

To: All holders of an electricity generation licence

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

Modification of the standard conditions of all electricity generation licences

1. Each of the licensees to whom this document is addressed has a generation licence which has been granted or treated as granted under 6(1)(a) 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 29 June 2023 ('the Notice')² that we propose to modify standard condition of all electricity generation licences by adding a new standard licence condition, standard licence condition 20B. We stated that any representations to the modification proposal had to be made on or before 27 July 2023.
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 18 responses (one of which was late) to the Notice from companies and 51 individual responses (one of which was late) in support of 1 company response, which we carefully considered. We have placed all non-confidential responses on our website. Our response to these comments is set out in the accompanying decision document which is published on our website.
5. We are making this licence change to prevent consumers from continuing to face very high balancing costs as a result of generators with longer Minimum Zero Times revising their Physical Notifications to 0MW and having excessively high offer prices accepted in the balancing mechanism for extended durations.
6. The effect of the modification will be to prohibit generators from taking advantage of their dynamic parameters in order to obtain excessive benefit from offers in the balancing mechanism when their units are operated in a manner that limits their responsiveness to market and system conditions.
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 5.6 of the Energy Licence Modification Appeals: Competition and Markets Authority Rules³ 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. The attached Schedule 2 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'.

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

² <https://www.ofgem.gov.uk/sites/default/files/2023-06/IOLC%20Notice%20of%20Statutory%20Consultation.pdf>

³ CMA70 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/655601/energy-licence-modification-appeals-rules.pdf

Under the powers set out in section 11A(1)(b) of the Act, we hereby modify the standard licence conditions for all electricity generation licences in the manner specified in attached Schedule 1. This decision will take effect from 26 October 2023

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

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Grendon Thompson

**Acting Deputy Director – Institutions for Net Zero
Energy Systems Management and Security**

**Duly authorised on behalf of the
Gas and Electricity Markets Authority**

31/08/23

Schedule 1

Condition 20B. Inflexible Offers Licence Condition

1. The licensee must not obtain an excessive benefit from electricity generation in respect of a Settlement Period in relation to which it has revised its Physical Notification (in respect of a unit which has a Minimum Zero Time of longer than 60 minutes) from a positive MW value to zero MW within the Operational Day.
2. For the purposes of paragraph 1, the licensee shall be considered to have obtained an excessive benefit from electricity generation in relation to a Settlement Period (where each of the other requirements of paragraph 1 is met) if each of the following conditions apply in relation to that Settlement Period:
 - a. the licensee and the system operator enter into, or have entered into, Relevant Arrangements in respect of a Balancing Mechanism Unit owned or operated by the licensee; and
 - b. under the Relevant Arrangements and in connection with an increase in electricity generation the licensee is paid or seeks to be paid, an excessive amount by the system operator.
3. For the purposes of paragraph 2 the reference to an increase in electricity generation by the licensee in respect of a particular Settlement Period means an increase in comparison to the licensee's Physical Notification of zero MW.
4. This licence condition shall be interpreted and enforced in accordance with guidance published by the Authority.
5. Before this condition comes into force the Authority shall publish the guidance referred to in paragraph 4.
6. Before the Authority publishes the guidance referred to in paragraph 4 the Authority shall consult:
 - a. the holder of any licence under section 6(1)(a) of the Act; and
 - b. such other persons as the Authority thinks it appropriate to consult.

7. The Authority may from time to time revise the guidance referred to in paragraph 4 and before issuing any such revised guidance the Authority shall consult such person as specified in paragraph 6 setting out the text of, and the reasons for, the proposed revisions.
8. The licensee shall provide to the Authority, in such manner and at such times as the Authority may reasonably require, such information as the Authority may require or deem necessary or appropriate to enable the Authority to monitor the licensee’s compliance with this condition.
9. In this condition:

“Balancing Mechanism”	means the mechanism for the making and acceptance of offers and bids to increase or decrease the quantities of electricity to be delivered to, or taken off, the total system at any time or during any period so as to assist the system operator in coordinating and directing the flow of electricity onto and over the national electricity transmission system and balancing the national electricity system pursuant to the arrangements contained in the BSC
“Balancing Mechanism Unit”	means a unit of trade within the Balancing Mechanism
“Minimum Zero Time”	means either the minimum time that a Balancing Mechanism Unit which has been exporting must operate at zero or be importing, before returning to exporting or the minimum time that a BM Unit which has been importing must operate at zero or be exporting before returning to importing, as a result of a Bid-Offer Acceptance, such minimum time being as per the most recent notification by the licensee to the ESO pursuant to the Grid Code
“Operational Day”	has the meaning given in the Grid Code
“Physical Notification”	means a notification of the intended level of generation made by the licensee to the system operator for a period pursuant to the notification arrangements established by BETTA and the BSC

