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Date: **21 August 2024**

Dear David,

Ofgem decision on Joint Direction and Letter of Comfort requests from NGENSO and all three GB Transmission Owners (NGET, SSENT and SPT)

This letter sets out our support in implementing transitional arrangements to the electricity connections process, through the direction and comfort requests made by National Grid Electricity System Operator (NGESO) and Transmission Owners (TOs). Our position on the directions and comfort sought in the NGENSO and TOs' letter dated 19 August and any conditions on these are specified below. NGENSO and the TOs will be responsible for implementation and administration of the transitional arrangements process.

Context

To date, we have proactively supported substantial reform of the electricity connections regime through delivery of our joint Connections Action Plan (CAP).¹ We continue to work closely with NGENSO, TOs, industry and government to make changes to the policy and regulatory framework to improve the connections process.² We have considered the reasons put forward in your letter dated 19 August: we agree that now is the right time, in light of the scale of the challenge and the pace at which the reform programme is proceeding, for us to intervene and make further regulatory changes to support connections reform in order to lay the foundations for the reformed process to take effect (subject to its approval by us).³

The TMO4+ proposal, if approved, will see the implementation of a gated approach to connection offers. Connection customers that have met the relevant Gate 2 criteria would be eligible for a Gate 2 offer; those who have not met the criteria would receive a Gate 1 offer. More detail on the TMO4+ proposals can be found on NGENSO's website.⁴

NGESO and the TOs' request outlines two options: 'Option 1' is to continue with the status quo, where customers receive standard full connection offers, or 'Option 2' would

¹ [Ofgem and DESNZ announce joint Connections Action Plan | Ofgem](#).

² As we set out in our [Open letter: update on reform to the electricity connections process following proposals from ESO | Ofgem](#).

³ References made to the potential approval of a reformed connection process relate to Ofgem's role in deciding upon the live code modifications: [CMP434](#), [CMP435](#), [CM095](#) and [CM096](#).

⁴ See NGENSO's publication, [GB Connections Reform](#) from April 2024.

implement Transitional Arrangements. Offers provided to connection customers under Option 2 would be 'transitional offers' in standard contract form between NGENSO and the customer. These would provide only an indicative connection point, an indicative completion date and no detail regarding transmission works and programme. Additionally, NGENSO would not request securities or apply Queue Management milestones to any transitional offers.

NGESO and the TOs' letter notes a preference for Option 2. The transitional arrangements are being proposed to bridge the current connection process to the reformed gated process (subject to code approval).⁵ NGENSO and TOs seek to apply the transitional approach to new directly connected applications made from **2 September 2024**. To address the risk that the TMO4+ proposals are rejected or significantly delayed, there will be 'fallback' terms within transitional offers to provide customers with a standard offer in that case in due course.

Our decision and reasoning

We are supportive of Option 2, the transitional offer approach (see more detail on this in the section above titled "Context") as a suitable intermediary step for connection customers from the current process to the proposed reformed gated process.⁶ This approach will see connection customers provided with offers with a reduced level of detail compared to the standard full connection offers received today. We recognise that to continue with Option 1, the business-as-usual ('BAU') process, with customers receiving standard full offers from now until go-live of the new reformed process (subject to its approval) could risk inefficient use of NGENSO/TO resource. It would also further increase the size of the connections queue – a queue that is already bigger than what the GB energy system is expected to require by 2050, even under the most demanding scenarios.⁷ Continuing with Option 1 provides connection offers so distant in the future that some projects may not be developed for many years. Therefore, in the event the new reformed process is approved, any new connection offers given would likely be significantly altered upon the introduction of the new process, which we do not consider to be in customer interests.

For example, we believe it could be confusing to issue customers a standard full connection offer in the coming months which may shortly thereafter lose its firm connection date, firm connection point, and detail of transmission works, securities and queue management milestones (in the event that the reformed process is approved and a relevant project has not met the Gate 2 criteria).⁸ Such a customer would then have their newly-issued standard full connection offer rescinded and replaced with a Gate 1 offer – and the two are likely to differ substantially.⁹ To maintain the Option 1 approach could therefore risk confusing new connection customers. We want to avoid this, so to ensure customers continue to receive the best experience we are approving the implementation of transitional arrangements. This will enable customers that receive a transitional offer and meet the Gate 2 criteria by implementation (if the new reformed process is approved) to request an accelerated connection date, since there is expected to be a smaller connections queue once the reforms are implemented. This could result in customers receiving earlier connection dates.

