

**To: National Grid Electricity System Operator Limited**

**Electricity Act 1989  
Section 11A(1)(a)**

**Modification of the special conditions of the electricity transmission licence held  
by National Grid Electricity System Operator Limited ("NGESO Ltd")**

1. NGESO Ltd is the holder of an electricity transmission licence (the 'Licence') granted or treated as granted under section 6(1)(b) of the Electricity Act 1989 (the 'Act').
2. Under section 11A(2) of the Act the Gas and Electricity Markets Authority (the 'Authority')<sup>1</sup> gave notice on 2 July 2021 (the 'Notice') that we propose to modify SpC 1.1, 2.2 and 4.2 of the Licence. We stated that any representations to the modification proposal must be made on or before 2 August 2021.
3. A copy of the Notice was sent to the Secretary of State in accordance with section 11A(4)(b) of the Act, and we have not received a direction that the change should not be made.
4. We received 7 responses to the Notice, which we carefully considered. We have placed all non-confidential responses on our website. Our response to these comments is set out in the accompanying letter.
5. It is necessary to make a number of minor alterations to the modifications set out in the Notice. These alterations are shown in yellow highlight in the attached Schedule 1. The reasons for any differences between the modifications set out in the Notice and the modifications reflected in Schedule 1 are to correct minor typographical errors, address minor issues and corrections raised in consultation responses.
6. We are making these licence changes to facilitate the introduction of an Electricity System Restoration Standard and further align the regulatory framework for procurement of restoration services with that of balancing services.
7. The reasons for and effects of the proposed modifications are published in the accompanying letter.
8. Where an application for permission to appeal our decision is made to the Competition and Markets Authority ('CMA') under section 11C of the Act, Rule 5.7 of the Energy Licence Modification Appeals: Competition and Markets Authority Rules<sup>2</sup> requires that the appellant must send to any relevant licence holders who are not parties to the appeal a non-sensitive notice setting out the matters required in Rule 5.2. Section 11A(10) of the Act sets out the meaning of 'relevant licence holder'.

Under the powers set out in section section 11A(1)(a) of the Act, we hereby modify SpC 1.1, 2.2 and 4.2 of the Licence in the manner specified in attached Schedule 1. This decision will take effect from 19 October 2021.

This document is notice of the reasons for the decision to modify the Licence as required by section 49A(2) of the Act.

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<sup>1</sup> The terms "the Authority", "we" and "us" are used interchangeably in this document.

<sup>2</sup> CMA70 [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/655601/energy-licence-modification-appeals-rules.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/655601/energy-licence-modification-appeals-rules.pdf)

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**Alastair Owen**  
**Senior Manager – ESO Regulation**  
**Duly authorised on behalf of the**  
**Gas and Electricity Markets Authority**

**24/8/2021**