

Decision – Annex K: Legal drafting of code modification
prioritisation procedure – System Operator Transmission Owner
Code (STC)

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We have set out below the specific sections of the System Operator Transmission Owner Code (STC)^{1,2} that we are modifying using our transitional powers contained in schedule 12 to the Energy Act 2023. Deletions are shown in strike-through, and new text is double underlined. Text in red³ shows changes that we have made to the code text contained in the [November 2025 statutory consultation](#), which include changes to take into account stakeholder feedback to our consultation and changes to reflect the current published version of the STC.⁴ For brevity, we have not reproduced entire sections of the code in this annex. Instead, we have included only the parts of the code that are changing, along with other parts we consider most relevant to understanding those changes.

System Operator Transmission Owner Code⁵ ([System Operator Transmission Owner Code](#))

SECTION B: GOVERNANCE

6. THE STC MODIFICATION PANEL

6.2 Functions of the STC Modification Panel and the Code Administrator’s Role

¹ The STC has been designated as a ‘qualifying document’ by the Secretary of State as part of the [Designation Notice \(amended and consolidated\) under paragraphs 1\(1\)\(b\) and 1\(5\) of Schedule 12 to the Energy Act 2023 designating certain documents and central systems for the purposes of Schedule 12 to the Energy Act 2023](#)

² The prioritisation policy that we propose to introduce through this consultation relates to code processes before code manager appointment. We intend to keep the provisions under review, and if amendments are required in the future to account for the introduction of a code manager, a consultation will be carried out.

³ Where additional accessibility provisions are required, please contact industrycodes@ofgem.gov.uk

⁴ the STC refers to the version as of 5 March 2026 against which these changes were checked.

⁵ [System Operator Transmission Owner Code](#)

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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 Prioritisation Criteria, and whether particular STC Modification Proposals have been determined to be Urgent STC Modification Proposals or not, or, where they ~~have been determined to not be~~ are not -Urgent STC Modification Proposals or STC Fast Track Modification Proposals, the Prioritisation Category 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

7. MODIFICATION OF THE CODE AND CODE PROCEDURES

7.1 General

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 Prioritisation Criteria, and whether a particular STC Modification Proposal has been determined to be an Urgent STC Modification Proposal or not, or, where it ~~has been determined to~~ is not ~~not be~~ an Urgent STC Modification Proposal or an STC Fast Track Modification Proposal, the Prioritisation Category complexity, importance and urgency of ~~the Modification Proposal associated with~~ 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.

7.1.11 Authority Led STC Modification

7.1.11.3 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 Prioritisation Criteria and whether the complexity, importance and urgency of ~~the modification~~ has been determined to be an Urgent STC Modification Proposal, or, where the modification ~~has is not been determined to not be~~ an Urgent STC Modification Proposal or an STC Fast

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Track Modification Proposal, its Prioritisation Category) for the proper execution and completion of the steps in sub-paragraph 7.1.11.2.

7.1.11.4 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~~ Authority's direction as is appropriate (taking into account the Prioritisation Criteria and whether the complexity, importance and urgency of the modification has been determined to be an Urgent STC Modification Proposal, or, where the modification has been determined to not be is not an Urgent STC Modification Proposal or an STC Fast Track Modification Proposal, its Prioritisation Category).

7.1.11.5 The timetable referred to in Paragraph 7.1.11.2(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 Prioritisation Criteria and whether the complexity, importance and urgency of the modification has been determined to be an Urgent STC Modification Proposal, or, where the modification hasis not been determined to not be an Urgent STC Modification Proposal or an STC Fast Track Modification Proposal, the Prioritisation Category 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.

7.2.2 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,
- (d) The Authority pursuant to 7.1.10.1

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(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 and an indication of potential inconsistencies between the proposal and the Capacity Market Documents and/or the CfD Documents;
- (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**

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(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~~;~~
and

(k) an assessment by the Proposer of the STC Modification Proposal against the Prioritisation Criteria.

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.

7.2.3 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 subparagraph 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

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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; and

(f) ~~unless where~~ the STC Modification Proposal ~~is has been determined not to be~~ an Urgent STC Modification Proposal ~~or an STC Fast Track Modification Proposal~~, and having assessed the STC Modification Proposal against the Prioritisation Criteria, as compared with other STC Modification Proposals, taking into account the Proposer's opinion provided pursuant to Clause 7.2.2.2 (k), the Modification Proposal should be accorded a relevant Prioritisation Category.