⁵ See code modifications: [CMP434](#), [CMP435](#), [CM095](#) and [CM096](#).

⁶ As set out in ESO's April 2024 [GB Connections Reform](#) publication.

⁷ NGENSO's Future Energy Scenarios (FES) [Future Energy Scenarios \(FES\) | ESO \(nationalgrideso.com\)](#), page 107.

⁸ The Gate 2 criteria are set out in NGENSO's code modification proposals: [CMP434](#).

⁹ Gate 1 offers (as defined in [CMP434](#)) would include: an indicative connection point, indicative completion date and no detail on transmission works, securities or queue management milestones.

We therefore consider it both necessary and reasonable to relieve NGESO and TOs from some of their obligations (as set out below) relating to provision of detailed offers, to enable a seamless transition to the reformed process. We do not consider that the current practices in relation to full standard connection offers should remain in place, as they would become an inefficient use of TO and NGESO resource, risk undermining the efficiency and cost reflectivity of the new process, and risk unfavourable customer outcomes. This is in relation to offer content, treatment of queue management milestones, application fees and securities, as well as delivery of Transmission Owner Construction Offers (TOCOs). We provide specific views on the individual direction and comfort requests in greater detail below, as well as any reliefs provided by us in relation to these. Any and all reliefs provided in this letter are valid from **2 September 2024** until:

- In the event [CMP434](#), [CMP435](#), [CM095](#) and [CM096](#) are approved, **then the date of implementation** of those code modifications;
- In the event [CMP434](#), [CMP435](#), [CM095](#) and [CM096](#) are rejected, we will confirm at that stage the expiry date of the reliefs provided in this letter;
- In any case (including delay to decision on the code modifications), reliefs provided in this letter will expire **on 31 March 2025**.

Our support of these arrangements does not in any way fetter our discretion in relation to the ongoing TMO4+ code modifications.¹⁰ We consider that transitional arrangements are a necessary intermediary stage between today's process and an enduring reformed connection process as outlined in the CAP. We will review the Final Modification Reports ('FMRs') of each of the TMO4+ code modifications upon receipt of these. Only upon scrutiny of the FMRs will we be able to make our decisions on the modifications. In the event that any of the code modifications are rejected, this may have an impact upon any transitional offers made to customers throughout the transitional arrangements period. This is further explained in NGESO's/TOs' request letter as the 'fallback position'. In this case, affected customers would be issued with a standard full connection offer in due course.

The reliefs granted within this letter only apply for the purposes of facilitating the transitional arrangements. The types of relief granted by us varies depending on where the relevant obligations are housed and for which obligation this pertains to. Any reliefs granted are either:

- Derogation – a temporary disapplication of a Standard Licence Condition ('SLC')¹¹
- Direction – a relief from complying with a System Operator Transmission Owner Code ('STC')¹² obligation
- Comfort – an assurance that we do not envisage that it would be in consumer interests to pursue enforcement proceedings in relation to any failure to comply with an existing requirement where a Derogation or Direction cannot be provided

Additional Background: Licence and Code obligations

NGESO and TOs hold a licence under section 6(1)(b) of the Electricity Act 1989 to transmit electricity ("the Licence"). NGESO and TOs are obliged to comply with the Electricity Transmission Standard Licence Conditions (SLCs). As licensees, they must also become party to and comply with industry codes.

¹⁰ See [CMP434](#), [CMP435](#), [CM095](#) and [CM096](#).

¹¹ Electricity Transmission Standard Licence Conditions: [Licences and licence conditions | Ofgem](#).

¹² [STC Code Documents | ESO \(nationalgrideso.com\)](#).

The Connection and Use of System Code (CUSC) is the contractual framework for connecting to and using the National Electricity Transmission System (NETS). The System Operator Transmission Owner Code (STC) defines the relationship between the transmission system owners and the system operator, setting out the roles, responsibilities, obligations and rights of these parties.

