

STCP 18-3 Issue 009 TEC Changes

STC Procedure Document Authorisation

Party	Name of Party Representative	Signature	Date
National Grid Electricity System Operator Ltd The Company			
National Grid Electricity Transmission plc			
SP Transmission plc.			
Scottish Hydro-Electric Transmission plc			
Offshore Transmission Owners			

STC Procedure Change Control History

Issue 001	07/02/2005	BETTA Go-Live Version
Issue 002	26/05/2005	Issue 002 incorporating PA012
Issue 003	28/07/2005	Issue 003 incorporating PA032
Issue 004	25/10/2005	Issue 004 incorporating PA034 & PA037
Issue 005	31/01/2006	Issue 005 incorporating PA043
Issue 006	24/11/2009	Issue 006 incorporating changes for offshore regime
Issue 007	23/05/2017	Issue 007 incorporating changes to concept of Application Steering Group
Issue 008	01/04/2019	Issue 008 incorporating changes for National Grid Legal Separation
Issue 009	13/05/2019	'Housekeeping Modification to align STCP18-1 - STCP18-6 with existing working practices
<u>Issue 010</u>	<u>X/X/2023</u>	<u>Issue 010 incorporating use of 'The Company' definition as made in the STC</u>

1 Introduction

1.1 Scope

1.1.1 This procedure describes the process for the submission of a ~~NGESO~~The Company Construction Application to a TO for a Modification as a result of a connected User applying to ~~NGESO~~The Company for a revision of their long term Transmission Entry Capacity (TEC) and if required the issue of a TO Construction Offer, and also the process for the submission of a ~~NGESO~~The Company TEC Exchange Rate Application to a TO as a result of Users applying to ~~NGESO~~The Company for an Exchange Rate Request and the issue of a TO TEC Exchange Rate. It defines the tasks, the formal documentation, interface requirements, the timescales and the responsibilities required between ~~NGESO~~The Company, the Host TO, Affected TO and Other Affected TO(s) from receipt of a User Application, to the signing of an Offer.

1.1.2 This procedure applies to ~~NGESO~~The Company, as defined in the STC and meaning the licence holder with system operator responsibilities, and each TO. For the purposes of this document, TOs are:

- NGET;
- SPT;
- SHET and
- All Offshore Transmission Licence holders as appointed by Ofgem from time to time.

1.2 Objectives

1.2.1 The objective of this procedure is to detail how the TEC Changes process will be addressed across ~~the NGESO~~The Company - TO interfaces to enable the Parties to discharge their responsibilities under the STC and to ensure that responsibilities are clear.

1.3 Background

1.3.1 Under the CUSC a User can apply to ~~NGESO~~The Company to amend their contractual arrangements for TEC on the National Electricity Transmission System. The impact such a change may have on the National Electricity Transmission System necessitates communication between ~~NGESO~~The Company and each Affected TO to address any impact and, if necessary, raise an ~~an NGESO~~The Company Construction Application.

2 Key Definitions

2.1 For the purposes of STCP 18-3:

2.1.1 **Affected TO(s)** means any TO in relation to whose Transmission System is affected by the User Application for use of the National Electricity Transmission System and satisfies the criteria set out in the STC, Schedule Four (see STC Section D, part 2, paragraph 2.2.2 in respect of the production of TO Construction Offers or STC Section D, part 3, paragraph 1.1.2 in respect of the production of TO TEC Exchange Rates).

2.1.2 **Affected Parties** means the Host TO, Affected TO(s) and Other Affected TO(s) as appropriate, involved in producing TO Construction Offers or TO TEC Exchange Rates relating to a particular User Application.

2.1.3 **Application Programme** means a programme to manage the application process and forms part of the Scheme Briefing Note. The Application Programme lists the milestones against which the dates agreed by all parties are inserted.

- 2.1.4 **Application Steering Group** means a team made up of named representatives from ~~NGESO~~The Company, the Host TO, Affected TO(s) and Other Affected TO(s) (as appropriate), the “Application Steering Group”, shall be formed to oversee the application process. The members of the Application Steering Group shall be identified on the Scheme Briefing Note. The remit of this group is to agree the Application Programme, monitor progress and agree any changes. The Application Steering Group is also responsible for resolving any disagreements relating to a ~~n~~ ~~NGESO~~The Company TEC Exchange Rate Application at first instance, prior to any necessary escalation. Dialogue will take place in person, by email, telephone or video conferencing as appropriate.
- 2.1.5 **Host TO** means the Transmission Owner whose Transmission System is located at the Relevant Connection Site (see STC Section D, part 2, paragraph 2.2.1 in respect of the production of TO Construction Offers or STC Section D, part 3, paragraph 1.1.1 in respect of the production of TO TEC Exchange Rates).
- Lead Person(s)** means named representatives from ~~NGESO~~The Company, the Host TO, Affected TO(s) and Other Affected TO(s) (as appropriate), the “Lead Person(s)”, shall oversee the application process. The remit of the Lead Person(s) is to agree the Application Programme, monitor progress and agree any changes. The Lead Person(s) are also responsible for resolving any disagreements relating to a ~~n~~ ~~NGESO~~The Company TEC Exchange Rate Application at first instance, prior to any necessary escalation. Dialogue will take place in person, by email, telephone or video conferencing as appropriate.
- 2.1.6 **Named Contact** means, in terms of the TO, the person to initially receive ~~the~~ ~~NGESO~~The Company TEC Exchange Rate Application on behalf of that TO and, in terms of ~~NGESO~~The Company, the person to whom a User Application for an Exchange Rate Request is sent in accordance with the CUSC.
- 2.1.7 **Other Affected TO(s)** means any TO who is not a Host TO or an Affected TO, but which receives Construction Planning Assumptions or TEC Exchange Planning Assumptions, or ~~NGESO~~The Company otherwise identifies that it is likely to be required to enter into a TO Construction Agreement in respect of the Construction Project or produce a TO TEC Exchange Rate.
- 2.1.8 **Scheme Briefing Note** means the note that is provided from ~~NGESO~~The Company to the TO to update the status and details of the Application. A pro-forma is provided in Appendix B1 of STCP 18-1 Connection and Modification Application. When used in respect of an Exchange Rate Request, an Application Type of “TEC Exchange” should be recorded in Section 2 of the Scheme Briefing Note.

3 Procedure

3.1 General Nuclear Site Licence Provisions Agreement

- 3.1.1 When following this process where this may interact with, impact upon or fall within the boundary of a Nuclear Site Licence holder’s site, or may otherwise have any form of affect and/or implication for a nuclear power station, consideration must be given to the relevant provisions of the applicable Nuclear Site Licence Provisions Agreement, the

CUSC Bilateral Connection Agreement for that site, paragraph 6.9.4 of the CUSC and Section G3 of the STC to ensure compliance with all of these obligations.

3.2 TEC Decrease Process

- 3.2.1 In accordance with the CUSC, a User can decrease its TEC by giving ~~NGESO~~The Company not less than 5 Business Days notice.
- 3.2.2 Within 2 Business Days of receiving the notice to reduce TEC from the User, ~~NGESO~~The Company shall send a Scheme Briefing Note to the Affected Parties, notifying them of the details of the change, along with a copy of the notice to the relevant Parties, in accordance with STC, Schedule Four. The relevant Parties may wish to consider whether the TEC decrease necessitates changes to the investment plan (in accordance with STCP 16-1 Investment Planning).
- 3.2.3 Following receipt of the notice to reduce TEC from the User, ~~NGESO~~The Company shall issue a revised Appendix C of the relevant Bilateral Agreement to the User as soon as practicable. ~~NGESO~~The Company shall then notify the relevant Parties when the change to the User's Bilateral Agreement has been effected.
- 3.2.4 Within 5 Business Days of receiving notification from ~~NGESO~~The Company that the TEC reduction has been effected, the Host TO shall update the relevant Connection Site Specification and send ~~NGESO~~The Company a copy of the updated Connection Site Specification.

3.3 TEC Increase Process

- 3.3.1 A User can request an increase in its TEC, up to a maximum of the CEC set out in their Bilateral Agreement. The User shall request an increase in TEC in the form of a Modification Application. In accordance with the CUSC, ~~NGESO~~The Company shall make a Modification Offer to the User within 28 days, where practicable, and not more than 3 months (save where the Authority consents to a longer period) after ~~NGESO~~The Company receives the Modification Application.
- 3.3.2 Within 3 business days of receiving the Modification Application from the User, ~~NGESO~~The Company shall submit a ~~an~~ ~~NGESO~~The Company Construction Application to each of the Affected Parties, in accordance with STC Schedule Six and/or Schedule Seven. STCP 18-2 Use of System Application (section 3.2) or STCP 18-1 Connection and Modification Application (section 3.2) should be followed as appropriate.
- 3.3.3 The Affected Parties shall each assess whether there is an impact on their Transmission System requiring additional connection and/or infrastructure assets, and identify whether there is a capacity interaction with any unsigned TO Construction Offers.
- 3.3.4 Within 21 calendar days of ~~the~~ ~~NGESO~~The Company Application Date (or such other time as may be agreed), depending on the outcome of the completed impact assessment, either section 3.3.5 or 3.3.6, is followed.
- 3.3.5 If any of the Affected Parties determine that there is no impact on their respective Transmission System, then they will inform ~~NGESO~~The Company, in accordance with the Application Programme, that there are no Transmission Connection Works required. Such Affected Parties will at the same time as notifying ~~NGESO~~The Company that they shall not be submitting a TO Construction Offer, or such other time as may be agreed within the 28 days Application Programme, notify ~~NGESO~~The Company of any technical design or operational criteria which they intend to assume will apply to User Equipment at the Relevant Connection Site. Where none of the Affected Parties has Transmission Construction Works, ~~NGESO~~The Company will inform each of the Affected Parties when the change to the agreement with the User is effected by sending an updated Scheme Briefing Note to them.

- 3.3.6 If any of the Affected Parties assess that there is an impact on their respective Transmission System, then ~~NGESO~~The Company and the Affected Parties shall agree an Application Programme to enable ~~NGESO~~The Company to make the Offer to the User. ~~NGESO~~The Company shall continue to make the Offer to the User within 3 months of the User Application Date by following STCP 18-1 Connection and Modification Application process from where the Affected Parties assess the impact of ~~the~~NGESOThe Company Construction Application to the end of the process.

3.4 Exchange of TEC Process

3.4.1 User Application

- 3.4.1.1 Users can trade TEC subject to an Exchange Rate between the sites concerned, calculated by the Affected Parties and ~~NGESO~~The Company and provided to Users by ~~NGESO~~The Company on a chargeable basis. On trading, both the Increasing User and Decreasing User shall submit their Exchange Rate Request to ~~the~~NGESOThe Company Named Contact.

3.4.2 ~~NGESO~~The Company checks the User Application

- 3.4.2.1 ~~The~~NGESOThe Company Named Contact shall appoint ~~the~~NGESOThe Company Lead Person. ~~The~~NGESOThe Company Lead Person shall check that the User Application is completed correctly and whether the correct Application Fee is received. The fee is dealt with by ~~NGESO~~The Company and the TO(s) in accordance with STCP 19-6 Application Fee. Where the User Application is not completed correctly or the correct fee is not received, ~~the~~NGESOThe Company Lead Person shall inform the Applicant as soon as they determine that it is not correct.
- 3.4.2.2 ~~The~~NGESOThe Company Lead Person shall determine who is the Host TO, Affected TO(s) and Other Affected TO(s).
- 3.4.2.3 ~~The~~NGESOThe Company Lead Person shall utilise the information in the User Application to produce the relevant ~~NGESO~~The Company TEC Exchange Rate Application, in accordance with Schedule 11 of the STC, for each of the Affected Parties. ~~The~~NGESOThe Company Lead Person shall initially complete the appropriate Scheme Briefing Notes for each of the Affected Parties, with details from the User Application, the draft Application Programme dates, the Affected Parties, ~~the~~NGESOThe Company Lead Person and a ~~NGESO~~The Company scheme number. ~~The~~NGESOThe Company Lead Person shall record on the Scheme Briefing Notes whether the Application Fee has been cleared or not.
- 3.4.2.4 Within 3 Business Days of receipt of the User Application, ~~the~~NGESOThe Company Lead Person shall send by email the relevant ~~NGESO~~The Company TEC Exchange Rate Application and the appropriate Scheme Briefing Note to the Affected Parties' Named Contact(s). Such ~~NGESO~~The Company TEC Exchange Rate Application will be sent regardless of whether the User Application is effective or not, so that the TO(s) are aware a User Application has been received. Should any Party decide to undertake any work on ~~the~~NGESOThe Company TEC Exchange Rate Application before it is effective, then this will be at such Party's own risk.
- 3.4.2.5 A technically effective ~~NGESO~~The Company TEC Exchange Rate Application is where all the necessary technical data has been provided. An effective ~~NGESO~~The Company TEC Exchange Rate Application is one that is technically effective and ~~NGESO~~The Company has informed the TO via

