this Paragraph 7.2.6B before making its determination pursuant to Paragraph 7.2.6B.4. In that circumstance, the STC Modification Proposal shall be treated as a Standard STC Modification Proposal and shall proceed through the process for Standard STC Modification Proposals.

7.2.6B.14 A STC Party or a Materially Affected Party may appeal to the Authority the approval or rejection by the STC Modification Panel of a STC Modification Proposal and any Alternative STC Modification (s) in accordance with Paragraph 7.2.6B.10, provided that the Panel Secretary is also notified, and the appeal has been made up to and including fifteen (15) Business Days after the STC Modification Panel Self-Governance Vote has been undertaken pursuant to Paragraph 7.2.6B.10. If such an appeal is made, implementation of the STC Modification Proposal shall be suspended pending the outcome. The appealing STC Party or Materially Affected Party must notify the Panel Secretary of the appeal when the appeal is made.

7.2.6B.15 The Authority shall consider whether the appeal satisfies the following criteria:

(a) The appealing party is, or is likely to be, unfairly prejudiced by the implementation or non-implementation of that STC Modification Proposal or Alternative STC Modification(s); or

(b) The appeal is on the grounds that, in the case of implementation, the STC Modification Proposal or Alternative STC Modification(s) may not better facilitate the achievement of at least one of the Applicable STC Objectives; or

(c) The appeal is on the grounds that, in the case of non-implementation, the STC Modification Proposal or Alternative STC Modification(s) may better facilitate the achievement of at least one of the Applicable STC Objectives; and

(d) it is not brought for reasons that are trivial, vexatious or have no reasonable prospect of success.

and if the Authority considers that the criteria are not satisfied, it shall dismiss the appeal.

7.2.6B.16 Following any appeal to the Authority, a STC Modification Proposal or Alternative STC Modification(s) shall be treated in accordance with any decision and/or direction of the Authority following that appeal.

7.2.6B.17 If the Authority quashes the STC Modification Panel's determination in respect of a STC Modification Proposal or Alternative STC Modification(s) made in accordance with Paragraph 7.2.6B.10 and takes the decision on the relevant STC Modification Proposal and any Alternative STC Modification(s) itself, following an appeal to the Authority, the STC Modification Panel's determination of that STC Modification Proposal and any Alternative STC Modification(s) contained in the relevant STC Modification Self-Governance Report shall be treated as a STC Modification Report submitted to the Authority pursuant to Paragraph 7.2.5.12.

7.2.6B.18 If the Authority quashes the STC Modification Panel's determination in respect of a STC Modification Proposal or Alternative STC Modification(s) made in accordance with paragraph 7.2.6B.10, the Authority may, following an appeal to the Authority, refer the STC Modification Proposal back to the STC Modification Panel for further re-consideration and a further STC Modification Panel Self-Governance Vote.

7.2.6B.19 Following an appeal to the Authority, the Authority may confirm the STC Modification Panel's determination in respect of a STC Modification Proposal or Alternative STC Modification(s) made in accordance with Paragraph 7.2.6B.10.

7.2.6C Fast Track

7.2.6C.1 Where a Proposer believes that a modification to the Code which meets the Fast Track Criteria is required, a STC Modification Fast Track Report may be raised. In such case the procedure in STCP 24-3 shall apply.

7.2.6C.2 In the event that a STC Modification Fast Track Report is to be implemented pursuant to STCP 24-3, then the processes for implementation in 7.2.10.2 to 7.2.10.8 shall apply as if the STC Modification Fast Track Report were an Approved STC Modification.

7.2.7 **STC Modification Register**

7.2.7.1 The Panel ~~Committee~~ Secretary shall establish and maintain a register (the " **STC Modification Register**") which shall record, in such form as the STC Modification Panel may determine, the matters set out in sub-paragraph 7.2.7.3.

Annex B1 – Election of Offshore Transmission Owner Party Representatives

B1.1 General

B1.1.1 Introduction

B1.1.1.1 This Annex B1 sets out the basis for election of Offshore Transmission Owner Party Representatives and Offshore Transmission Owner Alternate Representatives for the purpose of Paragraphs 6.1.2 and 6.1A.1.