Compliance with industry codes and standards is in the interest of electricity consumers as a failure to comply can have a direct and adverse impact on the energy system and quality of service provided to customers. However, on occasion a licensee assesses that it is not in a position to comply with a code or standard, in this case particularly so given the changing landscape of connections regulation. Given the scale of the problem with connections in GB and the need to work flexibly and at pace to finding solutions, strict adherence to current licence and code obligations may not be for the benefit of consumers where these are not seen as fit for purpose.¹³ Consequently, on the requests NGENSO and the TOs have made for relief from certain obligations, we have evaluated these requests in light of the challenges faced.

See Appendix 1 for the content of each licence condition and section of the industry codes relevant to this request, as according to Option 2.

The table found on the following pages sets out the specific requests made by NGENSO and TOs to facilitate the transitional offer arrangements (Option 2), our decision on whether to grant relief and our reasons supporting our decisions. We have not issued any Derogations on these transitional arrangements as we consider Directions or Comfort to be the more appropriate form of relief for these obligations.

Requests from NGENSO and TOs

Category	Obligation	Decision on relief provided	Reasoning for our decision
Offer content	1. Standard Licence Condition ('SLC') C8 paragraph 3: <i>requirement on NGENSO to offer terms with detailed provision on works, charges & connection date</i>	Comfort	Transitional offers will not contain detail of works required for connection, securities or queue management milestones. Transitional offers will be in standard contract form and would provide only an indicative connection point, an indicative completion date and without any detail on transmission works. Securities will not be requested and queue management milestones will not be detailed. Therefore, NGENSO shall not be required to provide detailed terms on these in the connection offers; however, sufficient

¹³ See our previous [May 2023 open letter](#) highlighting the problems with the connections process.

			clarity of transitional arrangements must be provided to customers.
Offer content	2. SLC C10 paragraph 3: <i>requirement on NGESO to only enter into arrangements for connection and use of system which are in conformity with any relevant provisions of the CUSC</i>	Comfort	While transitional offers will be made substantially in the form of the CUSC exhibits, agreements will not include the level of detail envisaged by the CUSC provisions, ie transmission works, programme, charges and technical appendices, and queue management milestones, as described above.
Offer content	3. SLC C10 paragraph 9: <i>requirement on NGESO to be a party to the CUSC Framework Agreement and comply with the CUSC</i>	Comfort	Due to the reasons set out in this letter, NGESO shall not be expected to comply with all provisions of the CUSC. However, NGESO will remain a party to the CUSC Framework Agreement and will be required to comply with all elements of the CUSC not mentioned in this table.
Offer content	4. SLC D4A paragraph 1: <i>requirement on TOs to provide detail on works, costs & connection date</i>	Comfort	Transitional offers will not require TOs to include "detailed provisions" during the transitional period. Care should be taken to ensure TOs provide consistent indicative dates and locations to NGESO.
Offer content	5. SLC D4A paragraph 3: <i>requirement on TOs to enter agreement (TOCO)</i>	Comfort	As no detailed Transmission Owner Construction Offers (TOCOs) will be produced for any transitional offers, TOs are not required to enter into an agreement with the system operator in respect of use of system, in the manner provided in the STC.
Offer content	6. SLC D16: <i>requirements on connect and</i>	Comfort	During the transitional period, TOs shall not be required to enter into agreements with NGESO nor use all reasonable endeavours to enable

	<i>manage applications</i>		connection of new 'connect and manage' applications.
No undue discrimination	7. SLC D5: <i>prohibition on undue discrimination</i>	Comfort	NGESO/TOs sought comfort that their actions to implement the transitional arrangements are compatible with the obligation to not unduly discriminate. We do not consider the transitional arrangements, or NGESO and TO efforts to realise these, to be contrary to this obligation. Whilst Users that apply for a connection application during the transitional period will be treated differently, this is in pursuit of a legitimate aim (avoiding poor customer experiences) and the current circumstances on connections in GB warrant different treatment of these customers – to secure the best outcome for them. ¹⁴ Further, projects are not expected to suffer any detriment by this approach and all transitional offers will contain equal terms. Our view on this obligation is solely in relation to the transitional arrangements.
Securities	8. CUSC Section 15, clause 5.1: <i>requirement on NGESO to provide Users with estimated spend on works</i>	Comfort	As transitional offers will not contain detailed provisions on estimated spend on works, NGESO will not be required to provide information on these costs and therefore will not be required to obtain securities.
Securities	9. CUSC Section 15, clause 5.2.1: <i>requirement on NGESO to issue a Cancellation Charge Statement</i>	Comfort	As transitional offers will not contain detailed provisions on estimated spend on works, NGESO will not be required to issue a cancellation charge statement.
Securities	10. CUSC Schedule 2, Exhibit 3, Appendix M: <i>securities</i>	Comfort	For Users that CUSC Section 15 (ie requests #8 and #9 above) does not apply to, Schedule 2, Exhibit 3, Appendix M is used. As transitional offers will not contain detailed

¹⁴ See our previous [May 2023 open letter](#) highlighting the problems with the connections process.