<p>“Relevant Arrangements”</p>	<p>means arrangements entered into by the licensee and the system operator within the Balancing Mechanism, and the entering of such arrangements shall include the making of an offer by the licensee whether or not that offer is accepted by the system operator</p>
<p>“Settlement Period”</p>	<p>has the meaning given in the Grid Code</p>

Schedule 2: Relevant Licence Holders

ABBAY POWER GENERATION LTD.
ABERDEEN OFFSHORE WIND FARM LTD.
ABERGELLI POWER LTD.
ACORN PEACH ENERGY LTD.
AES BARRY LTD.
AIKENGALL II COMMUNITY WIND COMPANY LTD.
AIKENGALL IIA COMMUNITY WIND COMPANY LTD.
AMEGNI RENEWABLES LTD.
ANCALA ENERGY STORAGE LTD.
ARBROATH LTD.
ARENKO CLEANTECH LTD.
ARISE RENEWABLE ENERGY UK LTD.
ARL 001 LTD.
ARL 009 LTD.
ARL 027 LTD.
ASHFORD POWER LTD.
AURORA SOLAR FARM LTD.
AWEL Y MOR OFFSHORE WIND FARM LTD.
BAGLAN OPERATIONS LTD.
BARKING POWER LTD.
BARTLEY POWER LTD.
BEATRICE OFFSHORE WINDFARM LTD.
BEINNEUN WIND FARM LTD.
BERWICK BANK A LTD.
Berwick Bank B LTD.
BERWICK BANK C LTD.
Berwick Bank Wind Farm LTD.
BESS AYLESFORD LTD.
BESS CLAREDOWN LTD.
BESS HILL FARM LTD.
BESS K BARN LTD.
BESS LEYS LTD.
BESS POPLARS LTD.
BESS WILLOWS LTD.
BIOGAS TECHNOLOGY LTD.
BLACKPARK ENERGY STORAGE LTD.
BLARY HILL ENERGY LTD.
BLUE GEM WIND LTD.
BOLSHAN RENEWABLES LTD.
BRADWELL POWER GENERATION COMPANY LTD.
BRAINTREE ELECTRIC FORECOURT LTD.
BREACH FARM ENERGY STORAGE LTD.
BREESEA LTD.
BRISTOL COMMUNITY ENERGY LTD.
BRITS ENERGY LTD.
BRK 002 LTD.
BRYN BLAEN WIND FARM LTD.
BURBO EXTENSION LTD.
C.GEN KILLINGHOLME LTD.
CALEDONIA OFFSHORE WIND FARM LTD.
CARNEDD WEN WIND FARM LTD.
CARRINGTON POWER LTD.
CATHKIN ENERGY STORAGE LTD.
CELTPower LTD.
CENTRICA KPS LTD.

CHICKERELL SOLAR LTD.
Cirencester Solar Farm LTD.
CLAYFORDS ENERGY STORAGE LTD.
CLAYHILL SOLAR LTD.
CLEATOR BATTERY STORAGE LTD.
CLEVE HILL SOLAR PARK LTD.
CLYDE WINDFARM (SCOTLAND) LTD.
COGLE MOSS RENEWABLES LLP
COIRE GLAS HYDRO PUMPED STORAGE LTD.
CONRAD (BLACKPOOL) LTD.
CONRAD (EYE) LTD.
CONRAD (FLITWICK) LTD.
CONRAD (WALPOLE) LTD.
CORBY POWER LTD.
CORRIEGARTH WIND ENERGY LTD.
CORYTON ENERGY COMPANY LTD.
COTTAM SOLAR PROJECT LTD.
COUPAR LTD.
COUR WIND FARM (SCOTLAND) LTD.
COYLTON ENERGY LTD.
CREYKE BECK POWER LTD.
CREYKE BECK STORAGE LTD.
CRYSTAL RIG LL LTD.
CUMBERHEAD WEST WIND FARM LTD.
CUSTODIAN ENERGY LTD.
CUXTON ENERGY STORAGE LTD
CYGNUS WIND TRANSMISSION LTD.
DANSKE COMMODITIES A/S
DEESIDE POWER (UK) LTD.
DOGGERBANK OFFSHORE WIND FARM PROJECT 1 PROJCO LTD.
DOGGERBANK OFFSHORE WIND FARM PROJECT 2 PROJCO LTD.
DOGGERBANK OFFSHORE WIND FARM PROJECT 3 PROJCO LTD.
DORENELL WINDFARM LTD.
DOUGLAS WEST EXTENSION LTD.
Drax Cruachan Expansion LTD.
DRAX POWER LTD.
DRAX PUMPED STORAGE LTD.
DRAX RIVER HYDRO LTD.
DRAYTON MANOR FARMS LTD.
DUDGEON EXTENSION LTD.
DUDGEON OFFSHORE WIND LTD.
DULATER HILL WIND PARK LTD.
DUNMAGLASS WIND FARM LTD.
EAST ANGLIA GRID STORAGE ONE LTD.
EAST ANGLIA ONE LTD.
EAST ANGLIA ONE NORTH LTD.
EAST ANGLIA THREE LTD.
EAST ANGLIA TWO LTD.
East Yorkshire Solar Farm LTD.
ECAP RENEWABLES STAYTHORPE LTD.
EDF DEVELOPMENT COMPANY LTD.
EDF ENERGY (THERMAL GENERATION) LTD.
EDF ENERGY NUCLEAR GENERATION LTD.
EDF ENERGY RENEWABLES LTD.
EELPOWER (OPCO6) LTD.
EGGBOROUGH POWER LTD.
ENDERBY STORAGE LTD.

