

Reforming Energy Code Content

The case to rationalise and simplify codes

The existing system of codes which govern the GB energy markets is complex and voluminous.

The BEIS and Ofgem joint Energy Codes Review is an acknowledgment that action is necessary to reform both the codes and code governance to create a regulatory framework that is sufficiently flexible and capable of delivering the fundamental changes that will be required to move to a clean, smart and flexible future energy system.¹

The Energy Codes Review is an industry-wide process, with electricity and gas both in scope. As National Grid Electricity System Operator (ESO), we have a particular interest in the electricity codes and how best to improve existing codes and code arrangements from our unique perspective as the electricity system operator and our responsibilities as a Code Administrator.²

The ESO advocates four principal goals that industry should strive to achieve for substantial code reform:

1. **Rationalisation and simplification of code content and processes** to make it easy for any market participant to understand which rules apply to them and to understand what those rules mean in practice.
2. **Transform the code change process which amends codes**, allowing strategic change to be prioritised and implemented efficiently, while ensuring that it is much simpler and less time consuming to make incremental improvements.
3. **Code consolidation** to reduce the number of codes currently in place to facilitate market development and reduce administrative burden, including by harmonising entry processes and obligations.
4. **The evolution of Code Managers** with more explicit powers and responsibility to provide strategic input and to drive proactive change to achieve timelier consumer-led outcomes.³

It is our view that consolidation of codes on its own is not enough to deliver a streamlined code system and a more efficient change process. In this thought piece, we set out why and how reforming code content is a logical and important first step that industry should be proactive in taking to create an accessible and agile code system that is considerably easier for market participants to access, understand and navigate than the current codes, which slow the pace of change and stifle innovation.

We expect it would be a substantial task to fully simplify, harmonise and rationalise the codes that we currently administer. Our RIIO-2 ambition to transform the code process recognises that such a project would take several years to complete. A phased programme of change would see the bulk of the code transformation process undertaken over a two to three-year period, working with stakeholders to drive through the right changes that will allow strategic change to be prioritised and implemented efficiently. However, there will be many quick wins that can be realised sooner and more easily, without recourse to legislative or licence change, nor resource intensive workgroups.

We use an illustrative case study from the Connection and Use of System Code (CUSC) to showcase how rationalisation and simplification of code content can be achieved and what benefits to market participants are expected, as well as the implementation of consumer-focused change.

Today's code challenges

Industry criticism of the existing code system is marked by consensus and the concerns fall into four main areas:

- Complexity and fragmentation
- Accessibility and inclusivity
- Dominance by incumbents
- Inefficiencies in the implementation of change

¹ Energy Codes Review Terms of Reference:
<https://www.ofgem.gov.uk/publications-and-updates/energy-codes-review>

² The ESO is Code Administrator for CUSC, Grid Code and the STC.

³ Discussion of our longer-term ambitions for codes and governance can be found in 'Our RIIO-2 ambition' document, published April 2019:
<https://www.nationalgrideso.com/document/141256/download>

There are currently 11 industry codes and over 10,000 pages of codes and other associated documentation which participants must understand and follow.

Effective involvement in the code system and the code change process requires technical expertise and significant resource. Thus, engagement with the codes system is disproportionately low for newer and smaller parties due to resource constraints and the resulting costs, and *de facto* allows larger incumbents the opportunity to dominate the code change process, including the composition of code panels, which perpetuates problems of narrow participant inclusion.

To overcome today's code challenges greater accessibility to all market participants and the flexibility to deliver forward-looking change at pace is required. We believe simplification and rationalisation of code content is a logical and workable approach to the achievement of this wider objective.

Our approach

By **rationalisation** of code content, we mean the streamlining of undue detailed prescription and removal of irrelevant, out of date information to reduce the size of individual codes.

Simplification of code content is the translation of code requirements and code processes from undue legal and technical language into plain English and from complex to simple codified processes, or removal of some codified processes.

We see potential for simplification and rationalisation to unlock opportunities around accessibility, inclusive participation and transparency.

