

Matt Vickers
National Electricity System Operator
Faraday House,
Gallows Hill,
Warwick
CV34 6DA



Making a positive difference
for energy consumers

Email: connections@ofgem.gov.uk

Date: 15 January 2025

Dear Matt,

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

On 21 August 2024, Ofgem published a decision in support of implementing transitional arrangements to the electricity connections process.¹

This letter sets out our support in implementing a modification of transitional arrangements through the direction and comfort requests made by the National Electricity System Operator (NESO) and Transmission Owners (TOs). Our position on the directions and comfort sought in the NESO and TOs' letter dated 15 January 2025 and any conditions on these is specified below. NESO and the TOs will be responsible for implementation and administration of this subsequent phase of the transition process.

We accept the need for a "pause" in transmission-connected generation projects to enable an efficient move to a new connections process (called "TMO4+"), which, if approved, will be streamlined to focus on projects that are ready and needed. The proposed new connections process would focus on projects that enable clean power by 2030 and will ensure the timely connection of projects to better contribute to economic growth. The proposed Project Designation methodology within these reforms could enable specific projects to be prioritised to ensure we swiftly connect the projects that the system needs.

Transmission-connected generation projects applying in the current process would likely receive dates far into 2030s and hence are reliant upon connections reform for any accelerated dates. We support the clear exception for demand projects, which will be needed to continue to grow the UK economy. We welcome the commitment from the DNOs to continue to accept and process applications from smaller-scale and local projects.

¹ [Ofgem Transitional Arrangements Decision](#)

Context

In November 2023, Ofgem and DESNZ published a joint Connections Action Plan ("the CAP")² which set a vision for a reformed Connections Process that facilitates viable projects and is aligned with future strategic network build and spatial energy planning. The details behind the latter two aspects have been set out by the Government's Clean Power 2030 Action Plan³. The document highlights "it is imperative that the reform timeline remains on track, with all parties playing their part to ensure that projects needed for 2030 and beyond progress in a timely manner without undue uncertainty or delay". This Action Plan, combined with the ongoing work on the TMO4+ Connections Reform⁴, provides an opportunity to significantly accelerate alignment of strategic planning and connections, ahead of the first Strategic Spatial Energy Plan (SSEP)⁵ and an enduring set of strategic spatial energy and network plans.

Since the publication of transitional arrangements, we have continued to work closely with NESO, TOs, industry and government to make changes to the policy and regulatory framework and improve the way customers connect to the electricity system. NESO's TMO4+ proposal (subject to Ofgem approval)⁶ would 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 NESO's website.⁷

On 21 August 2024, we supported the NESO and the TOs' proposal to introduce a Transitional Arrangements process applicable to new directly connected applications made from 2 September 2024. The transitional arrangements are in place to facilitate the move from the existing connections process to the reformed gated process (subject to Ofgem approval).⁸

As we near the prospective implementation of the reformed connections process⁹, NESO and the TOs have revisited the transitional arrangements process and have come forward with a proposal to introduce amendments to the transitional process currently in place.

NESO and the TOs' request outlines a further set of activities required to transition into Connections Reform, consisting of three elements:

- 1) **A "pause" in responding to applications** (other than directly connected demand) received from 29 January 2025 until the earliest of a) the date of implementation of the TMO4+ code modification proposals following a positive decision or, b) Ofgem states that it is not proceeding with the reforms or, c) 31 May 2025. This is applicable to both transmission and distribution applications, including new applications, modification applications, BEGA and BELLA applications and Project Progressions. The DNOs will continue to accept applications and provide offers, but those that require Transmission Impact Assessment / Project Progressions will not be passed through to NESO during this pause.
- 2) **Modifying the existing transitional offer process to apply only to new directly connected demand projects** from 29 January 2025 until the earliest of

² [Ofgem and DESNZ announce joint Connections Action Plan | Ofgem.](#)

³ [Clean Power 2030 Action Plan - GOV.UK](#)

⁴ [Connections Reform | National Energy System Operator](#)

⁵ [Clean Power 2030 | National Energy System Operator](#)

⁶ 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](#) and [CM095](#).