B1.1.1.2 This Annex B1 shall apply:

(a) in relation to each year (the "Election Year") in which the term of office of Offshore Transmission Owner Party Representatives and Offshore Transmission Owner Alternate Representatives expires, for the purposes of electing Offshore Transmission Owner Party Representatives and Offshore Transmission Owner Alternate Representatives to hold office with effect from 1st April in that year;

(b) subject to and in accordance with Paragraph B1.4, upon a Offshore Transmission Owner Party Representative and/or Offshore Transmission Owner Alternate Representatives ceasing to hold office before the expiry of his term of office.

B1.1.1.3 For the purposes of an election under Paragraph B1.1.1.2(a) references to Offshore Transmission Owner are to persons who are Offshore Transmission Owner as at 20th December in the previous year.

B1.1.1.4 The Panel Secretary shall administer each election of Offshore Transmission Owner Party Representatives and Offshore Transmission Owner Alternate Representatives pursuant to this Annex B1.

B1.1.2 Election timetable

B1.1.2.1 The Panel Secretary shall not later than 7th January in the election year prepare and circulate to all Offshore Transmission Owners (by publication on the ~~**Panel Secretary**~~ **Code** Website and, where relevant details are supplied, by electronic mail), with a copy to the Authority, an invitation to nominate candidates who must be willing to be either a Offshore Transmission Owner Party Representative or an Alternate Representative and a timetable for the election (the "Election Timetable"), setting out:

SECTION J: INTERPRETATION AND DEFINITIONS

"**Code Administration Code of Practice**"	the code of practice approved by the **Authority** and: (a) developed and maintained by the code administrators in existence from time to time; (b) amended subject to the **Authority**'s approval from time to time; and (c) re-published from time to time;
"**Code Administrator**"	NGET carrying out the role of Code Administrator in accordance with Section B;
"**Fast Track Criteria**"	means that a proposal, if implemented. (a) would meet the Self-Governance Criteria; and (b) is properly a housekeeping modification required as a result of some error or factual change, including but not limited to: (i) updating names or addresses listed in the Code; (ii) correcting minor typographical errors; (iii) correcting formatting and consistency errors, such as paragraph numbering; or (iv) updating out of date references to other documents or paragraphs.
"**Materially Affected Party**"	any person or class of persons designated by the Authorities as such;
"**Self-Governance Criteria**"	means that a proposal, if implemented: (a) is unlikely to have a material effect on: (i) existing or future electricity consumers; and (ii) completion in the generation, distribution or supply of electricity or any commercial activities connected with the generation, distribution or supply of electricity; and (iii) the operation of the national electricity transmission system; and

	(iv) matters relating to sustainable development, safety or supply, or the management of market or network emergencies; and (v) the Code's governance procedures or modification procedures; and (b) is unlikely to discriminate between different classes of Parties.
"**Self-Governance Statement**"	the statement made by the Panel Secretary pursuant to Section B paragraph 7.2.6B;
"**Significant Code Review**"	means a review of one or more matters which the Authority considers is likely to: (a) relate to the Code (either on its own or in conjunction with other industry codes); and (b) be of particular significance in relation to its principal objective and/or general duties (under section 3A of the Act), statutory functions and/or relevant obligations arising under EU law, and concerning which the Authority has issued a notice to a Party or the Parties (among others, as appropriate) stating: (i) that the review will constitute a significant code review; (ii) the start date of the significant code review; and (iii) the matters that will fall within the scope of the review;
"**Significant Code Review Phase**"	As described in Section B, paragraph 7.1.7 (b);
"Standard STC Modification Proposal"	means an STC Modification Proposal which does not fall within a Significant Code Review, satisfy the Self Governance Criteria or the Fast Track Criteria which shall be dealt with in accordance with Section B paragraphs 7.1.4 to 7.1.6 and 7.2.1 to 7.2.6.
"STC Modification Fast Track Report"	has the meaning set out in STCP 24-3 paragraph 2.1;
"**STC Modification Self-Governance Report**"	as defined by Section B, sub-paraph 7.2.6B.5;
"STC Modification Panel Self-Governance Vote"	the vote of the STC Modification Panel undertaken pursuant to Section B paragraph 7.2.6B.10;

STCP 24-3 Fast Track Self-Governance Process

Draft 001 – 14/06/13

STCP 24-3 Issue 001

FAST TRACK SELF-GOVERNANCE PROCESS

STC Procedure Document Authorisation

Party	Name of Party Representative	Signature	Date
National Grid Electricity Transmission plc			
SP Transmission Ltd			
Scottish Hydro-Electric Transmission Ltd			
Offshore Transmission Owners			

STC Procedure Change Control History

Draft 001	DD/MM/YY	New STCP following implementation of...