1. Break down codes in to plain English

The detailed provisions and technical language of the codes impacts the comprehensibility of the content. Using simpler and more concise, direct language is not about 'dumbing down' code content but writing for accessibility and ease of understanding.

The aim is to make it easy for any market participant, but especially those without specialist knowledge, to understand what the rules mean and which aspects apply to them, and then how to use this information to make informed business decisions, fulfil compliance and engage proactively with code change.

2. 'Strip away' legacy layers

Overlaying and bolting new rules and processes on to historic, legacy arrangements has contributed to information complexity and density in the codes. A

review of the codes to 'weed out' content that is no longer up-to-date, relevant and applicable will promote more efficient access to information and reduce the significant administrative and cost burden to all participants but should give greatest benefit to new and smaller entrants, who often face constraints around time and resource.

3. Empower and engage an increasingly diverse mix of market participants

At present inclusive participation is inhibited by complex and inaccessible codes. Simplifying content to make the codes more accessible and intelligible unlocks opportunities at all participatory levels to allow greater involvement of non-traditional market participants alongside incumbents, and potentially also through greater participation of trade organisations. A smarter approach to the codes could also help in this area, such as the intention to further digitalise our codes in future as discussed under our ESO RIIIO-2 Ambition.⁴

4. Establish basic principles

Establishing some basic principles to guide, not only the process of reforming code content but also future code changes, would serve to encourage consistency of approach across codes. This could be achieved through the Code Administrator Code of Practice (CACoP). These would require that the content has:

- been written for readability and understanding;
- due regard to accessible language and proportionate use of technical and legal terms;
- proper regard to clarity of meaning; and
- a focus on concise, fit for purpose and relevant content.

We recognise that some considerations should also be taken in to account if codes are to be rationalised and simplified. These come down to four main areas:

1. the resource, time and cost of rationalising and/or simplifying code content should be evaluated against the benefits that any change might bring to participants directly, and to the overall efficiency of the code system;
2. striking an optimal balance between concise and simple language and detailed prescription and technical specificity. Some sections, particularly those linked to charging and operability, need detailed content to provide certainty to participants on their obligations and to avoid any potential legal challenge;

⁴ <https://www.nationalgrideso.com/document/141256/download>

3. an open, inclusive and transparent process to encourage trust among market participants. It would be important to engage widely, involve interested parties in the process and then communicate with clarity what is being changed, the rationale for and anticipated benefit of the change and the direct/indirect impact to market participants; and
4. consideration of which governance model works best to deliver transformative change to the energy system, including whether open governance remains appropriate for some and/or all elements of the codes. We will need to look at governance models in other countries and industries to draw out best practice and lessons learned. For example, Scandinavian countries, such as Denmark and Norway, where codes are generally simpler and more principles-based, may provide useful insight.⁵

Rationalisation and simplification in practice

Case study: Connection and Use of System Code (CUSC)

This case study demonstrates the effect of rationalisation and simplification of content for a part of Section 6 of the CUSC. Section 6, entitled 'General Provisions', contains those provisions which are of general application to Code parties. Section 6 includes three different TEC products available to connected Customers and a description of the process for submission of an application. The three products are: Section **6.31 Short Term Transmission Capacity Entry (STTEC)**; **6.32 Limited Duration Transmission Entry Capacity (LDTEC)**; and **6.34 Temporary TEC Exchanges**.

Writing in plain language and without default to the accepted format and written style of the CUSC was harder than anticipated. Our first draft of revisions to these sections marked a notable shift towards greater use of plain language and was significantly shorter in length than the original text, but we recognised there was scope to be more ambitious with how we thought about and approached the desired output.

A second iteration was approached with an express intention to convert all legal terminology in to plain English, to remove unnecessary repetition and, where appropriate, abstract information that can be documented outside of the code (e.g. in the application form and/or contract offer in this specific case). The resulting case study below is an illustrative example of

process changes, including harmonised application timescales. We recognise that implementing any harmonised processes would need to be considered further in consultation with all affected parties.

The output is concise and simple usable content. The text is characterised by its plainness and is written in the active voice, with a less formal tone. As such, Customers are presented with an easy-to-understand explanation of each TEC product and a concise, logical guide to who can apply and when, and the actions they need to take to apply for either STTEC, LDTEC or a Temporary TEC Exchange. For ease of access, the application forms associated with each product have been hyperlinked. We acknowledge that the illustrative example in this thought piece would require further development if it were to be progressed as an actual code change. For example, we would need to review the associated application forms and any consequential changes to Section 11.

Below is an extract from the simplified code content, which gives coverage to STTEC. A full version of the simplified text for all three products can be found in Appendix 1. For comparison, the current CUSC legal text can be accessed online and an extract can be found in Appendix 2.⁶

COMPARISON AT A GLANCE

We have reduced the length of Sections 6.31 to 6.34 by **13 pages**, lessened the number of **clauses by 99** and cut down the text by **3846 words**; this equates to around a **76 per cent reduction** in the total word count for the three sections, when combined. If extrapolated to the whole of the CUSC this approach has the potential to rationalise content from **1,275 pages to 306 pages**, noting that the scope and extent of rationalisation/simplification possible within certain sections is expected to vary significantly. For example, commercially significant arrangements/requirements as covered in Section 14 'Charging Methodologies' would likely retain more of the original legal and prescriptive detail, but it could still be improved through rationalisation and simplification.

Current legal text for all 3 sections	Simplified text for all 3 sections
<ul style="list-style-type: none"> • 115 clauses • 5,050 words • 15 pages 	<ul style="list-style-type: none"> • 16 clauses • 1,204 words • 2 pages

⁵ M. Lockwood, C. Mitchell, R. Hoggett, 'The governance of industry rules and energy system innovation: The case of codes in Great Britain', *Utilities Policy*, June 2017.

⁶<https://www.nationalgrideso.com/codes/connection-and-use-system-code-cusc?code-documents>

The Result

Extract from rewritten plain language text for Short Term Transmission Entry Capacity
(A full version of the rewritten text covering all three sections can be found in Appendix 1.)

- 6.31 Short Term Transmission Entry Capacity, Limited Duration Transmission Entry Capacity and Temporary TEC Exchange**
- 6.31.1 Three products are available to **Users** who, once connected, wish to temporarily increase their **TEC** on a station basis: (1) **Short Term Transmission Entry Capacity**; (2) **Limited Duration Transmission Entry Capacity**; and (3) **Temporary TEC Exchange**. To apply, a **STTEC Request Form** or an **LDTEC Request Form** should be submitted via email to the ESO. Alternatively, you and another connected party can apply to donate TEC from one party to another on a station basis by jointly submitting a **Temporary TEC Exchange Rate Request Form**.
- 6.31.2 A non-refundable application fee would be payable with the application, and if the ESO provides you with an offer which is accepted, then a STTEC/LDTEC charge is payable. Each charge is calculated in accordance with the **Statement of Use of System Charges**. If you need support understanding the application process, the associated charges and/or offer documentation, then the ESO can provide further guidance.
- 6.31.3 A **STTEC Request** can either be in the form of a **Request for a STTEC Authorisation** or an **Application for a STTEC Offer**, both of which are further explained below.
- 6.31.3.1 An **Application for a STTEC Offer** is an application for the right to buy **STTEC** on a station basis in either a four, five or six-week block within a Financial Year i.e. the **STTEC Period**. The application must be received by the ESO, and the application fee paid, no later than two weeks before the start of a **STTEC Period** to allow the ESO to notify you via email if your application has been successful no later than seven days before the start date of the **STTEC Period**. If the application is successful, your **STTEC Offer** will be provided via email and will remain open for acceptance up to 17:00 the following **Business Day** at which point it will lapse. If accepted, you will become liable to pay the appropriate **STTEC Charge**.
- 6.31.3.2 A **Request for a STTEC Authorisation** constitutes an unconditional, irrevocable offer by you to buy **STTEC** (if the ESO accepts that offer) on a station basis up to the quantity of MWs stated in your application for a four-week block within a Financial Year i.e. the **STTEC Period**. This request must be received by the ESO, and the application fee paid, no later than six weeks before the start of the **STTEC Period** to allow the ESO to notify you via email, no later than four weeks before the start date of the **STTEC Period**, whether your offer has been accepted. If accepted, you will become liable to pay the appropriate **STTEC Charge**.

Moving forward

In this thought piece, we have shown that there is a way to deliver simplified and rationalised code content in certain areas, and that there can be a more efficient and logical way to structure information. The principles behind these changes can be applied to all Codes to help make them more accessible and readable for all participants. We believe that rationalisation and simplification on a wider scale, across codes, is achievable but will first require:

- a step-change in industry behaviour and culture around risk and trust;
- consideration of the current rules around change to make sure that the right balance continues to be struck between due consideration of change and agility to change;
- a set of principles around the right level of acceptable regulatory and industry risk to mitigate the likelihood of non-compliance and breach of obligations;
- a suitably resourced team of people with the right level of expertise and knowledge; and
- the involvement of a diverse set of stakeholders to avoid dominance by large incumbent actors in the process and ensure transparency.

The ability to take forward this approach will be impacted by conflicts of commercial interests and risk aversion from market participants. Ultimately, everyone will need to feel that there is enough incentive for them to support code content reform in the first instance, and then beyond this to drive through modifications that keep pace with major changes in the sector.

Of equal importance is the issue of internal ESO and industry resource and time. We do not underestimate the scale and scope of the reform we are proposing. Development and delivery of simplified, rationalised and harmonised codes will require wide collaboration with industry stakeholders to ensure the right changes are prioritised and implemented. This will be contingent on having dedicated resource in place to provide oversight and support to any future programme of change.

Clarity and transparency around simplification of code content, and the anticipated outcomes of those changes, will be needed. An inclusive, open and robust process that allows interested parties to be involved in the process will be needed to help build trust and overcome opposition.

Future Code Managers, with greater powers and responsibilities, will also play a key role in driving

towards such reform. The Code Manager should own the actual code content and thus be an enabler for proactive code rationalisation, simplification and harmonisation.

We see rationalisation and simplification of code content as an opportunity to begin reformative change here and now, within the bounds of existing arrangements. As an exercise undertaken on its own, this approach can deliver benefits for improving accessibility and diverse participant inclusion. But having codes that are shorter and less complex also offers a good start point from which to drive forward code consolidation across industry, noting that code consolidation needs to be considered carefully to ensure a logical structure i.e. there will be different benefits and drawbacks related to different variations of code consolidation.

We need to enable a future regulatory framework that is agile, co-ordinated and streamlined, and is therefore built around accessible, up to date and fit for purpose code content to make possible strategic and timely change via a process that works for hundreds of diverse market participants. Based on stakeholder feedback and our own insight, we do not have immediate plans to raise a change. Given there is already a lot of code change activity, raising this change at this time would detract from more important modifications. Rather, we commit first to engage stakeholders to gauge whether our proposed approach to code content reform is considered beneficial and then determine, with stakeholders, how this could be taken forward in a co-ordinated way.

As part of our commitment to develop and drive targeted market improvements, under the ESO's Forward Plan 2019-21, we will also work with our stakeholders to understand their current code and governance framework pain points, identifying potential targeted modifications to reform content within the codes that we currently administer.⁷ Industry engagement began at the Transmission Charging Methodology Forum (TCMF) in June 2019, where stakeholder views were sought on potential areas for reform within the CUSC.

As we engage stakeholders and look to develop a targeted approach to reforming code content, we will remain mindful of existing planned changes, and the direction of the Energy Codes Review, and the effect this has on both our internal time and resource and that of wider industry.

If you have any questions or comments, we would like to hear from you. In the first instance, please contact: sarah.york@nationalgrideso.com.

⁷ ESO Forward Plan 2019-21:
<https://www.nationalgrideso.com/document/140736/download>

APPENDIX 1

Complete version of simplified text for STTEC, LDTEC and Temporary TEC Exchange

6.31 Short Term Transmission Entry Capacity, Limited Duration Transmission Entry Capacity and Temporary TEC Exchange

6.31.1 Three products are available to **Users** who, once connected, wish to temporarily increase their **TEC** on a station basis: (1) **Short Term Transmission Entry Capacity**; (2) **Limited Duration Transmission Entry Capacity**; and (3) **Temporary TEC Exchange**. To apply, a **STTEC Request Form** or an **LDTEC Request Form** should be submitted via email to the ESO. Alternatively, you and another connected party can apply to donate TEC from one party to another on a station basis by jointly submitting a **Temporary TEC Exchange Rate Request Form**.

6.31.2 A non-refundable application fee would be payable with the application, and if the ESO provides you with an offer which is accepted, then a STTEC/LDTEC charge is payable. Each charge is calculated in accordance with the **Statement of Use of System Charges**. If you need support understanding the application process, the associated charges and/or offer documentation, then the ESO can provide further guidance.

6.31.3 A **STTEC Request** can either be in the form of a **Request for a STTEC Authorisation** or an **Application for a STTEC Offer**, both of which are further explained below.

6.31.3.1 An **Application for a STTEC Offer** is an application for the right to buy **STTEC** on a station basis in either a four, five or six-week block within a Financial Year i.e. the **STTEC Period**. The application must be received by the ESO, and the application fee paid, no later than two weeks before the start of a **STTEC Period** to allow the ESO to notify you via email if your application has been successful no later than seven days before the start date of the **STTEC Period**. If the application is successful, your **STTEC Offer** will be provided via email and will remain open for acceptance up to 17:00 the following **Business Day** at which point it will lapse. If accepted, you will become liable to pay the appropriate **STTEC Charge**.

6.31.3.2 A **Request for a STTEC Authorisation** constitutes an unconditional, irrevocable offer by you to buy **STTEC** (if the ESO accepts that offer) on a station basis up to the quantity of MWs stated in your application for a four-week block within a Financial Year i.e. the **STTEC Period**. A request must be received by the ESO, and the application fee paid, no later than six weeks before the start of the **STTEC Period** to allow the ESO to notify you via email, no later than four weeks before the start date of the **STTEC Period**, whether your offer has been accepted. If accepted, you will become liable to pay the appropriate **STTEC Charge**.

6.31.4 An **LDTEC Request** allows **LDTEC** to be requested for a minimum of seven weeks in weekly increments (each commencing on a Monday at 00:00) within a Financial Year i.e. the **LDTEC Period**. This application must be received by the ESO, and the application fee paid, no later than four weeks before the start of the **LDTEC Period** to allow the ESO to notify you via email whether your application has been successful no later than seven days before the start date of the **LDTEC Period**. A **LDTEC Request** must be submitted in the same Financial Year as the **LDTEC** being requested. If your application is successful, an **LDTEC Offer** will be provided to you by the ESO via email and will remain open for acceptance up to 17:00 the following **Business Day** at which point it will lapse. If accepted, you will become liable to pay the appropriate **LDTEC Charge**.

6.31.5 An **LDTEC Request** and the subsequent offer from the ESO can take two forms which are further explained below i.e. a **LDTEC Block Offer** or a **LDTEC Indicative Block Offer**.

6.31.5.1 A **LDTEC Block Offer** will provide **Block LDTEC** via an **LDTEC Profile** which details the MW capacity that is available on a weekly basis; and

6.31.5.2 A **LDTEC Indicative Block Offer** will provide **Indicative Block LDTEC** via an **LDTEC Indicative Profile** which details the MW capacity that may be available on a weekly basis from the eighth week of the **LDTEC Period** as well as the **Available LDTEC** that is available for the first seven

weeks. A **LDTEC Availability Notification** detailing the **Available LDTEC** for the following [seven weeks] will be provided by ESO by 17:00 on the Friday prior to the eighth week of the **LDTEC Period** (via email) and then on a weekly basis in the same manner until covering to the end of the **LDTEC Period**.