⁷ See NESO's publication, [GB Connections Reform](#) from April 2024.

⁸ See code modifications: [CMP434](#), [CMP435](#) and [CM095](#).

⁹ As we set out in our [Open letter: update on reform to the electricity connections process following proposals from ESO | Ofgem.](#)

a) the date of implementation of the TMO4+ code modification proposals following a positive decision or, b) Ofgem states that it is not proceeding with the reforms or, c) 31 May 2025. Demand customers will be required to submit their applications by 21 March 2025.

3) **An exceptions process to the pause to continue issuing firm offers** for modification applications¹⁰ that:

- a. are linked to circumstances where NESO and TO consider that the modification application will not have material impact on the G2TWQ process (for example, this may include Modification Applications that request a delay to a customer's existing Connection Date providing it remains within the same Clean Power 2030 pathway);
- b. relate to the safety and security of the network (e.g., asset replacements).
- c. are delivery-critical modification applications for customers who are connecting before the end of 2026;
- d. are excepted on a case-by-case basis, against set criteria determined by NESO and the TOs. We note that the criteria in question will need to be specified by NESO and the TOs and agreed with Ofgem prior to the implementation of this amendment to the transitional arrangements. The criteria will cover:
 - i. possible impact against the overall project programme.
 - ii. committed spend.
 - iii. impact on other projects; or
- e. are excepted on a case-by-case basis, where NESO/TO considers that failure to process the modification application at this time could have detrimental impact on the safety and operation of the network.

Our decision and reasoning

Customer Clarity

We accept the need for this further amendment to transitional arrangements to provide a clear date for customers to apply, to ensure applications are processed in time, and to give the opportunity for customers to accept their offer in time for the opening of the application window under the Gate 2 to Whole Queue (G2TWQ) process in Q2 2025. This will enable eligible projects to be considered for 'Gate 2', subject to our approval of TMO4+ code modifications. These arrangements would ensure that these applications are considered under the new process, to allow them to benefit from the reforms, rather than being assessed in later application windows. Customers will need to that have apply, pay their application fee, provide any additional justification requested, and answer any questions from NESO and TOs about their application, by 12 February 2025 (two weeks following the implementation of this process), to be included within the G2TWQ process.

Resource burden

We also recognise the need for the proposed amendment to transitional arrangements to address the potential resource burden on TOs and NESO to continue to process full offers. These amended transitional arrangements would ensure parties are focused on delivering the new process at pace, if Ofgem were to approve, rather than processing offers from the current process that would then need to be amended if the new process is approved.

¹⁰ Modifications to existing connections.

The transitional arrangements that were introduced from 2 September 2024 have proven to be insufficient in reducing the workload, to allow network companies to concentrate their efforts on preparing for the reformed connection process and to with the Government's Clean Power 2030 Action Plan and the SSEP. TOs continue to process high rates of applications, noting the continued rate of modification applications and project progressions. With the level of project progressions, the amendments to transitional arrangements are to be extended to Distribution connecting generation customers requiring transmission impact assessments, through a 'pause' on NESO processing project progressions submitted by DNOs.

To ensure the best outcomes for current and future connection customers, NESO and TOs should provide Ofgem with confidence that adequate processes are in place to facilitate the timely implementation of the significant upcoming changes. We expect NESO will be in a position to set out a clear plan for the treatment and processing of all applications submitted prior to the cut-off date for demand customers of 21 March 2025 (as per the below section) to ensure the G2TWQ exercise runs efficiently, should the Connections Reform be approved.

Demand

We support that directly connected demand customers will continue to receive transitional offers and will still be considered for the G2TWQ process until 21 March 2025, when a pause will be required, conditional on application clock-starting by 4 April 2024.¹¹ Demand connections drive timely electrification of the wider economy, delivering economic growth and net zero, as well as the need to connect generation, creating investment opportunities in the energy sector. This approach is aligned with demand applications not being subject to Gate 2 strategic alignment criteria.