ENERGYFARM UK PINES BURN LLP
ENERSYST LTD.
ENGIE POWER LTD.
ENGIE UK MARKETS LTD.
EP LANGAGE LTD.
EP SHB LTD.
EQUINICITY LTD.
ESB SOLAR (NORTHERN IRELAND) LTD.
ESSO PETROLEUM COMPANY LTD.
FALLAGO RIG WINDFARM LTD.
FAREHAM ENERGY RESERVE 2 LTD.
FAREHAM ENERGY RESERVE LTD.
FAW SIDE COMMUNITY WIND COMPANY LTD.
FEEDER GRID STORAGE LTD.
FENWICK SOLAR PROJECT LTD.
FERRYMUIR ENERGY STORAGE LTD.
FIELD GERRARDS CROSS LTD.
FIRST HYDRO COMPANY
FIVE ESTUARIES OFFSHORE WINDFARM LTD.
FREASDAIL ENERGY LTD.
FS WEST GOURDIE LTD.
GALLOPER WIND FARM LTD.
GATE BURTON ENERGY PARK LTD.
GATEWAY ENERGY CENTRE LTD.
GATROBEN OFFSHORE DEVELOPMENTS 2 LTD.
GB DEVELOPERS LTD.
GBSL DORKING LTD.
GFP TRADING LTD.
GLASSENBURY BATTERY STORAGE LTD.
GLENMUCKLOCH PUMPED STORAGE HYDRO LTD.
GRANGEMOUTH CHP LTD.
GREATER GABBARD OFFSHORE WINDS LTD.
GREEN HILL ENERGY LTD.
GREEN VOLT OFFSHORE WINDFARM LTD.
GREENSPAN CONTRACTORS LTD.
GREENSPAN ELECTRIC BALQUHINDACHY LTD.
GREENSPAN ELECTRIC CAIRNMORE LTD.
GREENSPAN ELECTRIC ST. FERGUS LTD.
GREENSPAN NIFTY FIFTY LTD.
GRENDON STORAGE LTD.
GRIDBEYOND LTD.
GRIDRESERVE LTD.
GRIFFIN WIND FARM LTD.
GT R4 LTD.
GWYNT Y MOR OFFSHORE WIND FARM LTD.
HAGSHAW HILL REPOWERING LTD.
Hallen Energy LTD
HAMBLE POWER LTD.
HARMONY HB LTD.
HC ESS2 LTD.
HC ESS3 LTD.
HC ESS4 LTD.
HC ESS6 LTD.
HC ESS7 LTD.
HENDY WIND FARM LTD.
HIRWAUN POWER LTD.
HORIZON NUCLEAR POWER WYLFA LTD.