- 6.31.5.3 Where the **LDTEC Offer** comprises both an **LDTEC Block Offer** and an **LDTEC Indicative Block Offer** (at your request) you may then only accept one and not both.
- 6.31.6 You can inform the ESO that you are interested in a **Temporary TEC Exchange** by sending a completed a **Temporary TEC Exchange Notification of Interest Form** to the ESO which will then be published on the **TEC Register** within 10 **Business Days**.
- 6.31.7 A **Temporary TEC Exchange Rate Request** can be jointly made if the ESO has published a **Temporary TEC Exchange Notification of Interest Form** in that Financial Year and it allows a joint request for **TEC** to be donated from one party to another for a minimum of four weeks i.e. a **Temporary TEC Exchange Period**. A **Temporary TEC Exchange Rate Request** must be submitted in the same Financial Year as the **Temporary TEC Exchange Period** being requested. This joint application must be received by the ESO, and the application fee paid, no later than four weeks before the start of the **Temporary TEC Exchange Period** to allow the ESO to notify you via email whether your joint application has been successful no later than seven days before the start date of a **Temporary TEC Exchange Period**. If your joint application is successful, your **Temporary TEC Exchange Rate Offer** will be provided to you by the ESO via email and will remain open for joint acceptance up to 17:00 the following **Business Day** at which point it will lapse. If jointly accepted, the **Temporary TEC Exchange Recipient User** will become liable to pay the appropriate **LDTEC Charge**.
- 6.31.8 Upon expiry of any **STTEC Period** or **LDTEC Period** or **Temporary TEC Exchange Period** the provisions in Appendix C of your **Bilateral Agreement** that relate to the temporary arrangements will cease to have effect.
- 6.31.9 If multiple applications relating to Paragraph 6.31 are received by ESO in respect of the same period and will impact on each other they will be assessed on a first come, first served basis, but with **Requests for STTEC Authorisation** being assessed before **Applications for a STTEC Offer** in respect of **STTEC Requests**. In this event the ESO shall be entitled to suspend the assessment and making of a **STTEC Offer** and/or **LDTEC Offer** and/or **Temporary TEC Exchange Rate Offer** and will inform the applicants(s) of such suspension and the revised timescales for their offer to be made as soon as practicable.
- 6.31.10 The ESO may publish information relating to Paragraph 6.31 on the MWs and time period applied for as well as the identity of the applicant(s) and location for accepted offers and in applying you are consenting to such information being published.

Appendix 2

This appendix presents an extract from one of the three sections (i.e. related to STTEC). The complete legal text covering all three sections can be found online in the latest version of the CUSC.

Extract from CUSC Section 6 for Short Term Transmission Entry Capacity (V1.26 – 1 April 2019)

6.31 Short Term Transmission Entry Capacity

6.31.1 Background

A **User**, who is party to a **Bilateral Connection Agreement** or **Bilateral Embedded Generation Agreement** may make a **STTEC Request** to **The Company** in accordance with this Paragraph of the **CUSC**.

6.31.2 Form of STTEC Request

6.31.2.1 A **STTEC Request** must be received by **The Company** by the relevant date specified in Paragraph 6.31.6.5.

6.31.2.2 A **STTEC Request** must be made by email and confirmed by fax and must attach the **STTEC Request Form** duly completed and signed on behalf of the **User**.

6.31.2.3. A **STTEC Request** shall not be deemed received by **The Company** until the non-refundable **STTEC Request Fee** has been paid to **The Company** and until the faxed copy of the **STTEC Request** is received in accordance with Paragraph 6.21.2.4 of the **CUSC**.

6.31.2.4 The **STTEC Request** must specify whether it is a **Request for a STTEC Authorisation** or an **Application for a STTEC Offer**.

6.31.2.5 Each **STTEC Request** must state one **STTEC Period** only.

6.31.2.6. A **STTEC Request** must be for a **STTEC Period** within a 12 month period of receipt by **The Company** of the **STTEC Request** and the **STTEC Period** must not include any days within more than one **Financial Year**. The **STTEC Request** must include the minimum and maximum level of MW for the **STTEC Period**.

