

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 or that no modification proposal will be issued in accordance with Paragraph 7.1.7 (iii) 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)~~ if no statement is made, on the date that the Authority raises a modification proposal in accordance with Paragraph 7.1.10.1 arising from the relevant Significant Code Review

~~(iii)(iv)~~ immediately, if neither a statement, nor directions, nor a modification proposal in accordance with Paragraph 7.1.10.1 are issued by the Authority within (and including)

twenty-eight (28) days from the Authority's publication of its Significant Code Review conclusions.

(c) If the Authority issues a statement that it will continue work on the Significant Code Review and/or issues a direction in accordance with Paragraph 7.1.10B then the Significant Code Review Phase will be deemed to have ended when:

(i) the Authority issues a statement that the Significant Code Review phase has ended

(ii) one of the circumstances in Paragraphs 7.1.7(b)(i) or 7.1.7(b)(iii) occurs (irrespective of whether such circumstance occurs within twenty-eight (28) days after the Authority has published its Significant Code Review Conclusions); or

(iii) if the Authority makes a decision consenting, or otherwise, to the modification of the STC following the panel's submission of its report under sub-paragraph 7.1.10A.2.

~~(c)~~(d) A process is set out in this Section B and STCP 25-1 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 as Standard STC Modification Proposals and requiring 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 determines that a STC Modification Fast Track Report meets the Fast Track Criteria, it will proceed without Authority approval.

7.1.10 Authority Raised or Directed Modification

7.1.10.1 The Authority may:

- (a) itself; or
- (b) direct a Party to raise a STC Modification Proposal that is in respect of a Significant Code Review and / or where the Authority reasonably considers that such STC Modification Proposal is necessary to comply with or implement the Electricity Regulation and/or any relevant legally binding decisions of the European Commission and/or the Agency.

7.1.10.2 The Party shall comply with any directions issued by the Authority in relation to setting and/or amending a timetable for;

- (a) the raising of a STC Modification Proposal pursuant to paragraph 7.1.10.1(b); and/or
- (b) where the Authority has approved a STC Modification Proposal raised pursuant to Paragraph 7.1.10.1, implementation of such STC Modification Proposal.

7.1.10.3 In respect of a STC Modification Proposal raised pursuant to paragraph 7.1.10.1, the STC Modification Panel and the Panel Secretary shall each comply with any timetable(s) directed by the Authority in relation to setting and/or

amending a timetable for the completion of all relevant steps of the modification process or such other processes set out in this paragraph 7.

7.1.10.4 Notwithstanding any other provision in this paragraph 7, a STC Modification Proposal raised pursuant to Paragraph 7.1.10.1:

- (a) shall not be withdrawn by any Party without the prior consent of the Authority.
- (b) shall not be amalgamated with any other STC Modification Proposal without the prior consent of the Authority.

7.1.10.5 If, pursuant to paragraph 7.1.10.4, the Authority consents to the withdrawal of a STC Modification Proposal, the provisions of paragraph 7.2.2.6 shall apply to such STC Modification Proposal.

7.1.10.6 In respect of any STC Modification Proposal which has been raised by paragraph 7.1.10.1, the views of the relevant Workgroup, the voting rights of the STC Modifications Panel or the recommendation of the Workgroup Report or the STC Modification Report in respect of such STC Modification Proposal shall not be fettered or restricted notwithstanding that such STC Modification Proposal has been so raised under paragraph 7.1.10.1.

7.1.10.7 A STC Modification Proposal shall still be assessed against the Self-Governance Criteria and the Fast Track Criteria notwithstanding that it has been raised pursuant to paragraph 7.1.10.1.

7.1.10.8 In relation to any STC Modification Proposal raised by a Party other than pursuant to Paragraph 7.1.10.1, where the Authority reasonably considers such STC Modification Proposal to be necessary to comply with or implement the Electricity Regulation and/or any relevant binding decision of the European Commission and/or the Agency, the provisions of Paragraphs 7.1.10.1 to 7.1.10.7 shall apply.

7.1.10A Authority Led STC Modification

7.1.10A.1 Where the Authority has issued a statement in accordance with Paragraph 7.1.7(c) and/or a Backstop Direction in accordance with Paragraph 7.1.10B, the Authority may submit an Authority Led STC Modification Proposal for an Authority Led STC Modification directly to the Panel.

7.1.10A.2 In response to an Authority Led STC Modification Proposal the Panel shall prepare an Authority Led STC Modification Report which shall include:

(a) an evaluation of the proposed modification; and

(b) an assessment of the extent to which the proposed modification would better facilitate achieving the applicable STC objective(s); and

(c) a detailed explanation of the Panel's reasons for that assessment (such assessment to include, where the impact is likely to be material, an assessment of the quantifiable impact of the proposal on greenhouse gas emissions, to be conducted in accordance with any such guidance on the treatment of carbon costs and evaluation of greenhouse gas emissions as may be issued by the Authority from time to time); and

(d) an assessment, to the extent practicable, of the likely impact on each STC Party's Transmission System and any other systems of that STC Party and an assessment of the likely impact on the National Electricity Transmission System, of the proposed modification;

(e) an assessment of the impact of the modification on the core industry documents and the changes expected to be required to such documents as a consequence of the modification;

(f) a recommendation by the Panel, by reference to the Panel's assessment against the applicable STC objectives, as to whether the proposed modification should be made;

(g) to the extent practicable, the combined views of the STC parties concerning the modification or, where a combined view is not practicable, the views of each STC Party; and

(h) a timetable for implementation of the modification, including the date with effect from which such modification (if made) would take effect.

7.1.10A.3 The Authority Led STC Modification Report shall be submitted to the Authority as soon after the Authority Led STC Modification Proposal is submitted for evaluation as is appropriate (taking into account the complexity, importance and urgency of the modification) for the proper execution and completion of the steps in sub-paragraph 7.1.10A.2.

7.1.10A.4 The Authority can require the revision and re-submission of the Authority Led STC Modification Report, such resubmission to be made, if required, by a direction issued by the Authority to the Panel in accordance with Paragraph 7.2.5.15, as soon after the Authority's direction as is appropriate (taking into account the complexity, importance and urgency of the modification).

7.1.10A.5 The timetable referred to in Paragraph 7.1.10A.2(h) for implementation of any modification shall be in accordance with any direction(s) issued by the Authority, or where no such direction has been issued by the Authority, the timetable shall be such as will enable the modification to take effect as soon as practicable after the Authority has directed that such modification should be made, account being taken of the of the complexity, importance and urgency of the modification with the Authority having discretion to change the timetable after those persons likely to be affected by the revision of the timetable have been consulted.

7.1.10A.6 The timetable for the completion of the procedural steps for an Authority Led STC modification, as outlined in Paragraphs 7.1.10A.2, 7.1.10A.3 and 7.1.10A.4 shall be set by the Authority in its sole discretion.

7.1.10A.7 The Authority's published conclusions and Authority Led STC Modification Proposal shall not fetter the voting rights of the members of the Panel or the recommendation procedures informing the report described at Paragraph 7.1.10A.2.

7.1.10B Backstop Direction

7.1.10B.1 Where a STC Modification Proposal has been made in in relation to a Significant Code Review in accordance with Paragraph 7.1.10.1 or Paragraph 7.1.10A.1 the Authority may issue a direction (a "Backstop Direction"), which requires such proposal(s) and any alternatives to be withdrawn and which causes the Significant Code Review Phase to recommence.

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, or,

- (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.
- (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.

Except where the proposal is made to 7.1.10.1, 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 paragraph 7.1.10.1 or 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 and paragraph 7.1.10A, 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: