

## **Annex A: Proposed legal drafting of code modification prioritisation procedure**

We have included the sections of the code we are proposing to amend below. Deletions are shown in strike-through, and new text is double underlined. For brevity, we have not included full sections of the code in this annex and instead have only included parts of the code that are proposed to change and other parts that we consider are most relevant to those changes.

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## **Balancing and Settlement Code<sup>1</sup> ([Balancing and Settlement Code](#))**

### SECTION F MODIFICATION PROCEDURES

#### 1. MODIFICATION OF THE CODE

##### 1.3 Modification Register

1.3.3 The Modification Register shall record in respect of current outstanding Modification Business:

(b) whether each Modification is an Urgent Modification Proposal, or the Prioritisation Category of each Modification, and the reasons for the Panel having determined the given Prioritisation Category of the related Modification, where this has been determined;

##### 1.4 Monthly Progress Report

1.4.1 The Panel shall prepare and submit to the Authority each month a progress report (to be known as the "Monthly Progress Report") setting out the matters referred to in paragraph 1.4.2 in respect of the preceding month.

1.4.2 The Monthly Progress Report shall contain:

(a) details of any proposal which has been refused pursuant to paragraph 2.1.3 or paragraph 2.1.4;

(b) the current version of the Modification Register;

(c) details of:

(i) whether each Modification is an Urgent Modification Proposal, as determined in Section 4.6, or the ~~priority~~ Prioritisation Category which the Panel is proposing to accord or is according to the Modification Proposals contained in the Modification Register (in accordance with paragraph 2.2.3), including the reasons for the Panel's determination;

(ii) the scheduling and timetable for consideration of each Modification Proposal and completion of the Modification Report in respect thereof in the context of all other current Modification Proposals;

(iii) the impact of the ~~priority~~ whether each Modification Proposal is an Urgent Modification Proposal, or the Prioritisation Category accorded to each Modification Proposal by reference to each other pending Modification Proposal;

(d) details of any decision to amalgamate Modification Proposals in accordance with paragraph 2.3;

(e) details of any decision to suspend a Definition Procedure or an Assessment Procedure in relation to a particular Modification Proposal and to proceed directly to the Report Phase in accordance with paragraph 2.2.11;

(f) details of any circumstances which lead the Panel to believe that the Implementation Date for an Approved Modification is unlikely to be met or should be brought forward and, if so, why;

(g) such other matters as the Authority may request to be included from time to time;

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<sup>1</sup> [Balancing and Settlement Code](#)

(h) details of any decision of the Panel to recommend a Conditional Implementation Date in relation to any Modification Proposal as described in paragraph 1.3.5(c); and

(i) the basis for each of the decisions referred to above (including, where applicable, the cost and other implications of those decisions).

## 2. CODE MODIFICATION PROCEDURES

### 2.1 Modification Proposals

2.1.2 A proposal made pursuant to paragraph 2.1.1 shall be submitted in writing in accordance with BSCP40, and shall contain the following information in relation to such proposal:

(a) the name of the Proposer;

(b) the name of the representative of the Proposer (and their alternate) who shall represent the Proposer in person for the purposes of this paragraph 2;

(c) a description (in reasonable but not excessive detail) of the issue or defect which the proposed modification seeks to address;

(d) a description (in reasonable but not excessive detail) of the proposed modification and of its nature and purpose;

(e) where possible, an indication of those parts of the Code which would require amendment in order to give effect to (and/or would otherwise be affected by) the proposed modification and an indication of the nature of those amendments or effects;

(f) the reasons why the Proposer believes that the proposed modification would better facilitate achievement of the Applicable BSC Objective(s) as compared with the then current version of the Code and an indication of the impact of the proposed modification on greenhouse gas emissions where the Proposer believes that such impact is likely to be material;

(g) where possible, an indication of the impact of the proposed modification on Core Industry Documents and/or the System Operator-Transmission Owner and/or an Industry Code and an indication of potential inconsistencies of the proposed modification with the Capacity Market Documents and/or the CFD Documents;

(h) where possible, an indication of the impact of the proposed modification on BSC Systems and on other relevant computer systems and processes used by Parties;

(i) where the Proposer has recommended that the proposal should be treated as an Urgent Modification Proposal in accordance with paragraph 2.9, its reasons why the proposal should be treated as such;

(j) whether the proposal should be treated as a Self-Governance Modification Proposal and the Proposer's reasons why the proposal should be treated as such;

(k) where applicable, whether the proposal should be treated as a SCR Exempt Modification Proposal and the Proposer's reasons why the proposal should be treated as such; and

(l) where possible, an indication of whether the Modification Proposal seeks to amend the EBGL Article 18 terms and conditions; and

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

2.1.3 If a submitted proposal fails in any material respect to comply with the requirements of paragraph 2.1.2 (excluding paragraphs (e), (g) (h) and (l) thereof) and with the exception of paragraphs 2.1.1(g) and 8.2, the Modification Secretary may refuse to accept such submission provided that:

- (a) the Modification Secretary shall furnish the Proposer with the reasons for such refusal;
- (b) the Modification Secretary shall report such refusal to the Panel at the next Panel meeting;
- (c) if the Panel decides to reverse the Modification Secretary's decision to refuse the submission, the Modification Secretary shall notify the Proposer accordingly and the proposal shall be dealt with in accordance with the succeeding provisions of this paragraph 2; and
- (d) nothing in this paragraph 2.1.3 shall prevent a Proposer from submitting a revised proposal in compliance with the requirements of paragraph 2.1.2 in respect of the same subject-matter.

## 2.2 Panel Proceedings

2.2.3 In relation to each new Modification Proposal, the Panel shall determine:

- (a) whether to amalgamate the Modification Proposal with any other Modification Proposal in accordance with paragraph 2.3;
- (b) whether to:
  - (i) submit the Modification Proposal to the Definition Procedure pursuant to paragraph 2.5; or
  - (ii) submit the Modification Proposal to the Assessment Procedure pursuant to paragraph 2.6; or
  - (iii) proceed directly to the Report Phase pursuant to paragraph 2.7 (in which case the Proposer's right to withdraw or vary their Modification Proposal shall lapse);
- (c) where the Modification Proposal is to be submitted to the Definition Procedure or the Assessment Procedure pursuant to paragraph (b):
  - (i) the composition or identity and terms of reference of the Workgroup in accordance with the provisions of paragraph 2.4;
  - (ii) subject to paragraphs 2.2.8 and 2.2.9, and taking into account the assessment made under paragraph 2.1.2 (m), the ~~priority~~ Prioritisation Category accorded to the Modification Proposal (as compared with other Pending Modification Proposals) and the timetable to apply for completion of the relevant procedure. This shall only be carried out where the Panel has already determined that a Modification Proposal is not to be considered as an Urgent Modification Proposal; and
- (d) where the Modification Proposal is to proceed directly to the Report Phase pursuant to paragraph (b):
  - (i) whether the draft Modification Report shall contain a recommendation of the Panel to make the Proposed Modification;
  - (ii) the proposed Implementation Date for implementation, subject to the consent of the Authority, of the Proposed Modification (whether or not the Panel recommends the making of such Proposed Modification); ~~and~~

(iii) whether (and the extent to which) the Modification Proposal will amend or supplement the EBGL Article 18 terms and conditions in which case:

- (A) such Modification Proposal shall also constitute a proposal to amend or supplement the EBGL Article 18 terms and conditions for the purposes of Article 6(3) of the Guideline on Electricity Balancing; and
- (B) even though such Modification Proposal may not have been raised by the NETSO, the NETSO hereby agrees that it shall constitute a proposal to amend the EBGL Article 18 terms and conditions but such agreement shall not fetter or restrict the NETSO's rights under the Modification Procedures to express its views on that Modification Proposal; and

(iv) Subject to paragraphs 2.2.8 and 2.2.9, and taking into account the assessment made under paragraph 2.1.2 (m), the Prioritisation Category accorded to the Modification Proposal (as compared with other Pending Modification Proposals). This shall only be carried out where the Panel has already determined that a Modification Proposal is to not be considered as an Urgent Modification Proposal.

2.2.8 In setting the timetable referred to in paragraph 2.2.3(c)(ii), the Panel shall exercise its discretion such that, in respect of each Modification Proposal, a Modification Report may be submitted to the Authority as soon after the Modification Proposal is made as is consistent with the proper definition and/or assessment and evaluation of such Modification Proposal, taking due account of ~~its complexity, importance and urgency~~ the Prioritisation Criteria, and whether the Modification Proposal is an Urgent Modification Proposal, or, where it has been determined to not be an Urgent Modification Proposal, its Prioritisation Category.

2.2.9 Without prejudice to paragraph 2.2.8, the Panel shall set the timetable referred to in paragraph 2.2.3(c)(ii) such that:

- (a) in respect of a Definition Procedure, it is no longer than two months; and
- (b) in respect of an Assessment Procedure, it is no longer than three months unless the particular circumstances of the Modification Proposal (taking due account of ~~its complexity, importance and urgency~~ the Prioritisation Criteria, and whether the Modification Proposal is an Urgent Modification Proposal or not, or, where it has been determined to not be an Urgent Modification Proposal, its Prioritisation Category) justify an extension of such timetable (and provided that the Authority has not issued a contrary direction in accordance with paragraph 1.4.3 in respect thereof).

2.2.10 Where Modification Proposals have been determined to not be Urgent Modification Proposals, and hHaving regard to the ~~complexity, importance and urgency of particular Modification Proposals~~ Prioritisation Criteria, the Panel may determine the ~~priority~~ Prioritisation Category of Modification Proposals and may, ~~according to paragraph~~

2.2.11 The Panel may decide at any time to stop a Definition Procedure and/or an Assessment Procedure and proceed, in either case, directly to the Report Phase, in which case the Proposer's right to withdraw or vary their Modification Proposal shall lapse.

2.2.12 The Panel shall reassess the Prioritisation Category of Modification Proposals quarterly and adjust the relevant modification timetable for each Modification Proposal accordingly.

SECTION X: DEFINITIONS AND INTERPRETATION

ANNEX X-1: GENERAL GLOSSARY

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

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

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

## **Connection and Use of System Code<sup>2</sup> ([Connection and Use of System Code](#))**

CUSC - SECTION 8

CUSC MODIFICATION

PART B

8.3 THE CUSC MODIFICATIONS PANEL

8.3.3 Functions of the CUSC Modifications Panel and the Code Administrator's Role

(a) The CUSC Modifications Panel shall have the functions assigned to it in this Section 8.

(b) Without prejudice to Paragraph 8.3.3(a) and to the further provisions of this Section 8, the CUSC Modifications Panel shall endeavour at all times to operate:

(i) in an efficient, economical and expeditious manner, taking account of the Prioritisation Criteria, and whether the complexity, importance and urgency of particular CUSC Modification Proposals are Urgent CUSC Modification Proposals or not; and

(ii) with a view to ensuring that the CUSC facilitates achievement of the Applicable CUSC Objectives.

(c) The Company shall be responsible for implementing or supervising the implementation of Approved CUSC Modifications and Approved CUSC Modification Self Governance Proposals and Approved CUSC Modification Fast Track Proposals in accordance with the provisions of the CUSC which shall reflect the production of the revised CUSC. The Code Administrator and The Company shall be responsible for implementing and supervising the implementation of any amendments to their respective systems and processes necessary for the implementation of the Approved CUSC Modification. and, the Approved CUSC Modification Self-Governance Proposals provided there is no successful appeal and, , the Approved CUSC Modification Fast Track Proposals provided no objections are received in accordance with Paragraph 8.29. However, it will not include the implementation of Users' systems and processes. The Code Administrator will carry out its role in an efficient, economical and expeditious manner and (subject to any extension granted by the Authority where the Code Administrator has applied for one in accordance with Paragraph 8.3.3(d) or (e) in accordance with the Implementation Date. (d) Subject to notifying Users, the Code Administrator will, with the Authority's approval, apply to the Authority for a revision or revisions to the Implementation Date where the Code Administrator becomes aware of any circumstances which is likely to mean that the Implementation Date is unachievable,

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<sup>2</sup> [Connection and Use of System Code](#)

which shall include as a result of a Legal Challenge, at any point following the approval of the CUSC Modification Proposal.

(d) Subject to notifying Users, the Code Administrator will, with the Authority's approval, apply to the Authority for a revision or revisions to the Implementation Date where the Code Administrator becomes aware of any circumstances which is likely to mean that the Implementation Date is unachievable, which shall include as a result of a Legal Challenge, at any point following the approval of the CUSC Modification Proposal.

(e) In the event that the Authority's decision to approve or not to approve a CUSC Modification Proposal is subject of Legal Challenge (and the party raising such Legal Challenge has received from the relevant authority the necessary permission to proceed) then the Code Administrator will, with the Authority's approval, apply to the Authority for a revision or revisions to the Proposed Implementation Date in the CUSC Modification Report in respect of such CUSC Modification Proposal as necessary such that if such CUSC Modification Proposal were to be approved following such Legal Challenge the Proposed Implementation Date would be achievable.

(f) Prior to making any request to the Authority for any revision pursuant to Paragraphs 8.3.3(d) (where it is necessary as a result of a Legal Challenge) or 8.3.3(e) the Code Administrator shall consult on the revision with CUSC Parties and such other person who may properly be considered to have an appropriate interest in it in accordance with Paragraphs 8.22.2 and 8.22.6. The request to the Authority shall contain copies of (and a summary of) all written representations or objections made by consultees during the consultation period.

(g) Subject to paragraph 8.3.3(b), and taking into account the assessment made by the Proposer under paragraph 8.16.4 (m), where the CUSC Modifications Panel has already determined a CUSC Modification Proposal to not be an Urgent CUSC Modification Proposal, the CUSC Modifications Panel shall decide the Prioritisation Category, as defined in paragraph 8.19(e), accorded to CUSC Modification Proposals through assessment against the Prioritisation Criteria.

## PART C

### 8.13 CUSC MODIFICATION REGISTER

8.13.1 The Code Administrator shall establish and maintain a register ("CUSC Modification Register") which shall record the matters set out in Paragraph 8.13.3.

8.13.2 The purpose of the CUSC Modification Register shall be to assist the CUSC Modifications Panel and to enable the CUSC Modifications Panel, CUSC Parties and any other persons who may be interested to be reasonably informed of the progress of CUSC Modification Proposals and Approved CUSC Modifications from time to time.