the appropriate Scheme Briefing Notes that the Application Fee has been cleared.

3.4.3 Receipt of an ~~the NGESO~~The Company TEC Exchange Rate Application acknowledged by TO(s)

3.4.3.1 Within 2 Business Days of receipt of ~~the NGESO~~The Company TEC Exchange Rate Application, the Affected Parties shall acknowledge receipt of ~~the NGESO~~The Company TEC Exchange Rate Application to ~~the NGESO~~The Company Lead Person by email.

3.4.3.2 ~~The NGESO~~The Company Lead Person and Affected Parties' Lead Person(s) shall agree the date to meet to discuss the Application Programme and ~~the NGESO~~The Company shall enter this date on the Scheme Briefing Notes. This meeting (step 3.4.13.1) may be cancelled if it transpires that it is not required.

3.4.4 Application Fee not cleared

3.4.4.1 If the Application Fee has not cleared, ~~the NGESO~~The Company Lead Person shall seek to obtain the Application Fee from the Applicant.

3.4.5 ~~NGESO~~The Company confirms that Application Fee cleared

3.4.5.1 When the Application Fee has cleared, ~~the NGESO~~The Company Lead Person shall update the Scheme Briefing Notes with the clearance date and email the appropriate Scheme Briefing Notes to the Affected Parties' Lead Person(s).

3.4.5.2 The TO(s) shall invoice ~~NGESO~~The Company with their relevant TO component of the Application Fee in accordance with STCP 19-6 Application Fee.

3.4.6 ~~NGESO~~The Company shall be informed as to whether ~~the NGESO~~The Company TEC Exchange Rate Application is technically effective or not

3.4.6.1 Within 5 Business Days of receipt of ~~the NGESO~~The Company TEC Exchange Rate Application, the Host TO and Affected TO(s) (as appropriate) Lead Person(s) shall notify ~~the NGESO~~The Company Lead Person by email, as to whether ~~the NGESO~~The Company TEC Exchange Rate Application is technically effective or not. Where ~~the NGESO~~The Company TEC Exchange Rate Application is considered to be technically non-effective, then the Host TO and Affected TO(s) (as appropriate) Lead Person(s), shall email ~~the NGESO~~The Company Lead Person with detailed reasons as to why it considers it incomplete or unclear in a material respect and the amendments it considers are required to make it technically effective.

3.4.7 Applicant and TO(s) shall be informed that User Application is technically non-effective

3.4.7.1 A technically non-effective User Application is one where all technical data has not been received.

3.4.7.2 If the User Application is technically non-effective, ~~the NGESO~~The Company Lead Person shall inform the Applicant of what data is missing. ~~The NGESO~~The Company Lead Person shall update the Scheme Briefing Notes with the date the Applicant was contacted and email the appropriate Scheme Briefing Notes to the Affected Parties.

3.4.8 Resolve technical non-effectiveness

3.4.8.1 Where a ~~NGESO~~The Company TEC Exchange Rate Application is technically non-effective as a consequence of the User Application being technically non-effective, the Host TO and Affected TO(s) (as appropriate) shall use best endeavours to liaise and assist ~~NGESO~~The Company to resolve their elements of the technical non-effectiveness. In order to achieve

- this, ~~NGESO~~The Company may request the TO to resolve the technical non-effectiveness with the Applicant directly.
- 3.4.8.2 If the Applicant cannot submit the data (e.g. because data is not available for new technology) then the Lead Person(s) shall assess and advise the Parties whether it can progress the application or not and note/agree any assumptions made. If ~~the NGESO~~The Company TEC Exchange Rate Application is to continue then alternative data may be requested from the Applicant.
- 3.4.8.3 If the Lead Person(s) assess that ~~the NGESO~~The Company TEC Exchange Rate Application cannot progress without the missing technical data then ~~the NGESO~~The Company Exchange Rate Application will be put on hold as ineffective. If and when the missing technical data is supplied to ~~NGESO~~The Company then the process will recommence from 3.4.9.
- 3.4.9 **~~NGESO~~The Company is informed that ~~the NGESO~~The Company TEC Exchange Rate Application is now technically effective**
- 3.4.9.1 On receipt of the missing/additional data from the Applicant, ~~the NGESO~~The Company Lead Person shall circulate the data to the Host TO and Affected TO(s) (as appropriate) Lead Person(s). ~~The NGESO~~The Company Lead Person shall also record on the Scheme Briefing Notes the date of when the missing/additional technical data has been received and email the appropriate Scheme Briefing Note to each Affected Party.
- 3.4.9.2 Within 3 Business Days of receipt of the missing/additional data, the Host TO and Affected TO(s) (as appropriate) Lead Person(s) shall confirm to ~~the NGESO~~The Company Lead Person by email whether their ~~NGESO~~The Company TEC Exchange Rate Application is now technically effective. If ~~the NGESO~~The Company TEC Exchange Rate Application is still not technically effective then the process returns to 3.4.6 or otherwise proceeds to 3.4.10.
- 3.4.10 **~~NGESO~~The Company confirms User Application Date and ~~NGESO~~The Company Application Date**
- 3.4.10.1 ~~The NGESO~~The Company Lead Person shall update the Scheme Briefing Notes with the User Application Date, ~~NGESO~~The Company Application Date and the draft Application Programme dates, and email the appropriate Scheme Briefing Note to each Affected Party.
- 3.4.11 **Affected Parties provided with the TEC Exchange Planning Assumptions**
- 3.4.11.1 If ~~NGESO~~The Company generates TEC Exchange Planning Assumptions it shall forward the TEC Exchange Planning Assumptions, including any updates to the network model, to the Affected Parties' Lead Person(s) within 5 Business Days of the User Application Date.
- 3.4.11.2 In the event that ~~NGESO~~The Company does not intend to generate a set of TEC Exchange Planning Assumptions, ~~NGESO~~The Company shall notify the TO(s) within 2 Business Days of the User Application Date. In this case the Affected Parties will use the general Planning Assumptions already provided under STCP16-1.
- 3.4.11.3 If there is a delay between receipt of the User Application and the User Application being effective, it may be necessary for ~~NGESO~~The Company to provide the Affected Parties with revised and updated TEC Exchange

