

Gas and Electricity Markets Authority

ELECTRICITY ACT 1989

**Standard conditions of
the Electricity Distribution
Licence**

Condition 1. Definitions for the standard conditions

Introduction

- 1.1 This condition sets out most of the defined words and expressions (all of which begin with capital letters) that are used in the standard conditions of both Section A and Section B of this licence, and gives their definitions next to them.
- 1.2 But where defined words and expressions are used only in a particular standard condition, their definitions are included in that condition.

Definitions in alphabetical order

- 1.3 In the standard conditions of this licence, unless the context otherwise requires:

Authorised Electricity Operator means any person (other than the licensee) who is Authorised to hold an electricity system operator licence, or to generate, participate in the transmission of, distribute, or supply electricity, participate in the operation of an Interconnector or provide a smart meter communication service, and includes any person who has made an application to be so Authorised which has not been refused and any person who transfers electricity to or from or across an Interconnector or has made an application for use of an Interconnector that has not been refused.

Balancing and Settlement Code means the Balancing and Settlement Code that is provided for in ~~standard condition E1~~ condition E3 (Balancing and Settlement Code (BSC)) of the Electricity System Operator Transmission Licence.

Connection and Use of System Code means the Connection and Use of System Code that is provided for in ~~standard condition E10~~ E2 (Connection and Use of System Code (CUSC)) of the Electricity System Operator Transmission Licence.

Distribution System means the system consisting (wholly or mainly) of electric lines owned or operated by an Authorised distributor that is used for the distribution of electricity from grid supply points or generation sets or other Entry Points to the points of delivery to Customers or Authorised Electricity Operators or any Transmission Licensee in its capacity as operator of that licensee's Transmission System or the ISOP in its capacity as operator of the GB Transmission System,

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and includes any Remote Transmission Assets (owned by a Transmission Licensee within England and Wales) that are operated by that Authorised distributor and any electrical plant, Electricity Meters, and Metering Equipment owned or operated by it in connection with the distribution of electricity, but does not include any part of the GB Transmission System.

Electricity System Operator Licence

means a licence granted or treated as granted under section 6(1)(da) of the Act.

GB System Operator

~~means National Grid Electricity System Operator Limited (which is the company incorporated in England and Wales under registered number 11014226) in its capacity as operator of the GB Transmission System.~~

GB Transmission System

means the system consisting (wholly or mainly) of high voltage electric lines owned or operated by Transmission Licensees, or operated by the ISOP, within Great Britain that is used for the transmission of electricity from one generating station to a substation or to another generating station or between substations or to or from any Interconnector, and includes any electrical plant or Electricity Meters owned or operated by any Transmission Licensee, or the ISOP, within Great Britain in connection with the transmission of electricity, but does not include any Remote Transmission Assets.

Grid Code

~~means the Grid Code that is required to be drawn up by the GB System Operator~~ ISOP and approved by the Authority under standard condition E314 (Grid Code) of the Electricity System Operator Transmission Licence.

ISOP

means the person for the time being designated as the Independent System Operator and Planner under section 162 of the Energy Act 2023 who holds an electricity system operator licence and gas system planner licence.

National Electricity Transmission System Operator Area

~~means the area specified in Schedule 1 to the GB System Operator~~ ISOP's Electricity System Operator transmission licence.

Some legislative definitions

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- 1.4 The following words or expressions used in the standard conditions of this licence are defined in the sections indicated in the legislation specified below, and have in this licence the respective meanings given to them by those sections.

Electricity Act 1989	Section
distribute	s.4(4)
electric line	s.64(1)
electrical plant	s.64(1)
functions	s.3A(7)
licence	s.3A(8)
licence holder	s.3A(8)
making a connection	s.16(4)
modification [of a legal instrument]	s.111(1)
premises [except in standard condition 15]	s.64(1)
requiring a connection	s.16(4)
supply	s.4(4)
transmission	s.4(4)
working day	s.64(1)
Utilities Act 2000	Section
electricity licence	s.106(1)
Gas Act 1986	Section
gas shipper	s.7A(11)
gas shipper licence	s.7A(2)
gas supplier	s.7A(11)
gas supply licence	s.7A(1)

Condition 2. Interpretation of this licence

General rules of interpretation

- 2.1 Unless the context otherwise requires, any word or expression defined in the Act, the Utilities Act 2000, or the Energy Act 2004 has the same meaning when used in the standard conditions of this licence.
- 2.2 Unless the context otherwise requires, any reference in the standard conditions of this licence to an industry code, an agreement, or a statement is a reference to that code, agreement, or statement as modified, supplemented, transferred, novated, revised, or replaced from time to time.
- 2.3 The heading or title of any section, standard condition, schedule, paragraph, or sub-paragraph in the standard conditions of this licence is for convenience only and does not affect the interpretation of the text to which it relates.
- 2.4 Unless the context otherwise requires:
 - (a) any reference in the standard conditions of this licence to a section, standard condition, schedule, paragraph, or sub-paragraph is a reference to it in the standard conditions of this licence;
 - (b) any reference in a standard condition of this licence to a paragraph or sub-paragraph is a reference to it in that standard condition; and
 - (c) any reference in the standard conditions of this licence to any natural or legal person includes that person's successors.
- 2.5 Any reference in the Conditions of this licence to any of the following:
 - a) a provision of the Conditions of this licence;
 - b) a provision of the Conditions of the Electricity Supply Licence;
 - c) a provision of the Conditions of the Generation Licence;
 - d) a provision of the Conditions of the Transmission Licence;~~or~~
 - e) a provision of the Conditions of the Interconnector Licence;~~;~~
 - f) a provision of the Conditions of the Electricity System Operator Licence.

is to be read, if the Conditions of this licence or of any of the other licences are subsequently modified, as a reference (so far as the context permits) to the corresponding provision of the other relevant Conditions.

Licensee's performance of obligations

- 2.6 Where any obligation in this licence is required to be performed by a specified date or time or within a specified period and the licensee has failed to do so, the

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obligation will continue to be binding and enforceable after the specified date or time or after the end of the specified period, but without prejudice to all rights and remedies available against the licensee in relation to its failure.