6.31.2.7 In respect of **Power Stations** directly connected to the **National Electricity Transmission System**, a **User's Transmission Entry Capacity** plus the maximum figure requested (plus any **STTEC** previously granted for any part of the **STTEC Period**) must not exceed its total station **Connection Entry Capacity**.

6.31.3 Assessment by The Company of STTEC Requests

6.31.3.1 **The Company** may reject any **STTEC Request** that is not made in accordance with the provisions of this Paragraph 6.31.

6.31.3.2 **The Company** will assess **STTEC Requests** and whether or not to grant **STTEC Requests** at its absolute discretion.

6.31.3.3 **The Company** will start assessing a **STTEC Request** no later than the relevant date specified in Paragraph 6.31.6.5.

6.31.3.4 If **The Company** has received more than one **STTEC Request** for a **STTEC Period** with the same start date, **The Company** will:

- (i) assess any **Requests for a STTEC Authorisation** before assessing any **Applications for a STTEC Offer**;
- (ii) assess **Requests for a STTEC Authorisation** on a first come first served basis such that the **Request for a STTEC Authorisation** received earliest in time by **The Company** (as recorded by **The Company**) will be assessed first and then the **Request for a STTEC Authorisation** received next in time after that, and so on;
- (iii) assess **Applications for a STTEC Offer** on a first come first served basis such that the **Application for a STTEC Offer** received earliest in time by **The Company** (as recorded by **The Company**) will be assessed first and then the **Application for a STTEC Offer** received next in time after that, and so on.

6.31.3.5. No priority will be given to any **Users** who have previously made successful **STTEC Requests** or **LDTEC Requests**.

6.31.4 Notification by The Company

6.31.4.1 Each **User** confirms and agrees that **The Company** shall have no liability to it for any **STTEC Request** which **The Company** does not grant in accordance with this Paragraph 6.31.

6.31.4.2 **The Company** is not obliged to grant any **STTEC Request** submitted.

6.31.4.3 A **STTEC Request** will only be granted at a level within the maximum and minimum range in MW submitted by the **User**.

6.31.4.4 **STTEC Requests** will be granted for a uniform amount of MW for the **STTEC Period**.

6.31.4.5 No **STTEC Request** will be granted if the maximum figure in the **STTEC Request** would together with the **User's Transmission Entry Capacity** (plus any **STTEC** previously granted for any part of the **STTEC Period**) exceeds the total station **Connection Entry Capacity**.

6.31.4.6 **The Company** shall notify a **User** who has made a **STTEC Request** by no later than the relevant date referred to at Paragraph 6.31.6.6, whether or not **The Company** grants the **User's STTEC Request**.

6.31.5 Charging, Invoicing and Payment

6.31.5.1 Each **User** must pay the **STTEC Charge** even if the **User** does not use the corresponding **STTEC**.

6.31.5.2 The provisions of Section 3 shall apply in respect of the **STTEC Charge**.

6.31.5.3 The provisions of Section 6.6 shall apply in respect of payment of the **STTEC Charge**.

6.31.6 General

6.31.6.1 Each **Request for a STTEC Authorisation** will constitute an unconditional and irrevocable offer by the **User** to **The Company** to buy **Short Term Capacity** (on a station basis) up to the quantity (in whole MW) stated in the **STTEC Request** for the **STTEC Period** and at the relevant price per MW set out in the **Statement of Use of System Charges** and upon the terms and conditions of **CUSC**. A **Request for a STTEC Authorisation** is capable of being accepted by **The Company**. Notification by **The Company** that it has granted the **Request for a STTEC Authorisation** in accordance with Paragraph 6.31.4.6 constitutes acceptance by **The Company** of the **Request for a STTEC Authorisation**. The notification of **STTEC Authorisation** will:-

- (i) state the level in MW (within the maximum and minimum range requested by the **User**) granted for the **STTEC Period**;

- (ii) include a revised Appendix C to the relevant **Bilateral Connection Agreement** or **Bilateral Embedded Generation Agreement** (as appropriate) which will detail the **STTEC** and the **STTEC Period** for which this applies and **The Company** and the **User** agree that Appendix C to the relevant **Bilateral Agreement** will be deemed to be that notified in accordance with this Paragraph 6.31.6 for the **STTEC Period**, unless otherwise amended in accordance with such **Bilateral Agreement** or the **CUSC**. Upon expiry of the **STTEC Period** the provisions in Appendix C that relate to such **STTEC** for that **STTEC Period** shall cease to have effect;

- (iii) state the **STTEC Charge**.