8.13.3 The CUSC Modification Register shall record in respect of current outstanding CUSC Modifications Panel business:



(a) details of each CUSC Modification Proposal (including the name of the Proposer, the date of the CUSC Modification Proposal and a brief description of the CUSC Modification Proposal);

(b) whether such CUSC Modification Proposal is an Urgent CUSC Modification Proposal, or, where such CUSC Modification Proposal is determined not to be an Urgent CUSC Modification Proposal, the Prioritisation Category of such CUSC Modification Proposal, and the reasons for the CUSC Modifications Panel's determination of its Prioritisation Category;

8.13.4 The CUSC Modification Register (as updated from time to time and indicating the revisions since the previous issue) shall be published on the Website or (in the absence, for whatever reason, of the Website) in such other manner and with such frequency (being not less than once per month) as the Code Administrator may decide in order to bring it to the attention of the CUSC Modifications Panel, CUSC Parties and other persons who may be interested.

#### 8.14 PROGRESS REPORT

8.14.1 The Code Administrator shall prepare and submit to the Authority each month (or such less often period if there is no material matter arising to report) a progress report ("Progress Report") setting out the matters referred to in Paragraph 8.14.2 in respect of the preceding month and send a copy of the Progress Report to each Panel Member.

8.14.2 The Progress Report shall contain:

(a) details of any proposal which has been refused pursuant to Paragraph 8.16.5 or Paragraph 8.16.6;

(b) the current version of the CUSC Modification Register;

(c) details of:

~~(i) the priority~~ whether each CUSC Modification Proposal is proposed to be accorded to be or that is accorded to be an Urgent CUSC Modification Proposal, or, where such CUSC Modification Proposal is proposed to be accorded or is accorded to not be an Urgent CUSC Modification Proposal, the Prioritisation Category of such CUSC Modification Proposal, and the reasons for the CUSC Modifications Panel's determination of its Prioritisation Category, (in accordance with Paragraph 8.19.1);

~~proposed to be accorded or that is accorded to each CUSC Modification Proposal in the CUSC Modification Register~~

(ii) the scheduling and timetable for consideration of each CUSC Modification Proposal and completion of the CUSC Modification Report in respect thereof in the context of all other current CUSC Modification Proposals;

(iii) the impact of ~~the priority~~ whether each CUSC Modification Proposal is accorded to be an Urgent CUSC Modification Proposal, or, where each CUSC Modification Proposal is accorded not to be an Urgent CUSC Modification Proposal, the Prioritisation Category of

such CUSC Modification Proposal accorded to each CUSC Modification Proposal by reference to each other pending CUSC Modification Proposal;

## 8.16 CUSC MODIFICATION PROPOSALS

### 8.16.4

A CUSC Modification Proposal shall be submitted in writing to the Panel Secretary and, subject to the provisions of Paragraph 8.16.4A below, shall contain the following information in relation to such proposal:

- (a) the name of the Proposer;
- (b) the name of the representative of the Proposer (and their alternate) who shall represent the Proposer in person for the purposes of this Paragraph 8.16;
- (c) a description (in reasonable but not excessive detail) of the issue or defect which the proposed modification seeks to address;
- (d) a description (in reasonable but not excessive detail) of the proposed modification and of its nature and purpose;
- (e) where possible, an indication of those parts of the CUSC which would require amendment in order to give effect to (and/or would otherwise be affected by) the proposed modification and an indication of the nature of those amendments or effects;
- (f) the reasons why the Proposer believes that the proposed modification would better facilitate achievement of the Applicable CUSC Objectives as compared with the current version of the CUSC together with background information in support thereof;
- (g) 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 CUSC Modification Proposal route;
- (h) the reasoned opinion of the Proposer as to whether that impact is likely to be material and if so an assessment of the quantifiable impact of the proposed modification on greenhouse gas emissions, to be conducted 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;
- (i) where possible, an indication of the impact of the proposed modification on Core Industry Documents and the STC, and an indication of potential inconsistencies between the CUSC Modification Proposal and the Capacity Market Documents and/or the CfD Documents;
- (j) where possible, an indication of the impact of the proposed modification on relevant computer systems and processes used by CUSC Parties;

(k) a statement to the effect that the Proposer acknowledges that on acceptance of the proposal for consideration by the CUSC Modifications Panel a Proposer which is not a CUSC Party shall grant a licence in accordance with Paragraph 8.16.9; ~~and~~

(l) whether or not (and to the extent) that in the Proposer's view the CUSC Modification Proposal constitutes an EBR Amendment; and

(m) an assessment by the Proposer of the CUSC Modification Proposal against the Prioritisation Criteria.

#### 8.17B AUTHORITY LED SCR MODIFICATION

8.17B.1 Where the Authority has issued a statement in accordance with Paragraph 8.17.6A and/or a Backstop Direction in accordance with Paragraph 8.17C, the Authority may submit an Authority Led CUSC Modification Proposal for an Authority Led CUSC Modification directly to the CUSC Panel.

8.17B.2 In response to an Authority Led CUSC Modification Proposal the CUSC Panel shall prepare an Authority Led CUSC Modification Report which shall include all the items listed in 8.23.2 (a)-(k) and in particular, as identified in the Licence:

(a) an evaluation of the proposed modification; and

(b) an assessment of the extent to which the proposed modification would better facilitate achievement of the applicable CUSC objective(s); and

(c) a detailed explanation of the CUSC Panel's reasons for that assessment (such assessment to include, where the impact is likely to be material, an assessment of the proposal on greenhouse gas emissions, to be conducted in accordance with such 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); and

(d) a timetable for implementation of the proposed modification, including the date with effect from which such proposed modification could take effect.

8.17B.3 The Authority Led CUSC Modification Report shall be submitted to the Authority taking into account the Prioritisation Criteria, and whether the proposed modification is an Urgent CUSC Modification Proposal or not, or, if it has been determined to not be an Urgent CUSC Modification Proposal, the Prioritisation Category, ~~the complexity, importance and urgency~~ of the proposed modification, and in accordance with the time periods specified in the CUSC, which shall not be extended unless approved by the Panel and not objected to by the Authority after receiving notice in accordance with the timetable set by the Authority in Paragraph 8.17B.6.

8.17B.4 The Authority can require the revision and re-submission of the Authority Led CUSC Modification Report, such resubmission to be made, if required by a direction issued by the Authority in accordance with

Paragraph 8.23.12, as soon after the Authority's direction as is appropriate taking into account the Prioritisation Criteria, and whether the proposed modification is an Urgent CUSC Modification Proposal or not, or, if it has been determined to not be an Urgent CUSC Modification Proposal, the Prioritisation Category of the complexity, importance and urgency of the proposed modification and in accordance with the time periods specified in the CUSC, which shall not be extended unless approved by the Panel and not objected to by the Authority after receiving notice in accordance with the timetable set by the Authority in Paragraph 8.17B.6.

8.17B.5 The timetable referred to in Paragraph 8.17B.2 (d) for implementation of any proposed modification shall be in accordance with any direction(s) issued by the Authority for the implementation of a proposed modification 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 proposed modification is an Urgent CUSC Modification Proposal or not, or if it has been determined to not be an Urgent CUSC Modification Proposal, the Prioritisation Category of the complexity, importance proposed modification and in accordance with the time periods specified in the CUSC, which shall not be extended unless approved by the Panel and not objected to by the Authority after receiving notice with the Authority having discretion to change the timetable.

## 8.18 CUSC MODIFICATION PROPOSAL EVALUATION

8.18.1 This Paragraph 8.18 is subject to the Urgent CUSC Modification Proposals procedures set out in Paragraph 8.24 and the Significant Code Review procedures set out in Paragraph 8.17.

8.18.2 A CUSC Modification Proposal shall, subject to Paragraph 8.16.8, be discussed by the CUSC Modifications Panel at the next following CUSC Modifications Panel meeting convened.

8.18.3 The Proposer's representative shall attend such CUSC Modifications Panel meeting and the CUSC Modifications Panel may invite the Proposer's representative to present their CUSC Modification Proposal to the CUSC Modifications Panel.

8.18.4 The CUSC Modifications Panel shall evaluate each CUSC Modification Proposal against the Self-Governance Criteria.

8.18.5 The CUSC Modifications Panel shall follow the procedure set out in Paragraph 8.25 in respect of any CUSC Modification Proposal that the CUSC Modifications Panel considers meets the Self-Governance Criteria unless the Authority makes a direction in accordance with Paragraph 8.25.2 and in such a case that CUSC Modification Proposal shall be a Standard CUSC Modification Proposal and shall follow the procedure set out in Paragraphs 8.19, 8.20, 8.22 and 8.23.

8.18.6 Unless the Authority makes a direction in accordance with Paragraph 8.25.4, a CUSC Modification Proposal that the CUSC Modifications Panel considers does not meet the Self-Governance Criteria shall be a Standard CUSC Modification Proposal and shall follow the procedure set out in Paragraphs 8.19, 8.20, 8.22 and 8.23.

8.18.7 The CUSC Modifications Panel shall evaluate each CUSC Modification Fast Track Proposal against the Fast Track Criteria. 33 V1.38 – 01 October 2024

8.18.8 The CUSC Modifications Panel shall follow the procedure set out in Paragraph 8.29 in respect of any CUSC Modification Fast Track Proposal. The provisions of Paragraphs 8.19 to 8.25 shall not apply to a CUSC Modification Fast Track Proposal.

8.18.8A The CUSC Modification Panel shall evaluate each CUSC Modification Proposal and determine whether the CUSC Modification Proposal constitutes an EBR Amendment and its expected impact on the objectives of the Electricity Balancing Regulation (and in the event of disagreement The Company's view shall prevail).

8.18.9 Where a Modification Proposal has been determined to not be an Urgent CUSC Modification Proposal, the CUSC Modifications Panel shall evaluate each CUSC Modification Proposal against the Prioritisation Criteria to determine the relevant Prioritisation Category of the modification, taking into account the views of the Proposer as established in sub-paragraph 8.16.4 (m).

## 8.19 PANEL PROCEEDINGS

8.19.1 (a) The Code Administrator and the CUSC Modifications Panel shall together establish a timetable to apply for the CUSC Modification Process.

(b) The CUSC Modifications Panel shall establish the part of the timetable for the consideration by the CUSC Modifications Panel and by a Workgroup (if any) which shall be no longer than four months unless in any case the particular circumstances of the CUSC Modification Proposal (taking due account of the Prioritisation Criteria, and whether the CUSC Modification Proposal is an Urgent CUSC Modification Proposal or, where the CUSC Modification Proposal has been determined not to be an Urgent CUSC Modification Proposal, its Prioritisation Category ~~its complexity, importance and urgency~~) justify an extension of such timetable, and provided the Authority, after receiving notice, does not object, taking into account all those issues.

(c) The Code Administrator shall establish the part of the timetable for the consultation to be undertaken by the Code Administrator under this Section 8 and separately the preparation of a CUSC Modification Report to the Authority. Where the particular circumstances of the CUSC Modification Proposal (taking due account of the Prioritisation Criteria, and whether the CUSC Modification Proposal is an Urgent CUSC Modification Proposal or, where the CUSC Modification Proposal has been determined not to be an Urgent CUSC Modification Proposal, its Prioritisation Category ~~complexity, importance and urgency~~) justify an extension of such timescales and provided the Authority, after receiving notice, does not object, taking into account all those issues, the Code Administrator may revise such part of the timetable.

(d) In setting such a timetable, the CUSC Modifications Panel and the Code Administrator shall exercise their respective discretions such that, in respect of each CUSC Modification Proposal, a CUSC Modification Report may be submitted to the Authority as soon after the CUSC Modification Proposal is made as is consistent with the proper evaluation of such CUSC Modification Proposal, taking due account of the Prioritisation Criteria, and

~~whether the CUSC Modification Proposal is an Urgent CUSC Modification Proposal, or if it has been determined to not be an Urgent CUSC Modification Proposal, its Prioritisation Category, due account of its complexity, importance and urgency.~~

~~(e) Where particular CUSC Modification Proposals have been determined to not be Urgent CUSC Modification Proposals, and h~~Having regard to the ~~Prioritisation Criteria and the assessment provided by the Proposer in paragraph 8.16.4 (m) complexity, importance and urgency of particular CUSC Modification Proposals,~~ the CUSC Modifications Panel may determine the ~~Prioritisation Category~~ of CUSC Modification Proposals and may (subject to any objection from the Authority taking into account all those issues) adjust the ~~priority Prioritisation Category~~ of the relevant CUSC Modification Proposal accordingly.

(f) where the CUSC Modification Proposal constitutes an EBR Amendment the timetable shall be such that the Code Administrator's consultation is not less than one month.