HORNSEA 1 LTD.
HULLEY ROAD ENERGY STORAGE LTD.
IGP SOLAR 16 LTD.
ILI (HIGHLANDS PSH) LTD.
INCH CAPE OFFSHORE LTD.
INDIAN QUEENS POWER LTD.
INFINIS ENERGY STORAGE LTD.
INTERNATIONAL POWER LTD.
INTERVATE LTD.
IRE 001 LTD.
KEADBY DEVELOPMENTS LTD.
KEADBY GENERATION LTD.
KEEKLE POWER LTD.
KEITH STORAGE SOLUTIONS LTD.
KENNOXHEAD WIND FARM LTD.
KINCARDINE OFFSHORE WINDFARM LTD.
KNOTTINGLEY POWER LTD.
LAKESIDE ENERGY STORAGE LTD.
LARPORT ENERGY STORAGE LTD.
LASCAR BATTERY STORAGE LTD.
LAVANT POWER LTD.
LEARIELAW ENERGY STORAGE LTD.
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LIMEKILN GRID LTD.
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LISTER DRIVE SOLUTIONS LTD.
LIVING POWER PLC
LLUEST Y GWYNT WIND FARM LTD.
LONDON ARRAY LTD.
LONGFIELD SOLAR ENERGY FARM LTD.
LONGHILL WIND FARM LLP
LOTHIAN ELECTRIC MACHINES LTD.
LOWER MINETY ENERGY LTD.
LYNEMOUTH POWER LTD.
MAIDENHEAD EAST POWER LTD.
MAIDENHEAD WEST POWER LTD.
MALDON BESS LTD.
MALLARD PASS SOLAR FARM LTD.
MARCHWOOD POWER LTD.
MEDWAY POWER LTD.
MELKSHAM EAST STORAGE LTD.
MEYGEN LTD.
MGT TEESSIDE LTD.
MILLBROOK POWER LTD.
MINETY BATTERY STORAGE LTD.
MINETY SOUTH STORAGE 2 LTD.
MINETY SOUTH STORAGE LTD.
MINNYGAP ENERGY LTD.
MONA OFFSHORE WIND LTD.
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MORAY OFFSHORE WINDFARM (WEST) LTD.
MORECAMBE WIND LTD.
MORGAN CREDIT LTD.
MORGAN OFFSHORE WIND LTD.
MUIR MHÒR OFFSHORE WIND FARM LTD.
NANT BACH WIND FARM LTD.
NAVITUS BAY DEVELOPMENT LTD.

NAZEING EAST POWER LTD.
NAZEING WEST POWER LTD.
NEART NA GAOITHE OFFSHORE WIND LTD.
NEILSTON ENERGY LTD.
NEVENDON ENERGY STORAGE LTD.
NEXTPOWER EELPOWER CAMILLA LTD.
NNB GENERATION COMPANY (HPC) LTD.
NORFOLK BOREAS LTD.
NORFOLK VANGUARD EAST LTD.
NORFOLK VANGUARD LTD.
NORIKER STAUNCH LTD.
NORTH FALLS OFFSHORE WIND FARM LTD.
NORTHERN HYDROPOWER LTD.
Norwich East Electric Forecourt Ltd
NURSLING ENERGY TWO LTD.
OAKLANDS FARM SOLAR LTD.
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ORMONDE ENERGY LTD.
ORSTED ESS MERSEY LTD.
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ORSTED HORNSEA PROJECT THREE (UK) LTD.
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OSSPV001 LTD.
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PEAK GEN POWER 13 LTD.
PEAK GEN POWER 14 LTD.
PEAK GEN POWER 18 LTD.
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PEAK GEN POWER 31 LTD.
PEAK GEN POWER 5 LTD.
PEAK GEN POWER 6 LTD.
PEAK GEN POWER LTD.
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ROCKSAVAGE POWER COMPANY LTD.
RUGELEY EAST POWER LTD.
RUGELEY POWER GENERATION LTD.
RUGELEY WEST POWER LTD.
RWE GENERATION UK PLC
RWE RENEWABLES UK DOGGER BANK SOUTH (EAST) LTD.

