

To:
National Grid Electricity System Operator Limited

Electricity Act 1989
Section 11A(2)

**Notice of statutory consultation on a proposal to modify the Special Conditions of
the electricity transmission licence held by National Grid Electricity System
Operator Limited**

1. The Gas and Electricity Markets Authority ("the Authority")¹ proposes to modify the electricity transmission licence held by National Grid Electricity System Operator Limited ("the licensee"), granted or treated as granted under section 6(1)(b) of the Electricity Act 1989 by amending Special Condition 1.1 ('SpC 1.1'), Special Condition 2.12 ('SpC 2.12'), Special Condition 4.2 ('SpC 4.2'), Special Condition 4.7 ('SpC 4.7'), Special Condition 5.1 ('SpC 5.1') and Special Condition 5.2 ('SpC 5.2'). We further propose housekeeping amendments to Chapter 1.
2. We are proposing these modifications to implement our RIIO-2 Business Plan 2 (BP2) Final Determinations² and improve the clarity of the licence and its relationship with the Price Control Financial Instruments (PCFIs) established by the licence, for both the ESO Price Control Financial Model (PCFM) and the ESO Price Control Financial Handbook (PCFH) following our PCFM Working Groups earlier in the year.
3. The reasons and effects of the proposed modifications, together with the full text of the proposed modifications, are published alongside this notice on our website (www.ofgem.gov.uk), alternatively they are available from information.rights@ofgem.gov.uk. In addition, further details and background on some of these proposed changes are set out in our BP2 Final Determinations.
4. Any representations with respect to the proposed licence modifications must be made on or before 28 July 2023 to: David Beaumont, Office of Gas and Electricity Markets, 10 South Colonnade, Canary Wharf, London, E14 4PU or by email to ESOPerformance@ofgem.gov.uk.
5. We normally publish all responses on our website. However, if you do not wish your response to be made public then please clearly mark it as not for publication. We prefer to receive responses in an electronic form so they can be placed easily on our website.
6. If we decide to make the proposed modifications, they will take effect not less than 56 days after the decision is published.

Grendon Thompson
Deputy Director
Duly authorised on behalf of the
Gas and Electricity Markets Authority

30/06/2023

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

² [Business Plan 2 Final Determinations - Electricity System Operator | Ofgem](#)