
System Operator ("SO") – Transmission Owner ("TO") Code Procedure ("STCP") PM0142 – Application of Gate 2 Criteria to existing contracted background

Decision:	The Authority ¹ directs that this modification be made ²
Target audience:	Transmission Owners ('TOs'), National Energy System Operator ('NESO'), Interconnectors, Generators (including embedded generators), Demand, Distribution Network Operators ('DNOs'), Independent Distribution Network Operators ('iDNOs') and Consumers
Date of publication:	16 May 2025
Implementation date:	10 June 2025

Background

On 15 April 2025, following a consultation on 15 February 2025³, the Authority issued its decision on the TMO4+ package of reform proposals.⁴ We approved the proposals; these are now due to be implemented on 10 June 2025. As part of this package, there was an STC modification proposal: CM095. We consider that PM0142 (and PM0143, which we have issued a separate decision on) is related to CM095.

CM095 allows NESO and Transmission Owners ("TOs") to facilitate the new connections process set out in CMP434. It introduces new processes and definitions to update existing procedures, enabling projects that are most ready to progress more rapidly to connection. The proposal consists of three components:

- Component A: defines the obligations and timelines in the STC which are necessary to implement the Gate 1 and Gate 2 processes between NESO and TOs
- Component B: introduces the requirement for NESO and TOs to apply the Connections Network Design Methodology when developing TO Construction Offers ("TOCOs")

¹ References to the "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day-to-day work. This decision is made by or on behalf of GEMA.

² This document is notice of the reasons for this decision as required by section 49A of the Electricity Act 1989.

³ [Consultation on connection reform \(TM04+\) enablers, including a statutory consultation on modifications to licence conditions | Ofgem.](#)

⁴ [Decision on Connections Reform Package \(TM04+\) | Ofgem.](#)

- Component C: introduces the high-level process by which NESO can reserve connection (or interface) point and/or capacity in the Gate 1 and Gate 2 processes in specific circumstances

In December 2024, the STC Panel wrote to us informing us that the Panel considered that the changes proposed by PM0142 (and PM0143) were material and therefore sought our steer on approval of PM0142 following submission of this STCP to us in February 2025.

The PM0142 proposal

PM0142 introduces STCP 18-8, which aims to align the STCPs with the wider connections reform work. It proposes a one-off, time-limited STCP to facilitate the introduction of CUSC Modification CMP435 (*Application of Gate 2 Criteria to existing contracted Background*), by establishing the contractual relationships between NESO and TOs following the introduction of CMP435. This is necessary because contractual arrangements that NESO has with developers impacted by CMP435 need to be appropriately reflected through alternative arrangements between NESO and the TOs. Particularly the ones related to existing Transmission Owner Construction Agreements ("TOCA") and Affected Transmission Owner Construction Agreements ("(A)TOCAs") for such projects.

This STCP sets out a process to manage (A)TOCAs related to developers contracted with NESO in the existing queue, in the context of applying Gate 2 to the contracted background in scope of CMP435 and the Existing Agreements (EA) Timetable for Gate 2 Projects, and Gate 1 Projects (including Reservation). This is done by setting out:

- an equivalent to the 'offers out date' (as introduced by CM095 *Implementing Connections Reform*)
- how and when NESO provide SBN⁵-related information in relation to declarations and applications being received by NESO within the application window from Gate 2 Projects
- the technical competency process and timescales associated with such applications, and
- timescales and process in relation to a review of the (A)TOCAs associated with Gate 1 Projects (without Reservation)

⁵ Screen Briefing Note.

PM0142 introduces the following STCP:

- STCP 18-8 Connections Reform Transitional Arrangements - Gate 2 to Whole Queue

Our decision

We consider that PM0142 creates the relevant STCP to ensure that the data exchange and the process required, including the contractual relationships between NESO and TOs, facilitate the introduction of CMP435. We therefore consider PM0142 better enables implementation of the TMO4+ proposals, by facilitating the components introduced in CM095 but applied in the context of CMP435 (*Application of Gate 2 criteria to existing contracted background*).

We note that the STCP Objectives are aligned to the STC Objectives. Our views with respect to STC modification CM095, (insofar as they are relevant to PM0142), extend to PM0142. Therefore, as explained in our CM095 decision, we consider approval of PM0142 best facilitates the achievement of the Applicable STC Objectives and is consistent with our principal objective of protecting the interests of consumers, and our other statutory duties.⁶

We therefore agree with Panel's recommendation; we conclude that PM0142 is to be made.

Jack Presley Abbott

Deputy Director – Strategic Planning and Connections

Signed on behalf of the Authority and authorised for that purpose

⁶ [System Operator \("SO"\) – Transmission Owner \("TO"\) Code \("STC"\) CM095 – Implementing Connections Reform](#) at page 40, paragraphs 4.1-4.4.