7.2.3.4 Save where the STC Modification Proposal has been raised pursuant to paragraph 7.1.10.1, 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;

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(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;:-

~~(d) where STC Modification Proposals are amalgamated and the resultant amalgamated STC Modification Proposal is not an Urgent STC Modification Proposal or an STC Fast Track Modification Proposal, the Panel shall determine the amalgamated STC Modification Proposal to have a single Prioritisation Category. When determining a Prioritisation Category for an amalgamated STC Modification Proposal, the Panel shall consider the Prioritisation Categories, and the relevant assessments undertaken in determining these Prioritisation Categories, accorded to the original STC Modification Proposals that have been amalgamated, by considering the Prioritisation Categories accorded to them (and the relevant assessments undertaken in determining these Prioritisation Categories), and determining an appropriate amalgamated Prioritisation Category.~~

7.2.5 Assessment and Report Phase

7.2.5.8 Following completion of the steps set out in sub-paragraphs 7.2.5.2 to 7.2.5.7 above (where relevant), the Panel Secretary shall prepare an initial version of the STC Modification Report setting out:

(a) the STC Modification Proposal and any Alternative STC Modifications; the Workgroup Report and recommendations,

(b) the recommendation of the STC Modification Panel (or, where the STC Modification Panel and/or the Proposer are not in agreement, the separate statement prepared pursuant to subparagraph 7.2.5.4) as to whether or not such STC Modification Proposal or any Alternative STC Modification should be made, including the STC Modification Panel's and Proposer's analysis of whether (and, if so, to what extent) the STC Modification Proposal or any Alternative STC Modification would better facilitate achievement of the Applicable STC Objectives and the views and rationale in respect thereof;

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- (c) draft text prepared pursuant to sub-paragraph 7.2.5.7 and any representations on such text where relevant;
- (d) a summary of the STC Modification Panel’s and Proposer’s Assessment(s) provided pursuant to sub-paragraph 7.2.5.2;
- (e) the proposed Implementation Date of the STC Modification Proposal or any Alternative STC Modifications as agreed by the STC Modification Panel, failing which, as shall be proposed by the Proposer and, in the latter case, accompanied by the written representation of the STC Modification Panel and any Proposer giving their own opinion as to what the Implementation Date should be; ~~and~~
- (f) (to the extent that such matters are not included pursuant to sub-paragraph (d)), an analysis of:
 - (i) the impact of the STC Modification Proposal and any Alternative STC Modification on the BSC, CUSC and Core Industry Documents, and an indication of potential inconsistencies the STC Modification Proposal and any Alternative STC Modification have with the Capacity Market Documents and CfD Documents, Code Procedures and contents of any Interface Agreement or TO Construction Agreement;
 - (ii) the changes which would be required to give effect to the STC Modification Proposal and any Alternative STC Modification in relation to the BSC, CUSC and Core Industry Documents, Code Procedures and contents of any Interface Agreement or TO Construction Agreement;
 - (iii) the mechanism and likely timescale for making the changes referred to in sub-paragraph (ii);
 - (iv) the changes or developments which would be required to central computer systems and, if practicable, processes used in connection with the operation of arrangements established under the BSC, CUSC, Core Industry Documents, Capacity Market Documents and CfD Documents;

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(v) the mechanism and likely timescale for making the changes referred to in sub-paragraph (iv);

(vi) an estimate of the costs associated with making and delivering the changes referred to in sub-paragraphs (ii) and (iv), such costs being expected to relate to: for (ii), the costs of implementing amendments to the BSC, CUSC, Core Industry Document(s) Capacity Market Documents and CfD Documents, Code Procedures, Interface Agreement and TO Construction Agreement, and for (iv), the costs of changes to computer systems and possibly processes which are established for the operation of the BSC, CUSC and Core Industry Documents; and

(g) ~~unless where~~ the STC Modification Proposal ~~is has been determined not to be~~ an Urgent STC Modification Proposal or an STC Fast Track Modification Proposal, the Prioritisation Category accorded to the Modification Proposal, and details of the assessment undertaken to determine this, as defined in sub-paragraph 7.2.3.1 (f).

together with a summary of representations of the STC Modification Panel and the Proposer in relation to such matters,

(here referred to as the "Initial STC Modification Report") which Initial STC Modification Report shall be approved and amended as appropriate by the STC Modification Panel (save for the contents of those sections where representations are to be provided by each Party Representative in its own capacity as specified above).