Planning Assumptions, which take account of the generation and demand backgrounds in STCP 22-1 Production of Models for GB System Planning.

3.4.11.4 ~~NGESO~~The Company may change, or Affected Parties may request a change to, the TEC Exchange Planning Assumptions.

3.4.12 Affected Parties assess TEC Exchange Planning Assumptions and draft Application Programme

3.4.12.1 The Affected Parties shall assess the TEC Exchange Planning Assumptions and consider any implications to the draft Application Programme.

3.4.12.2 The Affected Parties' Lead Person(s) shall amend or confirm the draft Application Programme to ~~the NGESO~~The Company Lead Person, one Business Day prior to the meeting to agree the Application Programme.

3.4.13 Application Programme agreed by ~~NGESO~~The Company and Affected Parties

3.4.13.1 The Application Programme shall be agreed by ~~the NGESO~~The Company Lead Person and Affected Parties' Lead Person(s), within 10 Business Days of the User Application Date. The Application Programme may be agreed at a meeting of the Lead Person(s), if necessary, date fixed at step 3.4.3.2 above.

3.4.14 ~~NGESO~~The Company and Affected Parties create National Electricity Transmission System models

~~NGESO~~The Company and the Affected Parties shall, where required for an application, each take the TEC Exchange Planning Assumptions provided by ~~NGESO~~The Company in step 3.4.11, together with the relevant network models and create a series of consistent GB models in accordance with STCP22-1 Production of Models for National Electricity Transmission System Planning.

3.4.15 Affected Parties assess the impact of ~~the NGESO~~The Company TEC Exchange Rate Application

3.4.15.1 The Affected Parties shall assess how much of an increase in TEC could be accommodated at the Increasing User's site, whilst still retaining a SQSS compliant system, as a result of a specific decrease in TEC at the Decreasing User's Site. The Affected Parties shall carry out the assessment in accordance with the Application Programme.

3.4.15.2 The Affected Parties shall discuss and agree their assessment as appropriate. ~~NGESO~~The Company shall be included (as appropriate) in any discussions between the Affected Parties.

3.4.16 ~~NGESO~~The Company is provided with the TO TEC Exchange Rate

3.4.16.1 Each Affected Party shall submit to ~~NGESO~~The Company the TO TEC Exchange Rate resulting from their assessment by email. The timescales of the submission is to be in line with the Application Programme and STC Section D, part 3, paragraphs 3.2 and 3.3.

3.4.17 ~~NGESO~~The Company will inform each of the Affected Parties when the change to the agreements with the Increasing User and Decreasing User is effected by sending an updated Scheme Briefing Note to them. Within 5 Business Days of receiving notification from ~~NGESO~~The Company that the TEC Trade has been effected, the Host

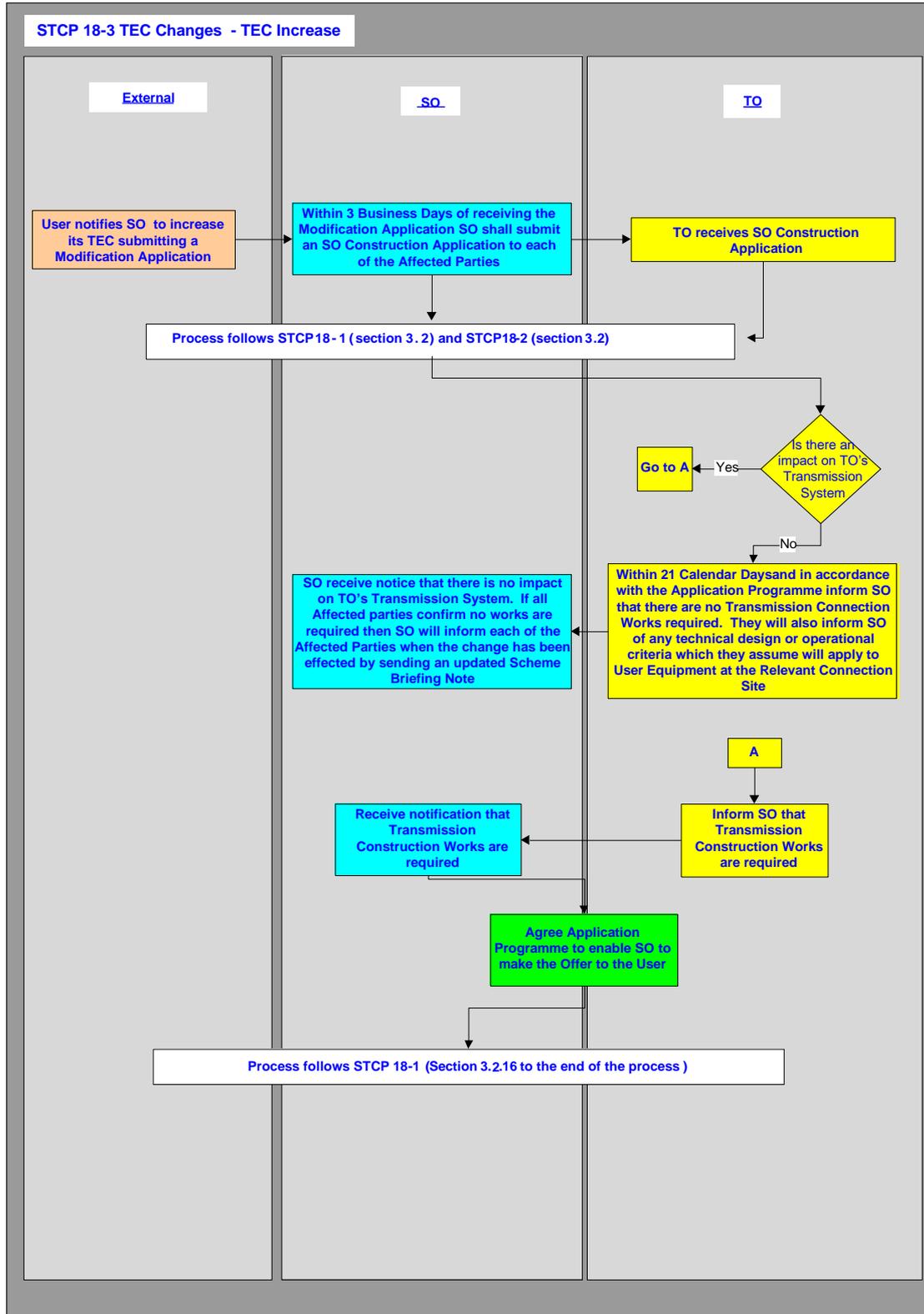
TO(s) shall update the relevant Connection Site Specifications and send a copy to ~~NGESO~~The Company.