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1 Introduction

1.1 *Scope*

1.1.1 This procedure applies to NGET and each TO. For the purposes of this document, TOs are:

SPT;

SHET; and

All Offshore Transmission Owners as appointed by the Authority. (For the avoidance of doubt, this includes Preferred Bidders).

the Code Administrator

1.2 *Objectives*

1.2.1 The objective of this document is to set out the Process that shall apply in respect of STC Modification Fast Track Proposals.

2 Key Definitions

2.1 *For the purposes of STCP 24-3:*

Fast Track Self Governance Process means the process set out in this STCP 24-3.

Fast Track Self Governance Report means a report prepared by the Proposer of a STC Modification Fast Track Proposals pursuant to Paragraph 3.1.3 to this STCP 24-3.

Process Diagram means the diagrams at Appendix A to this STCP 24-3.

STC Modification Proposal Form means the form in respect of STC Modification Proposals set out in CM054.

3 Objective

3.1 To provide a modification process whereby if the STC Modification Panel unanimously determines that a proposal meets the Fast Track Self-Governance criteria then the modification will proceed without Authority approval.

4 Procedure

4.1 The Parties shall follow the process set out in this STCP 24-3 in respect of a STC Modification Fast Track Proposals. The Process Diagram illustrates this process and form part of this STCP 24-3, but in the event of any conflict between the main body of this STCP 24-3 and the Process Diagram, then the main body of this STCP [ ] shall prevail.

4.2 Where an amendment can reasonably be considered to simply reflect a matter of a fact and a housekeeping STC Modification is required as a result of some error or factual change, the STC Modification may proceed using this Fast Track Self Governance Process. Examples of such amendments include;

- Updating names or addresses listed in the STC;
- Correcting minor typographical errors;
- Correcting formatting and consistency errors; and
- Updating out of date references to documents or paragraphs.

4.3 The Proposer will provide their rationale for the use of the Fast Track Self-Governance Process within the STC Modification Fast Track Proposal which they

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will submit to the Panel Secretary 10 business days prior to the STC Modification Panel Meeting.

4.4 Following submission of an STC Modification Fast Track Proposal the Code Administrator shall prepare a Draft STC Modification Fast Track Report from the STC Modification Fast Track Proposal containing proposed legal text. The Code Administrator will circulate the Draft STC Modification Fast Track Report to the Parties 5 business days prior to the STC Modification Panel Meeting.

4.5 At the STC Modification Panel Meeting, the STC Modification Panel will discuss and examine the STC Modification Fast Track Self-Governance Proposal and the Draft STC Modification Fast Track Report before voting on whether or not the STC Modification Fast Track Proposal should be implemented.

4.6 A STC Fast Track Self-Governance Modification will not be evaluated against the STC Applicable Objectives. The STC Modification Panel will determine their decision based on scrutiny and discussion of the STC Fast Track Self-Governance Proposal by reference to the Fast Track Self Governance Criteria.

4.7 The vote to approve implementation of a STC Modification Fast Track Proposal will require unanimous approval in the STC Modification Panel's voting. Failure to achieve unanimous approval will be an indication that the STC Modification Fast Track Proposal is not manifestly obvious or a clear matter of fact or otherwise fails to satisfy the Fast Track Self Governance Criteria.

4.8 Failure to achieve unanimous approval will result in rejection of the STC Modification Proposal and the Panel Secretary will request that the proposer provides additional information in respect of the proposal in the form of an STC Modification Proposal Form prior to the following STC Modification Panel Meeting.

4.9 If prior to the following STC Modification Panel Meeting:

4.9.1 the proposer provides a STC Modification Proposal Form, the proposal shall be treated as a STC Modification Proposal and shall retain its original reference number; or

4.9.2 no STC Modification Proposal Form is received prior to the following STC Modification Panel Meeting, the Panel Secretary will reject the proposal.

4.10 Where the STC Modification Panel votes unanimously in favour of the implementation of a STC Modification Fast Track Proposal, the STC Modification Panel will update the Draft STC Modification Fast Track Report (which shall thereafter be referred to as the STC Modification Fast Track Report) to include the views of the STC Modification Panel and published on the next business day after the STC Modification Panel Meeting.

4.11 Up to and including 15 business days from the publication of the STC Modification Fast Track Report, a Party may object to the STC Modification Panel's determination by email to the Panel Secretary at STC.Team@nationalgrid.com who shall inform the Parties and the Authority of the objection and that the proposal shall not be implemented.