7.2.6 Urgent STC Modification Proposals

7.2.6.8 For the avoidance of doubt, the STC Modification Panel shall not determine a Prioritisation Category for Urgent STC Modification Proposals and accordingly no Urgent STC Modification Proposal shall have a Prioritisation Category.

7.2.6C Fast Track

7.2.6C.4 For the avoidance of doubt, the STC Modification Panel shall not determine a Prioritisation Category for STC Fast Track Modification Proposals and accordingly no STC Fast Track Modification Proposal shall have a Prioritisation Category.

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7.2.7 STC Modification Register

7.2.7.3 The STC Modification Register shall record:

(a) details of each STC Modification Proposal and any Alternative STC Modification or Urgent STC Modification Proposal (including the name of the Proposer, the date of the STC Modification Proposal or any Alternative STC Modification or Urgent STC Modification Proposal and a brief description of the STC Modification Proposal or any Alternative STC Modification) or Urgent STC Modification Proposal;

(b) the current status and progress of each STC Modification Proposal or any Alternative STC Modification or Urgent STC Modification Proposal and the anticipated date for reporting to the Authority in respect thereof;

(c) the current status and progress of each Approved STC Modification; ~~and~~

(d) such other matters as the STC Modification Panel may consider appropriate from time to time in order to achieve the purposes set out in sub-paragraph 7.2.7.2.; ~~and~~

(e) whether an STC Modification Proposal has been determined to be an Urgent STC Modification Proposal or not, and, where an STC Modification Proposal ~~has been determined to not be~~ is not an Urgent Modification Proposal or an STC Fast Track Modification Proposal, the Prioritisation Category accorded to the STC Modification Proposal, and details of the assessment of the Modification Proposal against the Prioritisation Criteria, carried out in sub-paragraph 7.2.3.1(f); ~~and;~~

(f) where the Prioritisation Category of an STC Modification Proposal ~~has been~~ is changed, ~~this change should be reflected within the Modification Register alongside details of and~~ the reasons for its change.

7.2.8 Monthly Progress Report

7.2.8.2 The Progress Report shall contain:

(a) the current version of the STC Modification Register;

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(b) details of the scheduling and timetable for consideration of each STC Modification Proposal or any Alternative STC Modification or Urgent STC Modification Proposal and completion of the STC Modification Report in respect thereof in the context of all other current STC Modification Proposals or any Alternative STC Modification (including an indication of the priority Prioritisation Category that the STC Modification Panel affords to and between such proposals, where they are not Urgent STC Modification Proposals or STC Fast Track Modification Proposals) or Urgent STC Modification Proposal (including an indication of the priority that the STC Modification Panel affords to and between such proposals);

7.2.8.4 If, following discussion with the STC Modification Panel, the Authority issues a notice to the Panel Secretary requesting the STC Modification Panel:

(a) not to amalgamate STC Modification Proposal as set out in the Progress Report; or

(b) to amend the timetable for a STC Modification Proposal or any Alternative STC Modification (including the Prioritisation Category afforded to and between such STC Modification Proposals, where they are not Urgent STC Modification Proposals or STC Fast Track Modification Proposals), or Urgent STC Modification Proposal (including the priority afforded to and between such proposals),

the Panel Secretary shall send a copy of the notice to each Party, Party Representative and any person designated by the Authority under subparagraph 7.2.2.1(b)). The STC Modification Panel shall comply with such notice.

7.5 Review of Prioritisation Category of STC Modification Proposals

7.5.1 The STC Modification Panel shall review the Prioritisation Category of STC Modification Proposals on a bi-annual basis and adjust the relevant modification timetable for each STC Modification Proposal accordingly.

SECTION J: INTERPRETATION AND DEFINITIONS

3. DEFINITIONS

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The following terms shall have the following meanings:

Prioritisation Criteria has the meaning given to that term by the Authority Guidance on Code Modification Prioritisation.

Prioritisation Category has the meaning given to that term by the Authority Guidance on Code Modification Prioritisation.

Authority Guidance on Code Modification Prioritisation means the guidance published by the Authority from time to time on code modification prioritisation.