NESO and TOs sought comfort that the amendments to the transitional arrangements are compatible with the obligation to not unduly discriminate. In Ofgem's view, the efforts to deliver transitional arrangements, as well as this modification, are not contrary to this obligation. Whilst directly connected Demand Users¹² that apply for a connection application during the transitional period will be treated differently to other transmission applications, this is in pursuit of a legitimate aim of ensuring all customers benefit from the reforms. Therefore, in the current circumstances on connections in GB this warrants different treatment of these customers, given that they will not be subject to Gate 2 strategic alignment criteria.

Distribution connections

We welcome that the DNOs will continue to accept and process connections offers that are connecting to the distribution network, without transmission impact assessments. This includes embedded demand. This will ensure that smaller connections can be facilitated, which tend to have quicker connection dates. Furthermore, it ensures no delays to smaller connections from the ongoing TMO4+ reforms. For clarity, DNOs will also continue to accept applications for distribution connection applications that require transmission impact assessments but will not send these to NESO until after the transitional arrangements cease.

Exceptions process

We agree that full offers should continue where agreement variations and notices are required, as specified in NESO's proposal and the context section above. It is important

¹¹ Clock start' is the date on which the application & Data Registration Code (DRC) data submission is deemed technically competent, and the fee is paid. Clock start signifies the start of the 3-month offer period as defined in CUSC.

¹² Embedded Demand Users are not in scope of the Connections Reform nor the process set out in this letter.

that NESO and TOs adequately assess the impact of individual Modification Applications to consider their impact on critical business, strategic or network needs and ensure no disruptions are caused.

We note that the criteria in the exceptions process under d) will need to be specified by NESO and the TOs and agreed with Ofgem prior to the implementation of this amendment to the transitional arrangements. Without this agreement, this exception cannot be used.

Implementation

NESO should communicate this process change to customers applying prior to the pause and ensure right provisions are in place and the right degree of support provided to customers so that their applications are clock-started/ processed prior to the Connection Reform taking effect. This is to enable eligible customers to participate in the new process under the Connections Reform, without the need to reapply. The NESO should work with DNOs to ensure that their customers understand the changes. Any and all reliefs provided in this letter are effective from **29 January 2025** until:

- In the event [CMP434](#), [CMP435](#) and [CM095](#) are approved, **then the date of implementation** of those code modifications;
- In the event [CMP434](#), [CMP435](#) are [CM095](#) 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), the reliefs provided in this letter will expire **on 31 May 2025**.

Our support of these arrangements does not in any way fetter our discretion in relation to the ongoing TMO4+ code modifications.¹³

We are currently reviewing the Final Modification Reports ('FMRs') of each of the TMO4+ code modifications, along with the associated TMO4+ methodologies that we will also need to approve. Only upon scrutiny of the FMRs and methodologies (and consultation responses on associated licence conditions) will we be able to make our decisions on these documents. It is for this reason that we have provisions in place in the case of a rejection or delay of the TMO4+ code modifications. Should the arrangements in this letter no longer apply, 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 this modification to transitional arrangements, consisting of three elements as specified in the section above. The type of relief granted 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')¹⁴
- Direction – a relief from complying with a System Operator Transmission Owner Code ('STC')¹⁵ 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

¹³ See [CMP434](#), [CMP435](#) and [CM095](#).

¹⁴ Electricity Transmission Standard Licence Conditions: [Licences and licence conditions | Ofgem](#).

¹⁵ [STC Code Documents | ESO \(nationalgrideso.com\)](#).

Summary of our decision

Based on the information provided by NESO and TOs, our assessment, and having regard to our principal objective and statutory duties, we have decided to extend the comforts granted in our decision dated 21 August and grant additional **comfort** on the following:

- **CUSC:**
 - Section 1.7
 - Section 2.13
 - Section 6.9
 - Section 6.10
 - Section 9.17
 - Section 9.20
 - Section 1 clause 1.7.3
 - Section 2 clause 2.13.4
 - Section 3 clause 3.7.1
 - Section 3 clause 3.7.2
 - Section 3 clause 3.7.4
 - Section 6 clause 6.9.2
 - Section 9 clause 9.17.3

- **Electricity System Operator Licence Conditions:**
 - E2.25
 - E4.24
 - E12.2
 - E12.3
 - E12.4
 - E12.6

and direction (see Appendix 2, 3 and 4) for:

