## **ESO**

Elana Byrne Chair STC Panel

Nadir Hafeez Ofgem By email

09 September 2024

Dear Nadir

System Operator Transmission Owner Code (STC) Modification Panel Updated Request for an updated Urgency Timetable for CM095: Implementing Connections Reform and CM096: Application of Gate 2 Criteria to existing contracted background.

<u>CM095</u> and <u>CM096</u> seek to revise the current connections process to enable the timely connection of projects to meet net zero and were granted Urgency on 01 May 2024<sup>1</sup>.

The STC Modifications Panel ("the Panel") met on 12 July 2024, at the request of the ESO as the Proposer of <a href="Modes">CM095</a> and <a href="Modes">CM096</a> who sought agreement on the updated proposed urgent timelines.

 In that meeting the Panel agreed unanimously to send revised timelines for <u>CM095</u> and <u>CM096</u> to the Authority for a decision on extending the previously approved Urgency timeline. However, due to the further conversations between the ESO and the Authority around the target implementation date of 01 January 2025 a letter of recommendation was not sent to the Authority.

The STC Modifications Panel ("the Panel") met on 09 September 2024, at the request of the ESO as the Proposer of <a href="Modes">CM095</a> and <a href="CM096">CM096</a> who sought agreement on the updated proposed urgent timelines.

The Panel considered the request for an updated urgency timeline, with reference to the Proposer's rationale for extending the length of the Workgroup stages of the process due to:

- The reforms put forward are unprecedented in scale and ambition, reflecting the importance of the challenges which the industry are seeking to resolve collectively.
- Previously the timeline was based on a sequential plan with decisions on Code Modifications in December 2024 and decisions on Methodologies in February 2025, the new timeline is based on Ofgem coupling the decisions on Code Modifications and Methodologies in Q1 2025.

<sup>&</sup>lt;sup>1</sup> <u>Decision on urgency treatment of 'CM095: Implementing Connections Reform' and 'CM096: Application of Gate 2 Criteria to existing contracted background' (nationalgrideso.com)</u>

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- The proposals are going through the relevant open governance processes and have seen extraordinary levels of interest, reflecting the importance of the issues at hand.
- There is input from a range of stakeholders on various aspects of the reforms and to allow sufficient time to engage with the views across industry in certain areas through the continuing Code Modification Workgroup meetings.
- The reforms are complex, and it's important that when the final report is submitted to the regulator for their decision that solutions have had robust review.

The Panel discussed the proposed updated timeline and acknowledged the following:

- The need for continuing management of the Workgroup meeting agendas and the potential for additional STC focus time in Workgroup meetings.
- With the Code Administrator Consultations and the methodology consultations being run in parallel, to protect the wellbeing of Industry parties, there was a preference for longer consultation periods where possible. Alongside issuing a reminder on the purpose of the Code Administrator Consultation to avoid erroneous responses.
- That as the Authority intends to decide on the Code Modifications, methodologies and licence changes at the same time, the Implementation date would be after the mandatory stand still period after a licence change.

The Panel agreed unanimously that <u>CM095</u> and <u>CM096</u>, subject to Ofgem's decision on extending the previously approved Urgency timeline, should follow the below proposed timetable.

Modification Stage	Date
Workgroup Consultation (8 Business Days)	25 July 2024 to 06 August 2024
Workgroup Report issued to Special Panel (2 Business Days)	05 November 2024
Panel sign off that Workgroup Report has met its Terms of Reference	08 November 2024
Code Administrator Consultation (9 Business Days)	11 November 2024 to 22 November 2024
Draft Final Modification Report issued to Special Panel (2 Business days)	13 December 2024
Special Panel undertake Recommendation Vote	20 December 2024
Final Modification Report issued to Panel to check votes recorded correctly	20 December 2024 (2pm- 4pm)
Final Modification Report issued to Authority	20 December 2024 (by 5pm)
Authority Decision	Q1 2025
Date of Implementation	Q2 2025

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The Panel noted that the updated urgency timeline does not alter the previously approved timescales but did alter the dates of the modification stages;

- A Workgroup nomination period of less than 15 Business Days
- Code Administrator Consultation period of less than 15 Business Days;
- There would be less than 5 clear Business Days between publication of the Draft Final Modification Report and Panel's recommendation; and
- There would be less than 5 clear Business Days for Panel to check that their Recommendation Vote had been recorded correctly.

Please do not hesitate to contact me if you have any questions on this letter or, the proposed process and timetable. I look forward to receiving your response.

Yours sincerely

Elana Byrne Chair of the STC Panel