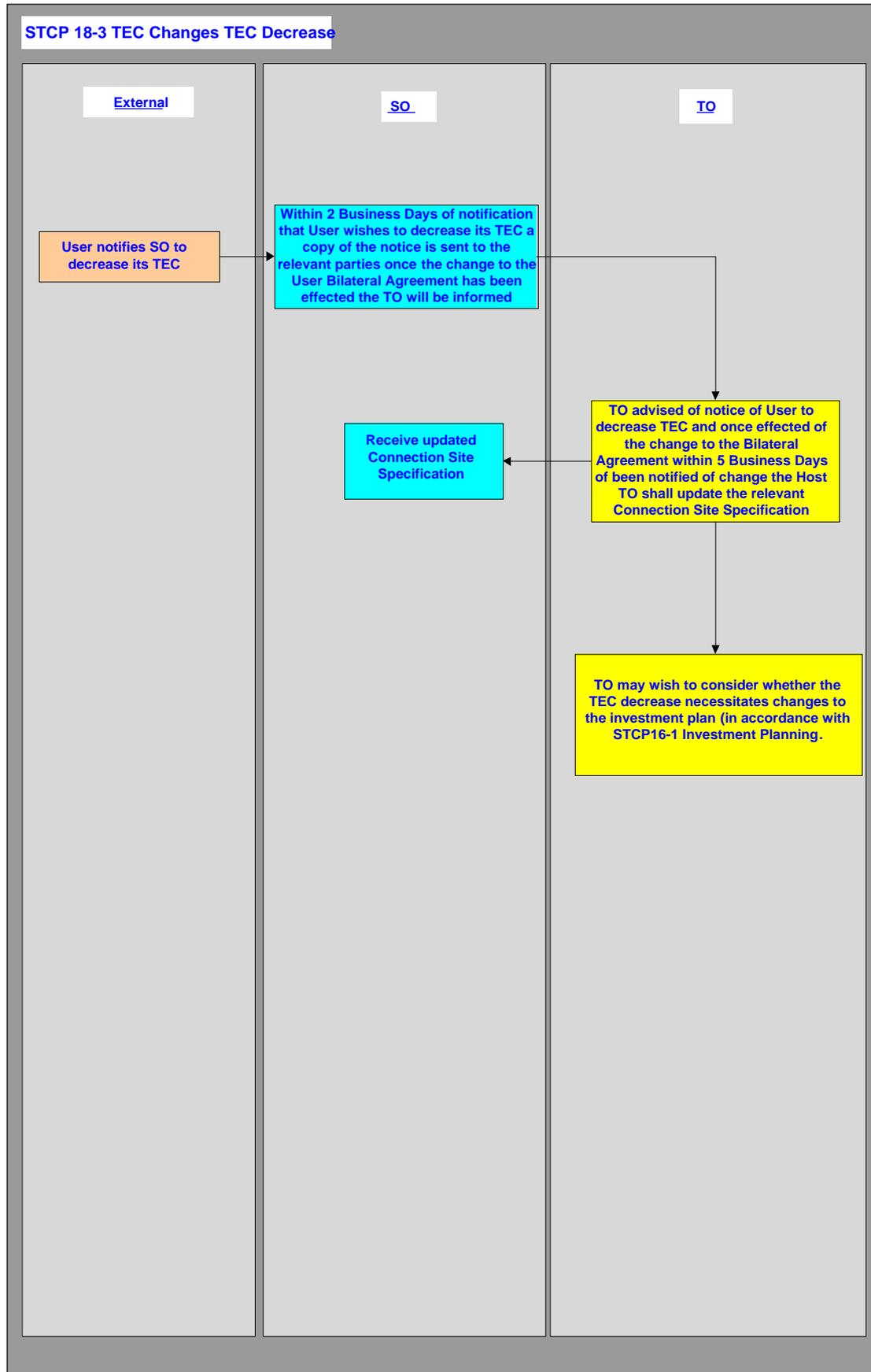
3.5 Requests for extension to application process timescale