Specific application of Authority's powers

- 2.7 Unless paragraph 5 of standard condition 3 (Application of Section B of standard conditions) applies or a contrary intention appears, any power of the Authority under any provision of this licence to give a direction, consent, derogation, approval, or designation is a power:
- (a) to give it to such extent, for such period of time, and subject to such conditions as the Authority thinks reasonable in all the circumstances of the case; and
 - (b) to revoke or amend it (after consulting with the licensee or, for the purposes of a Distribution Services Direction given under standard condition 3 (Application of Section B of the standard conditions), with the licensee's consent) or give it again under that power.
- 2.8 Unless a contrary intention appears, any power of the Authority under any provision of this licence to make a determination or a decision is a power:
- (a) to make it subject to such conditions as the Authority thinks reasonable in all the circumstances of the case; and
 - (b) to make it again under that power.
- 2.9 Any direction, consent, derogation, determination, approval, designation, decision, or other instrument given or made by the Authority under this licence will be given or made in Writing.

Date to be specified by the Authority

- 2.10 In each case in which the Authority may specify a date under any of the standard conditions of this licence, it may specify:
- (a) that date; or
 - (b) the means by which that date is to be determined.

Calculation of periods of time

- 2.11 Periods of time under this licence are to be calculated as follows:
- (a) where an act is required to be done within a specified period after or from a specified date, the period begins on the day immediately after that date;
 - (b) where the period would include Christmas Day, Good Friday, or a day which under the Banking and Financial Dealings Act 1971 is a bank

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holiday in England and Wales or, as the case may be, in Scotland, that day is to be excluded from the calculation; and

- (c) where the period is expressed in terms of Working Days, any day that is a Saturday or Sunday is also to be excluded from the calculation.

Application to the generality of licensees

- 2.12 Any reference in a standard condition of this licence to the purposes of that condition generally is a reference to the purposes of that condition as it applies to the licensee and to every other holder of an Electricity Distribution Licence (whenever granted) in which that condition has effect.

Reading of words without limitation

- 2.13 The words “include”, “including”, and “in particular” where they occur in any provision of this licence are to be read without limitation to the generality of the preceding words.

Things done to have continuing effect

- 2.14 Anything done under or because of a standard condition of this licence, which is in effect immediately before that condition is modified, has continuing effect for so long as it is permitted or required by or under the modified condition.
- 2.15 Without prejudice to the generality of paragraph 2.14, every direction, consent, determination, designation, approval, decision, or other instrument given or made by the Authority or by a licensing scheme made under Schedule 7 to the Utilities Act 2000 in relation to a standard condition of this licence, which is in effect immediately before that condition is modified, has continuing effect for so long as it is permitted or required by or under that modified condition.

References to the Companies Act 1985

- 2.16 Any reference in this licence to a provision of the Companies Act 1985 is to be treated as a reference to that provision as amended, replaced, or inserted by the provisions of the Companies Act 2006 and, if such provisions of that Act are not in force at the date on which the reference in question has effect, it must be read as if those provisions were in fact in force at that date.

References to the licensee

- 2.17 References to “the licensee” in this licence are references to the person to whom this licence has been granted, or is to be treated as so granted, under section 6(1)(c) of the Act and include references to any person to whom the whole or any part of this licence has been transferred under section 7A of the Act.

Interpretation Act 1978

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2.18 The provisions of this licence are to be read and understood as if they were in an Act of Parliament and the Interpretation Act 1978 applied to them.

Condition 7A. Whole Electricity System Obligations

Introduction

7A.1 The purpose of this condition is to set an obligation on the licensee to coordinate and cooperate with other Electricity Distributors, the ISOP and Transmission Licensees in order to build a common understanding of where actions taken by one Electricity Distributor or Transmission Licensee could have cross-network impacts (both positive and negative). This should include at a minimum sharing information and developing processes that aim to achieve optimal efficiency across the Total System. The further purpose is to set an obligation on the licensee to coordinate with and consider actions proposed by Distribution System Users, that seek to advance the efficient and economical operation of its own network.

Part A: Whole electricity system coordination

- 7A.2 The licensee must coordinate and cooperate with other Electricity Distributors, the ISOP and Transmission Licensees to seek to identify actions and processes that advance the efficient and economical operation the Total System.
- 7A.3 The licensee must consider actions proposed by Distribution System Users which seek to advance the efficient and economical operation of its network.
- 7A.4 The licensee must use all reasonable endeavours to implement actions or processes identified or proposed under paragraphs 7A.2 or 7A.3 of this condition that:
- a) will not negatively impact its network; and
 - b) are in the interest of the efficient and economical operation of the Total System.

Part B: Demonstrating compliance with whole electricity system obligations

Coordination Register

- 7A.5 The licensee must prepare and is required to publish on its Website a Coordination Register demonstrating the steps it has taken to comply with Part A of this condition not later than 12 months from the date of this condition coming into force.
- 7A.6 The licensee must keep up to date and is required to publish its Coordination Register (as updated) on their Website at least once every 12 months from the date of initial publication under paragraph 7A.5 of this condition.

Part C: Whole Electricity System Guidance

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7A.7 In satisfying the requirements of this condition the licensee must have due regard to the Whole Electricity System Guidance.

Part D: Procedure for issuing and revising the Whole Electricity System Guidance

7A.8 Before issuing the Whole Electricity System Guidance under this condition the Authority by Notice given to the licensee will:

state that it proposes to issue the Whole Electricity System Guidance and specify the date on which it proposes that the document should take effect;
set out the text of the Whole Electricity System Guidance and the Authority's reasons for proposing to issue it; and
specify the date (which must not be less than a period of 28 days from the date of the Notice) by which representations with respect to the proposed Whole Electricity System Guidance may be made.

7A.9 The Authority will consider any representations that are duly made and not withdrawn.

7A.10 The requirements of paragraphs 7A.8 and 7A.9 may be satisfied by action taken before, as well as action taken after, the commencement of this condition.

7A.11 In paragraph 7A.8 of this condition reference to "issuing the Whole Electricity System Guidance" includes issuing any revision of the document and the procedure provided for under paragraph 7A.8 will apply to any such revision.

Part E: Interpretation

7A.12 For the purposes of this condition:

Coordination Register

means a document prepared by an Electricity Distributor in accordance with its obligations under Part A and Part B of this condition containing at a minimum the information specified in the Whole Electricity System Guidance.

Distribution System User

means a person producing electricity that is being conveyed by means of that Distribution System or a Customer who owns or who occupies premises that are directly connected to that Distribution System.