- **STC:**
 - Section D, Part Two

We agree with NESO and TOs that the arrangements proposed 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, with clear fallback provisions if not approved. Therefore, the implementation of this modification to transitional arrangements is compatible with our Principal Objective to protect the interests of consumers.¹⁶

The Authority hereby confirms that:

- NESO are permitted to not comply with the relevant requirements of SLC of the Electricity System Operator Licence and CUSC in relation to providing the use of system and connection for customers from 29 January until:
 - In the event [CMP434](#), [CMP435](#) and [CM095](#) are approved, **then the date of implementation** of those code modifications;
 - In the event [CMP434](#), [CMP435](#) and [CM095](#) are rejected, we will confirm at that stage the expiry date of the reliefs provided in this letter;

¹⁶ Our Principal Objective is to protect the interests of existing and future consumers.

- In any case (including delay to decision on the code modifications), reliefs provided in this letter will expire **on 31 May 2025**.
- TOs are permitted to not 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 29 January 2025 until:
 - In the event [CMP434](#), [CMP435](#) and [CM095](#) are approved, **then the date of implementation** of those code modifications;
 - In the event [CMP434](#), [CMP435](#), and [CM095](#) 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 May 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 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 set out in this letter. 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 May 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, NESO 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.

Annex 1: Additional Background: Licence and Code obligations

NESO and TOs hold a licence under sections 6(1)(da) and 6(1)(b) of the Electricity Act 1989 ("the Licence"). NESO and TOs are obliged to comply with the Electricity System Operator Licence and the Electricity Transmission Standard Licence Conditions (SLCs)¹⁷. As licensees, they must also become party to and comply with industry codes.

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. Consequently, on the requests NESO and the TOs have made for relief from certain obligations, we have evaluated these requests in light of the challenges faced.

The table below sets out the specific requests made by NESO and TOs to facilitate these modified arrangements, our decision on whether to grant relief and our reasons supporting our decisions. We have not issued any Derogations on these requests as we consider Directions or Comfort to be the more appropriate form of relief for these obligations.

Requests from NESO and TOs to facilitate a modification to transitional arrangements (excepting directly connected demand)

Category	Obligation	Decision on relief provided	Reasoning for our decision
Requirement to offer terms	1. Standard Licence Condition ('SLC') E12.2 <i>Requirement on NESO to enter into agreement in case of an application for connection</i>	Comfort	During the pause period, applications will not be processed and offers will not be issued, excluding exceptions. Therefore, NESO will not be required to enter into agreement with any new applications submitted after the implementation of this new process.

¹⁷ Pursuant to a direction made by the Secretary of State on 12 September 2024 under section 167 of the Energy Act 2023, National Grid Electricity System Operator Limited's (NGESO) existing licence was transitioned to a new Electricity System Operator Licence. As of 1 October 2024, the shareholding in NGESO was transferred to public ownership and the company was renamed National Energy System Operator Limited (NESO).

Requirement to offer terms	2. SLC E12.3 <i>Requirement on NESO to notify STC Parties on application made</i>	Comfort	Applications not listed as exceptions, will not be processed and therefore, NESO will not be required to notify STC Parties of new applications made.
Requirement to offer terms	3. SLC E12.4 <i>Requirement on NESO to enter into agreement relating to connection to modification to an existing connection and reflect any associated TO Offer, and make detailed provisions</i>	Comfort	Regarding applications that are not listed as exceptions, NESO will not be required to enter into connection agreements and make detailed provisions as specified in the SLC E12.4
Requirement to offer terms	4. SLC E12.6 <i>Requirement on NESO to offer terms within the specified time period</i>	Comfort	As NESO will not be required to issue offers to customers not listed as exceptions, it will not be required to adhere to specified timelines to offer terms with regards to these applications during the transitional period
Requirement to offer terms	5. CUSC Paragraph 1.7 <i>Requirement on NESO to make a BELLA Offer</i>	Comfort	NESO will not be required to make BELLA offers as specified in the relevant CUSC paragraphs during this transitional period.
Requirement to offer terms	6. CUSC Paragraph 2.13 <i>Requirements on NESO with respect to New Connection Sites</i>	Comfort	NESO will not be required to make New Connection Sites offers as specified in the relevant CUSC paragraphs during the transitional period.
Requirement to offer terms	7. CUSC Paragraph 6.9 <i>Requirement on NESO to make</i>	Comfort	NESO will not be required to make Modification offers as specified in the relevant CUSC paragraphs, apart from