4.12 If such an objection occurs, the processes in paragraph 4.8 and 4.9 above will apply as if the proposal were an STC Modification Proposal which had not received unanimous approval.

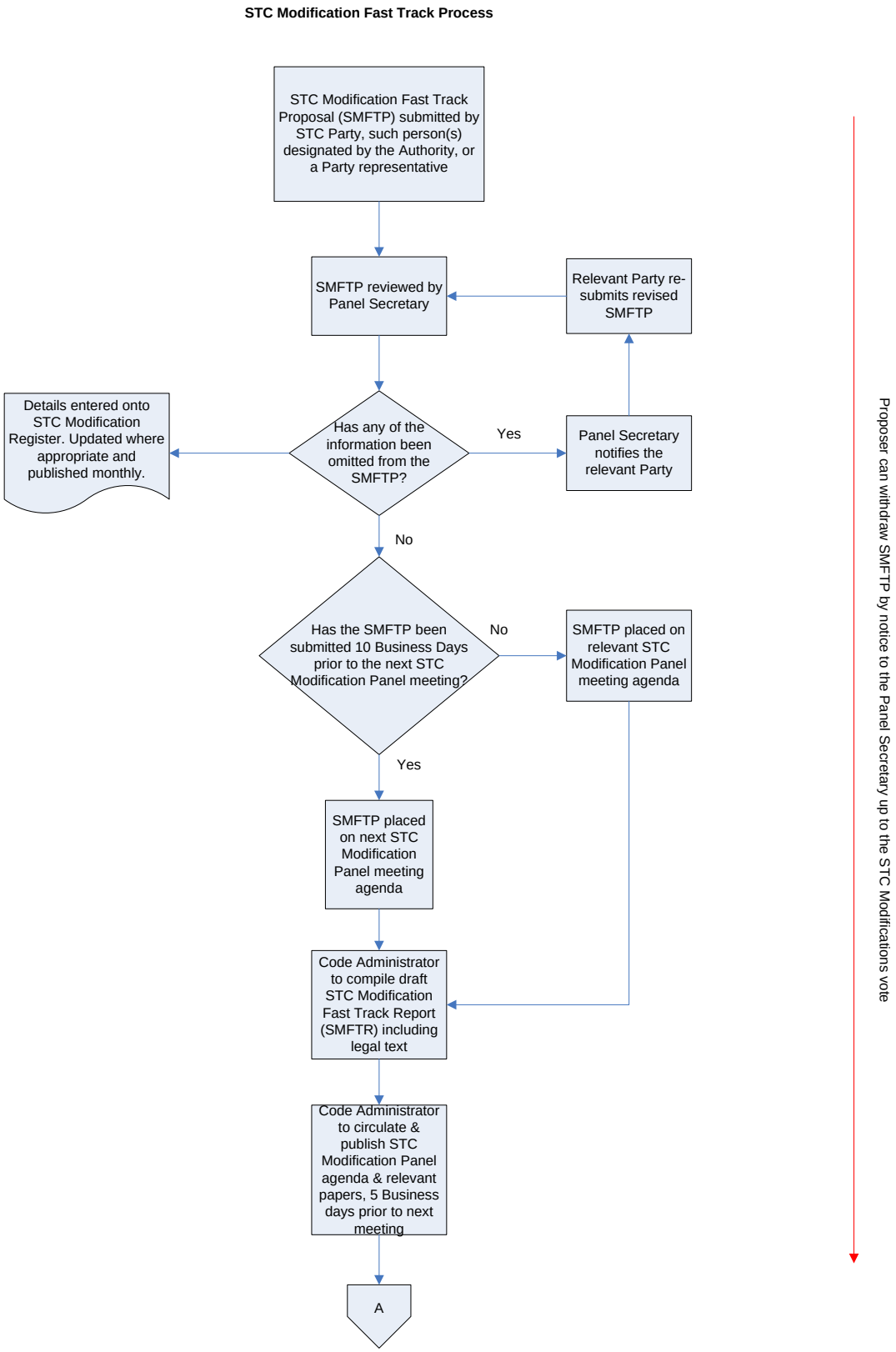
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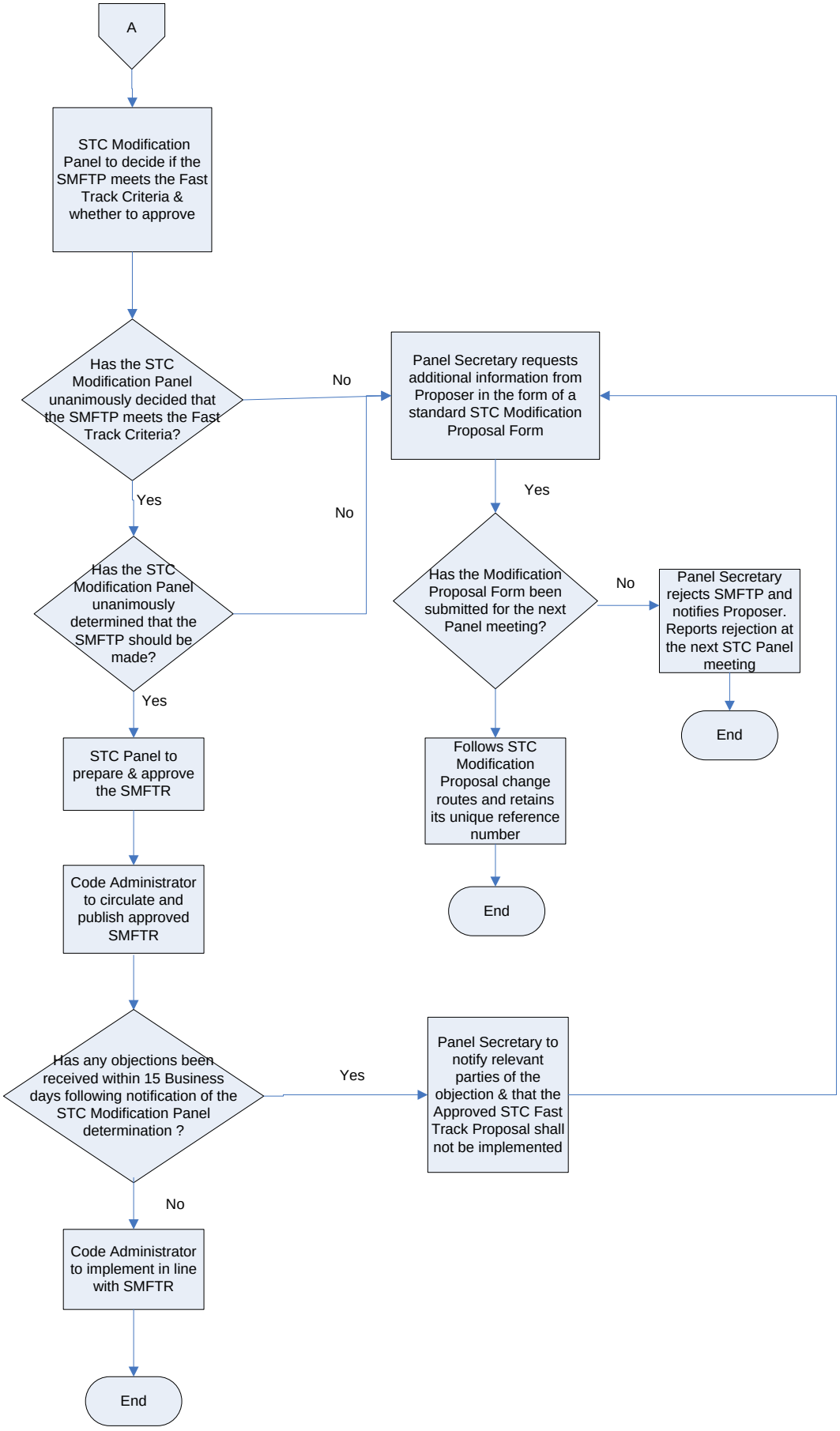
Appendix A – Process Diagram