Transmission Owner

means the holder for the time being of a Transmission Licence in relation to which licence the Authority has issued a Section D of the Transmission Licence (transmission owner standard conditions) Direction and where Section D remains in effect (whether or not subject to any terms included in a Section D of the Transmission Licence (transmission owner standard conditions) Direction or to any subsequent variation of its terms to which the licensee may be subject).

Whole Electricity System Guidance

means the document of that name published on the Authority's Website for the purposes of this condition that provides guidance on compliance with this licence condition.

Condition 22. Distribution Connection and Use of System Agreement

Licensee's obligation

- 22.1 The licensee must take all steps within its power to ensure that the Distribution Connection and Use of System Agreement (“the DCUSA”) in force under this licence at 31 May 2008 remains an agreement that:
- (a) is designed to facilitate achievement of the Applicable DCUSA Objectives set out in Part A of this condition;
 - (b) conforms to the requirements of Parts B to D of this condition in relation to the modification of the DCUSA; and
 - (c) makes express provision for the matters described in the Schedule of DCUSA Contents (“the Schedule”) set out at Appendix 1, which is part of this condition.

Part A: Applicable DCUSA Objectives

- 22.2 The Applicable DCUSA Objectives are these:
- (a) the development, maintenance and operation by the licensee of an efficient, co-ordinated, and economical Distribution System;
 - (b) the facilitation of effective competition in the generation and supply of electricity and (so far as is consistent with that) the promotion of such competition in the sale, distribution, and purchase of electricity;
 - (c) the efficient discharge by the licensee of the obligations imposed upon it by this licence;
 - (d) the promotion of efficiency in the implementation and administration of the DCUSA arrangements;
- compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators; and
- in relation to the Common Distribution Charging Methodology, the EHV Distribution Charging Methodology or the Common Connection Charging Methodology, the Applicable Charging Methodology Objectives listed in Part B of Standard Licence Condition 22A.

Part B: Principles for making a modification to the DCUSA

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- 22.3 Any proposals to modify the DCUSA must be designed to better facilitate the achievement of the Applicable DCUSA Objectives.
- 22.4 The DCUSA may be modified at any time in accordance with such procedures (including procedures for modifying those procedures) as may be Specified and are in conformity with the principles set out in paragraph 22.5.
- 22.5 Those principles are that:
- (a) proposals for the modification of the DCUSA may be made by any Electricity Distributor, any other party to the DCUSA, the Authority (in relation only to modifications within the scope of paragraph 22.9EE), Citizens Advice and Citizens Advice Scotland, the ~~ISOPGB System Operator~~, and such other persons or bodies as may be designated by the Authority;
 - (b) the modification procedures for dealing with any such proposal must comply with the requirements of Part C below;
 - (c) the making and implementation of any modification of the DCUSA must comply with the provisions of Part D below;
 - (d) modifications to the DCUSA require Authority approval, which must be sought in accordance with the appropriate procedures set out in the DCUSA, except for modifications made pursuant to paragraph 22.9F (“the self-governance route”);
 - (e) modification proposals made by the Authority or the licensee in accordance with paragraphs 22.5(a) and 22.5(f)(i) respectively which fall within the scope of paragraph 22.9EE are:
 - (i) to be accepted into the DCUSA modification procedures by the panel;
 - (ii) where they are raised by the licensee, not to be withdrawn without the Authority’s prior consent; and
 - (iii) to proceed in accordance with any timetable(s) directed by the Authority in accordance with paragraph 22.5(f); and
 - (f) the licensee and (where applicable) the panel are to comply with any direction(s) issued by the Authority under this paragraph setting and/or amending a timetable (in relation to a modification proposal which falls within the scope of paragraph 22.9EE) for the:
 - (i) licensee to raise a modification proposal; and/or

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- (ii) completion of each of the procedural steps outlined in Part C, to the extent that they are relevant; and/or
- (iii) implementation of a modification proposal.

Part C: Procedures for making a modification to the DCUSA

- 22.6 The procedures contained in the DCUSA for the making of modifications to the DCUSA (“the procedures”) must have as their objective the achievement of the matters set out in the following provisions of this Part C.
- 22.7 The procedures must ensure that every proposed modification is brought to the attention of all parties mentioned in or pursuant to paragraph 22.5(a).
- 22.8 The procedures must ensure that any and all representations made in respect of a proposed modification are able to be properly considered by the relevant decision makers.
- 22.9 The procedures must ensure that the question of whether any proposed modification better facilitates the achievement of the Applicable DCUSA Objectives is able to be properly evaluated.
- 22.9A. The procedures must ensure that the evaluation required under paragraph 22.9 in respect of the Applicable DCUSA Objective(s) includes, where the impact is likely to be material, an assessment of the impact of the proposed modifications on greenhouse gas emissions, to be conducted in accordance with any such guidance (on the treatment of carbon costs and evaluation of the impact on greenhouse gas emissions) as may be issued by the Authority from time to time.
- 22.9B The procedures must provide for the proper evaluation of the suitability of the self-governance route for any particular modification proposal in accordance with the criteria Specified pursuant to paragraph A3(f) of the Schedule.
- 22.9C. Without prejudice to paragraph 22.9EB, the procedures must provide that proposals for the modification of the DCUSA falling within the scope of a Significant Code Review may not be made during the Significant Code Review Phase, except:

where the Authority determines that the modification proposal may be made, having taken into account (among other things) the urgency of the subject matter of the proposal; or

at the direction of, or by, the Authority.

22.9D The procedures must provide that, where a modification proposal is made during a Significant Code Review Phase, the panel shall:

unless exempted by the Authority, notify the Authority as soon as practicable of:

- (i) any representations received in relation to the relevance of the Significant Code Review; and
- (ii) the panel's assessment of whether the proposal falls within the scope of the Significant Code Review and its reasons for that assessment; and

if the Authority so directs, not proceed with the modification proposal until the Significant Code Review Phase has ended.

22.9E If, within twenty eight (28) days after the Authority has published its Significant Code Review conclusions:

the Authority issues Directions to the licensee, the licensee must comply with those Directions and shall treat the Significant Code Review Phase as ended;

the Authority issues to the licensee a statement that no Directions under sub-paragraph (a) will be issued in relation to the DCUSA, the licensee must treat the Significant Code Review Phase as ended;

(ba) the Authority raises a modification proposal in accordance with paragraph 22.5(a), the licensee shall treat the Significant Code Review Phase as ended;

(bb) the Authority issues a statement that it will continue work on the Significant Code Review, the licensee shall treat the Significant Code Review Phase as continuing until it is brought to an end in accordance with paragraph 22.9EA;

neither Directions under sub-paragraph (a), nor a statement under sub-paragraph (b) or (bb) have been issued, nor a modification proposal under sub-paragraph (ba) has been made, the Significant Code Review Phase will be deemed to have ended.