	<i>Modification Offers</i>		Modifications specified in the section above.
Requirement to offer terms	8. CUSC Paragraph 6.10 <i>Requirement on NESO to make provisions concerning Modifications and New Connection Sites</i>	Comfort	NESO will not be required to make provisions relating to Modifications and New Connection Sites as specified in the relevant CUSC paragraphs.
Requirement to offer terms	10.CUSC Paragraph 9.17 <i>Requirement on NESO with regards to New Connection Sites (Interconnectors)</i>	Comfort	NESO will not be required to make provisions with regards to New Connection Sites (Interconnectors) as specified in the relevant CUSC paragraphs.
Requirement to offer terms	11. CUSC Paragraph 9.20 <i>Requirement on NESO with regards to Use of System Applications (Interconnectors)</i>	Comfort	NESO will not be required to make provisions with regards to Use of System Applications (Interconnectors) as specified in the relevant CUSC paragraphs.
Requirement to offer terms	12. CUSC s3.7.1 <i>Use of System application submitted to NESO</i>	Comfort	NESO will not be required to accept applications submitted by Users, as per this paragraph of the CUSC.
Requirement to offer terms	13. CUSC s3.7.2 <i>Requirement on NESO to make a Use of System Offer within 28 days</i>	Comfort	NESO will not be required to make Use of System Offers to Users during the transition and will not be required to adhere to the time period specified in these sections of the CUSC.

TO notice	14. STC Section D Part Two <i>Requirement on NESO to notify TOs of applications received and provide associated documentation</i>	Comfort	NESO will not be required to notify TOs of new applications received nor provide additional documentation relating to these.
Offer acceptance timescales	15. CUSC s1.7.3 <i>Requirement on NESO to allow for the BELLA Offer to remain open for 3 months.</i>	Comfort	To ensure timely processing enabling BELLA Users applying prior to implementation of the pause to participate in the G2TWQ exercise, the acceptance period for these offers will be shortened to 1 month from its receipt.
Offer acceptance timescales	16. CUSC s2.13.4 <i>Requirement on NESO to allow for the Connection Offer and any offer to vary referred to in paragraph 2.13.10 to remain open for acceptance for 3 months.</i>	Comfort	To ensure timely processing enabling Connection applicants and offers to vary applying prior to implementation of the pause to participate in the G2TWQ exercise, the acceptance period for these offers will be shortened to 1 month from its receipt.
Offer acceptance timescales	17. CUSC s3.7.4 <i>Requirement on NESO to allow for the Use of System Offer to remain open for acceptance for 3 months.</i>	Comfort	To ensure timely processing enabling Use of System applications submitted prior to implementation of the pause to participate in the G2TWQ exercise, the acceptance period for these offers will be shortened to 1 month from its receipt.
Offer acceptance timescales	18. CUSC s6.9.2.3 <i>Requirement on NESO to allow for the</i>	Comfort	To ensure timely processing enabling Modification Applications submitted prior to implementation of the pause to participate in the G2TWQ exercise, the acceptance period for these offers

	<i>Modification Offer to remain open for acceptance for 3 months.</i>		will be shortened to 1 month from its receipt.
Offer acceptance timescales	19. CUSC s9.17.3 <i>Requirement on NESO to allow for the Connection Offer to remain open for acceptance for 3 months.</i>	Comfort	To ensure timely processing enabling Connection Applications submitted prior to implementation of the pause to participate in the G2TWQ exercise, the acceptance period for these offers will be shortened to 1 month from its receipt.
Requirement to offer terms / offer acceptance timescales	20. SLC E2.25 <i>Requirement on NESO 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, NESO shall not be expected to comply with all provisions of the CUSC. However, NESO 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.
Requirement to offer terms / offer acceptance timescales	21. SLC E4.24 <i>Requirement on NESO to be a party to the STC Framework Agreement and comply with the STC.</i>	Comfort	Due to the reasons set out in this letter, NESO shall not be expected to comply with all provisions of the STC. However, NESO will remain a party to the STC Framework Agreement and will be required to comply with all elements of the STC not mentioned in this table.