	<i>arrangements and requirements</i>		provisions on estimated spend on works, this need not occur.
Securities	11. STC Schedule 9, clause 12.1: <i>attributable works information provision</i>	Direction	Transitional offers will not require a TOCO, therefore TOs will not be required to provide information relating to attributable works capital costs.
Queue management	12. CUSC Section 16 paragraphs 16.3-16.5: <i>requirement on NGESO to provide progression Milestones, and associated QM obligations</i>	Comfort	Transitional offers provided to new applicants will only have an indicative connection date. These offers will not have Appendix Q populated with specific milestone dates as no construction programme (which is used to set milestone dates) will be provided at this stage.
Offer acceptance timescales	13. CUSC Section 1, paragraph 1.7.3; Section 2, paragraph 2.13.4; Section 3, paragraph 3.7.4; Section 6, paragraph 6.9.2.3; Section 9, paragraph 9.17.3: <i>Prescribe offer acceptance period</i>	No relief granted at this time	Any arrangements relating to the cut-over period will need to be submitted to us in a separate request pending any TMO4+ related decisions made closer to date. Therefore, no relief is granted in relation to any of the obligations cited in this row.
Application fees	14. CUSC Section 14, clause 14.10.1: <i>right of Users to pay fixed price application fee or actual costs incurred</i>	Comfort	Transitional offers will require a reduced level of work to produce connection offers, yet will maintain the same application fees as are seen today. Because of this, NGESO/TOs will perform a reconciliation such that customers receive a reimbursement of fees paid according to the level of

			<p>work incurred to produce the offers. All transitional offers are expected to be charged the same amount as the work required to produce them in this transitional period is expected to be similar.</p> <p>We consider this an efficient solution to managing fees during the transitional arrangements, since customers will end up paying a total that is proportionate to the level of work required to produce their offer. We provide relief on this obligation to facilitate this, since NGESO will not be offering Users the ability to pay actual costs incurred at the outset. NGESO/TOs must communicate detail around the reconciliatory arrangements to Users in a clear manner to ensure transparency of the process.</p>
Application fees	15. CUSC Section 14, clause 14.20.5: <i>right of Users to pay actual costs incurred</i>	Comfort	For the same reasons set out at entry #14 above, Users will not be able to choose to pay the actual cost incurred. From the outset they will be required to pay a standard application fee, however in time this will be reconciled to the extent that customers only pay for the work required to produce their connection offer. Therefore, relief is provided on this obligation to this end.
Application fees	16. CUSC Section 14, clause 14.20.6: <i>right of Users to pay fees based on Engineering and out-of pocket expenses</i>	Comfort	For the same reasons set out at entry #14 above, Users will not be able to choose to pay the cost that is based on an estimate of TOs Engineering and out-of pocket expenses as an alternative to standard application fee payment. Therefore, relief is provided on this obligation to this end.

TOCO	17. STC Section D, Part Two Paragraphs 4 and 5: <i>requirements on TOs regarding provision of TOCO to NGENSO; and NGENSO to notify TOs of TOCO acceptance</i>	Direction	As no TOCOs will be provided by TOs for any transitional offers, requirements contained in paragraph 4 relating to provision of TOCO will not be relevant. Consequently, NGENSO will not be required to notify TOs of TOCO acceptance, as per paragraph 5.
TOCO	18. SLC B12, paragraph 9: <i>requirement on TOs to comply with STC</i>	Comfort	<p>Paragraph 9 obligates TOs to comply with the STC. SLC B12 Paragraph 15 provides for the Authority to relieve licensees from obligations under the STC.</p> <p>Since TOs are not expected to produce TOCOs during the transitional period, and given the relief provided above at #17, relief is granted on SLC B12, paragraph 9 insofar as this pertains only to STC Section D, Part Two Paragraphs 4 and 5. Full compliance with all other STC provisions is expected throughout the transitional period. Further, this relief is provided by using SLC B12, paragraph 15.</p>

