



Making a positive difference  
for energy consumers

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23 December 2021

Dear Susana,

**Request for extension to the period issuing an offer in respect of connections to the electricity transmission network: Consent pursuant to paragraph 5 of standard licence condition C8 (Requirement to offer terms)**

**Background**

National Grid Electricity System Operator Limited ("the Licensee" "NGESO") holds a licence under section 6(1)(b) of the Electricity Act 1989 to transmit electricity ("the Licence").

Pursuant to paragraph 3 of the standard licence condition C8 (Requirement to offer terms) ("SLC C8") of the Licence, the Licensee is required to offer to enter into a bilateral agreement and/or a construction agreement relating to connection or modification to an existing connection. Paragraph 5 of SLC C8 requires the Licensee to offer terms in accordance with paragraph 3 as soon as reasonably practicable and (except where the Authority consents to a long period) not longer than the periods set out in paragraph 7:

- (a) in the case of persons seeking use of system only and seeking to become a party to the CUSC Framework Agreement if not already a party, in connection with such use, 28 days; and

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- (b) in the case of persons seeking a bilateral connection agreement or a construction agreement (and seeking to become a party to the CUSC Framework Agreement if not already a party, in connection with such agreements), 3 months; and
- (c) in any other case, 28 days.

### **Obligations under the Transmission Licence and STC**

In a series of recent meetings and correspondence, the Licensee discussed with the Authority the trend of continued increases to the total number of electricity transmission connection applications in recent years, and the challenges this poses to the connection process and related obligations.

The Licensee also raised a pressing issue relating to the timely receipt of Transmission Owner Connection Offers ("TOCOs") from a Transmission Owner, and the consequential impacts that late receipt of the TOCOs can have on NGENSO's ability to meet its obligations under SLC C8.

Paragraphs 4.8 and 4.9 of part two of section D of the System Operator Transmission Owner Code ("the STC") set out in detail the relevant obligations of both NGENSO and the Transmission Owners regarding the timescales which must be adhered to by the Transmission Owners for the submission of TOCOs to NGENSO, unless otherwise agreed with NGENSO or determined or directed by the Authority.

We acknowledge that if NGENSO is not in receipt of the TOCO from a Transmission Owner in a timely manner, in accordance with the requirements of the STC, it consequentially impacts NGENSO's ability to meet its own obligations under SLC C8 to issue connection offer within the required timescales.

On the broader matter of the overall increase in electricity transmission connection applications, we acknowledge the requirement this creates for both Transmission Owners and NGENSO to process a significantly greater number of offers than may have been expected in the past. There may be a case to consider a review of aspects of the current connections process and related obligations to ensure they remain fit for the future, and we will continue to liaise with NGENSO and the Transmission Owners to better understand their views on the improvements that could be made and how they could be delivered.

## **Request from NGESO**

On 15 December 2021, the Licensee advised the Authority that it had identified a number of connection offers for which it did not expect to meet the requirements of SLC C8 due to late receipt of the TOCO from a Transmission Owner, or confirmation from a Transmission Owner that they did not expect to be able to provide the TOCO on time.

The Licensee requested consent to an extension to the 3 months deadline to issue a connection offer to fourteen connectees in one licenced area. The fourteen offers identified would presently have to be issued in the period ranging 30 December 2021 to 10 February 2022 in accordance with SLC C8.

The Licence specifically requested:

- A three-week extension for 4 connection offers.
- A two-week extension for 8 connection offers.
- A one-week extension for 2 connection offers.

## **The Authority's decision**

The Authority has considered the Licensee's request in accordance with its principal objective and general duties, and has decided to consent to an extension of the timescales set out in SLC C8 by one month for these connection offers. The Authority has granted an extension of one month to provide scope for additional flexibility in the issue of these offers should it be necessary, however, we expect these offers to be made as soon as reasonably practical.

In making this decision, the Authority notes assurances provided by NGESO that it is:

- Liaising with the Transmission Owners to discuss the increases in number of applications they are receiving, including how NGESO can better support the review of these applications and engage with them throughout the application process.
- Introducing new processes, ways of working and increasing resourcing within NGESO to improve their internal procedures for processing of applications.
- Engaging with customers and other key stakeholders in the connections process to reflect their feedback in all of the related activities of the NGESO in this area.

The Authority notes that this request is consequential to a Transmission Owner requesting extensions to the timescales for issuing TOCOs to NGESO for the offers identified. We have therefore requested that the ESO continues to liaise with the Authority on the performance of the Transmission Owners in this area, particularly with respect to their adherence to the

obligations set out in industry codes relating to the connection process. The Authority intends to engage with the Transmission Owner to seek an explanation for these delays, and to understand how they intend to improve performance in this area.

Annex 1 to this letter contains the Authority's consent pursuant to paragraph 5 of SLC C8 of the Licence to extend the timescales within which the Licensee is required to issue the offer to the connecting party by one month.

Unless the context otherwise requires, words and expressions used in the Licence shall bear the same meaning in this letter and the annex to it.

This letter constitutes notice of the reasons for our decision pursuant to section 49A (Reasons for decisions) of the Electricity Act 1989.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'P. Cassels'.

Patrick Cassels

**Head of Electricity Network Access**

Signed on behalf of the Authority and authorised for that purpose

## Annex 1

**Consent pursuant to paragraph 5 of standard licence condition C8 of the licence treated as granted to National Grid Electricity System Operator Limited (“the Licensee”) under section 6(1)(b) of the Electricity Act 1989 to transmit electricity (“the Licence”) to consent to the extension of the timescales within which the Licensee must issue an offer under standard licence condition C8.**

In exercise of the power conferred upon it by paragraph 5 of standard licence condition C8 of the Licence, the Authority hereby grants its consent to the Licensee such that the Licensee shall make an offer to the connectees identified to the Authority in accordance with paragraph 3 of the standard licence condition C8 of the Licence as soon as reasonably practicable and in any event (except where the Authority consents to a longer period) within one month of the date that would otherwise be required by paragraph 7 of standard licence condition C8 of the Licence.

The reasons for our decision to grant consent are set out in the letter to which this Consent is attached.

This Consent shall take effect from 23 December 2021 and shall continue until revoked, amended or replaced by the Authority.



Patrick Cassels

**Head of Electricity Network Access**

Signed on behalf of the Authority and authorised for that purpose