Extending Transitional Arrangements and amending to apply to Demand users only

NESO and TOs have requested the reliefs granted in the Ofgem Transitional Arrangements letter, due to lapse on 31 March 2025 to be extended to until the point at which the Connections Reform is implemented or Ofgem states it is not proceeded with the proposals under the reform, or 31 May 2025. The parties have also requested that it applies to the exceptions outlined above.

Category	Obligation	Decision on relief provided	Reasoning for our decision
Requirement to offer terms	1. Set out in full in Ofgem’s letter dated 21 August 2024 ¹⁸ , noting that SLCs C8 Paragraph 3, C10 Paragraph 3 and C10 Paragraph 9 now correspond to SLCs E12.4, E2.7 and E2.25, respectively ¹⁹ .	Comfort	Directly connecting Demand customers will continue to submit applications until 21 March 2025.

¹⁸ [Decision on Joint Direction and Letter of Comfort requests on Transitional Arrangements for new connection applications | Ofgem](#)

¹⁹ Pursuant to a direction made by the Secretary of State on 12 September 2024 under section 167 of the Energy Act 2023, National Grid Electricity System Operator Limited’s (NGESO) existing licence was transitioned to a new Electricity System Operator Licence. As of 1 October 2024, the shareholding in NGESO was transferred to public ownership and the company was renamed National Energy System Operator Limited (NESO).

Annex 2 - Direction on Section D Part Two in relation to NESO's compliance with STC Code.

For and on behalf of the Gas and Electricity Markets Authority

DIRECTION PURSUANT TO PARAGRAPH 31 OF STANDARD LICENCE CONDITION OF NESO LICENCE IN RELATION TO THE STC CODE REQUIREMENT ON NESO TO NOTIFY TOs OF APPLICATIONS RECEIVED

Whereas:

1. The National Energy System Operator ("NESO") holds electricity system operator licence (the "Licence") granted or treated as granted under section 6(1)(da) of the Electricity Act 1989 (the "Act").
2. Standard Licence Condition ("SLC") E4 (System Operator – Transmission Operator Code), paragraph 31 allows the Authority to direct that NESO 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 NESO is relieved of its obligation to follow STC Section D Part Two. The direction allows NESO not to engage in communication with Transmission Owners in relation to applications received, adhering to the process outlined in the letter to which this Direction is attached. This is valid only for the purposes of the amended transitional process.

Therefore:

In accordance with paragraph 31 of SLC E4, the Authority hereby directs NESO to follow the outlined process instead of the process described in STC Section D Part Two, effective 29 January, with this Direction remaining in place until:

- o In the event [CMP434](#), [CMP435](#) and [CM095](#) are approved, **then the date of implementation** of those code modifications;
- o In the event [CMP434](#), [CMP435](#) and [CM095](#) 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 May 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.

15 January 2025

Annex 3 - 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 NESO 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 for directly connecting Demand customers.

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 29 January, with this Direction remaining in place until:

- In the event [CMP434](#), [CMP435](#) and [CM095](#) are approved, **then the date of implementation** of those code modifications;
- In the event [CMP434](#), [CMP435](#) and [CM095](#) 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 May 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.

15 January 2025

Annex 4 - 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 NESO WHERE NOT SUBMITTING TOCO; DEADLINE ON TOs TO SUBMIT TOCOS; REQUIREMENT ON NESO 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 NESO 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 NESO 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 for directly connecting Demand customers.

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 29 January, with this Direction remaining in place until:

- o In the event [CMP434](#), [CMP435](#) and [CM095](#) are approved, **then the date of implementation** of those code modifications;
- o In the event [CMP434](#), [CMP435](#) and [CM095](#) 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 May 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.

15 January 2025