Summary of our decision

Based on the information provided by NGENSO and TOs, our assessment, and having regard to our principal objective and statutory duties, we have decided to grant **comfort** from the following:

- **CUSC:**
 - Section 14 clause 14.10.1
 - Section 14 clause 14.20.5
 - Section 14 clause 14.20.6
 - Section 15 clause 5.1
 - Section 15 clause 5.2.1
 - Section 16 paragraphs 16.3-16.5
 - Schedule 2 Exhibit 3, Appendix M
- **Electricity Transmission Standard Licence Conditions:**
 - B12 paragraph 9
 - C8 paragraph 3

- C10 paragraph 3
- C10 paragraph 9
- D4A paragraph 1
- D4A paragraph 3
- D5
- D16

and direction (see Appendix 2 and 3) for:

- **STC:**
 - Schedule 9 Clause 12.1
 - Section D, Part Two, Paragraphs 4 and 5.

We have decided not to provide comfort from:

- CUSC Section 1, paragraph 1.7.3; Section 2, paragraph 2.13.4; Section 3, paragraph 3.7.4; Section 6, paragraph 6.9.2.3; Section 9, paragraph 9.17.3.

We agree with NGENSO and TOs that transitional arrangements are a sensible and suitable interim measure to put in place. This approach is in the interests of and will secure the best outcomes for connection customers, in the event that the TMO4+ code modifications are approved, therefore the implementation of Option 2 is compatible with our Principal Objective to protect the interests of consumers.¹⁵ We are satisfied that if the code modifications are not approved, this eventuality is suitably catered for in Option 2 via the 'fallback position', such that affected customers will not be adversely affected. Further, we are satisfied that the transitional arrangements both maintain an efficient and economic energy system and will support the transition to Net Zero, since they lay the foundation for a reformed process that can connect the readiest projects earlier.

The Authority hereby confirms that:

- NGENSO may not comply with the relevant requirements of SLC of the Electricity Transmission Standard Licence and CUSC in relation to providing the use of system and connection for customers from 2 September 2024 until:
 - In the event [CMP434](#), [CMP435](#), [CM095](#) and [CM096](#) are approved, **then the date of implementation** of those code modifications;
 - In the event [CMP434](#), [CMP435](#), [CM095](#) and [CM096](#) are rejected, we will confirm at that stage the expiry date of the reliefs provided in this letter;
 - In any case (including delay to decision on the code modifications), reliefs provided in this letter will expire **on 31 March 2025**.
- TOs do not have to comply with the relevant requirements of SLC of the Electricity Transmission Licence and STC in relation to providing the use of system and connection for customer from 2 September 2024 until:
 - In the event [CMP434](#), [CMP435](#), [CM095](#) and [CM096](#) are approved, **then the date of implementation** of those code modifications;
 - In the event [CMP434](#), [CMP435](#), [CM095](#) and [CM096](#) are rejected, we will confirm at that stage the expiry date of the reliefs provided in this letter;
 - In any case (including delay to decision on the code modifications), reliefs provided in this letter will expire **on 31 March 2025**.

The reliefs granted in this decision letter relate solely to the issues set out in this letter and for the time-limited period specified. On this basis, we do not envisage that it would be in

¹⁵ Our Principal Objective is to protect the interests of existing and future consumers.

consumer interest to pursue enforcement proceedings in respect of these specific obligations for this purpose; however, please note that we can take action against you, should you fail to fulfil the proposed steps. For the avoidance of doubt, the acceptance of this proposal will not prevent us from taking any enforcement action necessary for any other failures brought to our attention, that are separate to this matter.

Our approval of these direction and comfort requests are time-bound until the longstop date of **31 March 2025** – they will lapse by this date under all circumstances. In the event that the reliefs provided in this letter lapse before the go-live of the reformed process, NGENSO and the TOs will need to write to us to seek extensions to these reliefs at that stage, if still required.

If you have any questions about this decision, please contact the Connections team, at Connections@ofgem.gov.uk.

Yours sincerely

Jack Presley Abbott
Deputy Director, System Planning and Connections

Signed on behalf of the Authority and authorised for that purpose.