## 8.23 CUSC MODIFICATION REPORT

8.23.2 The matters to be included in a CUSC Modification Report shall be the following (in respect of the CUSC Modification Proposal):

(a) A description of the CUSC Modification Proposal and any Workgroup Alternative CUSC Modification(s), including the details of, and the rationale for, any variations made (or, as the case may be, omitted) by the Proposer together with the views of the Workgroup;

(b) the Panel Members' Recommendation;

(c) a summary (agreed by the CUSC Modifications Panel) of the views (including any recommendations) from Panel Members in the CUSC Modifications Panel Recommendation Vote and the conclusions of the Workgroup (if there is one) in respect of the CUSC Modification Proposal and of any Workgroup Alternative CUSC Modification(s);

(d) an analysis of whether (and, if so, to what extent) the CUSC Modification Proposal and any Workgroup Alternative CUSC Modification(s) would better facilitate achievement of the Applicable CUSC Objective(s) with a detailed explanation of the CUSC Modifications Panel's reasons for its assessment, including, where the impact is likely to be material, an assessment of the quantifiable impact of the CUSC Modification Proposal and any Workgroup Alternative CUSC Modification(s) on greenhouse gas emissions, to be conducted 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, and providing a detailed explanation of the CUSC Modifications Panel's reasons for that assessment;

(e) an analysis of whether (and, if so, to what extent) any Workgroup Alternative CUSC Modification(s) would better facilitate achievement of the Applicable CUSC Objective(s) as compared with the CUSC Modification Proposal and any other Workgroup Alternative CUSC Modification(s) and the current version of the CUSC, with a detailed explanation of the CUSC Modifications Panel's reasons for its assessment, including, where the



impact is likely to be material, an assessment of the quantifiable impact of the Workgroup Alternative CUSC Modification(s) on greenhouse gas emissions, to be conducted 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, and providing a detailed explanation of the CUSC Modifications Panel's reasons for that assessment;

(f) the Proposed Implementation Date taking into account the views put forward during the process described at Paragraph 8.22.4(b) such date to be determined by the CUSC Modifications Panel in the event of any disparity between such views and those of the Code Administrator;

(g) an assessment of:

(i) the impact of the CUSC Modification Proposal and any Workgroup Alternative CUSC Modification(s) on the Core Industry Documents and the STC and an indication of potential inconsistencies between the CUSC Modification Proposal and the Capacity Market Documents and/or the CfD Documents;

(ii) the changes which would be required to the Core Industry Documents and the STC in order to give effect to the CUSC Modification Proposal and any Workgroup Alternative CUSC Modification(s);

(iii) the mechanism and likely timescale for the making of the changes referred to in Paragraph (ii);

(iv) the changes and/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 Core Industry Documents, the STC, the Capacity Market Documents and the CfD Documents;

(v) the mechanism and likely timescale for the making of the changes referred to in Paragraph (iv);

(vi) an estimate of the costs associated with making and delivering the changes referred to in Paragraphs (ii) and (iv), such costs are expected to relate to: for (ii) the costs of amending the STC and for (iv) the costs of changes to computer systems and possibly processes which are established for the operation of the Core Industry Documents, the STC, the Capacity Market Documents and the CfD Documents.

together with an analysis and a summary of representations in relation to such matters, including any made by Small Participants, the Citizens Advice and the Citizens Advice Scotland;

(h) to the extent such information is available to the Code Administrator, an assessment of the impact of the CUSC Modification Proposal and any Workgroup Alternative CUSC Modification(s) on CUSC Parties in general (or classes of CUSC Parties in general), including the changes which are likely to be required to their internal systems and processes and an estimate of the development, capital and operating costs associated with

implementing the changes to the CUSC and to Core Industry Documents and the STC;

(i) copies of (and a summary of) all written representations or objections made by consultees during the consultation in respect of the CUSC Modification Proposal and any Workgroup Alternative CUSC Modification(s) and subsequently maintained;

(j) a copy of any impact assessment prepared by Core Industry Document Owners and the STC committee and a copy of any impact assessment related to the CUSC Modification Proposal prepared by the CM Administrative Parties in relation to the Capacity Market Rules, the Secretary of State in relation to the Capacity Market Documents, the CfD Administrative Parties in relation to the AF Rules, or the Secretary of State in relation to the CfD Documents, and the views and comments of the Code Administrator in respect thereof;

(k) whether or not, in the opinion of The Company, the CUSC Modification Proposal (or any Workgroup Alternative CUSC Modification(s)) should be made;

(l) whether the CUSC Modification Proposal and if applicable, any Workgroup Alternative CUSC Modification(s) constitutes an EBR Amendment and if so, and in addition to (i) above, a The Company's justification for including or not including the views resulting from the relevant consultation in the CUSC Modification Proposal and if applicable, any Workgroup Alternative CUSC Modification (s).

(m) where a CUSC Modification Proposal or any Workgroup Alternative CUSC Modification(s) constitutes an EBR Amendment, the expected impact on the objectives of the Electricity Balancing Regulation;

(n) where the CUSC Modification Proposal has been determined not to be an Urgent CUSC Modification Proposal, details of the assessment of the CUSC Modification Proposal against the Prioritisation Criteria to determine its Prioritisation Category.

8.23.12 If the Authority determines that the CUSC Modification Report is such that the Authority cannot properly form an opinion on the CUSC Modification Proposal and any Workgroup Alternative CUSC Modification(s), or where the CUSC Modification Proposal and/or any Workgroup Alternative CUSC Modification(s) constitutes an EBR Amendment where the Authority requires an amendment to CUSC Modification Proposal and/or any Workgroup Alternative CUSC Modification(s) in order to approve it, it may issue a direction to the CUSC Modifications Panel:

(a) specifying the additional steps (including drafting or amending existing drafting associated with the CUSC Modification Proposal and any Workgroup Alternative CUSC Modification(s)), revision (including revision to the timetable), analysis or information that it requires in order to form such an opinion; and

(b) requiring the CUSC Modification Report to be revised and to be re-submitted.



8.23.13 If a CUSC Modification Report is to be revised and re-submitted in accordance with a direction issued pursuant to Paragraph 8.23.12, it shall be re-submitted as soon after the Authority's direction as is appropriate, (and in the case of an EBR Amendment within 2 months), taking into account the Prioritisation Criteria, and whether the CUSC Modification Proposal is an Urgent CUSC Modification Proposal, or if it has been determined to not be an Urgent CUSC Modification Proposal, its Prioritisation Category ~~the complexity, importance and urgency~~ of the CUSC Modification Proposal and any Workgroup Alternative CUSC Modification(s). The CUSC Modifications Panel shall decide on the level of analysis and consultation required in order to comply with the Authority's direction and shall agree an appropriate timetable for meeting its obligations. Once the CUSC Modification Report is revised, the CUSC Modifications Panel shall carry out its CUSC Modifications Panel Recommendation 54 V1.38 – 01 October 2024 Vote again in respect of the revised CUSC Modification Report and re-submit it to the Authority in compliance with Paragraphs 8.23.4 to 8.23.6.

## 8.28 IMPLEMENTATION

8.28.3 Except where a CUSC Modification Proposal would amend any of the Charging Methodologies, a modification of the CUSC shall take effect from the time and date specified in the direction, or other approval, from the Authority referred to in Paragraph 8.28.1 or, in the absence of any such time and date in the direction or approval, from 00:00 hours on the day falling ten (10) Business Days after the date of such direction, or other approval, from the Authority. A modification of the Charging Methodologies shall take effect as follows:

(i) from 1 April of any given year unless otherwise directed by the Authority in accordance with Paragraphs 8.23.9, 8.23.12, 8.23.13 or 8.28.3A and following consultation with the Panel;

(ii) subject to (iii) below, the 1 April shall be determined by reference to date of the Authority decision to approve the modification as follows:

a) where the Authority decision is more than 6 (six) months prior to the end of a Charging Year (Charging Year t), implementation of that CUSC Modification Proposal shall 63 V1.38 – 01 October 2024 take effect such that it is implemented in Charging Year t+1.

b) where the Authority decision is less than 6 (six) months prior to the end of Charging Year t, implementation of that CUSC Modification Proposal shall be deferred such that it is implemented in Charging Year t+2.

(iii) Paragraph (ii) above shall not apply in respect of a CUSC Modification Proposal to the Charging Methodologies:

(a) where the Authority has directed otherwise;

(b) where there is at least a Charging Year between the date of the Authority decision and the Implementation Date;

(c) where the CUSC Modification is an Urgent CUSC Modification; or

(d) which The Company has raised at the direction of the Authority or which the Authority has raised.

A modification of the CUSC pursuant to Paragraph 8.25.10 shall take effect , subject to the appeal procedures set out in Paragraphs 8.25.14 to 8.25.19, from the time and date specified by the Code Administrator in its notice given pursuant to Paragraph 8.28.2, which shall be given after the expiry of the fifteen (15) Business Day period set out in Paragraph 8.25.14 to allow for appeals, or where an appeal is raised in accordance with Paragraph 8.25.14, on conclusion of the appeal in accordance with Paragraphs 8.25.15 or 8.25.19 but where conclusion of the appeal is earlier than the fifteen (15) Business Day period set out in Paragraph 8.25.14, notice shall be given after the expiry of this period. A modification of the CUSC pursuant to Paragraph 8.29 shall take effect, from the date specified in the CUSC Modification Fast Track Report.

8.28.3A Where the Authority considers that taking into account the Prioritisation Criteria, and whether the CUSC Modification Proposal is an Urgent CUSC Modification Proposal , or, if it has been determined to not be an Urgent CUSC Modification Proposal, its Prioritisation Category ~~complexity, importance and urgency~~ of the modification exceptional circumstances apply the Authority may, having set out in writing its reasons for this, direct a modification of the CUSC in respect of the Charging Methodologies to take effect from a date other than 1 April.

## 8.29 FAST TRACK

8.29.1 Where a Proposer believes that a modification to the CUSC which meets the Fast Track Criteria is required, a CUSC Modification Fast Track Proposal may be raised. In such case the Proposer is only required to provide the details listed in Paragraph 8.16.4 (a), (b), (c), (d), (e), ~~and (k), and (m)~~.

8.29.9 The matters to be included in a CUSC Modification Fast Track Report shall be the following (in respect of the CUSC Modification Fast Track Proposal):

(a) a description of the proposed modification and of its nature and purpose;

(b) details of the changes required to the CUSC, including the proposed legal text to modify the CUSC to implement the CUSC Modification Fast Track Proposal;

(c) details of the votes required pursuant to Paragraphs 8.29.5 and 8.29.6  
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(d) the intended implementation date, from which the Approved CUSC Modification Fast Track Proposal will take effect, which shall be no sooner than fifteen (15) Business Days after the date of notification of the CUSC Modifications Panel's decision to approve; ~~and~~

(e) details of how to object to the Approved CUSC Modification Fast Track Proposal being made; and

(f) where the CUSC Modification Proposal has been determined not to be an Urgent CUSC Modification Proposal, details of the assessment of the CUSC Modification Proposal against the Prioritisation Criteria to determine its Prioritisation Category.

## 8.30 REVIEW OF PRIORITISATION CATEGORY OF CUSC MODIFICATION PROPOSALS

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8.30.1 The CUSC Modifications Panel shall review the Prioritisation Category of CUSC Modification Proposals on a quarterly basis and adjust the relevant modification timetable for each CUSC Modification Proposal accordingly.

## SECTION 11

### INTERPRETATION AND DEFINITIONS

#### 11.3 Definitions

The following terms shall have the following meanings:

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

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

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

## **Distribution Code<sup>3</sup> ([Distribution Code](#))**

Standard condition 21.1 of the Distribution Licence<sup>4</sup> ([Distribution Licence](#)) places an obligation upon the licensee to ensure that the Distribution Code<sup>5</sup> ([Distribution Code](#)) remains in force and its content meets various requirements, as set out further in the Distribution Licence.<sup>6</sup> These requirements include, among other things, ensuring that the code make provision for the creation of a panel body and a code administrator, whose functions shall include facilitating the procedures for making a modification to the Distribution Code. Furthermore, standard conditions 21.8 to 21.11F (inclusive) set out requirements around the procedure for modifying the code. Paragraph DGC11.1 of the Distribution Code states that "Modifications to the Distribution Code shall be made in accordance with the procedures set out in the Constitution and Rules of the Distribution Code Review Panel". Therefore, we have set out our proposed changes to the relevant paragraphs of the Constitution and Rules<sup>7</sup> ([Constitution and Rules](#)) document below.

### DISTRIBUTION GENERAL CONDITIONS (DGC)

#### DGC11 MODIFICATIONS TO THE DISTRIBUTION CODE

DGC11.1 Modifications to the Distribution Code shall be made in accordance with the procedures set out in the Constitution and Rules of the Distribution Code Review Panel.

## **THE CONSTITUTION AND RULES OF THE DISTRIBUTION CODE REVIEW PANEL OF GREAT BRITAIN<sup>8</sup> ([THE CONSTITUTION AND RULES OF THE DISTRIBUTION CODE REVIEW PANEL OF GREAT BRITAIN](#))**

Version 10 – 1st October 2024

### 2. DEFINITIONS AND INTERPRETATIONS

2.1 The following words and expressions shall have the following meanings in this Constitution:

**Prioritisation Criteria** has the meaning given to that term by the [Ofgem Guidance on Code Modification Prioritisation](#).

**Prioritisation Category** has the meaning given to that term by the [Ofgem Guidance on Code Modification Prioritisation](#).

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

### 21. CONSULTATION AND APPROVAL OF DISTRIBUTION CODE MODIFICATIONS

The consultation and approval arrangements of this clause shall apply for all Distribution Code modifications. The consultation and approval arrangements for Qualifying Standards are specified in Standard Procedure 1.

- (a) The Panel will publicise its programme for Distribution Code modifications (pursuant to its periodic review of the Distribution Code, or otherwise) on the

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<sup>3</sup> [Distribution Code](#)

<sup>4</sup> [Distribution Licence](#)

<sup>5</sup> [Distribution Code](#)

<sup>6</sup> This is set out further in the [Distribution Licence](#) through paragraphs 21.2 through to 21.4.

<sup>7</sup> [Constitution and Rules](#)

<sup>8</sup> [THE CONSTITUTION AND RULES OF THE DISTRIBUTION CODE REVIEW PANEL OF GREAT BRITAIN](#)

Distribution Code website in the form of a Distribution Code Modifications Register which shall include brief details of the scope of each proposed modification. This will include details of whether a proposed modification has been determined to be an urgent modification or not, and, where a modification proposal has been determined to not be an urgent modification, the assessment of the proposed modification against the Prioritisation Criteria, to determine its Prioritisation Category.

(b) If the Panel has been notified by the Authority that the Authority reasonably considers it necessary to comply with or implement the Regulation and/or any Legally Binding Decisions of the European Commission and/or the Agency, the Panel shall proceed with its periodic review in accordance with any timetable(s) directed by the Authority in relation to the progress of the review and/or the implementation of the relevant modification to the Distribution Code.

(c) A report shall be prepared for each Panel meeting on the progress of Distribution Code modifications, which shall be published with other Panel papers and meeting notes on the Distribution Code website.

(d) When agreed by a majority resolution of the Panel a proposed modification will normally go out to public consultation. In certain cases where minor modifications have been approved unanimously, the Panel may decide not to go out to public consultation, subject to the agreement of the Authority.

(e) Any consultation paper required will identify the reasons for the modification, its implications for DNOs and Users, the key points for consultation and shall involve an evaluation of whether any modification would better facilitate the achievement of the Distribution Code objectives, as provided in the DNO's Distribution Licence, and, where the impact on greenhouse gasses is likely to be material, this shall include an assessment of the quantifiable impact of any proposed modification on greenhouse gas emissions, to be conducted in accordance with any guidance (on the treatment of carbon costs and evaluation of greenhouse gas emissions) as may be issued by the Authority from time to time. The consultation paper will be published on the Distribution Code website and provide sufficient time for response, as determined by resolution of the Panel, taking account of the nature of the modification. Unless the Panel determines otherwise, the standard period for consultation shall usually be a minimum of 15 business days. The consultation paper shall include an assessment by the proposer of the proposed modification against the Prioritisation Criteria. The consultation paper shall also include the Panel's assessment of the proposed modification against the Prioritisation Criteria to determine the Prioritisation Category of the proposed modification, where the proposed modification has been determined to not be an urgent modification. This assessment by the panel must take into account any assessment made by the proposer of the proposed modification against the Prioritisation Criteria. Any urgent modification will have a minimum consultation period of 5 Business Days (if possible).

