

To: All holders of an electricity distribution licence

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

Modification of the standard conditions of all electricity distribution licences

1. Each of the licensees to whom this document is addressed has an electricity distribution licence which has been granted or treated as granted under section 6(1)(c) of the Electricity Act 1989 (the 'Act').
2. Under section 11A(2) of the Act the Gas and Electricity Markets Authority (the 'Authority')¹ gave notice on 2 July 2021 (the 'Notice') that we propose to modify standard conditions 1 and 31E. 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 at in the accompanying letter.
5. 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.
6. The reasons for and effects of the modifications are set out in the accompanying letter.
7. 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 Rules² 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 11A(1)(b) of the Act, we hereby modify the standard licence conditions for all electricity distribution licences in the manner specified in attached Schedule 6. This decision will take effect from 19 October 2021.

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

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

² CMA70 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