The Authority's published conclusions and Directions to the licensee will not fetter any voting rights of DCUSA parties or members of the panel, or the procedures informing the modification report described at paragraph 22.10.

22.9EA The procedures must provide that, if the Authority issues a statement under paragraph 22.9E(bb) and/or a direction in accordance with paragraph 22.9ED, the Significant Code Review Phase will be deemed to have ended when:

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- (a) the Authority issues a statement that the Significant Code Review Phase has ended;
- (b) one of the circumstances in sub-paragraphs 22.9E(a) or (ba) occurs (irrespective of whether such circumstance occurs within twenty-eight (28) days after the Authority has published its Significant Code Review conclusions); or
- (c) the Authority makes a decision consenting, or otherwise, to the modification of DCUSA following a modification proposal submitted pursuant to paragraph 22.9EB.

22.9EB The procedures must provide that, where the Authority has issued a statement in accordance with sub-paragraph 22.9E(bb) and/or a direction in accordance with paragraph 22.9ED, the Authority may submit a modification proposal for a modification falling within the scope of paragraph 22.9EE(b) to the panel.

22.9EC The procedures must provide, where the Authority submits a Significant Code Review modification proposal to the panel in accordance with paragraph 22.9EB, for the modification to be accepted into the procedures as if the steps in paragraphs 22.7-9B had been completed.

The Authority’s published conclusions and Significant Code Review modification proposal will not fetter any voting rights of DCUSA parties or members of the panel, or the procedures informing the modification report described at paragraph 22.10.

22.9ED The procedures must provide that, where a proposal has been raised in accordance with paragraph 22.9E(a) or 22.5(f), or by the Authority under paragraph 22.9E(ba) and it falls within the scope of paragraph 22.9EE(b), the Authority may issue a direction (a “backstop direction”), which requires such proposal(s) and any alternatives to be withdrawn and which causes the Significant Code Review Phase to recommence.

22.9EE Modification proposals fall within the scope of this paragraph where:

- (a) the Authority reasonably considers the modifications are necessary to comply with or implement the Regulation and/or any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators; and/or
- (b) the modification proposal is in respect of a Significant Code Review.

22.9F The procedures must provide that modifications to the DCUSA may be made pursuant to this paragraph 22.9F (the “self-governance route”) where:

in the view of the panel, the modification proposal meets all of the criteria Specified pursuant to paragraph A3(f) of the Schedule; or

the Authority has determined that the criteria Specified pursuant to paragraph A3(f) of the Schedule are satisfied and the modification proposal is suitable for the self-governance route; and

unless otherwise exempted by the Authority, the panel has sent copies of any consultation responses to the Authority at least seven (7) days before the modification report is approved by the panel; and

the Authority has not directed that the Authority’s approval is required prior to the modification report being approved by the panel; and

the DCUSA parties have determined, in accordance with paragraph 22.12A, that the modification proposal or any alternative should be implemented on the basis that it would, as compared with the then existing provisions of the DCUSA, better facilitate the achievement of the Applicable DCUSA objective(s); and

- (i) no appeal has been raised up to and including 10 working days after the publication of the parties’ determination pursuant to paragraphs 22.12A and 22.13 in respect of such a modification proposal in accordance with paragraph 22.9G; or
- (ii) an appeal has been raised in respect of such a modification proposal in accordance with paragraph 22.9G and the Authority has not quashed the DCUSA parties’ determination made pursuant to paragraphs 22.12A(a) and 22.13 (and either remitted the relevant modification proposal back to the parties for reconsideration or taken the decision on the relevant modification proposal itself following the appeal).

22.9G The procedures must provide that those persons mentioned in or pursuant to paragraph 22.5(a) may appeal to the Authority the approval or rejection of a modification proposal determined pursuant to 22.9F, provided the appeal has been made up to and including 10 working days after the publication of the parties’ determination pursuant to paragraphs 22.12A and 22.13, and in accordance with the procedures specified in the DCUSA and, in the opinion of the Authority:

- (a)

- (i) the appealing party is likely to be unfairly prejudiced by the implementation or non-implementation of that modification proposal; or
- (ii) the appeal is on the grounds that:
 - (1) in the case of implementation, the modification may not better facilitate the achievement of at least one of the Applicable DCUSA Objectives; or
 - (2) in the case of non-implementation, the modification proposal may better facilitate the achievement of at least one of the Applicable DCUSA Objectives; and
- (b) the appeal is not brought for reasons that are trivial or vexatious, nor does the appeal have no reasonable prospect of success.

22.9H. The procedures must provide that:

where an appeal has been raised in respect of a modification proposal in accordance with paragraph 22.9G, that modification proposal shall be treated in accordance with any decision and/or direction of the Authority following that appeal; and

if the Authority quashes the parties' determination pursuant to paragraphs 22.12A(a) and 22.13 and takes the decision on the relevant modification proposal itself following an appeal in accordance with paragraph 22.9G, the parties' determination of that modification proposal pursuant to paragraphs 22.12A(a) and 22.13 shall be treated as a recommendation pursuant to paragraphs 22.12A(b) and 22.13.

22.10 The procedures must ensure that a modification report is prepared in such manner and has all such contents as may be Specified, including:

(a) a proposed implementation date either:

in accordance with any direction(s) issued by the Authority under paragraph 22.5(f)(iii); or

where no direction has been issued by the Authority under paragraph 22.5(f)(iii), that would enable any proposed modification to take effect as soon as practicable after the decision to implement it has been reached, taking into account the complexity, importance, and urgency of that modification; and