(f) At the end of the consultation period and after consideration by the Panel, the DNOs will issue a report to the Authority setting out the results of the consultation and any revisions proposed by the Panel to the proposed modification. The report will include an explanation of the reasons why the DNOs reasonably think that the proposed modification is appropriate for the continuing achievement of the objectives set out in DIN2.1(b) of the Distribution Code and a copy of all written representations or objections from Authorised Electricity Operators or Users (including any alternative proposals by such Authorised

Electricity Operators or Users for modifications that have not been accepted by the Panel during the course of the review) that were received during the consultation process and have not been withdrawn. This will include details of the assessment of the proposed modification against the Prioritisation Criteria, to determine its Prioritisation Category, where this is required to be determined. The report will be published on the Distribution Code website.

(g) The DNOs will revise and resubmit the report to the Authority in accordance with any direction by the Authority where the Authority has determined that it cannot properly form an opinion on the approval of the modification proposal.

(h) A proposal for a modification that falls within the scope of a Significant Code Review shall not be made during the Significant Code Review Phase, except where the Authority determines that the modification proposal may be made or otherwise at the direction of the Authority. If a modification proposal is made during a Significant Code Review Phase, the DNOs shall (unless exempted by the Authority) notify the Authority as soon as practicable of any representations received in relation to the relevance of the Significant Code Review and the DNOs' assessment of whether the proposal falls within the scope of the Significant Code Review and its reasons for that assessment. If the Authority so directs, the DNOs shall not proceed with the modification proposal until the Significant Code Review Phase has ended. The Authority may make a proposal for modification of the Distribution Code where that modification proposal is in respect of a Significant Code Review.

(i) Where the Authority makes a modification proposal in accordance with paragraph (h), the DNOs shall:

(1) evaluate whether the modification to the Distribution Code would better facilitate the achievement of the objectives set out in DIN2.1(b) of the Distribution Code and, where the impact is likely to be material, this must include an assessment of the quantifiable impact of any such modification on greenhouse gas emissions, to be conducted in accordance with any such guidance (on the treatment of carbon costs and evaluation of greenhouse gas emissions) as may be issued by the Authority from time to time. Where the proposed modification has been determined to not be an urgent modification, assess the proposed modification against the Prioritisation Criteria, taking into account the assessment of the proposed modification against the Prioritisation Criteria by the proposer, to determine its Prioritisation Category;

(2) send to the Authority a report on the outcome of the evaluation conducted in accordance with sub-paragraph (1) above;

(3) send to the Authority any written representations or objections from Authorised Electricity Operators that were received during the consultation process and have not been withdrawn; and

(4) proceed in accordance with any timetable(s) directed by the Authority in relation to the procedural steps outlined in this paragraph and/or in relation to implementation of such modification to the Distribution Code.

(j) If, within 28 days after the Authority has published its Significant Code Review conclusions:

(1) the Authority issues directions to the DNOs, the DNOs must comply with those directions and must treat the Significant Code Review Phase as ended;

(2) the Authority issues to the DNOs a statement that no directions under subparagraph (1) will be issued in relation to the Distribution Code, the DNOs must treat the Significant Code Review Phase as ended;

(3) the Authority makes a modification proposal in accordance with paragraph (h), the DNOs must treat the Significant Code Review Phase as ended;

(4) the Authority issues a statement that it will continue work on the Significant Code Review, DNOs must treat the Significant Code Review Phase as continuing until it is brought to an end in accordance with paragraph (l) below;

(5) neither directions under sub-paragraph (1) nor a statement under subparagraphs (2) or (4) have been issued, nor a modification proposal under sub-paragraph (3) has been made, the Significant Code Review Phase will be deemed to have ended.

(k) The Authority's published conclusions and directions to the DNOs will not fetter any voting rights of the Members or the procedures informing the report described at paragraph (f).

(l) If the Authority issues a statement under paragraph (j)(4) and/or a direction in accordance with paragraph (p), the Significant Code Review Phase will be deemed to have ended when:

(1) the Authority issues a statement that the Significant Code Review Phase has ended;

(2) one of the circumstances in sub-paragraphs (j)(1) or (3) occurs (irrespective of whether such circumstance occurs within 28 days after the Authority has published its Significant Code Review conclusions); or

(3) the Authority makes a decision consenting or otherwise to the modification of the Distribution Code following the submission of the report under paragraph (n)(2).

(m) Where the Authority has issued a statement in accordance with paragraph (j)(4) and/or a direction in accordance with paragraph (p), the Authority may submit to the DNOs a modification proposal for a modification in respect of a Significant Code Review.

(n) Where the Authority submits a Significant Code Review modification proposal in accordance with paragraph (m) the DNOs shall:

(1) evaluate whether the proposed modification would better facilitate the achievement of the objectives set out in DIN2.1(b) of the Distribution Code and, where the impact is likely to be material, this must include an assessment of the quantifiable impact of any such modification on greenhouse gas emissions, to be conducted in accordance with any such guidance (on the treatment of carbon costs and evaluation of greenhouse gas emissions) as may be issued by the Authority from time to time.



Where the proposed modification has been determined to not be an urgent modification, assess the proposed modification against the Prioritisation Criteria, taking into account the proposer's assessment of the proposed modification against the Prioritisation Criteria, to determine its Prioritisation Category;

(2) for an appropriately appointed representative of the DNOs to send to the Authority a report on the outcome of the evaluation conducted in accordance with sub-paragraph (1); and

(3) for an appropriately appointed representative of the DNOs to proceed in accordance with any timetable(s) directed by the Authority in relation to the procedural steps outlined in this paragraph and/or in relation to implementation of such modification to the Distribution Code.

(o) The Authority's published conclusions and Significant Code Review modification proposal will not fetter any voting rights of the Members or the procedures informing the report described at sub-paragraph (n)(2).

(p) Where a proposal has been made in accordance with paragraph (j)(1) or by the Authority under paragraph (j)(3), the Authority may issue a direction (a "backstop direction"), which requires such proposal(s) and any alternatives to be withdrawn and which causes the Significant Code Review Phase to recommence.

(q) Following approval by the Authority the Distribution Code modification will be published on the Distribution Code website as a modification to the Distribution Code.

## 25 REVIEW OF PRIORITISATION CATEGORY OF PROPOSED MODIFICATIONS

25.1 The Code Panel shall review the Prioritisation Category of proposed modifications on a quarterly basis and adjust the relevant modification timetable for each proposed modification accordingly.

### STANDARD PROCEDURE 1

#### Governance of Qualifying Standards

#### 4. STANDARDS GOVERNANCE PROCEDURE

##### 4.1 Annex 1 Standards and Annex 2 Standards

The consultation and approval arrangements for Annex 1 Standards and Annex 2 Standards modifications, including new Annex 1 Standards and Annex 2 Standards, shall be as set out below and diagrammatically in Figures 1 and 2 of Appendix 1 to this Standard Procedure.

i. DNOs or Users may bring proposals for modifications to Annex 1 Standards and Annex 2 Standards for consideration by the Panel. DNOs and Users bringing forward proposals for modifications to Annex 1 Standards and Annex 2 Standards shall set out in general terms the aims of their proposal and the likely impact, including costs. The proposer must also include an assessment of the proposed Annex 1 and Annex 2 Standards modification against the Prioritisation Criteria.

ii. The Panel shall assess whether the modification proposal is within the jurisdiction of the Panel, in accordance with Sections 2 and 3, and apply the materiality test set out in Section 6. Where the proposed Annex 1 and Annex 2 Standards modification has been determined not to be an urgent modification, the Panel shall assess the proposed modification against the Prioritisation Criteria, to decide upon the Prioritisation Category of the proposed modification. This



assessment must take into account the proposer's assessment of the proposed modification against the Prioritisation Criteria made in paragraph 4.1(i).

iii. The Panel shall determine whether the proposal should be pursued, the relevance to other Network Code Review Panels (NCRPs), timescales for development, the extent of public consultation (including any initial consultation prior to development work), and whether a Standards Working Group is required. If the Panel has been notified by the Authority that the Authority reasonably considers it necessary to comply with or implement the Regulation and/or any Legally Binding Decisions of the European Commission and/or the Agency Law, the Panel shall proceed with a modification proposal in accordance with any timetable directed by the Authority in relation to the progress of the review and/or the implementation of the relevant modification to the Distribution Code.

iv. Where an issue raised by a DNO or User is not determined to be appropriate for review by the Panel then the DNO or User shall be informed of the reasons.

v. Where Annex 1 Standards and Annex 2 Standards are subject to governance by other NCRPs then any development or modification of that Annex 1 Standards and Annex 2 Standards and public consultation will be undertaken jointly by the NCRPs concerned.

vi. The Panel will publicise its program for Annex 1 Standards and Annex 2 Standards modifications on the Distribution Code website in the form of an Annex 1 Standards and Annex 2 Standards Modifications Register which shall include brief details of the scope of the work, including whether a proposed Annex 1 and Annex 2 Standards modification has been determined to be an urgent modification or not, and, where a modification proposal has been determined to not be an urgent modification, the Prioritisation Category attached to the proposed modification. If appropriate a prioritised program of standards will be developed and agreed by Panel based on principles in Section 7,

vii. A report shall be prepared for each Panel meeting on the progress of Annex 1 Standards and Annex 2 Standards modifications and this shall be published on the Distribution Code website.

viii. The majority of the standards work of DNOs is concerned with keeping industry standards in line with international, European and British standards. This work is considered to be of a routine maintenance nature, the DNOs and their Code Administrator may develop modifications independently, subject to the consideration of final proposals for modifications by the Panel. Other standards projects may need to be developed by specialist Standards Working Groups.

ix. Where appropriate the Department for Energy Security and Net Zero (DESNZ) the Health and Safety Executive and the Institution of Engineering and Technology (IET) will be given an early opportunity to comment on Annex 1 Standards and Annex 2 Standards being developed or modified through Panel governance. It is recognised that regulatory bodies may need to understand what is proposed without being party to making decisions on standards which may compromise their regulatory role.

x. Following agreement in the Panel, then the modification will normally progress to public consultation. In certain cases, where the Panel has unanimously agreed minor modifications, the Panel may decide not to go out to public consultation

xi. Any consultation paper required will identify the reasons for the modification, the implications for DNOs and Users, the key points for consultation and shall involve an evaluation of whether any modification would better facilitate the achievement of the Distribution Code objectives, as provided in the DNO's Distribution Licence, and, where the impact on greenhouse gasses is likely to be

material, this shall include an assessment of the quantifiable impact of any proposed amendment on greenhouse gas emissions, to be conducted in accordance with any guidance (on the treatment of carbon costs and evaluation of greenhouse gas emissions) as may be issued by the Authority from time to time. The consultation paper will be published on the Distribution Code website and provide sufficient time (as determined by the Panel) for response taking account of the nature of the modification. Unless the Panel determines otherwise, the standard period for consultation shall be a minimum of 15 Business Days. The consultation paper shall also include the Panel's assessment of the proposed Annex 1 and Annex 2 Standards modification against the Prioritisation Criteria to determine its Prioritisation Category, where this has been determined. Any urgent modification will have a minimum consultation period of 5 Business Days (if possible).

xii. For modification to an Annex 1 Standard, at the end of the consultation period and where there is unanimity within the Panel, the Authority will be asked to approve the modification to the Annex 1 Standard and any associated modification to the Distribution Code.

xiii. For modification to an Annex 2 Standard, at the end of the consultation period and where there is unanimity within the Panel, the DNOs may approve the modification to the Annex 2 Standard without reference to the Authority.

xiv. At the end of the modification period for a modification to an Annex 2 Standard where there is not unanimity within the Panel, or an Annex 1 Standard, the DNOs will issue a report to the Authority. The report will include an explanation of the reasons why the DNOs reasonably consider that the proposed modification is appropriate for the continuing achievement of the objectives set out in DIN2.1(b) of the Distribution Code and a copy of all written representations or objections from Authorised Electricity Operators (including any proposals by such Authorised Electricity Operators for alternative modifications that have not been accepted by the Panel during the course of the review) that were received during the consultation process and have not been withdrawn. The report will also include details of the Panel's assessment of the proposed Annex 1 and Annex 2 Standards modification against the Prioritisation Criteria to determine its Prioritisation Category, where this is required to have been determined. The report will be published on the Distribution Code website.

xv. The Authority will consider the report and make the executive decision on the proposed modification. The DNOs will revise and resubmit the report to the Authority in accordance with any direction by the Authority where the Authority has determined that it cannot properly form an opinion on the approval of the modification proposal.

xvi. The modification as approved by the DNOs or the Authority will be published on the Distribution Code website as a modification to the Annex 1 Standards and Annex 2 Standards.

xvii A proposal for a modification that falls within the scope of a Significant Code Review shall not be made during the Significant Code Review Phase, except where the Authority determines that the modification proposal may be made, or otherwise at the direction of the Authority. If a modification proposal is made during a Significant Code Review Phase, the DNOs shall (unless exempted by the Authority) notify the Authority as soon as practicable of any representations received in relation to the relevance of the Significant Code Review and the DNO's assessment of whether the proposal falls within the scope of the Significant Code Review and its reasons for that assessment. If the Authority so directs, the DNOs shall not proceed with the modification proposal until the Significant Code Review Phase has ended.

9 REVIEW OF PRIORITISATION CATEGORY OF ANNEX 1 AND ANNEX 2 MODIFICATION PROPOSALS

9.1 The Panel shall review the Prioritisation Category of Annex 1 and Annex 2 Modification Proposals on a quarterly basis and adjust the relevant modification timetable for each Modification Proposal accordingly.

## **The Distribution Connection and Use of System Agreement<sup>9</sup> ([The Distribution Connection and Use of System Agreement](#))**

### SECTION 1 GOVERNANCE AND CHANGE CONTROL

#### SECTION 1A - PRELIMINARY

##### 1. DEFINITIONS AND INTERPRETATION

###### Definitions

1.1 In this Agreement, except where the context otherwise requires, the expressions in the left hand column below shall have the meanings given to them in the right hand column below:

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

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

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

#### SECTION 1C – CHANGE CONTROL

##### 10. CHANGE PROPOSALS

###### Form and Content of the Proposal

10.3 A Change Proposal must be submitted in writing by the person making the Proposal (the Proposer) to the Secretariat.

10.4 A Change Proposal must contain the following information:

10.4.10 in the case of variations proposed by DNO/IDNO Parties, confirmation as to whether it is raising the proposal in compliance with a direction of the Authority as envisaged by Clause 10.2.5; and

10.4.11 an assessment by the Proposer of the Change Proposal against the Prioritisation Criteria.