Appendix 1: Relevant Licence Conditions and Industry Codes

Offer content

- 1) Pursuant to **Paragraph 3 of the standard licence condition C8** (Requirement to offer terms) ("SLC C8") of the Licence, the Licensee is required to offer to enter into a bilateral agreement and/or a construction agreement relating to connection or modification to an existing connection.
- 2) **SLC C10 paragraph 3** provides that NGENSO shall only enter into arrangements for connection and use of system which are in conformity with any relevant provisions of the CUSC.
- 3) **SLC C10 paragraph 9** is a requirement on NGENSO to be a party to the CUSC Framework Agreement and comply with the CUSC.
- 4) Subject to **Paragraph 1 of the standard licence condition D4A**, TOs shall (subject to paragraph 2 and paragraph 4) offer to enter into an agreement with the system operator and such offer shall make detailed provision with respect to works, their completion date and associated costs.
- 5) **Paragraph 3 of the SLC D4A** further sets out the TO obligation (subject to paragraph 4), where the system operator requests that it do so in accordance with the STC, offer to enter into an agreement with the system operator in respect of such application in the manner provided in the STC and for the purposes of making such offer shall cooperate and co-ordinate its activities with other STC parties in accordance with the STC.
- 6) **SLC D5** prohibits the licensee from engaging in preferential or discriminatory behaviour.
- 7) **SLC D16** sets out requirements of a connect and manage connection and requires TOs to use all reasonable endeavour to enter into an agreement and complete any required works.

Securities

- 8) As per **CUSC Section 15, clause 5.1** NGENSO is required to provide an indicative profile of the estimated spend in respect to the attributable works as well as a notification of a fixed cancellation charge with an offer.
- 9) **CUSC Section 15 clause 5.2.1** mandates NGENSO is to issue a cancellation charge statement which will take effect from the signing of the Construction Agreement to cover the period from the signature date to either the 30th September or 31st March (whichever is earlier).
- 10) **Under CUSC Section 15, Part One Clause 2**, for users that fall under Final Sums, NGENSO is to apply **CUSC Schedule 2, Exhibit 3 Appendix M**.
- 11) Subject to **STC Schedule 9 Clause 12.1**, the TOs are required to provide information relating to attributable works at specified times.

Queue Management

- 12) **CUSC Section 16 paragraph 16.3** requires NGENSO to provide (in the form of Appendix Q) a Table based on the above with each Construction Agreement. This will specify the dates of the milestone periods for the User's project derived in accordance with this Section 16 and set out in each Appendix Q. **Paragraph 16.4** further sets out obligations in relation to project milestone communications. **Paragraph 16.5** of section 16 lists exceptional issues on user progression milestones.

Offer acceptance timescales

- 13) **CUSC Section 1, Paragraph 1.7.3, Section 2, paragraph 2.13.4, Section 3, paragraph 3.7.4, section 6 Paragraph 6.9.2.3, Section 9, Paragraph 9.17.3** prescribe acceptance period for connection, modification and use of system offers.

Application Fees

- 14) **CUSC Section 14 clause 14.10.1** states that Application fees are payable in respect of applications for new connection agreements and modifications to existing agreements based on the reasonable costs that transmission licensees incur in processing these applications.
- 15) Under **CUSC Section 14 clause 14.20.5** Users can opt to pay a fixed price application fee in respect of their application or pay the actual costs incurred. The fixed price fees for applications are detailed in the Statement of Use of System Charges.
- 16) **CUSC Section 14 clause 14.20.6** further sets out that if the fee is not fixed, then the fee will be based on an advance estimate of transmission licensees' engineering and out of pocket expenses which varies according to the size of the scheme and the amount of work involved.

TOCO

- 17) **Paragraphs 4 and 5 of part two of section D of the STC** set out in detail the relevant obligations for both NGENSO and TOs regarding the submission and acceptance of a TO Construction Offer ("TOCO").
- 18) **Standard Licence condition, B12(9)** obligates the TOs to comply with the STC, and as noted above, the STC requires the TOs to send a notification to NGENSO when it makes an application.

Appendix 2 - Direction on Schedule 9 Clause 12.1 in relation to TOs' compliance with STC Code.