- (b) except in the case of a modification falling within the scope of paragraph 22.9EB, a summary of and copies of all submissions made in respect of the proposed modification.
 - (c) an assessment of the extent to which the proposed modification would better facilitate achieving the Applicable DCUSA Objectives and a detailed explanation of the reasons for that assessment (such assessment to include, where the impact is likely to be material, an assessment of the impact of the proposed modifications on greenhouse gas emissions, to be conducted in accordance with any such guidance on the treatment of carbon costs and evaluation of the impact on greenhouse gas emissions as may be issued by the Authority from time to time).
- 22.11 The procedures must ensure that the proposed implementation date may be altered with the consent of or as directed by the Authority.
- 22.12 The procedures must ensure that parties to the DCUSA are able to consider the modification report prepared in accordance with paragraph 22.10 and whether the modification would, as compared with the existing provisions of the DCUSA, better facilitate the achievement of the Applicable DCUSA Objectives.
- 22.12A The procedures must ensure that parties to the DCUSA, having regard to whether the modification would, as compared with the existing provisions of the DCUSA, better facilitate the achievement of the Applicable DCUSA Objectives, are able to vote for:
- (a) the implementation or rejection of the proposed modification, in the case of a proposal that is to be determined in accordance with paragraph 22.9F; or
 - (b) a recommendation to the Authority to approve or reject the proposed modification, in the case of a proposal that requires Authority approval.
- 22.13 The procedures must ensure that all votes cast pursuant to paragraph 22.12A are compiled so that the panel may take such steps as are necessary to facilitate the implementation of any proposed modification or (as the case may be) to put forward a recommendation to the Authority along with the report prepared in accordance with paragraph 22.10.
- 22.13A The procedures must ensure that completion of each of the procedural steps outlined in this Part C, to the extent that they are relevant, is in accordance with any timetable(s) directed by the Authority under paragraph 22.5(f).
- 22.13B The procedures must provide for the revision and resubmission of the modification report prepared in accordance with paragraph 22.10 (and submitted

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to the Authority pursuant to the procedures described in Part C of this condition) upon, and in accordance with, a direction issued to the panel by the Authority where the Authority determines that it cannot properly form an opinion on the approval of the modification proposal.

22.13C The procedures for the modification of the DCUSA must be consistent with the principles set out in the Code of Practice, to the extent that they are relevant.

Part D: Implementation of a modification to the DCUSA

22.14 No modification of the DCUSA may be made unless:

- (a) the parties to the DCUSA have voted, pursuant to paragraph 22.12(a), in favour of the modification described in the relevant modification report; or
- (b) the Authority, having had regard to the Applicable DCUSA Objectives, directs the licensee, in conjunction with every other Electricity Distributor, to modify the DCUSA in such manner as is stated in that direction following the making of a recommendation to the Authority by the parties to the DCUSA pursuant to paragraph 22.12A(b).

Part E: Interpretation

22.15 For the purposes of this condition:

- (a) “modification” must be read in accordance with the meaning given to the term in section 111 of the Act, and any related expressions are to be read accordingly; and
- (b) words and expressions appearing in Appendix 1 that are defined under any provision of the DCUSA have the meaning given by, or are to be read in accordance with, that provision.

Specified means specified in the DCUSA.

Code of Practice means the Code Administration Code of Practice approved by the Authority and:
(a) developed and maintained by the code administrators in existence from time to time; and
(b) amended subject to the Authority’s approval from time to time; and
(c) re-published from time to time.

Directions means, in the context of sub-paragraph 22.9E(a), Direction(s) issued following

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publication of Significant Code Review conclusions, which will contain:

- (a) instructions to the licensee to make (and not withdraw, without the Authority's prior consent) a modification proposal;
- (b) the timetable for the licensee to comply with the Authority's Direction(s); and
- (c) the Authority's reasons for its Direction(s).

Significant Code Review

means a review of one or more matters which the Authority considers likely to:

- (a) relate to the DCUSA (either on its own or in conjunction with any other industry code(s)); and
- (b) be of particular significance in relation to its principal objective and/or general duties (under section 3A of the Act), statutory functions and/or relevant obligations arising under Retained EU Law; and concerning which the Authority has issued a notice to the DCUSA parties (among others, as appropriate) stating:
 - (i) that the review will constitute a Significant Code Review;
 - (ii) the start date of the Significant Code Review; and
 - (iii) the matters that will fall within the scope of the review.

Significant Code Review Phase

means:

- (a) the period commencing either:
 - (i) on the start date of a Significant Code Review as stated by the Authority; or
 - (ii) on the date the Authority makes a direction under paragraph 22.9ED; (a "backstop direction")

and

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(b) ending either:

- (i) on the date on which the Authority issues a statement under sub-paragraph 22.9E(b) that no Directions will be issued in relation to the DCUSA; or
- (ii) if no statement is made under sub-paragraph 22.9E(b) or (bb), on the date on which the licensee has made a modification proposal in accordance with Directions issued by the Authority, or the Authority makes a modification proposal under paragraph 22.9E(ba); or
- (iii) immediately under paragraph 22.9E(c), if neither a statement, a modification proposal, nor Directions are made by the Authority within (and including) twenty-eight (28) days from the Authority's publication of its Significant Code Review conclusions; or
- (iv) if a statement has been made under paragraph 22.9E(bb) or a direction has been made under paragraph 22.9ED (a "backstop direction"), on the date specified in accordance with paragraph 22.9EA.

Small Participant

means:

- (a) a generator, supplier, distributor, or new entrant to the electricity market in Great Britain that can demonstrate to the code administrator that it is resource-constrained and, therefore, in particular need of assistance;
- (b) any other participant or class of participant that the code

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- (c) administrator considers to be in particular need of assistance; and a participant or class of participant that the Authority has notified the code administrator as being in particular need of assistance.

22.16 Without prejudice to any rights of approval, veto, or direction the Authority may have, the licensee must use its best endeavours to ensure that procedures are in place that facilitate its compliance with the requirements of this condition including, but not limited to, modifying the DCUSA where necessary no later than 31 March 2017.

22.17 Appendix 1 follows immediately below.

Appendix 1: Schedule of DCUSA Contents

- A1. In accordance with paragraph 22.1(c), the matters for which the DCUSA must make express provision are set out in the following paragraphs of this Schedule.

Matters of a commercial nature

- A2. The DCUSA must include all such material terms, procedures, and arrangements of a commercial nature as relate to the use of the licensee's Distribution System and (where appropriate) to connections to that system, and in particular must make express provision for the following matters:
- (a) Conditions (including as to the provision of credit cover) that are to apply to any person in respect of the commencement, continuation, or termination of use of the licensee's Distribution System by or on behalf of that person ("the user"), and obligations owed by the licensee to the user in relation to such use.
 - (b) Terms, arrangements, and procedures that are to apply or to be available to the user in respect of the payment of the charges due on either an individual or an aggregated basis to the licensee from the user for use of the licensee's Distribution System.
 - (c) Terms, arrangements, and procedures that are to apply or to be available to the user in respect of such activities or works (including the energisation, de-energisation, or re-energisation of Entry Points and Exit Points) as may be carried out by or on behalf of the user on the licensee's Distribution System.
 - (d) Terms, arrangements, and procedures that are to apply or to be available to the user in respect of the activities of system demand control and revenue protection, the installation and maintenance of Metering Equipment, and the provision of metering data and other relevant information arising from use of the licensee's Distribution System.
 - (e) Terms that provide (i) for the circumstances in which, in relation to the use of or connection to the licensee's Distribution System, a party's liability for any contravention of the provisions of the DCUSA may be restricted, and (ii) for the extent to which and the circumstances in which such liability will otherwise attach to that party in respect of any claims against it.