###### Initial Assessment

10.11 Except where the Secretariat refuses to accept the submission of a Change Proposal, it shall:

10.11.1 refer that proposal to the Panel;

10.11.2 (without altering the Change Proposal in any way and without undertaking any detailed evaluation of the Change Proposal) prepare an initial

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<sup>9</sup> The Distribution Connection and Use of System Agreement.

written assessment of the likely effect of the proposal for the assistance of the Panel; and

10.11.3 suggest a timetable to apply if the Panel chooses to place the proposal into the Assessment Process.

10.12 The Panel shall consider the Change Proposal and the accompanying documents referred to in Clause 10.11.2:

10.12.1 in respect of Change Proposals specified as urgent in accordance with Clause 10.4.8, within five Working Days of the proposal's submission;

10.12.2 in respect of all other Change Proposals, within 25 Working Days of the proposal's submission,

and, where necessary, the Panel Secretary shall convene a Panel meeting for such purpose. The Panel shall consider whether to accept or refuse the Change Proposal, and whether or not the Change Proposal should, in light of the criteria set out in Clause 10.7, properly be treated as urgent. Where it is determined to not be an Urgent Change Proposal, and considering the views presented by the Proposer in paragraph 10.4.11, the Panel shall determine the Prioritisation Category of the Change Proposal by assessing it against the Prioritisation Criteria. Only Change Proposals that the Panel considers should be treated as urgent shall be treated as Urgent Change Proposals.

## 11. ASSESSMENT PROCESS

11.1 Where the Panel receives and accepts the referral of a Change Proposal in accordance with Clause 10, it shall ensure that the proposal is subjected to a process of assessment in accordance with this Clause 11 (the Assessment Process).

### Determination of Procedure

11.6 The Panel shall not determine that a Change Proposal is to be subject to the Definition Procedure if in its opinion the proposal is:

11.6.1 insubstantial in nature, concerned solely with the technical legal drafting of this Agreement, or concerned solely with a variation to this Agreement that is obligatory under or by virtue of any legislation; and

11.6.2 unlikely to be the subject of significant controversy between the Parties.

11.7 The Panel shall otherwise, having regard in respect of a Change Proposal to:

11.7.1 the Prioritisation Criteria, and whether the Change Proposal is an Urgent, Change Proposal or not complexity, significance and urgency of that proposal; and

11.7.2 the degree of clarity as to the issues to which the proposal gives rise and the likely effects of the proposed variation of the Agreement,

consider whether in its opinion it would be appropriate for the proposal to be subject to the Definition Procedure and determine the matter accordingly.

### Part 1/Part 2 Matters

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11.8 At the same meeting at which the Panel determines whether a Change Proposal is to be subject to the Definition Procedure, it shall also determine whether in its opinion the proposal relates to a Part 1 Matter or a Part 2 Matter (taking into account the Proposer's opinion provided pursuant to Clause 10.4.7).

11.9 A Change Proposal shall be treated as relating to a Part 1 Matter or a Part 2 Matter in accordance with the determination of the Panel for all the purposes of this Section 1C, unless and until the Authority determines to the contrary under Clause 11.21 or Clause 13.22.

11.9A The Definition Procedure shall not apply to Authority-Led Change Proposals. In respect of all Authority Change Proposals, the Authority may by direction specify and/or amend:

11.9A.1 the timetable to apply to each stage of the Assessment Process for the Change Proposal; and/or

11.9A.2 the date from which the variation envisaged by the Change Proposal is to take effect.

#### Timetable

11.10 Unless a timetable has already been established by the Authority in accordance with Clause 11.9A, at the same meeting at which the Panel determines whether a Change Proposal is to be subject to the Definition Procedure, it shall also, having regard to the Prioritisation Criteria, and whether the Change Proposal is an Urgent Change Proposal or, if it has been determined to not be an Urgent Change Proposal, the Prioritisation Category accorded to the Change Proposal ~~complexity, significance and urgency~~ of that proposal, determine a timetable for the completion of each stage of the Assessment Process. For the avoidance of doubt, the Panel shall not make any determinations regarding the proposed implementation date at this stage.

#### Report Phase

11.19 The Secretariat shall, in respect of any Change Proposal submitted to it by the Panel, prepare a written report (the Change Report) on the proposal (the Report Phase). Where the Definition Procedure has been followed, the Secretariat shall prepare the Change Report in accordance with the instructions of the relevant Working Group.

11.20 The Change Report shall:

11.20.1 be addressed and delivered to the Panel;

11.20.2 specify which Party Categories should (in the opinion of the Secretariat or, where the proposal was subject to the Definition Procedure, the Working Group) be eligible to vote on the Change Proposal;

11.20.3 set out the proposed variation to the Agreement;

11.20.4 specify the likely effects of the proposed variation were they to be implemented;

11.20.5 state the proposed date for implementation;

11.20.5A in any case in which the proposal was not subject to the Definition Procedure prior to the Report Phase, include the Proposer's statements of:

(A) the detailed reasons why the Proposer believes that this Agreement would, if the proposed variation was made, better facilitate the achievement of the DCUSA Objectives than if the variation was not made; and

(B) whether the Proposer believes that there would be a material impact on greenhouse gas emissions as a result of the proposed variation being made; and

(C) the assessment of the proposal by the Proposer against the Prioritisation Criteria; and

11.20.6 in any case in which the proposal was subject to the Definition Procedure prior to the Report Phase, provide a detailed summary of:

(A) the views of the Working Group as to whether, if the proposed variation were made, the Agreement would better facilitate the achievement of the DCUSA Objectives than if that variation were not made;

(B) any responses received to the consultation process conducted by the Working Group under the Definition Procedure and not marked as confidential, together with a statement of the location on the Website at which such responses can be found;

(C) why the Working Group considers that the proposed variation better facilitates the achievement of the DCUSA Objectives than any alternative variation put forward in accordance with Clause 11.18 or by a respondent to the consultation; and

(D) whether the Working Group considers it is likely that there would be a material impact on greenhouse gas emissions as a result of the proposed variation (or any of the alternative variations referred to in Clause 11.20.6(C)) being made, and (if so) the Working Group's assessment of such impact (in accordance with any guidance on the treatment of carbon costs and evaluation of greenhouse gas emissions issued by the Authority from time to time); and

11.20.7 set out, where it has been determined, a description of the determination of the Change Proposal's Prioritisation Category.

#### The Change Register

11.25 The Secretariat shall establish and maintain a register (the Change Register) for the purpose of assisting the Panel in the operation of the Assessment Process and ensuring that the Parties and any interested third parties may be informed as to the progress of Change Proposals.

11.26 The Change Register shall contain, in respect of each Change Proposal that is in the Assessment Process:

11.26.1 details of the proposal (including the name of the Proposer, the date of the proposal and a short summary of its intended purpose and effect);

11.26.2 whether the proposal relates to a Part 1 Matter or a Part 2 Matter;

11.26.3 whether the proposal is an Urgent Change Proposal or the Prioritisation Category of the Change Proposal, where this has been determined, and details of the assessment undertaken in paragraph 10.12.2, where this is made;

11.26.4 the timetable for the completion of each stage of the Assessment Process;

11.26.5 the current level of progress of the proposal within the Assessment Process; and

11.26.6 such other matters relating to the proposal as the Panel may from time to time direct the Secretariat to include in the Change Register.

11.27 The Secretariat shall ensure that the Change Register is updated at regular intervals so that the information it contains in relation to each Change Proposal that is in the Assessment Process is, so far as is reasonably practicable, accurate and up-to-date.

#### Review of Prioritisation Category of Change Proposals

11.33 The Panel shall review the Prioritisation Category of Change Proposals on a quarterly basis and adjust the relevant modification timetable for each Change Proposal accordingly.



## **The Grid Code<sup>10</sup> ([The Grid Code](#))**

### GLOSSARY & DEFINITIONS (GD)

GD.1 In the Grid Code the following words and expressions shall, unless the subject matter or context otherwise requires or is inconsistent therewith, bear the following meanings:

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

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

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

### GOVERNANCE RULES (GR)

#### PART B

#### GR.3 THE GRID CODE REVIEW PANEL

##### GR.3.2 Functions of the Grid Code Review Panel and the Code Administrator's Role

(a) The Grid Code Review Panel shall have the functions assigned to it in these Governance Rules.

(b) Without prejudice to GR.3.2(a) and to the further provisions of these Governance Rules, the Grid Code Review Panel shall endeavour at all times to operate:

(i) in an efficient, economical and expeditious manner, taking account of the Prioritisation Criteria, and whether particular Grid Code Modification Proposals are determined to be Urgent Modifications, or if they have been determined to not be Urgent Modifications, the Prioritisation Category complexity, importance and urgency of particular Grid Code Modification Proposals; and

(ii) with a view to ensuring that the Grid Code facilitates achievement of the Grid Code Objectives.

#### PART C

#### GR.13 GRID CODE MODIFICATION REGISTER

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<sup>10</sup> [The Grid Code](#)

GR.13.3 The Grid Code Modification Register shall record in respect of current outstanding Grid Code Review Panel business:

- (a) details of each Grid Code Modification Proposal (including the name of the Proposer, the date of the Grid Code Modification Proposal and a brief description of the Grid Code Modification Proposal);
- (b) whether such Grid Code Modification Proposal is an Urgent Modification;
- (c) the current status and progress of each Grid Code Modification Proposal, if appropriate the anticipated date for reporting to the Authority in respect thereof, and whether it has been withdrawn, rejected or implemented for a period of three (3) months after such withdrawal, rejection or implementation or such longer period as the Authority may determine;
- (d) the current status and progress of each Approved Modification, each Approved Grid Code Self-Governance Proposal, and each Approved Fast Track Proposal; ~~and~~
- (e) such other matters as the Grid Code Review Panel may consider appropriate from time to time to achieve the purpose of GR.13.2; and
- (f) where such Grid Code Modification Proposal has been determined not to be an Urgent Modification, the Prioritisation Category accorded to the Grid Code Modification Proposal, and details of the assessment of each Grid Code Modification Proposal against the Prioritisation Criteria carried out in GR18.10.

#### GR.15 GRID CODE MODIFICATION PROPOSALS

GR.15.3 A Grid Code Modification Proposal shall be submitted in writing to the Panel Secretary and, subject to the provisions of GR.15.4 below, shall contain the following information in relation to such proposal:

- (a) the name of the Proposer;
- (b) the name of the representative of the Proposer who shall represent the Proposer in person for the purposes of this GR.15;
- (c) a description (in reasonable but not excessive detail) of the issue or defect which the proposed modification seeks to address;
- (d) a description (in reasonable but not excessive detail) of the proposed modification and of its nature and purpose;
- (e) where possible, an indication of those parts of the Grid Code which would require amendment in order to give effect to (and/or would otherwise be affected by) the proposed modification and an indication of the nature of those amendments or effects;
- (f) the reasons why the Proposer believes that the proposed modification would better facilitate achievement of the Grid Code Objectives as compared with the current version of the Grid Code together with background information in support thereof;

(g) 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 should be treated as a Self-Governance Modification or whether the proposed modification fails to meet the Self-Governance Criteria and as a result should proceed along the Standard Modification route;

(h) the reasoned opinion of the Proposer as to whether that impact is likely to be material and if so an assessment of the quantifiable impact of the proposed modification on greenhouse gas emissions, to be conducted 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;

(i) where possible, an indication of the impact of the proposed modification on Core Industry Documents and the STC;

(j) where possible, an indication of the impact of the proposed modification on relevant computer systems and processes used by Users.

(k) whether or not (and to the extent) that in the proposer's view the Grid Code Modification Proposal constitutes an amendment to the Regulated Sections of the Grid Code; and

(l) an assessment by the Proposer of the Grid Code Modification Proposal against the Prioritisation Criteria

## GR.18 GRID CODE MODIFICATION PROPOSAL EVALUATION

GR.18.10 Where such Grid Code Modification Proposal has been determined not to be an Urgent Modification, the Grid Code Review Panel shall undertake an assessment of such Grid Code Modification Proposal against the Prioritisation Criteria to determine its Prioritisation Category, taking into account the Proposer's opinion provided pursuant to Clause GR.15.3 (l).

## GR.19 PANEL PROCEEDINGS

### GR.19.1

(a) The Code Administrator and the Grid Code Review Panel shall together establish a timetable to apply for the Grid Code Modification Proposal process. That timetable must comply with any direction(s) issued by the Authority setting and/or amending a timetable in relation to a Grid Code Modification Proposal that is in the respect of a Significant Code Review.

(b) The Grid Code Review Panel shall establish the part of the timetable for the consideration by the Grid Code Review Panel and by a Workgroup (if any) which shall be no longer than six months unless in any case the particular circumstances of the Grid Code Modification Proposal (taking due account of its complexity, importance and urgency) justify an extension of such timetable, and provided the Authority, after receiving notice, does not object, taking into account all those issues.

(c) The Code Administrator shall establish the part of the timetable for the consultation to be undertaken by the Code Administrator under these Governance Rules and separately the preparation of a Grid Code Modification Report to the Authority. Where the particular circumstances of the Grid Code Modification Proposal (taking due account of its complexity, importance and urgency) justify an extension of such timescales and provided the Authority, after receiving notice, does not object, taking into account all those issues, the Code Administrator may revise such part of the timetable.

(d) In setting such a timetable, the Grid Code Review Panel and the Code Administrator shall exercise their respective discretions such that, in respect of each Grid Code Modification Proposal, a Grid Code Modification Report may be submitted to the Authority as soon after the Grid Code Modification Proposal is made as is consistent with the proper evaluation of such Grid Code Modification Proposal, taking due account of ~~its complexity, importance and urgency~~. the Prioritisation Criteria, and whether the Grid Code Modification Proposal is an Urgent Modification, or, if it has been determined to not be an Urgent Modification, in accordance with section GR.23, the Prioritisation Category of the the Grid Code Modification Proposal.

(e) Where Grid Code Modification Proposals have been determined to not be Urgent Modifications, in accordance with section GR.23, and Having regard to the Prioritisation Criteria and the assessment provided by the Proposer in paragraph 15.3 (l) complexity, importance and urgency of particular Grid Code Modification Proposals, the Grid Code Review Panel may determine the Prioritisation Category of Grid Code Modification Proposals and may (subject to any objection from the Authority taking into account all those issues) adjust the Prioritisation Category of the relevant Grid Code Modification Proposal accordingly.