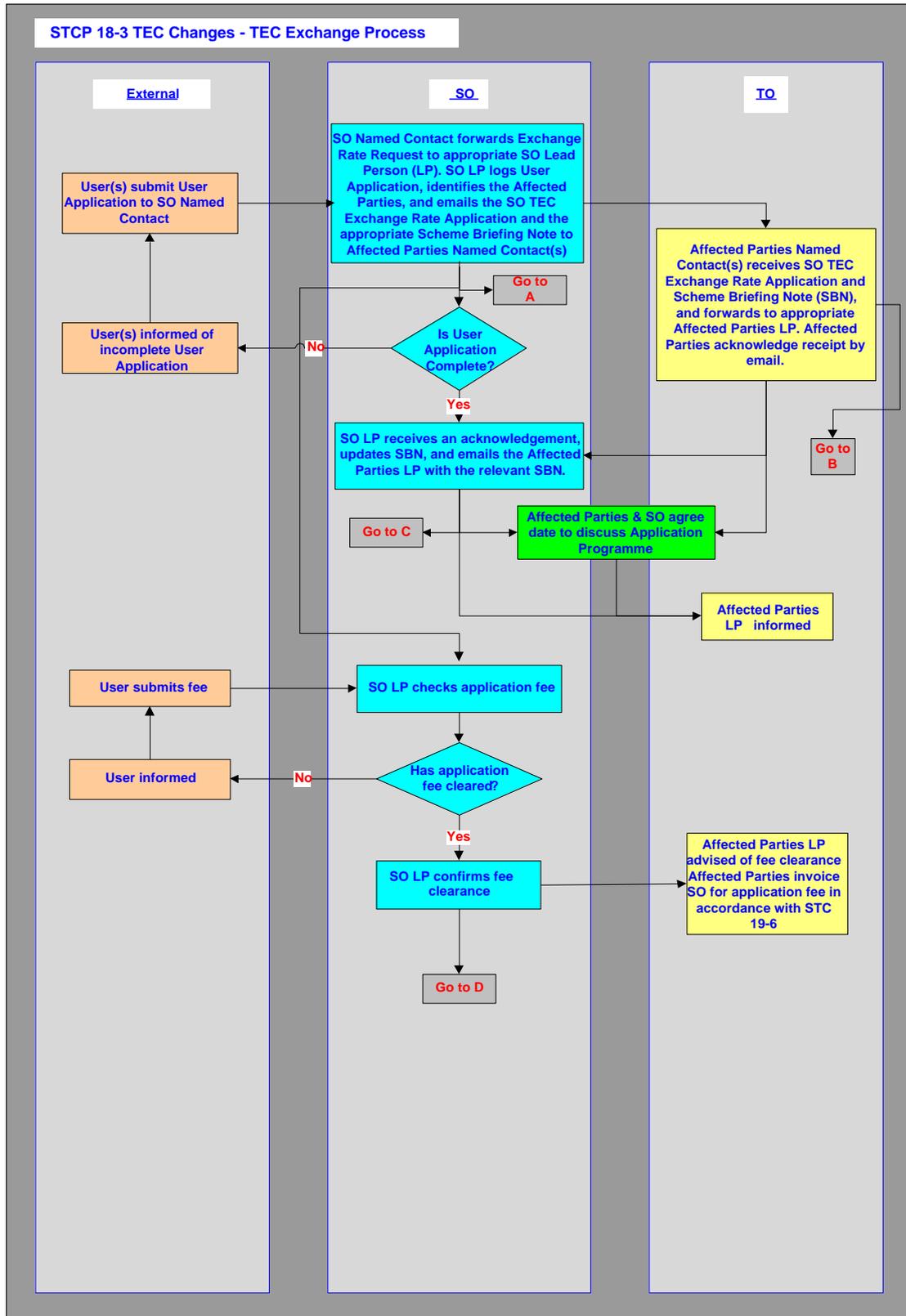
- 3.5.1 It may be necessary, at any stage of the TEC Changes process, for an extension to the application timescales to be considered. Where a Party identifies the need for an extension in timescales then this shall initially be discussed by the Lead Person(s). If the Lead Person(s) agree(s) that there is a need for an extension, ~~NGESO~~The Company shall submit an application to the Authority for an extension in timescales. The Affected Parties shall provide any relevant information reasonably requested by ~~NGESO~~The Company to enable ~~NGESO~~The Company to make a timely submission for such an extension to the application timescales.
- 3.5.2 Where a Party requires an extension to its timescales and the Lead Person(s) do not agree, then that Party may submit such a request to the Authority. Any Party submitting such a request to the Authority shall inform (as appropriate) ~~NGESO~~The Company and the other Affected Parties of the request. ~~NGESO~~The Company may need to separately submit a request to the Authority for an extension to its application timescales. The Affected Party shall provide any relevant information requested by ~~NGESO~~The Company to enable ~~NGESO~~The Company to make a timely submission for such an extension to its application timescales.
- 3.5.3 ~~NGESO~~The Company and the Affected Parties shall work to the agreed Application Programme, unless notified by the Party making the request that the Authority has granted an extension to its application timescales. If an extension to the application timescales is granted, the Parties shall discuss the Application Programme and ~~the~~ ~~NGESO~~The Company Lead Person shall update the Scheme Briefing Notes as necessary and email the appropriate updated Scheme Briefing Note to each Affected Party.