Governance and administration

- A3. Without prejudice to any of the matters set out in paragraph A2, the DCUSA must also include:
- (a) Terms for the creation of an agreement, to which the licensee, every other Electricity Distributor, and any other Authorised Electricity Operator (not being an Electricity Distributor, and so far as the DCUSA is applicable to

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it) must be a party on such terms and conditions of accession as may be Specified (“the DCUSA Accession Agreement”).

- (b) Provisions for the referral for determination by the Authority of any dispute arising as to whether a person seeking to be admitted as a party to the DCUSA Accession Agreement has fulfilled any such accession conditions.
- (c) Terms that provide for the licensee and such other parties to the DCUSA Accession Agreement as may be Specified to be contractually bound by some or all of the provisions of the DCUSA.
- (d) Arrangements for establishing and maintaining, in accordance with such procedures for appointment or election as may be Specified, a panel (“the panel”) which is to be responsible, by way of such proceedings as may be Specified, for the governance and administration of the DCUSA and whose members are to be required as a condition of appointment or election to act independently and not as delegates.
- (e) Arrangements for the establishment and funding of a secretariat that is able to service the panel to such extent and in respect of such matters as may be Specified.
- (eA) Arrangements for a secretarial or administrative person or body, as specified in the DCUSA, to perform the role of code administrator (the “code administrator”). In addition to any power, duties, or functions set out in the DCUSA, the code administrator shall:
 - together with other code administrators, publish, review, and (where appropriate) amend from time to time the Code of Practice approved by the Authority (any amendments to the Code of Practice are to be approved by the Authority);
 - facilitate the procedures for making a modification to the DCUSA;
 - have regard to, and in particular (to the extent relevant) be consistent with the principles contained in, the Code of Practice; and
 - provide assistance, insofar as is reasonably practicable and on reasonable request, to parties (including, in particular, Small Participants) and, to the extent relevant, consumer representatives that request the code administrator’s assistance in relation to the DCUSA including, but not limited to, assistance with:
 - drafting a modification proposal;
 - understanding the operation of the DCUSA;

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their involvement in, and representation during, the modification procedure processes (including, but not limited to, panel and/or workgroup meetings);

accessing information relating to modification proposals and/or modifications.

- (f) Such criteria as are Specified for the modification of the DCUSA without the Authority's approval, in accordance with Parts B to D of this condition.
- (g) Not used

A3A. Modification proposals raised by the Authority or the licensee under paragraphs 22.5(a) and 22.5(f)(i) respectively and/or any modification proposal in respect of which the Authority has issued a direction(s) under paragraph 22.5(f) require Authority approval.

Other matters to be included

- A4. Without prejudice to any of the matters set out in paragraphs A2 and A3, the DCUSA must also include:
- (a) Provision for a copy of DCUSA to be supplied to any person who requests it, upon payment of an amount not exceeding the reasonable costs of making and supplying that copy.
 - (b) Provision for information about the operation of any of the DCUSA arrangements to be supplied on request to the Authority or to be published by it or by the panel (having particular regard to the provisions of section 105 of the Utilities Act 2000).
 - (c) Provision for the panel to be able to secure the compliance of any party to the DCUSA Accession Agreement with any of the requirements of sub-paragraphs (a) and (b).
 - (d) Provision for such other matters as may be appropriate, having regard to the requirement for the DCUSA to be maintained as a document designed to facilitate achievement of the Applicable DCUSA Objectives.

Condition 24. Distribution System planning standard and quality of performance reporting

Distribution System planning standard

24.1 The licensee must plan and develop its Distribution System in accordance with:

- (a) a standard not less than that set out in Engineering Recommendation P.2/7 of the Energy Networks Association, or set out in any subsequent Engineering Recommendation in the EREC P2 series of the Energy Networks Association, as may be directed by the Authority, so far as that standard is applicable to it; or
- (b) such other standard of planning as the licensee, with the Authority's approval, may from time to time adopt after consulting (where appropriate) with the ~~ISOPGB System Operator~~ and any other Authorised Electricity Operator likely to be materially affected.

24.2 The Authority may (after consulting with the licensee and, where appropriate, with the ~~ISOPGB System Operator~~ and any other Authorised Electricity Operator likely to be materially affected) give a direction ("a derogation") to the licensee that relieves it of its obligation under paragraph 24.1 in respect of such parts of the licensee's Distribution System, to such extent, and subject to such conditions as may be specified in the direction.

Quality of performance reporting

- 24.3 The licensee must draw up and submit to the Authority for its approval a statement that sets out criteria by which the licensee's quality of performance in maintaining the security, availability, and quality of service of its Distribution System may be measured.
- 24.4 The licensee must within two months after the end of each Regulatory Year submit to the Authority a report providing details of the performance of the licensee during the previous Regulatory Year against the criteria referred to in paragraph 24.3.

Scope of this condition

- 24.5 Paragraphs 24.3 and 24.4 do not apply to the licensee if it is a Distribution Services Provider.

Interpretation

- 24.6 The Energy Networks Association is the company incorporated under that name in England and Wales with registered number 4832301.

Condition 25B. Network Development Plan

Introduction

25B.1 The licensee must publish on its Website a statement of network development information (“the Network Development Plan”):

(a) on or before 1 May in the financial year commencing 1 April 2022 or on such date as the Authority may direct; and

(b) subsequently, on or before 1 May every two years afterwards or on such date as the Authority may direct.

25B.2 This Condition applies to an Electricity Distributor operating a continuous area of network that serves 100,000 or more Customers unless the Authority directs otherwise.

