

Erratum Notice – Electricity Supply Licence Condition 30

On 5 April 2023¹ the Authority² issued a decision to create a new electricity supply licence condition 30. 'Ringfencing the Renewables Obligation'.

We have subsequently identified some minor errors in the Schedule to the modification decision as follows:

- Two typographical errors in SLC 30.1
- A typographical error in SLC 30.5, and:
- An erroneous reference in SLC 30.5 to a template required to be used by suppliers being published in an accompanying guidance document when in fact this template is published as a standalone document on the Authority's website.

The annex to this letter sets out these errors which we will now amend in the electricity supply licence.

If you have any questions regarding this letter, please contact RetailFinancialResilience@ofgem.gov.uk.

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David Hall, Deputy Director – Financial Resilience and Controls
Duly authorised on behalf of the Gas and Electricity Markets Authority
30 June 2023

¹ <https://www.ofgem.gov.uk/publications/decision-strengthening-financial-resilience>

² The terms 'we', and 'The Authority' refer to the Gas and Electricity Markets Authority.

Annex 1

Deleted text is ~~struck through~~. New text is underlined.

Condition 30. Ringfencing the Renewables Obligation

30.1 By the dates specified in the RO Ringfencing Schedule, a licensee who supplies electricity to domestic customers (“the licensee”) must:

- hold the Quarterly Cumulative Obligation for the relevant quarter in the Supplier Account on the Register; and/or
- Protect the RO Credit Cover Amount

and continue to do so.

30.5 For the purposes of this condition:

Phrase	Definition
Standby Letter of Credit or SBLC	<p>An irrevocable, independent, primary and autonomous letter of credit in the form provided for in Guidance issued (or confirmed) by an Acceptable Bank in favour of the Authority or any other beneficiary that the Authority may nominate, that meets the following requirements:</p> <ol style="list-style-type: none">1. a demand must either state that, by reason of (i) certain insolvency events occurring with respect to the licensee or any of its assets; or (ii) revocation of its licence or insolvency of the licensee or revocation of its licence, or (iii) a failure by the licensee to pay the RO Discharge Payment in accordance with Article 67 of the RO Order and / or Article 43 of the RO(S) Order, the beneficiary is entitled to demand, and does demand, payment of an amount equal to, or less than, the RO Credit Cover Amount prevailing on the date of the demand;2. a form of a compliant demand shall be annexed to the SBLC;3. partial and multiple demands permitted in aggregate total amount up to the maximum amount of the SBLC;4. all payments under the SBLC shall be made in full, on demand and without any deduction for or on account of any type of set-off or counterclaim;

	<ol style="list-style-type: none">5. the SBLC is in the form <u>published on the Authority's website provided for in the Guidance</u>; and6. The SBLC is expressed to be governed by UCP 600 (excluding article 32) or ISP 98 governed by English law, with an exclusive jurisdiction clause in favour of the English courts.
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