RWE RENEWABLES UK DOGGER BANK SOUTH (WEST) LTD.
RWE RENEWABLES UK HUMBER WIND LTD.
SALTEND COGENERATION COMPANY LTD.
SALTHOLME NORTH POWER LTD.
SALTHOLME SOUTH POWER LTD.
SANDRIDGE BATTERY STORAGE LTD.
SANQUHAR COMMUNITY WIND COMPANY LTD.
SANQUHAR II COMMUNITY WIND CO LTD.
SARGAS POWER YORKSHIRE LTD.
SCIRA EXTENSION LTD.
SCIRA OFFSHORE ENERGY LTD.
SCOOP HILL COMMUNITY WIND COMPANY LTD.
SCOTTISHPOWER RENEWABLES (UK) LTD.
SEABANK POWER LTD.
SEAGREEN 1A LTD.
SEAGREEN ALPHA WIND ENERGY LTD.
SEAGREEN BRAVO WIND ENERGY LTD.
SEAGREEN WIND ENERGY LTD.
SEAMER POWER LTD.
SELLAFIELD LTD.
SIMEC GHR KELTNEYBURN HYDRO LTD.
SIMEC USKMOUTH POWER LTD.
SIMEC WIND ONE LTD.
SIZEWELL C LTD.
SL SOLAR SERVICES LTD.
SMS ENERGY SERVICES LTD.
SOFIA OFFSHORE WIND FARM LTD.
SOLARFIVE LTD.
SONNINGMAY WIND LTD.
SOUNDMARK WIND LTD.
SOUTH KYLE WIND FARM LTD.
SPALDING ENERGY COMPANY LTD.
SPALDING ENERGY EXPANSION LTD.
SPALDING ENERGY PARK LTD.
SPEP LTD.
SSDC OPIUM POWER LTD.
SSE GENERATION LTD.
SSE RENEWABLES SOLAR & BATTERY HOLDINGS LTD.
SSE RENEWABLES WIND FARMS (UK) LTD.
SSE THERMAL GENERATION (SCOTLAND) LTD.
SSEPG (OPERATIONS) LTD.
STAIRFOOT GENERATION LTD.
STEEPLE SOLAR FARM LTD.
STONY ENERGY STORAGE LTD.
STRATHY WIND FARM LTD.
STRONELAIRG WIND FARM LTD.
SUNNICA LTD.
SUSI EELPOWER DUNSINANE LTD.
SUSI EELPOWER FORDTOWN LTD.
SUSI EELPOWER HALESWORTH LTD.
SUSI EELPOWER LEVERTON LTD.
SUSI EELPOWER ROCK FARM LTD.
SUSI EELPOWER WINCHESTER LTD.
SUTTON BRIDGE POWER GENERATION
SW MANNINGTON LTD.
SWB SKELMERSDALE LTD.
SWB ST HELENS LTD.

SYNPOWER ENERGY GENERATION LTD.
TESLA MOTORS LTD.
TETRAGEN HOLDINGS LTD.
TETSWORTH NORTH POWER LTD.
TETSWORTH SOUTH POWER LTD.
THANET OFFSHORE WIND LTD.
THE NUCLEAR DECOMMISSIONING AUTHORITY
Thistle Wind Partners Cluaran Deas Ear LTD.
Thistle Wind Partners Cluaran Ear-Thuath LTD.
THORPE MARSH POWER LTD.
THRIVE RENEWABLES (WICKEN) LTD.
THURROCK FLEXIBLE GENERATION LTD.
THURSO GRID SERVICES LTD.
TI PROJECTCO 1 LTD.
TI PROJECTCO 2 LTD.
TI PROJECTCO 3 LTD.
TINZ PROGRAMME 1 PROJECTCO 1 LTD.
TINZ PROGRAMME 1 PROJECTCO 2 LTD.
TINZ PROGRAMME 1 PROJECTCO 3 LTD.
TOLLGATE ENERGY STORAGE LTD.
TRITON KNOLL OFFSHORE WIND FARM LTD.
TURNCOLE WIND FARM LTD.
TYNEMOUTH ENERGY STORAGE LTD.
UK CAPACITY RESERVE LTD.
UK ENERGY STORAGE SERVICES LTD.
UK POWER RESERVE (TRUMFLEET) LTD.
UK POWER RESERVE LTD.
ULZIESIDE WIND ENERGY LTD.
UNIPER UK LTD.
URBAN RESERVE (ASSETCO 2) LTD.
URBAN RESERVE (ASSETCO 2) LTD.
URBAN RESERVE (ASSETCO) LTD.
VATTENFALL WIND POWER LTD.
VIKING ENERGY WIND FARM LLP
VPI IMMINGHAM LLP
VPI POWER LTD.
W4B RENEWABLE ENERGY LTD.
WAINSTONES ENERGY LTD.
WALNEY (UK) OFFSHORE WINDFARMS LTD.
WALNEY EXTENSION LTD.
WALNEY EXTENSION LTD.
Warrington Renewables (Hull) LTD.
Warrington Renewables (York) LTD.
WEST BURTON B LTD.
WEST BURTON SOLAR PROJECT LTD.
WEST DIDSBURY STORAGE LTD.
WEST GARTY RENEWABLES LLP
WEST MIDLANDS GRID STORAGE TWO LTD.
WESTERMOST ROUGH LTD.
WHITE CROSS OFFSHORE WINDFARM LTD.
WHITETOWER ENERGY LTD.
WILLINGTON POWER LTD.
WILLOWIND LINFAIRN LTD.
YORKSHIRE HYDROPOWER LTD.
ZENIC ENERGY LTD.
ZENOBÉ CAPENHURST LTD.
ZENOBÉ WISHAW LTD.