Part A: Scope and contents of Network Development Plan

25B.3 The licensee must use reasonable endeavours to ensure that each Network Development Plan published by it covers the investments planned for the next five to ten year period in relation to the 11kV network and above, but it may exclude secondary transformers and all pole mounted transformers. The Network Development Plan must include:

(a) a description of those parts of the licensee’s Distribution System most suited to new connections and distribution of further quantities of electricity;

(b) a description of those parts of the licensee’s Distribution System where reinforcement may be required in order to connect new capacity and new loads, including to facilitate the deployment of Electric Vehicle Recharging Points;

(c) such information as may be necessary for:

(i) the ~~ISOP~~ ~~GB System Operator~~;

(ii) Electricity Distributors; and

(iii) Transmission Licensees,

with whose system the licensee’s Distribution System is connected or with whom the licensee interfaces, to ensure the secure and efficient operation, coordination development and interoperability of the interconnected system; and

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(d) the Distribution Flexibility Services or Energy Efficiency Services that the Electricity Distributor reasonably expects to need. This includes:

- (i) demand-side response;
- (ii) energy efficiency;
- (iii) energy storage facilities; or
- (iv) other resources,

that the Electricity Distributor will reasonably expect to use as an alternative to reinforcement.

Part B: Publication of data and information in relation to the Network Development Plan

25B.4 The licensee must publish on its Website at the same time as the Network Development Plan, the relevant data and information used to prepare its Network Development Plan, including:

- (a) the methodology used by the licensee in preparing the Network Development Plan;
- (b) the assumptions made by the licensee in preparing the Network Development Plan;
- (c) information relating to the Distribution Flexibility Services that the Electricity Distributor reasonably expects to need across the network area in respect of each financial year. This includes:

- (i) demand-side response;
- (ii) energy efficiency;
- (iii) energy storage facilities; and
- (iv) other resources,

that the Electricity Distributor will reasonably expect to use as an alternative to reinforcement; and

(d) information relating to the expected development of distribution infrastructure in respect of each financial year, including the licensee's best view of the design and technical characteristics of the development of the system, considering the likely power flows, capacity, location and timing of the development. This should include developments required in order to connect new generation capacity and new loads, including Electric Vehicle Recharging Points. To the extent that information is available to the licensee, this includes possible routing options for new circuits and locations for potential reinforcements.

25B.5 The licensee must provide a copy of the Network Development Plan on request and free of charge to any person.

Part C: Information exclusions

25B.6 The licensee must include the information required by 25B.3 in every Network Development Plan and must publish the relevant data and information referred to in 25B.4 except if it receives the Authority's consent to:

- (a) omit any details about circuit capacity, power flows, loading, or any other information the disclosure of which would, in the Authority's view, seriously and prejudicially affect the commercial interests of the licensee or any third party;
- (b) omit any information the disclosure of which would place the licensee in breach of standard condition 42 (independence of the distribution business and restricted use of confidential information).

Part D: Use of the most recent Long-Term Development Statement

25B.7 In preparing the Network Development Plan, the licensee must use the most recent version of the Long-Term Development Statement prepared under standard condition 25 (long term development statement) to ensure that the data and information used for the Network Development Plan is consistent with that used in the Long-Term Development Statement, so that there is a clear progression from the final year of the Long-Term Development Statement to the start of the Network Development Plan.

Part E: Consultation

25B.8 The licensee must:

- (a) consult interested parties on the proposed Network Development Plan for a period of at least 28 days before publishing as required by 25B.1; and
- (b) publish the non-confidential consultation responses received, a summary of the responses and how it has taken them into account.

Part F: Changes to the Network Development Plan

25B.9 The Authority may:

- (a) within 28 days of the licensee publishing its Network Development Plan under 25B.1, issue a direction to the licensee that the Network Development Plan requires further development; and

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(b) direct the licensee to:

- (i) revise the Network Development Plan;
- (ii) further consult with interested parties;
- (iii) submit the revised Network Development Plan to the Authority by the date specified by the Authority; and
- (iv) publish the revised Network Development Plan and the relevant data and information used to prepare the same, subject to the information exclusions in 25B.6.

Condition 31E. Procurement and use of Distribution Flexibility Services

31E.1 The licensee must coordinate and direct the flow of electricity onto and over its Distribution System in an efficient, economic and coordinated manner. This includes the following:

- (a) procuring and using Distribution Flexibility Services where it is economic and efficient to do so;
- (b) procuring Distribution Flexibility Services in the most economic manner possible;
- (c) subject to 31E.3, procuring Distribution Flexibility Services in accordance with objective, transparent and market-based procedures;
- (d) promoting the uptake of measures to improve Energy Efficiency, where such services cost-effectively alleviate the need to upgrade or replace electricity capacity and support the efficient and secure operation of the Distribution System. This may include procuring Energy Efficiency Services, where it is economic and efficient to do so;
- (e) when procuring Distribution Flexibility Services, the licensee must have regard, insofar as is practicable, to the following considerations:
 - (i) the impact any actions taken will have on the ability of undertakings to effectively participate in retail, wholesale and balancing markets; and
 - (ii) the impact any actions taken will have on the Total System;
- (f) using all reasonable endeavours, in coordination with the ~~GB System~~ **Operator ISOP**, other Distribution Licensees, and undertakings participating or intending to participate in the provision of Distribution Flexibility Services or, where relevant, Energy Efficiency Services, to establish as soon as reasonably practicable and thereafter maintain relevant:
 - (i) objective, transparent, cost-reflective and non-discriminatory rules, including terms and conditions and rules and tariffs where applicable, governing the procurement and use of Distribution Flexibility Services and, where relevant, Energy Efficiency Services by Distribution Licensees, such rules to be published; and

- (ii) technical requirements for participation in the Distribution Flexibility Services market on the basis of technical characteristics of the market and the capabilities of participants in the market, such technical requirements to be published;
- (g) taking all reasonable steps to ensure the effective participation of all undertakings participating or intending to participate in the provision of Distribution Flexibility Services or, where relevant, Energy Efficiency Services, including not unduly restricting new and existing providers of those services from competing in the provision of such services, and in doing so, the licensee must use all reasonable endeavours to:
 - (i) cooperate with the ~~ISOP-GB System Operator~~ to ensure the effective participation in retail, wholesale and balancing markets of undertakings connected to the licensee's grid; and
 - (ii) as soon as is reasonably practicable, establish and thereafter maintain, in a transparent and participatory process that includes the ~~ISOP-GB System Operator~~, other Distribution Licensees, and undertakings participating or intending to participate in the provision of Distribution Flexibility Services, the relevant specifications for Distribution Flexibility Services and, where appropriate, standardised market products for such services at national level;
- (h) taking all reasonable steps to establish and thereafter ensure the exchange of all necessary information and coordinate with the ~~ISOP-GB System Operator~~ in order to ensure the optimal utilisation of resources, to ensure the secure and efficient operation of both the Distribution System and Transmission System, and to facilitate market development; and
- (i) anticipating the future electricity requirements of its Distribution System and developing competitive approaches to procuring Distribution Flexibility Services and, where applicable, Energy Efficiency Services, wherever this is in the best interests of current and future electricity consumers in Great Britain.