## GR.22 GRID CODE MODIFICATION REPORTS

GR.22.2 The matters to be included in a Grid Code Modification Report shall be the following (in respect of the Grid Code Modification Proposal):

(a) A description of the Grid Code Modification Proposal and any Workgroup Alternative Grid Code Modification(s), including the details of, and the rationale for, any variations made (or, as the case may be, omitted) by the Proposer together with the views of the Workgroup;

(b) the Panel Members' Recommendation;

(c) a summary (agreed by the Grid Code Review Panel) of the views (including any recommendations) from Panel Members in the Grid Code Review Panel Recommendation Vote and the conclusions of the Workgroup (if there is one) in respect of the Grid Code Modification Proposal and of any Workgroup Alternative Grid Code Modification(s);

(d) an analysis of whether (and, if so, to what extent) the Grid Code Modification Proposal and any Workgroup Alternative Grid Code Modification(s) would better facilitate achievement of the Grid Code Objective(s) with a detailed explanation of the Grid Code Review Panel's reasons for its assessment, including, where the

impact is likely to be material, an assessment of the quantifiable impact of the Grid Code Modification Proposal and any Workgroup Alternative Grid Code Modification(s) on greenhouse gas emissions, to be conducted 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, and providing a detailed explanation of the Grid Code Review Panel's reasons for that assessment;

(e) an analysis of whether (and, if so, to what extent) any Workgroup Alternative Grid Code Modification(s) would better facilitate achievement of the Grid Code Objective(s) as compared with the Grid Code Modification Proposal and any other Workgroup Alternative Grid Code Modification(s) and the current version of the Grid Code, with a detailed explanation of the Grid Code Review Panel's reasons for its assessment, including, where the impact is likely to be material, an assessment of the quantifiable impact of the Workgroup Alternative Grid Code Modification(s) on greenhouse gas emissions, to be conducted 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, and providing a detailed explanation of the Grid Code Review Panel's reasons for that assessment;

(f) the Proposed Implementation Date taking into account the views put forward during the process described at GR.21.4 (b) such date to be determined by the Grid Code Review Panel in the event of any disparity between such views and those of the Code Administrator;

(g) an assessment of:

(i) the impact of the Grid Code Modification Proposal and any Workgroup Alternative Grid Code Modification(s) on the Core Industry Documents and the STC;

(ii) the changes which would be required to the Core Industry Documents and the STC in order to give effect to the Grid Code Modification Proposal and any Workgroup Alternative Grid Code Modification(s);

(iii) the mechanism and likely timescale for the making of the changes referred to in (ii);

(iv) the changes and/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 Core Industry Documents and the STC;

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

(vi) an estimate of the costs associated with making and delivering the changes referred to in (ii) and (iv), such costs are expected to relate to: for (ii) the costs of amending the Core Industry Document(s) and STC and for (iv) the costs of changes to computer systems and possibly processes which are established for the operation of the Core Industry Documents and the STC, together with an analysis and a summary of representations

in relation to such matters, including any made by Small Participants, the Citizens Advice and the Citizens Advice Scotland;

(vii) where such Grid Code Modification Proposal has been determined not to be an Urgent Modification, details of the assessment of each Grid Code Modification Proposal against the Prioritisation Criteria, to determine its Prioritisation Category, in accordance with paragraph GR18.10;

(h) to the extent such information is available to the Code Administrator, an assessment of the impact of the Grid Code Modification Proposal and any Workgroup Alternative Grid Code Modification(s) on Users in general (or classes of Users in general), including the changes which are likely to be required to their internal systems and processes and an estimate of the development, capital and operating costs associated with implementing the changes to the Grid Code and to Core Industry Documents and the STC;

(i) copies of (and a summary of) all written representations or objections made by consultees during the consultation in respect of the Grid Code Modification Proposal and any Workgroup Alternative Grid Code Modification(s) and subsequently maintained;

(j) a copy of any impact assessment prepared by Core Industry Document Owners and the STC committee and the views and comments of the Code Administrator in respect thereof;

(k) whether or not, in the opinion of The Company, the Grid Code Modification Proposal (or any Workgroup Alternative Grid Code Modification(s)) should be made.

(l) The Company's justification for including or not including the views resulting from the relevant consultation in the Grid Code Modification Report.

(m) where a Grid Code Modification Proposal or any Workgroup Alternative Grid Code Modification(s) constitutes an amendment to the areas set out in table 1 of the GR.B annex which details the Regulated Sections, the expected impact on the objectives of Assimilated Law (Commission Regulation (EU) 2017/2195).

## GR.23 URGENT MODIFICATIONS

GR.23.1 If a Relevant Party recommends to the Panel Secretary that a proposal should be treated as an Urgent Modification in accordance with this GR.23, the Panel Secretary shall notify the Panel Chairperson who shall then, in accordance with GR.23.2 (a) to (e) inclusive, and notwithstanding anything in the contrary in these Governance Rules, endeavour to obtain the views of the Grid Code Review Panel as to the matters set out in GR.23.3. If for any reason the Panel Chairperson is unable to do that, the Panel Secretary shall attempt to do so (and the measures to be undertaken by the Panel Chairperson in the following paragraphs shall in such case be undertaken by the Panel Secretary).

GR.23.2 (a) The Panel Chairperson shall determine the time by which, in their opinion, a decision of the Grid Review Panel is required in relation to such matters, having regard to the degree of urgency in all circumstances, and references in this GR.23.1 to the "time available" shall mean the time available, based on any such determination by the Panel Chairperson;

(b) The Panel Secretary shall, at the request of the Panel Chairperson, convene a meeting or meetings (including meetings by telephone conference call, where appropriate) of the Grid Code Review Panel in such manner and upon such notice as the Panel Chairperson considers appropriate, and such that, where practicable within the time available, as many Panel Members as possible may attend;

(c) Each Panel Member shall be deemed to have consented, for the purposes of GR.8.9. to the convening of such meeting or meetings in the manner and on the notice determined by the Panel Chairperson. GR.8.10 shall not apply to any such business.

(d) Where:

(i) it becomes apparent, in seeking to convene a meeting of the Grid Code Review Panel within the time available, that quorum will not be present; or

(ii) it transpires that the meeting of the Grid Code Review Panel is not quorate and it is not possible to rearrange such meeting within the time available, the Panel Chairperson shall endeavour to contact each Panel Member individually in order to ascertain such Panel Member's vote, and (subject to GR.23.2 (e)) any matter to be decided shall be decided by a majority of those Panel Members who so cast a vote. Where, for whatever reason no decision is reached, the Panel Chairperson shall proceed to consult with the Authority in accordance with GR.23.5;

(e) Where the Panel Chairperson is unable to contact at least four Panel Members within the time available and where:

(i) It is only The Company, who has recommended that the proposal should be treated as an Urgent Modification, then those Panel Members contacted shall decide such matters, such decision may be a majority decision. Where in such cases no decision is made for whatever reason, the Panel Chairperson shall proceed to consult with the Authority in accordance with GR.23.5; or

(ii) any User (including any Authorised Electricity Operator; The Company or a Materially Affected Party), the Citizens Advice or the Citizens Advice Scotland has recommended that the proposal should be treated as an Urgent Modification, then the Panel Chairperson may decide the matter (in consultation with those Panel Members (if any) which they manage to contact) provided that the Panel Chairperson shall include details in the relevant Grid Code Modification Report of the steps which they took to contact other Panel Members first.

GR.23.3 The matters referred to in GR.23.1 are:

(a) whether such proposal should be treated as an Urgent Modification in accordance with this GR.23 and

(b) the procedure and timetable to be followed in respect of such Urgent Modification.



GR.23.4 The Panel Chairperson or, in their absence, the Panel Secretary shall forthwith provide the Authority with the recommendation (if any) ascertained in accordance with GR.23.2 to (e) inclusive, of the Grid Code Review Panel as to the matters referred to in GR.23.2, and shall consult the Authority as to whether such Grid Code Modification Proposal is an Urgent Modification and, if so, as to the procedure and timetable which should apply in respect thereof.

GR.23.5 If the Grid Code Review Panel has been unable to make a recommendation in accordance with GR.23.2.(d) or GR.23.2(e) as to the matters referred to in GR.23.3 then the Panel Chairperson or, in their absence, the Panel Secretary may recommend whether they consider that such proposal should be treated as an Urgent Modification and shall forthwith consult the Authority as to whether such Grid Code Modification Proposal is an Urgent Modification and, if so, as to the procedure and timetable that should apply in respect thereof.

GR.23.6 The Grid Code Review Panel shall:

- (a) not treat any Grid Code Modification Proposal as an Urgent Modification except with the prior consent of the Authority;
- (b) comply with the procedure and timetable in respect of any Urgent Modification approved by the Authority; and
- (c) comply with any direction of the Authority issued in respect of any of the matters on which the Authority is consulted pursuant to GR.23.4 or GR.23.5.

GR.23.7 For the purposes of this GR.23.7, the procedure and timetable in respect of an Urgent Modification may (with the approval of the Authority pursuant to GR.23.4 or GR.23.5) deviate from all or part of the Grid Code Modification Procedures or follow any other procedure or timetable approved by the Authority except for the duration of the Code Administrator consultation for modifications relating to Regulated Sections which shall be for one month. Where the procedure and timetable approved by the Authority in respect of an Urgent Modification do not provide for the establishment (or designation) of a Workgroup the Proposer's right to vary the Grid Code Modification Proposal pursuant to GR.15.10 and GR.20.26 shall lapse from the time and date of such approval.

GR.23.8 The Grid Code Modification Report in respect of an Urgent Modification shall include:

- (a) a statement as to why the Proposer believes that such Grid Code Modification Proposal should be treated as an Urgent Modification;
- (b) any statement provided by the Authority as to why the Authority believes that such Grid Code Modification Proposal should be treated as an Urgent Modification;
- (c) any recommendation of the Grid Code Review Panel (or any recommendation of the Panel Chairperson) provided in accordance with GR.23 in respect of whether any Grid Code Modification Proposal should be treated as an Urgent Modification; and
- (d) the extent to which the procedure followed deviated from the process for Standard Modifications (other than the procedures in this GR.23).



GR.23.9 Each Panel Member shall take all reasonable steps to ensure that an Urgent Modification is considered, evaluated and (subject to the approval of the Authority) implemented as soon as reasonably practicable, having regard to the urgency of the matter and, for the avoidance of doubt, an Urgent Modification may (subject to the approval of the Authority) result in the Grid Code being amended on the day on which such proposal is submitted.

GR.23.10 Where an Urgent Modification results in an amendment being made in accordance with GR.25, the Grid Code Review Panel may or (where it appears to the Grid Code Review Panel that there is a reasonable level of support for a review amongst Users) shall following such amendment, establish a Workgroup on terms specified by the Grid Code Review Panel to consider and report as to whether any alternative amendment could, as compared with such amendment better facilitate achieving the Grid Code Objectives in respect of the subject matter of that Urgent Modification.

#### GR.27 REVIEW OF PRIORITISATION CATEGORY OF MODIFICATION PROPOSALS

GR.27.1 The Grid Code Review Panel shall review the Prioritisation Category of Modification Proposals on a quarterly basis and adjust the relevant modification timetable for each Modification Proposal accordingly.

## **Independent Gas Transporters' Uniform Network Code<sup>11</sup>** **([Independent Gas Transporters' Uniform Network Code](#))**

### PART L - MODIFICATION RULES

#### 2 Interpretation

2.1 In addition to terms defined elsewhere in the IGT UNC, the following terms and expressions have the following meanings in this Part L:

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

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

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

#### 10.2 Content of Modification Proposal

10.2.1 Each Modification Proposal made pursuant to Clause 10.1.1, Clause 10.1.2 or Clause 10.1.3 shall set out the information and be in the form specified on the IGT UNC Website and:

- (a) shall state the Proposer's view as to whether it should not be a Self-Governance Modification Proposal and the Proposer's reasons for such a view;
- (b) shall state the Proposer's view as to whether it should be a Fast Track Self-Governance Modification Proposal and the Proposer's reasons for such a view;
- (c) shall where it is made pursuant to a direction of the Authority state that it is so made;
- (d) shall be in writing and shall specify whether it relates to the IGT UNC or an Individual Network Code;
- (e) shall set out in reasonable but not excessive detail the case for change and the solution proposed;
- (f) shall set out on the basis upon which the Proposer considers that it would better facilitate the achievement of the Relevant Objectives;
- (g) shall detail the sections and paragraphs of the IGT UNC or the Individual Network Code which are potentially impacted by the Modification Proposal;
- (h) shall, if the Proposer considers that the Modification Proposal should be treated as an Urgent Modification Proposal, identify the Modification Proposal as such and indicate the Proposer's justification for such belief;
- (i) shall state the name of the Proposer and their contact details;
- (j) shall, without prejudice to the IGT UNC Modification Panel's right of determination pursuant to Clause 18 state the Proposer's preference as to whether the Modification Proposal should;
  - i. be subject to the Review Procedures;

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<sup>11</sup> [Independent Gas Transporters' Uniform Network Code](#)

- ii. proceed to Work Group Assessment; or
- iii. proceed to Consultation.

(k) may state the Proposer's opinion of the likely impact of the implementation of the Modification Proposal upon Pipeline User's computer systems and/or manual processes and procedures; ~~and~~

(l) may include the Proposer's Suggested Text. This Suggested Text will be considered by the IGT UNC Operators when preparing the text of the Modification pursuant to Clause 21; and

(m) shall include an assessment by the Proposer of the Modification Proposal against the Prioritisation Criteria;

18.5 The IGT UNC Modification Panel shall make a determination under Clause 18.7 having:

- (a) discussed the Modification Proposal and, subject to Clause 18.3;
- (b) heard the presentation of the Proposer's representative; and
- (c) had an opportunity to ask the Proposer's representative questions in respect of the Modification Proposal and the presentation of the Proposer's representative; and

(d) where the Modification Proposal has been determined not to be an Urgent Modification Proposal, considered the Proposer's assessment of the Proposal against the Prioritisation Criteria, pursuant to paragraph 10.2.1(m);

or where it has received a referral pursuant to Clause 21.3.

18.7 Subject to Clause 18.3 and Clause 18.9, the IGT UNC Modification Panel may, without prejudice to Clause 18.5, determine that a Modification Proposal:

(a) should proceed to Consultation in accordance with Clause 23.1 or

(b) should proceed to Development for Work Group Assessment in accordance with Clause 19 (and the IGT UNC Modification Panel may determine the Terms of Reference for such work (including terms as to the identity of any third parties to be consulted) and the date upon which it requires the Work Group to submit its Work Group Report); or

(c) should be deferred to a subsequent meeting of the IGT UNC Modification Panel for further discussion; or

(d) be subject to Review, in which case the provisions of Clause 22 shall apply; or

(e) satisfies the Self-Governance Criteria, in which case the provisions of Clause 18.7(a) shall apply; or

(f) be referred back to the Proposer for further development in which case the provisions of Clause 18.9 shall apply; and

(g) where it has been determined not to be an Urgent Modification Proposal, should be treated as of being of a relevant Prioritisation Category, assessed pursuant to paragraph 18.5 (d).