For and on behalf of the Gas and Electricity Markets Authority

DIRECTION PURSUANT TO PARAGRAPH 15 OF STANDARD LICENCE CONDITION B12 OF ELECTRICITY TRANSMISSION LICENCE IN RELATION TO THE STC CODE PROCESS FOR ATTRIBUTABLE WORKS INFORMATION PROVISION

Whereas:

1. Transmission Operators ("TOs") hold electricity transmission licence (the "Licence") granted or treated as granted under section 6(1)(b) of the Electricity Act 1989 (the "Act").
2. Standard Licence Condition ("SLC") B12 (System Operator – Transmission Operator Code), paragraph 15 allows the Authority to direct that NGESO is relieved from its obligation to follow the System Operator – Transmission Owner Code ("STC"), following consultation with the affected STC parties.
3. For the reasons set out in the letter to which this Direction is attached, the Authority has decided to direct that TOs are relieved of their obligation to follow STC Schedule 9 Clause 12.1. The direction allows TOs to provide offers with indicative connection point, an indicative completion date and without detail on transmission works, adhering to the process outlined in the letter to which this Direction is attached. This is valid only for the purposes of transitional arrangements.

Therefore:

In accordance with paragraph 15 of SLC B12, the Authority hereby directs TOs to follow the outlined process instead of the process described in STC Schedule 9 Clause 12.1, effective 2 September, with this Direction remaining in place until:

- In the event [CMP434](#), [CMP435](#), [CM095](#) and [CM096](#) are approved, **then the date of implementation** of those code modifications;
- In the event [CMP434](#), [CMP435](#), [CM095](#) and [CM096](#) are rejected, we will confirm at that stage the expiry date of the reliefs provided in this letter;
- In any case (including delay to decision on the code modifications), reliefs provided in this letter will expire **on 31 March 2025**.

This Direction and the letter to which it is attached constitutes notice of the reasons for the decision pursuant to section 49A of the Act.

Jack Presley Abbott

Deputy Director, System Planning and Connections

Signed on behalf of the Authority and authorised for that purpose.

21 August 2024

Appendix 3 - Direction on Section D Part Two Paragraphs 4 and 5 in relation to TOs' compliance with STC Code.

For and on behalf of the Gas and Electricity Markets Authority

DIRECTION PURSUANT TO PARAGRAPH 15 OF STANDARD LICENCE CONDITION B12 OF ELECTRICITY TRANSMISSION LICENCE IN RELATION TO THE STC CODE REQUIREMENT ON TOs TO NOTIFY NGENSO WHERE NOT SUBMITTING TOCO; DEADLINE ON TOs TO SUBMIT TOCOS; REQUIREMENT ON NGENSO TO NOTIFY TOs OF TOCO ACCEPTANCE

Whereas:

1. Transmission Operators ("TOs") hold electricity transmission licence (the "Licence") granted or treated as granted under section 6(1)(b) of the Electricity Act 1989 (the "Act").
2. Standard Licence Condition ("SLC") B12 (System Operator – Transmission Operator Code), paragraph 15 allows the Authority to direct that NGENSO is relieved from its obligation to follow the System Operator – Transmission Owner Code ("STC"), following consultation with the affected STC parties.
3. For the reasons set out in the letter to which this Direction is attached, the Authority has decided to direct that TOs are relieved of their obligation to follow STC Section D Part Two Paragraphs 4 and 5. The direction allows TOs not to engage in communication with NGENSO in relation to TOCO provision, deadline and acceptance, adhering to the process outlined in the letter to which this Direction is attached. This is valid only for the purposes of transitional arrangements.

Therefore:

In accordance with paragraph 15 of SLC B12, the Authority hereby directs TOs to follow the outlined process instead of the process described in STC Section D Part Two Paragraphs 4 and 5, effective 2 September, with this Direction remaining in place until:

- o In the event [CMP434](#), [CMP435](#), [CM095](#) and [CM096](#) are approved, **then the date of implementation** of those code modifications;
- o In the event [CMP434](#), [CMP435](#), [CM095](#) and [CM096](#) are rejected, we will confirm at that stage the expiry date of the reliefs provided in this letter;
- o In any case (including delay to decision on the code modifications), reliefs provided in this letter will expire **on 31 March 2025**.

This Direction and the letter to which it is attached constitutes notice of the reasons for the decision pursuant to section 49A of the Act.

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Deputy Director, System Planning and Connections

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21 August 2024