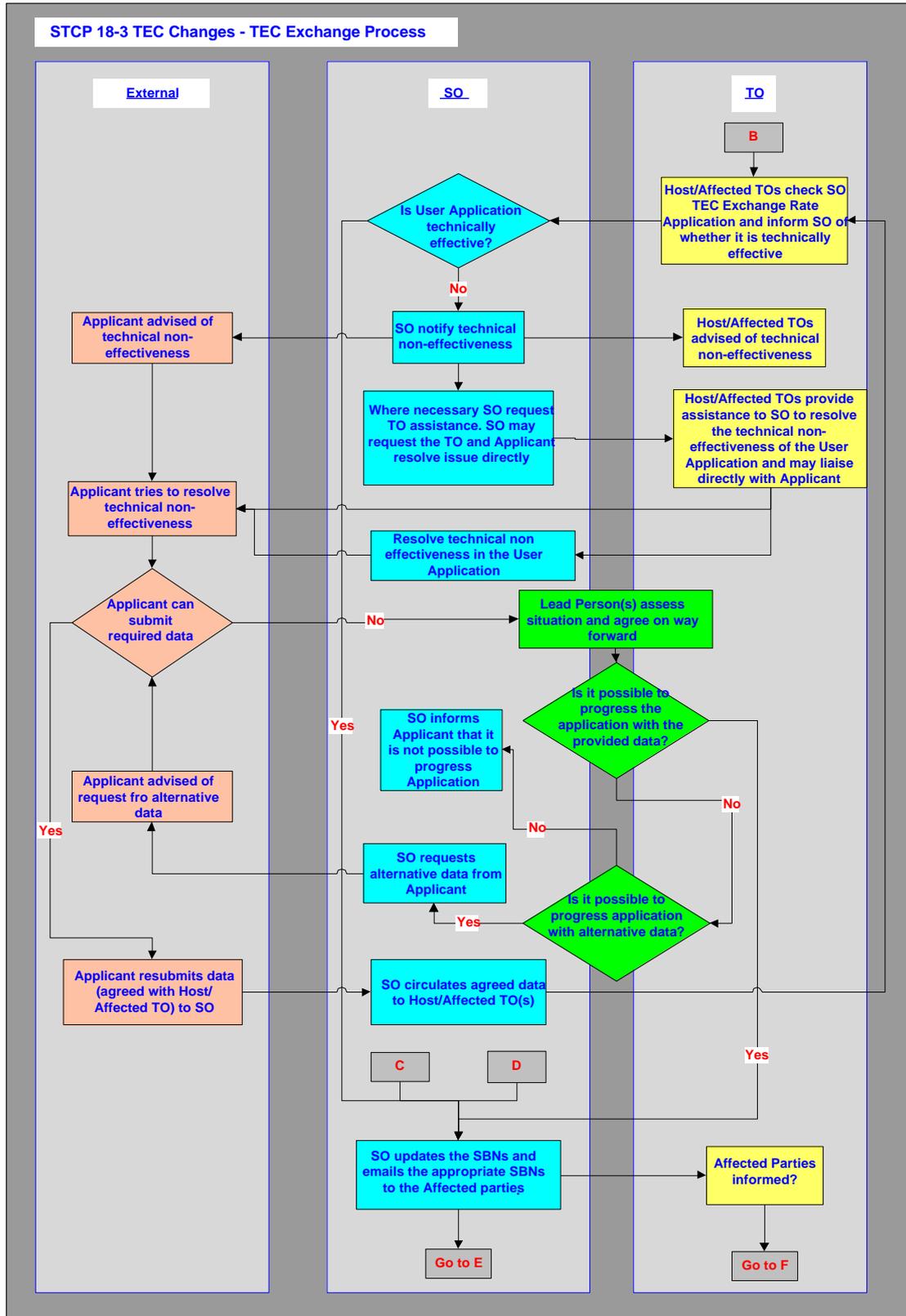
Appendix A: Process Diagrams

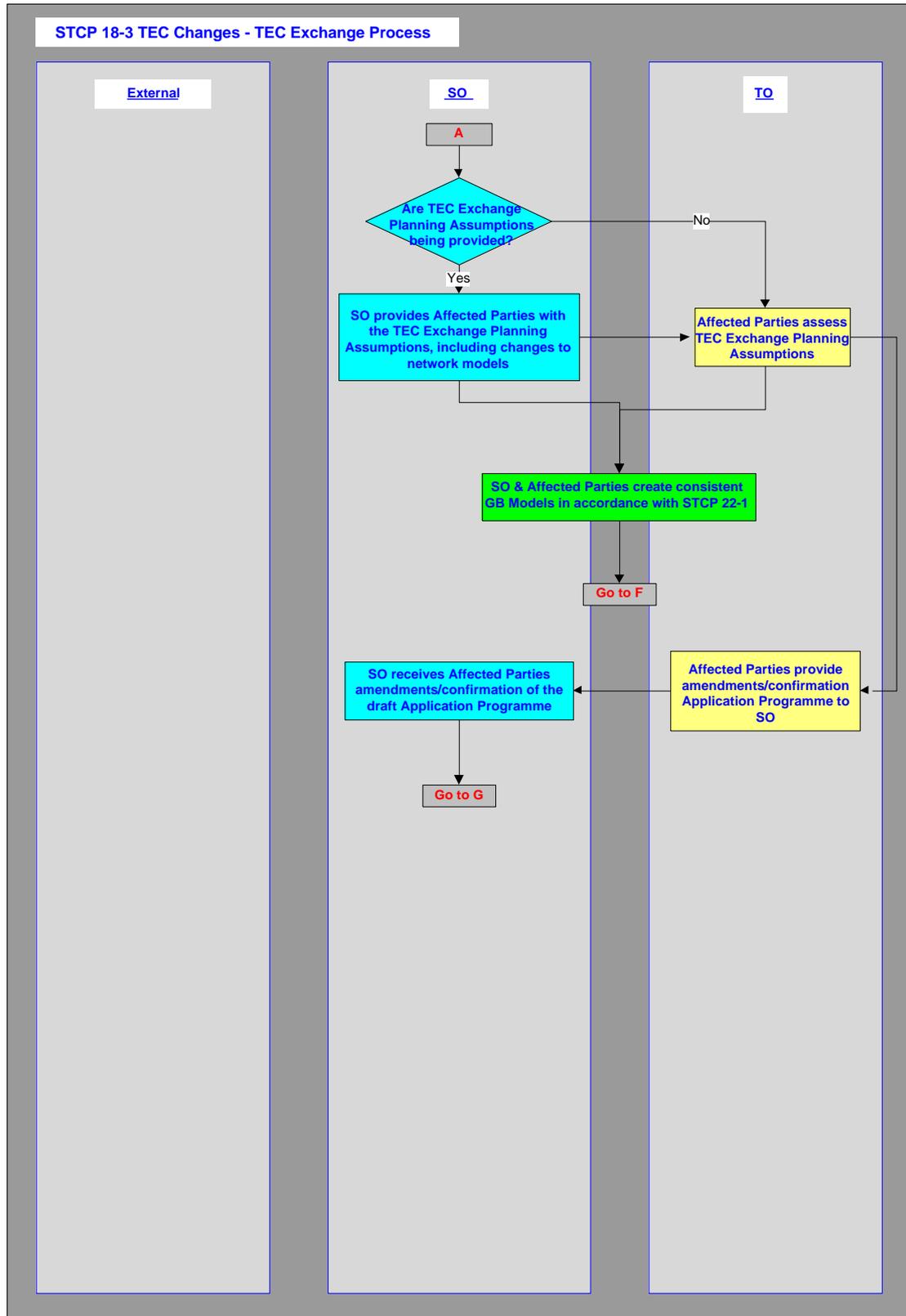
Note that the Process Diagrams shown in this Appendix A are for information only. In the event of any contradiction between the process represented in this Appendix and the process described elsewhere in this STCP, then the text elsewhere in this STCP shall prevail.