## 25 Content of Modification Reports

25.1 Each Draft Modification Report or Final Modification Report shall set out the information, and be in the form, specified on the IGT UNC Website and:

(a) shall in relation to a recommendation of the IGT UNC Modification Panel under Clause 23.3.3(b), include details of the IGT UNC Modification Panel's reasoning for determining whether or not the Modification Proposal better facilitates achievement of the Relevant Objectives; and

(b) state whether or not a determination has been made by the IGT UNC Modification Panel under Clause 23.3.3(a) and the number of Voting Members in favour of, and the number of Voting Members present and not voting in favour of, the implementation of the Modification Proposal;

(c) where it [the modification report] relates to a Modification Proposal that is neither a Self-Governance Modification Proposal nor a Fast Track Self-Governance Modification Proposal, state that fact together with the reasons why the proposal failed to satisfy both the Self-Governance Criteria and Fast Track Self-Governance Criteria and whether such failure was determined by the IGT UNC Modification Panel or the Authority; and

(d) state whether the Modification Proposal is made pursuant to a direction of the Authority in respect of a Significant Code Review; ~~and~~  
and

(e) where it has been required to have been determined, state the Prioritisation Category attached to the Modification Proposal and the reasons for this determination.

#### 34 Review of Prioritisation Category of Modification Proposals

34.1 The Panel shall reassess the Prioritisation Category of Modification Proposals quarterly and adjust the relevant modification timetable for each Modification Proposal accordingly.

#### 35 Modification Register

35.1 The Code Administrator shall prepare and publish an updated Modification Register on the IGT UNC Website, which shall include:

- (a) whether each Modification Proposal has been determined to be an Urgent Modification Proposal, or, where a Modification Proposal has been determined to not be an Urgent Modification Proposal, its Prioritisation Category; and
- (b) the reasons for the IGT UNC Modification Panel's determinations where they have been made in regard to the Prioritisation Category of Modification Proposals.

## Retail Energy Code

Standard condition 11B.1 of the Electricity Supply Licence<sup>12</sup> ([Electricity Supply Licence](#)) and standard condition 11 of the Gas Supply Licence<sup>13</sup> ([Gas Supply Licence](#)) places an obligation on require the licensee to be a party to, comply with and maintain the Retail Energy Code (REC), and that the REC remains an agreement with various requirements, as set out further in the Electricity Supply Licence<sup>14</sup>([Electricity Supply Licence](#)) and the Gas Supply Licence ([Gas Supply Licence](#)).<sup>15</sup> These requirements include, among other things that the code must provide for a code manager, whose powers, duties or functions shall facilitate the procedures for making a modification to the REC. Furthermore, standard conditions 11B.8 of the Electricity Supply Licence and standard condition 11.8 of the Gas Supply Licence set out requirements around the procedures for modifying the codes. Standard condition 11B.8 states that the REC must provide for a panel body to perform the role of code manager (the REC manager) who shall facilitate the procedures for making a modification to the REC. Paragraph 6.1 of the REC states that " The REC Board may establish such sub-committees from time to time...". Paragraph 6.2 states that the Change Panel is a sub-committee, and that "Each Sub-Committee shall be subject to such written terms of reference and such procedures as the REC Board may determine" (paragraph 6.5). Therefore, we have set out our proposed changes to the relevant paragraphs of the Terms of Reference<sup>16</sup> ([Terms of Reference](#)) document below.

Schedule 1 - Interpretations and Definitions<sup>17</sup> ([Schedule 1 - Interpretations and Definitions](#))

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

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

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

Schedule 5 - Change Management<sup>18</sup> ([Schedule 5 – Change Management](#))

### 4. Change Register

4.1. The Code Manager shall establish and maintain a register of all current and past Issues and Change Proposals (referred to as the Change Register).

#### 4.6. The Code Manager shall publish

- (a) Whether each Issue or Change Proposal has been determined to be an Urgent Issue or Change Proposal, or, where each Proposal has been determined to not be Urgent Issue or Change Proposal, its Prioritisation Category; and

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<sup>12</sup> [Electricity Supply Licence](#)

<sup>13</sup> [Gas Supply Licence](#)

<sup>14</sup> This is set out further in the [Electricity Supply Licence](#) through paragraphs 11B.2 through to 11B.7.

<sup>15</sup> This is set out for further in the [Gas Supply Licence](#) through paragraphs 11.5 through to 11.8.

<sup>16</sup> [Terms of Reference](#)

<sup>17</sup> [Schedule 1 - Interpretations and Definitions](#)

<sup>18</sup> [Schedule 5 – Change Management](#)

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- (b) the reasons for the Code Manager's determinations where they have been made in regard to the Prioritisation Category of Issue or Change Proposals.

## 7 Submitting Issues and Change Proposals

7.2. The Code Manager may prescribe what information will be required to support the Issue or Change Proposal, The Issue or Change Proposal must include an assessment by the Proposer of the issue or change against the Prioritisation Criteria, and other information prescribed by the Code Manager, in accordance with best practice and consistent with any requirements of the Code Administration Code of Practice. The Code Manager shall set out the requirements, and publish accompanying guidance on the submission and treatment of Issues or Change Proposals, on the REC Portal.

## 9 Initial Assessment

### Urgent Change Proposals and Prioritisation Category

9.5. The Code Manager shall make the initial determination of whether an Issue or Change Proposal is to be an Urgent Issue or Change Proposal, based on the criteria for urgency published by the Authority from time to time.

9.5A Where an Issue or Change Proposal has been determined to not be an Urgent Issue or Change Proposal, the Code Manager shall make the determination of the Prioritisation Category of the Issue or Change Proposal, by assessing it against the Prioritisation Criteria, taking into account the Proposer's opinion provided pursuant to paragraph 7.2.

### Responsible Sub-Committee

9.6. The Code Manager shall make the initial determination of which Responsible Sub-Committee is to make the decision for a Change Proposal under Paragraph 20, by reference to the REC Baseline Statement. Where a Change Proposal affects more than one part of this Code, and the different parts are identified in the REC Baseline Statement as the responsibility of different Sub-Committees, then the Change Panel shall make the decision.

### Change Proposal Plan

9.7. The Code Manager shall draft the initial Change Proposal Plan for each Issue or Change Proposal, and may make amendments to each such plan from time to time (in each case subject to Paragraph 9.9).

- 9.8. The Change Proposal Plan for each Issue or Change Proposal shall set out:
- (a) the timetable of the Issue or Change Proposal.
  - (b) whether the Issue or Change Proposal is:
    - (i) sufficiently developed and/or urgent to warrant it going straight to the Change Report (under Paragraph 18); or
    - (ii) in need of further development by the Code Manager and/or Subject Matter Experts, and/or of an impact assessment by the Parties and/or one or more REC Service Providers; ~~and~~
  - (c) whether the Issue or Change Proposal has cross-code impacts such that it needs to be progressed in conjunction with the Cross Code Steering Group; and

(d) Where the Issue or Change Proposal has been determined to not be an Urgent Issue or Change Proposal, the Prioritisation Category of the Issue or Change Proposal, and the reasons for its determination as such.

9.9. In determining the prioritisation and timetable to be followed in respect of each Issue or Change Proposal, the Code Manager shall:

(a) (subject to (b) below) determine a reasonable timetable, having regard to the Prioritisation Criteria, and whether the Issue or Change Proposal has been determined to be an Urgent Issue or Change Proposal, or, where it has determined to not be an Urgent Issue or Change Proposal, the Issue's or Change Proposal's complexity, importance and Prioritisation Category relative to other ongoing Issues or Change Proposals ~~and time-sensitivity~~; and

(b) in the case of Authority Issues or Change Proposals and Urgent Issues or Change Proposals, determine a timetable consistent with any relevant timetable issued by the Authority.

## 18 Change Report

18.3. The Change Report for each Change Proposal shall set out:

(a) a description and analysis of the Change Proposal;

(b) the proposed legal text to change this Code in order to give effect to the Change Proposal;

(c) the proposed implementation date(s) for the implementation of the Change Proposal;

(d) for Self-Governance Changes, the business case for the Change Proposal, and the Code Manager's recommendation as to whether or not the Change Proposal should be approved;

(e) for Authority-Approved Changes, an assessment of the Change Proposal against the REC Objectives, and the Code Manager's recommendation as to whether or not the Change Proposal should be approved;

(f) where relevant, the assessment of the REC Service Providers as to whether implementation of the Change Proposal would require changes to their Systems, and (if so) the likely cost of such changes, and the time period required for the design, build and delivery of the changes;

(g) where relevant, the outcome of any Party impact assessment undertaken by the Code Manager; ~~and~~

(h) where relevant, a summary of any input given by the Cross Code Steering Group; and

(i) where it has been determined, a description of the determination of the Modification Proposal's Prioritisation Category.

## 29 Review of Prioritisation Category of Modification Proposals



29.1. The Code Manager shall review the Prioritisation Category of Modification Proposals on a quarterly basis and adjust the relevant modification timetable for each Modification Proposal accordingly.

## **REC Change Panel – Terms of Reference**<sup>19</sup> ([REC Change Panel – Terms of Reference](#))

### 1 ESTABLISHMENT AND ROLE

1.2 The Change Panel shall discharge the functions and responsibilities assigned to it by the REC, in particular the Change Management Schedule, or otherwise required by RECCo. These functions and responsibilities will include:

- Approval of the determination by the Code Manager of the Prioritisation Category of an Issue or Change Proposal against the Prioritisation Criteria, where this has been carried out pursuant to paragraph 9.5A;
- Approval of Change Plans (including Terms of Reference and timetable) for the development of required REC Change Proposals;
- Receive preliminary Change Reports from the Code Manager and confirm the plan for consultation;
- Vote to approve or reject (or recommend approval of rejection to the Authority, where relevant) REC Change Proposals, taking into account the recommendation of the Code Manager; and
- Consideration of issues escalated to the Change Panel by its sub-committees including the Metering Expert Panel, Technical Expert Panel and Green Deal Panel.

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<sup>19</sup> [REC Change Panel – Terms of Reference](#)

## **Security and Quality of Supply Standard**

*The National Energy System Operator (NESO) and electricity transmission licences have recently been subject to a statutory consultation, with a decision<sup>20</sup> ([Decision on proposed modifications to conditions A1 and E7 of the electricity system operator licence and on modifications to standard conditions A1, D1, D3 and E16 of the electricity transmission licence](#)) published by Ofgem on 11th December which confirmed that the licence modifications would be made. We anticipate these modifications coming into effect on 7th February 2025. The effect of the modifications is to place obligations on NESO to maintain the SQSS, and thus the SQSS will be eligible for designation in accordance with s182(1) and paragraph 1 of Schedule 12 to the Energy Act 2023. As part of the licence modifications, NESO is under an obligation to progress any modifications to the SQSS necessary to comply with the new licence conditions by 31 March 2025. We expect these changes to include bringing a suitably modified version of the existing voluntary SQSS Governance Framework (which currently contains the modification procedures) into the code itself.*

*In light of all of this, we have not included particular SQSS code text in this consultation at this time. This is because, given the current position with the SQSS, the exact detail and placement of the modification text may be affected by the outcome of any changes proposed by NESO to further their licence obligation. However, our current policy position is that we consider that the SQSS should also be modified to include reference to the prioritisation criteria in the same manner as we have proposed in relation to the other codes.*

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<sup>20</sup> [Decision on proposed modifications to conditions A1 and E7 of the electricity system operator licence and on modifications to standard conditions A1, D1, D3 and E16 of the electricity transmission licence](#)

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## **Smart Energy Code<sup>21</sup> ([Smart Energy Code](#))**

### A DEFINITIONS AND INTERPRETATION

#### A1. DEFINITIONS

A1.1 In this Code, except where the context otherwise requires, the expressions in the left hand column below shall have the meanings given to them in the right hand column below:

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

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

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

### D MODIFICATION PROCESS

#### D1. RAISING DRAFT PROPOSALS

##### Content of the Proposal

D1.7 A Draft Proposal must contain the following information:

- (a) the name of the Proposer;
- (b) the name and contact details of an employee or representative of the Proposer who will act as a principal point of contact in relation to the proposal;
- (c) the date on which the proposal is submitted;
- (d) a description in sufficient detail of the nature of the proposed variation to this Code and of its intended purpose and effect;
- (e) a statement of whether, in the opinion of the Proposer, the Modification Proposal should be a Self-Governance Modification;
- (f) a statement of whether the Proposer considers, in the light of any guidance on the topic issued by the Authority from time to time, that the Modification Proposal should be treated as an Urgent Proposal (and, if so, its reasons for so considering);
- (g) a statement of whether or not the Modification Proposal is intended to be a Fast- Track Modification;
- (h) a statement of the reasons why the Proposer believes that this Code would, if the proposed variation were made, better facilitate the achievement of the SEC Objectives than if that variation were not made;

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<sup>21</sup> [Smart Energy Code](#)

(i) a statement of whether the Proposer believes that there would be a material impact on Greenhouse Gas Emissions as a result of the proposed variation being made; ~~and~~

(j) a statement of whether the Proposer believes the Draft Proposal should be submitted directly to the Panel; ~~and~~

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

#### Modification Register

D1.8 The Secretariat shall establish and from time to time maintain a register (the Modification Register) of all current and past Draft Proposals and Modification Proposals.

D1.9 The Modification Register shall contain, in respect of each Draft Proposal submitted pursuant to this Section D1 and Modification Proposal subsequently raised pursuant to Section D3:

(a) a unique reference number by which the Draft Proposal or Modification Proposal can be identified;

(b) a brief summary of the Modification Proposal and its purpose and effect;

(c) not used;

(d) the stage of the process set out in this Section D that the Draft Proposal or Modification Proposal has reached;

(e) following the Panel's determination pursuant to Section D3 that the Draft Proposal should be progressed as a Modification Proposal:

(i) whether the proposal is a Self-Governance Modification;

(ii) whether the proposal is a Fast-Track Proposal; ~~and~~

(iii) the timetable applying in respect of the Modification Proposal; and

(iv) whether a Modification Proposal has been determined to be an Urgent Proposal or not, and, where a Modification Proposal has been determined to not be an Urgent Proposal, the Prioritisation Category attached to the Modification Proposal, and the reasons for the Panel's determinations where they have been made in regard to the Prioritisation Category of the Modification Proposal;

(f) whether the Authority has determined the Modification Proposal to be an Urgent Proposal;

(g) not used;

(h) not used;

(i) once it has been made, the decision of the Panel (in the case of Fast-Track Modifications) or of the Change Board (in the case of all other Modification Proposals); and

(j) such other matters relating to the Draft Proposal or Modification Proposal as the Panel may reasonably determine from time to time.

