

**To: All holders of an electricity transmission licence**

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

**Modification of the Standard Conditions of all Electricity Transmission licences**

1. Each of the licensees to whom this document is addressed has the holder of an Electricity Transmission Licence ('the Licence') which has been 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 15 December 2021 ('the Notice') that we propose to modify the Standard Conditions of the Licence by amending the following existing Standard Conditions:
  - a. Standard Condition A1: Definitions and interpretation
  - b. Standard Condition A4: Payments by Licensee to the Authority
  - c. Standard Condition B1: Regulatory Accounts
  - d. Standard Condition B16: Electricity Network Innovation Strategy
  - e. Standard Condition C3: Balancing and Settlement Code (BSC)
  - f. Standard Condition C10: Connection and Use of System Code (CUSC)
  - g. Standard Condition C14: Grid Code
  - h. Standard Condition D4A: Obligations in relation to offers for connection etc
  - i. Standard Condition E2: Regulatory Accounts
3. We stated that any representations to the modification proposal must be made on or before 17 January 2022.
4. 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.
5. We received 9 responses to the Notice, which we carefully considered. We have placed all non-confidential responses on our website. Our response to these comments can be found in our Issues Log, on our website<sup>2</sup>, alternatively they are available from [foi@ofgem.gov.uk](mailto:foi@ofgem.gov.uk).
6. 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 modification text that can be found on our website. The reasons for any differences between the modifications set out in the Notice and the modifications are to correct errors in the modifications proposed and to address minor issues and corrections raised since the issuing of the Notice.

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

<sup>2</sup> <https://www.ofgem.gov.uk/publications/decision-proposed-modifications-riio-2-transmission-gas-distribution-and-electricity-system-operator-licence-conditions-1-april-2022>

7. The reasons and effects document is our notice of reasons for the purposes of section 49A(2) of the Act and can be found on our website<sup>3</sup>, together with the full text of the modifications.
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>4</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. Annex 1 provides a list of the relevant licence holders in relation to this modification. 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 Conditions for all electricity transmission licences in the manner specified on our website. This decision will take effect from 1 April 2022.

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**Laura Nell**  
**Interim Deputy Director**  
**Duly authorised on behalf of the**  
**Gas and Electricity Markets Authority**

**03/02/2022**

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<sup>3</sup> <https://www.ofgem.gov.uk/publications/statutory-consultation-modifications-riio-2-transmission-gas-distribution-and-electricity-system-operator-licence-conditions-0>

<sup>4</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)

## **Annex 1: Relevant Licence Holders<sup>5</sup>**

National Grid Electricity Transmission Plc  
SP Transmission Limited  
Scottish Hydro Electric Transmission Plc  
National Grid Electricity System Operator Limited

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<sup>5</sup> Electricity licence holders are listed on our website, here: <https://www.ofgem.gov.uk/publications-andupdates/list-all-electricity-licensees-including-suppliers>