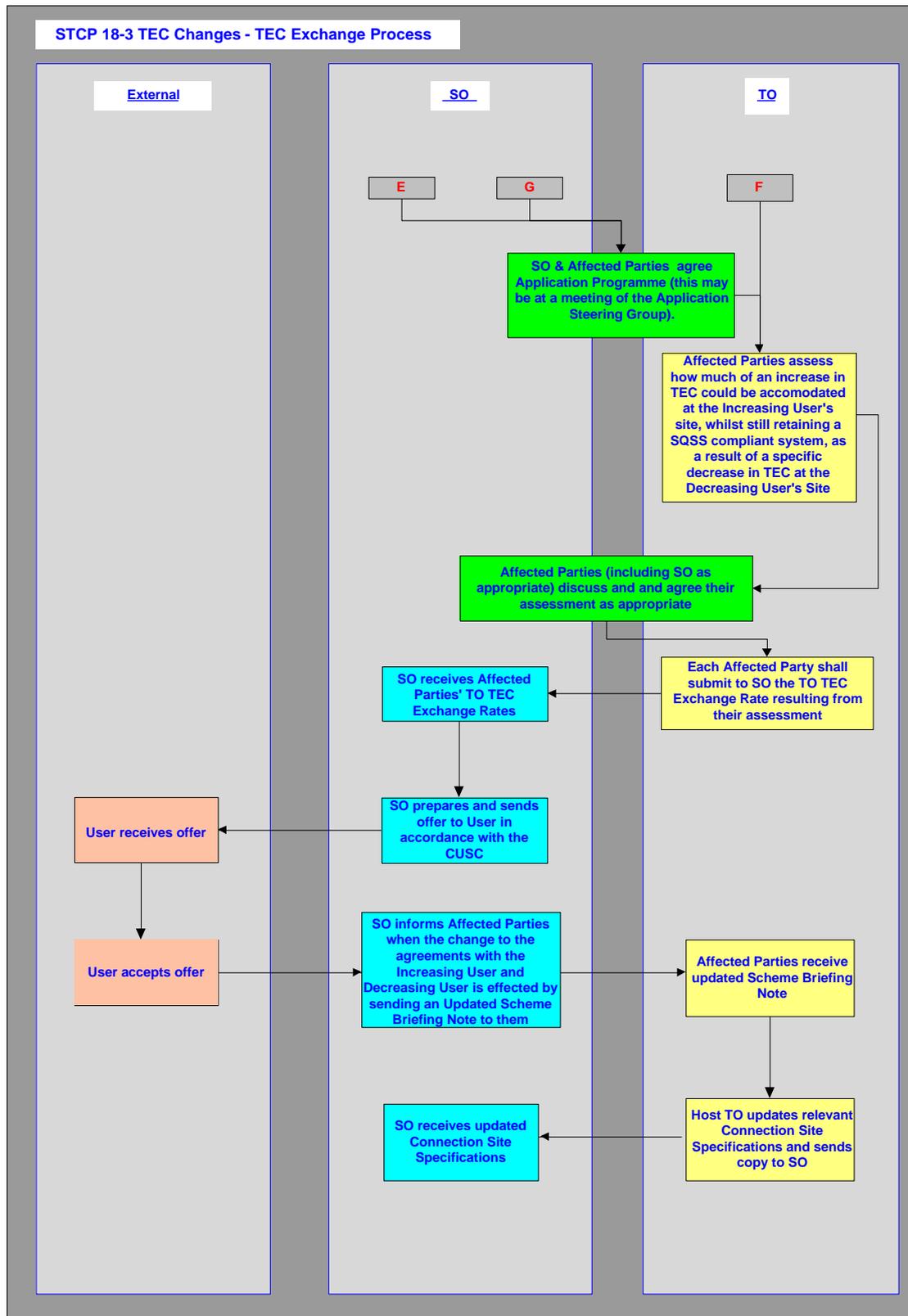












Appendix B: Abbreviations & Definitions

Abbreviations

CEC	Connection Entry Capacity
OFTO	Offshore Transmission Owner
SHET	Scottish Hydro-Electricity Transmission plc.
SPT	SP Transmission plc.
TEC	Transmission Entry Capacity
TO	Transmission Owner

Definitions

STC definitions used:

Authority

Business Day

Connection Site Specification

Construction Planning Assumptions

Construction Project

Decreasing User

National Electricity Transmission System

Increasing User

Modification

~~NGESO~~The Company

NGET

~~NGESO~~The Company Application Date

~~NGESO~~The Company Construction Application

~~NGESO~~The Company TEC Exchange Rate Application

Party

Relevant Connection Site

TEC Exchange Planning Assumptions

TO Construction Agreement

TO Construction Offer

TO TEC Exchange Rate

Transmission Connection Works

Transmission System

User Application

User Application Date

User Equipment

STCP 18-3 TEC Changes

Issue 009 – 13/05/19

CUSC definitions used:

Applicant

Bilateral Agreement

Exchange Rate

Exchange Rate Request

Financial Year

Modification Application

Modification Offer

Offer

TEC Trade

Transmission Entry Capacity

User

Definition used from other STCPs:

Application Fee

STCP19-6: Application Fee

Lead Person

STCP18-1: Connection and Modification Application

Scheme Briefing Note

STCP18-1: Connection and Modification Application