### D3. INITIAL ASSESSMENT OF DRAFT PROPOSALS

D3.12 Where the Panel determines that a Draft Proposal should be progressed as a Modification Proposal, the Panel shall determine:

- (a) not used;
- (b) whether the Modification Proposal should be a Self-Governance Modification (taking into account the view expressed by the Proposer in the Draft Proposal and as described in Section D2), unless the Modification Proposal is an Authority-initiated Modification;
- (c) whether the Authority should be asked to consider whether the Modification Proposal should be treated as an Urgent Proposal (and, where the Proposer has expressed the Modification Proposal to be urgent, the Panel shall so ask the Authority);
- (d) in the case of Fast-Track Modifications, whether the Modification Proposal should be progressed and approved as a Fast-Track Modification (and such approval shall require the unanimous approval of all the Panel Members present at the relevant meeting, otherwise the Modification Proposal shall be progressed as though it is not a Fast-Track Modification);
- (e) whether, in accordance with Section D3.15, it is necessary for the Modification Proposal to go through the Refinement Process, or whether it can progress straight to the Report Process;
- (f) the timetable to apply in respect of the Modification Proposal, in accordance with the criteria set out in Section D3.16; ~~and~~
- (g) whether the Modification Proposal should be considered together with any other current Modification Proposal(s) (whether because they complement or contradict one another or for any other reason), in which case the Modification Proposals in question shall be considered by the same Working Group; and
- (h) where a Modification Proposal has been determined to not be an Urgent Proposal, the Prioritisation Category of the Modification Proposal, by assessing it against the Prioritisation Criteria, taking into account the Proposer's opinion provided pursuant to Section B, Paragraph D1.7(k).

#### Timetable

D3.16 The Panel shall determine the timetable to be followed in respect of each Modification Proposal. In particular, the Panel shall:

- (a) in the case of Authority-initiated Modifications, determine a timetable consistent with any relevant timetable issued by the Authority or the Secretary of State (as the case may be);
- (b) in the case of Urgent Proposals, determine a timetable that is (or amend the existing timetable so that it becomes) consistent with any relevant timetable issued by the Authority; and

(c) (subject to Sections D3.16(a) and (b)) specify the date by which the Modification Report is to be finalised; being as soon as reasonably practicable after the Panel's decision in respect of such timetable (having regard to the Prioritisation Criteria, and whether the Modification Proposal has been determined to be an Urgent Proposal, or, where it has been determined to not be an Urgent Proposal, the Prioritisation Category ~~complexity, importance and urgency~~ of the Modification Proposal).

## D7. REPORT PHASE

### D7.3 The Modification Report for each Modification Proposal shall:

(i) where the Modification Proposal was subject to the Refinement Process prior to the Report Phase:

(i) include the Consultation Summary produced by the Working Group in respect of the Modification Proposal;

(ii) specify whether, if the Modification Proposal is approved, the implementation of the Modification Proposal is likely to require changes to DCC Systems, User Systems and/or Smart Metering Systems; and (if so) the likely development, capital and operating costs associated with such changes and any consequential impact on the Charges;

(iii) specify whether, if the Modification Proposal is approved, the DCC is to be required, as part of the Modification Proposal's implementation, to undertake testing of the DCC Total System and/or provide testing services; and (if so) how such testing is dealt with in the Modification Proposal;

(iv) include a summary of any views provided by the Technical Architecture and Business Architecture Sub-Committee, the Security Sub-Committee, the SMKI PMA or the Alt HAN Forum in respect of the Modification Proposal pursuant to Section D6.8 (Purpose of the Refinement Process); and

(v) include a summary and copies of any and all DCC Assessments provided by the DCC pursuant to Section D6.9 (Analysis by the DCC);~~;~~

(j) detail the analysis carried out in paragraphs D.1.7(k) and D3.12(h) to determine the Prioritisation Category of the Modification Proposal, and the Prioritisation Category that has been determined, where this determination has been carried out.

## D13. REVIEW OF PRIORITISATION CATEGORY MODIFICATION PROPOSALS

D13.1 The Panel shall review the Prioritisation Category of Modification Proposals on a quarterly basis and adjust the relevant modification timetable for each Modification Proposal accordingly.

## **System Operator Transmission Owner Code<sup>22</sup> ([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

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 Urgent STC 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 not be an Urgent STC Modification Proposal, the Prioritisation Category complexity, importance and urgency of 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.

##### 7.2.2 STC Modification Proposals

7.2.2.1 A proposal to amend the Code may be made by any of the following:

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<sup>22</sup> [System Operator Transmission Owner Code](#)



- (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

(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

(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 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) where the STC Modification Proposal has been determined not to be an Urgent STC Modification Proposal, and having assessed the STC Modification Proposal against the Prioritisation Criteria to determine its Prioritisation Category, taking into account the Proposer's opinion provided pursuant to Clause 7.2.2.2 (k), whether the Modification Proposal should be accorded a relevant 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;

(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;

(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) where the STC Modification Proposal has been determined not to be an Urgent STC 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).

#### 7.2.7 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 an Urgent 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).

#### 7.2.8 Monthly Progress Report

7.2.8.2 The Progress Report shall contain:

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

(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 Prioritisation Category that the STC Modification Panel affords to and between such STC 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), 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 quarterly basis and adjust the relevant modification timetable for each STC Modification Proposal accordingly.

## SECTION J: INTERPRETATION AND DEFINITIONS

### 3. DEFINITIONS

The following terms shall have the following meanings:

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

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

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

## **Uniform Network Code<sup>23</sup> ([Uniform Network Code](#))**

### UNIFORM NETWORK CODE

#### INTRODUCTION

2. The Uniform Network Code comprises:

- (a) this Introduction;
- (b) the Transportation Principal Document, which sets out transportation arrangements between Transporters and Users and certain similar arrangements between upstream Transporters and DNO Users;
- (c) the Offtake Arrangements Document, which sets out arrangements between Transporters relating to the connection and operation of their Systems at Offtakes and other matters;
- (d) the Independent Gas Transporters Arrangements Document, which sets out arrangements between Transporters and Independent Gas Transporters relating to the connection and operation of their Systems at Connected System Exit Points and other matters;
- (e) the Modification Rules, which sets out procedures (as required by Standard Special Condition A11(7) of the Transporter's Licences) for modification of each of the Transporters' Network Codes and the Uniform Network Code;
- (f) the European Interconnection Document, which sets out provisions relating to Interconnection Points which differ from, or are additional to, the provisions of the Transportation Principal Document;
- (g) the Transition Document, which sets out transitional provisions relating to the arrangements in the Uniform Network Code;
- (g) the General Terms, which sets out general provisions applying to, and provisions for interpretation of, the Uniform Network Code.

#### UNIFORM NETWORK CODE – TRANSITION DOCUMENT

#### PART IV – MODIFICATION RULES

##### Appendix

#### UNIFORM NETWORK CODE – MODIFICATION RULES

#### 6 MODIFICATION PROPOSALS AND THIRD PARTY MODIFICATION PROPOSALS

##### 6.2 Form of Modification Proposals

6.2.1 Each Modification Proposal made pursuant to paragraph 6.1.1 or 6.1.2:

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<sup>23</sup> [Uniform Network Code](#)



- (a) shall be in writing and shall specify whether it relates to the Uniform Network Code or an Individual Network Code;
- (b) shall set out in reasonable but not excessive detail the nature and purpose of the Modification Proposal;
- (c) shall set out the basis upon which the Proposer considers that it would better facilitate the achievement of the Relevant Objectives;
- (d) shall detail the sections and paragraphs of the Uniform Network Code or the Individual Network Code which are to be amended or otherwise affected by the Modification Proposal;
- (e) shall, if the Proposer considers that the Modification Proposal should be treated as an Urgent Modification Proposal, identify the Modification Proposal as such and indicate the Proposer's justification for such belief;
- (f) shall, where it is made by a Transporter pursuant to Standard Special Condition A11(14), state that it is so made;
- (g) shall state the name of the Proposer and the Proposer's representative;
- (h) shall, without prejudice to the Modification Panel's right of determination pursuant to paragraph 7.2, state the Proposer's preference as to whether the Modification Proposal should: (i) be subject to the review procedures; (ii) proceed to the Development Phase; (iii) proceed to the Consultation Phase; or (iv) be referred to a Workstream in accordance with paragraph 7.4 for discussion;
- (i) may state the Proposer's opinion of the likely impact of the implementation of the Modification Proposal upon Users' computer systems and/or manual processes and procedures;
- (j) may state the Proposer's view of possible implementation timescales for the Modification Proposal; and
- (k) may include the Proposer's Suggested Text, including that prepared for consideration by the Transporters when preparing the text of the Modification pursuant to paragraph 9.6;
- (l) shall state whether or not it is a User Pays Modification Proposal; and
- (m) shall include an assessment by the Proposer of the Modification Proposal against the Prioritisation Criteria.

## 7 MODIFICATION PROCEDURES - PRELIMINARY PHASE

### 7.2 Discussion of Modification Proposals

7.2.1 Subject to paragraph 6.4 and paragraph 10, the Modification Panel shall discuss each new Modification Proposal and Third Party Modification Proposal at a meeting of the Modification Panel.

7.2.2 The Modification Panel shall make a determination under paragraph 7.2.3:

- (a) Having:

(i) discussed the Modification Proposal or Third Party Modification Proposal and, subject to paragraph 6.3.2;

(ii) heard the presentation of the Proposer's representative;

(iii) had an opportunity to ask the Proposer's representative questions in respect of the Modification Proposal or Third Party Modification Proposal and the presentation of the Proposer's representative; and

(iv) considered whether there are any persons from whom representations should, pursuant to paragraph 7.7, be invited; ~~or~~ and

(v) where the Modification Proposal has been determined not to be an Urgent Modification Proposal, considered the Proposer's assessment of the Modification Proposal against the Prioritisation Criteria, pursuant to paragraph 6.2.1(m); or

(b) where it has received a referral pursuant to paragraph 9.6.3.

7.2.3 Subject to paragraph 7.2.2, the Modification Panel may, without prejudice to paragraph 7.2.4, determine that:

(a) a Modification Proposal:

(i) should be subject to the review procedures under paragraph 11;

(ii) should proceed to the Development Phase (in which case the Modification Panel shall discuss, and shall (in accordance with paragraph 7.6) request the Transporters to finalise, the Terms of Reference to be applicable); or

(iii) should proceed to the Consultation Phase in accordance with paragraph 7.3; ~~or~~; and

(iv) where it has been determined not to be an Urgent Modification Proposal, should be treated as being of a relevant Prioritisation Category, assessed pursuant to paragraph 7.2.2 (v); or

(b) a Modification Proposal or Third Party Modification Proposal:

(i) should be referred to a Workstream in accordance with paragraph 7.4 for discussion (and the Modification Panel may determine the Terms of Reference for such work (including terms as to the identity of any third parties to be consulted) and the date upon which it requires the Workstream to submit its report); or

(ii) should be deferred to a subsequent meeting of the Modification Panel for further discussion; and

(iii) where it has been determined not to be an Urgent Modification Proposal or Third Party Modification Proposal, the Modification Proposal should be treated as of being of a relevant Prioritisation Category, assessed pursuant to paragraph 7.2.2 (v); and

(c) where Modification Proposal is a User Pays Modification Proposal, at any time before it proceeds to the Consultation Phase in accordance with paragraph 7.3 the Transporter shall:

(i) in accordance with a period determined by the Modification Panel, provide a rough order of magnitude assessment, which will include a cost estimate(s) for the User Pays Service, an indicative User Pays Charge(s) and, having regard to the User Pays Guidance Document a commentary in respect of these; and

(ii) request from the Authority a View on whether the proposed cost apportionment and User Pays Charges are appropriate and following receipt of such View circulate it to the next meeting of the Modification Panel; and

(iii) where it has been determined not to be an Urgent Modification Proposal, the Modification Proposal should be treated as of being of a relevant Prioritisation Category, assessed pursuant to paragraph 7.2.2 (v).

## 9 MODIFICATION PROCEDURES - CONSULTATION PHASE

### 9.4 Form of Modification Report

9.4.1 In addition to identifying which paragraph of these Rules the Modification Report is made pursuant to, each Modification Report shall, subject to paragraphs 9.4.5 and 10.2 and to the extent relevant and that the Transporters have been made aware:

(a) set out:

(i) or append in full the relevant Modification Proposal (or Third Party Modification Proposal) including, in the case of a Modification Proposal, any Suggested Text provided by the Proposer pursuant to paragraph 6.2.1(k); ~~and~~

(ii) the text, if provided pursuant to paragraph 9.6; and

(iii) where it has been determined, a description of the determination of the proposed Modification's Prioritisation Category.

## 12 GENERAL

### 12.9 Terms of reference

12.9.1 The Terms of Reference for each Development Work Group, Modification Proposal referred to a Workstream or Review Group shall:

(a) detail the composition of the Development Work Group or Review Group in accordance with paragraph 8.1;

(b) detail the Modification Proposal;

(i) detail the work to be undertaken by the Development Work Group, Workstream or Review Group to enable the Development Work Group, Workstream or Review Group to prepare its report; ~~and~~

(ii) specify any matters, in addition to those referred to in paragraph 8.6.1, which the Development Work Group, Workstream or Review Group should address in its report; and

(iii) where it has been determined, detail a description of the determination of the proposed Modification's Prioritisation Category.

#### 12.10 Review of Prioritisation Category of Modification Proposals

12.10.1 The Modification Panel shall review the Prioritisation Category of Modification Proposals on a quarterly basis and adjust the relevant modification timetable for each Modification Proposal accordingly.

#### 12.11 Modification Register

12.11.1 The Code Administrator shall prepare and publish an updated Modification Register on its Website, which shall include:

- (a) Whether each Modification Proposal has been determined to be an Urgent Modification Proposal, or, where a Modification Proposal has been determined to not be an Urgent Modification Proposal, its Prioritisation Category; and
- (b) the reasons for the Modification Panel's determinations where they have been made in regard to the Prioritisation Category of Modification Proposals;

#### 12.12 Prioritisation Process Definitions

12.12.1 In addition to terms defined elsewhere in the UNC, the following terms and expressions have the following meanings in this Part IV, Modification Rules document:

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

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

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