Note that the Process Diagram shown in this Appendix A is for information only. In the event of any contradiction between the process represented in this Appendix and the process described elsewhere in this STCP, then the text elsewhere in this STCP shall prevail.

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Annex 3 - STC Modification Fast Track Process Diagram




A
STC Modification Panel to decide if the SMFTP meets the Fast Track Criteria & whether to approve
Has the STC Modification Panel unanimously decided that the SMFTP meets the Fast Track Criteria?
No
Yes
Panel Secretary requests additional information from Proposer in the form of a standard STC Modification Proposal Form
Yes
Has the STC Modification Panel unanimously determined that the SMFTP should be made?
No
Yes
Has the Modification Proposal Form been submitted for the next Panel meeting?
No
Panel Secretary rejects SMFTP and notifies Proposer. Reports rejection at the next STC Panel meeting
End
STC Panel to prepare & approve the SMFTR
Follows STC Modification Proposal change routes and retains its unique reference number
End
Code Administrator to circulate and publish approved SMFTR
Has any objections been received within 15 Business days following notification of the STC Modification Panel determination ?
Yes
Panel Secretary to notify relevant parties of the objection & that the Approved STC Fast Track Proposal shall not be implemented
No
Code Administrator to implement in line with SMFTR
End

System Operator Transmission Owner Code (STC)

nationalgrid

STC Modification Fast Track Report

CMXXX This is an example for an STC Modification Fast Track Report

What stage is this document at?

01 Draft STC Modification Fast Track Report

02 Approved STC Modification Fast Track Report

Submission Date: (Mandatory by Proposer)

Details of proposer [name, organisation name)

Details of proposer's alternate [name, organisation name)

Published on: [Code Administrator to insert date]

Objections to be received by: [Code Administrator to insert date]
(15 Working days after approved STC Fast Track Report publication)

The STC Panel determination : [insert date - Code Administrator to complete once STC Panel decision received]

Contents

1 Why Change 3
2 Solution 3
3 Proposed Legal Text 3
4 STC Panel Determination 3
5 Proposed Implementation 4
6 Objections 4

About this document

This STC Modification Fast Track Proposal will be presented to the STC Modification Panel on [Code Administrator - insert date].

The STC Modification Panel will consider the Proposer's view, and agree whether this is an STC Modification Fast Track Proposal and make a determination.

Document Control

Version	Date	Author	Change Reference
0.1	DD Month Year	Code Administrator	Draft STC Modification Fast Track Proposal Report
1.0	DD Month Year	Code Administrator	STC Panel view

Any Questions?

Contact:
First Last

Code Administrator

First.Last@nationalgrid.com

Insert telephone number

Proposer:
First Last
Company

1 Why Change

1.1 The Proposer believes that [Code Administrator to insert CM###] meets the Fast Track Criteria. This proposal seeks to address minor housekeeping changes.

2 Solution

2.1 It is proposed that that a number of changes are made to [Proposer to insert - STC Section X]. The proposed updates can be seen in the change marked Section 3 of this document.

3 Proposed Legal Text

3.1 [Code Administrator/Proposer - Insert legal text]

4 STC Modification Panel Determination - This section and subsequent sections to be filled in by the Code Administrator

4.1 On [Panel Meeting date] the STC Modification Panel considered CM### and confirmed [unanimously] that CM### meets the Fast Track Criteria and unanimously determined that the STC Modification should be made.

The STC Modification Fast Track Proposal if implemented would meet the Self Governance Criteria and the Fast Track Criteria as detailed below:

Self Governance Criteria

(a) is unlikely to have a material effect on:

(i) existing or future electricity consumers; and

(ii) competition in the generation, distribution, or supply of electricity or any commercial activities connected with the generation, distribution or supply of electricity; and

(iii) the operation of the **National Electricity Transmission System**; and

(iv) matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; and

(v) the **STC**'s governance procedures or the **STC**'s modification procedures, and

(b) is unlikely to discriminate between different classes of **STC Parties**.

Fast Track Criteria

(c) is properly a housekeeping modification required as a result of some error or factual change; including but not limited to:

i) updating names or addresses listed in the **STC**;

ii) correcting minor typographical errors;

iii) correcting formatting and consistency errors, such as paragraph numbering or

iv) updating out of date references to other documents or paragraphs.

5 Proposed Implementation

5.1 It is proposed that CM### STC Modification Fast Track Proposal is implemented no sooner than the 16th business day after publication of the approved STC Modification Fast Track Report providing no objections have been raised see Section 6.

5.2 The implementation date will be [insert date].

6 Objections

6.1 If you wish to raise an objection please email the STC Panel Secretary at STC.Team@nationalgrid.com, detailing your objection by [insert date].

6.2 The Approved STC Modification Fast Track Proposal will not be implemented if an objection is received.

6.3 The STC Panel Secretary will notify the STC Modification Panel, the Authority and STC Parties if an objection is received.

6.4 The STC Panel Secretary shall notify the proposer that additional information is required if the proposer wishes the STC Fast Track Modification to continue as a STC Modification Proposal.