6.31.6.2 Each **Application for a STTEC Offer** is an application for the right to buy **Short Term Capacity** (on a station basis) up to the quantity (in whole MW) stated in the **STTEC Request** for the **STTEC Period** at the relevant price per MW set out in the **Statement of Use System Charges** and upon the terms and conditions of **CUSC**. Once an **Application for a STTEC Offer** has been received by **The Company** it cannot be withdrawn without the written consent of **The Company**. Notification by **The Company** that it has granted the **Application for a STTEC Offer** in accordance with Paragraph 6.31.4.5 will constitute a **STTEC Offer**.

6.31.6.3 A **STTEC Offer** shall:

- (i) state the level in MW of **STTEC** (within the maximum and minimum range requested by the **User**) offered for the **STTEC Period**;
- (ii) include a revised Appendix C to the relevant **Bilateral Connection Agreement** or **Bilateral Embedded Generation Agreement** (as appropriate) which will detail the **STTEC** and the **STTEC Period** for which this applies and **The Company** and the **User** agree that, if the **User** accepts the **STTEC Offer** in accordance with Paragraph 6.31.6.4, Appendix C to the relevant **Bilateral Agreement** will be deemed to be that notified in accordance with this Paragraph 6.31 for the **STTEC Period**, unless otherwise amended in accordance with such **Bilateral Agreement** or the **CUSC**. Upon expiry of the **STTEC Period** the provisions in Appendix C that relate to such **STTEC** for that **STTEC Period** shall cease to have effect;
- (iii) state the **STTEC Charge**.
- (iv) be open for acceptance by the **User** within 24 hours of receipt of the faxed copy of the **STTEC Offer**.

6.31.6.4 A **User** may accept a **STTEC Offer** within 24 hours of receipt of the faxed copy of the **STTEC Offer**. Acceptance of a **STTEC Offer** shall be made by the **User** executing and faxing back the Appendix C sent to the **User** as part of the **STTEC Offer**. A **STTEC Offer** lapses if not accepted within such period.

6.31.6.5 The dates referred to at Paragraphs 6.31.2.1 and 6.31.3.3 are:-

- (i) in the case of a **Request for a STTEC Authorisation**, six weeks before the start date for the **STTEC Period**; and
- (ii) in the case of an **Application for a STTEC Offer**, two weeks before the start date for the **STTEC Period**.

6.31.6.6 The date referred to at Paragraph 6.31.4.6 is:-

- (i) in the case of a **Request for a STTEC Authorisation**, four weeks before the start date for the **STTEC Period**;
- (ii) in the case of an **Application for a STTEC Offer**, seven days before the start date for the **STTEC Period**.

6.31.6.7 **The Company** may publish the following information in respect of **STTEC Authorisations**, and **STTEC Offers** which are accepted:-

1. details of the **STTEC Period**;
2. maximum and minimum amount in MW requested;
3. identity of the **User**;
4. the **Connection Site** or site of **Connection**,

in such form and manner as shall be prescribed by **The Company** from time to time.

6.31.6.8 **The Company** may publish the following information in respect of **Requests for a STTEC Authorisation** and **Applications for a STTEC Offer** which in either case are not granted and **STTEC Offers** which are not accepted:-

1. details of the **STTEC Period**;
2. maximum and minimum amount in MW requested, in such form and manner as shall be prescribed by **The Company** from time to time.

6.31.6.9 The **User** consents to the publication by **The Company** of the information referred to above.