31E.2 Having taken into account relevant price and technical differences, the licensee must not discriminate as between any persons or classes of persons in its procurement or use of Distribution Flexibility Services.

31E.3 The Authority may, at its own discretion, or on an application by a licensee, grant a derogation from the licensee's obligation to procure Distribution Flexibility Services using market-based procedures (as required under 31E.1(c)) where the Authority has determined that compliance with the market-based provision is:

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- (i) economically not efficient; or
- (ii) would lead to severe market distortions or to higher levels of constraints.

31E.4 The licensee may request that the Authority grants such a derogation, by providing appropriate reasoning and justification within its Distribution Flexibility Services Procurement Statement submitted to the Authority in accordance with 31E.8.

31E.5 Where, during the term of any Distribution Flexibility Services Procurement Statement submitted to the Authority pursuant to 31E.8, the licensee wishes to amend its statement to request such a derogation from the Authority, the licensee must prepare a revised statement and submit it to the Authority for determination.

31E.6 If the Authority fails to determine any request for a derogation from the use of market-based procedures within one month of receipt, the request is to be treated as approved.

31E.7 If the request is refused, the Authority may require the licensee to prepare a revised Distribution Flexibility Services Procurement Statement in accordance with 31E.8.

31E.8 The licensee must before each Annual Submission Date prepare, and submit to the Authority for approval, in a form approved by the Authority, a Distribution Flexibility Services Procurement Statement setting out:

- (a) the kinds of Distribution Flexibility Services and Energy Efficiency Services which it reasonably expects it may be interested in purchasing in the period from that Annual Submission Date to the next Annual Submission Date and the mechanisms by which it reasonably expects to purchase them; and
- (b) a statement demonstrating its compliance with its obligations under 31E.1, including:
 - (i) a summary of the rules and technical requirements governing the procurement and use of Distribution Flexibility Services and, where relevant, Energy Efficiency Services, which have been established in accordance with 31E.1(f);
 - (ii) a description of the steps taken to ensure the effective participation of undertakings participating or intending to participate in the provision of Distribution Flexibility Services or Energy Efficiency Services, in accordance with 31E.1(g); and
 - (iii) a description of the engagement that has taken place in the preceding twelve months with the ~~ISOPGB System Operator~~, other Distribution Licensees and undertakings participating or intending to participate in the provision of

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Distribution Flexibility Services in respect of establishing and maintaining the relevant specifications governing the procurement of Distribution Flexibility Services, in accordance with 31E.1(g)(ii).

31E.9 For the purposes of 31E.8, the licensee must outline any changes to its practises or intended changes to its practises resulting from engagement in accordance with 31E.8(b)(iii).

31E.10 Where the licensee reasonably expects that it will not procure Distribution Flexibility Services in the twelve month period following an Annual Submission Date, the licensee must prior to that date write to the Authority informing it of this position.

31E.11 Paragraph 31E.10 is without prejudice to the obligation of the licensee to submit a Distribution Flexibility Services Procurement Statement on each Annual Submission Date, in accordance with the provisions of 31E.8.

31E.12 Where during the term of any Distribution Flexibility Services Procurement Statement the licensee's intentions change regarding the information contained within the Distribution Flexibility Services Procurement Statement, the licensee must review the statement and consider whether any revision to the statement is necessary to ensure it remains an accurate reflection of the licensee's intentions and, if so, promptly seek to prepare a revised statement and submit it to the Authority for approval.

31E.13 Where the licensee has written to the Authority in accordance with 31E.10 and the licensee's intentions in respect of the procurement of Distribution Flexibility Services change, the licensee is to promptly prepare a Distribution Flexibility Services Statement in accordance with the provisions of 31E.8 and submit it to the Authority for approval.

31E.14 Within one month after each Annual Submission Date, the licensee must prepare a report (a "Distribution Flexibility Services Procurement Report") setting out the Distribution Flexibility Services and Energy Efficiency Services which the licensee has tendered for, contracted and dispatched in the period of 12 months preceding the Annual Submission Date, or such other period as the Authority may have directed, if any.

31E.15 The licensee must:

(a) publish, in such manner as the Authority may approve from time to time, the Distribution Flexibility Services Procurement Statement and Distribution Flexibility Services Procurement Report and each subsequent revision, and

(b) send a copy of each of the Distribution Flexibility Services Procurement Statement and Distribution Flexibility Services Procurement Report, or the latest revision thereto, to any person who requests the same, provided that the licensee excludes, so far as is reasonably practicable, any matter which relates to the

affairs of any person where the publication of that matter would or might seriously and prejudicially affect that person's interests,

and, for the purposes of 31E.15(b), the licensee is to refer to the Authority for determination any question as to whether any matter would or might seriously and prejudicially affect the interests of any person unless the Authority consents to the licensee not doing so.

31E.16 The licensee may make a charge for any copy of a Distribution Flexibility Services Procurement Statement, Distribution Flexibility Services Report or revision thereto provided pursuant to 31E.15 of an amount reflecting the licensee's reasonable costs of providing such a copy, which must not exceed the maximum amount specified in directions issued by the Authority for the purpose of this condition.

31E.17 The licensee must publish in a transparent manner the outcomes of any concluded Distribution Flexibility Services procurement processes within one month of contractual agreement. This must include, where relevant, and subject always to the licensee's compliance with laws relating to data protection and commercial confidentiality, confirmation of:

- (a) The counterparty to the contract;
- (b) The technology type of the counterparty;
- (c) The capacity and volume procured;
- (d) The length of the contractual agreement;
- (e) The payment structure of the contract; and
- (f) The price agreed for the provision of services.

31E.18 The licensee must, unless the Authority otherwise consents, maintain for a period of at least six years:

- (a) particulars of all Distribution Flexibility Services and Energy Efficiency Services offered to it;
- (b) particulars of all contracts for Distribution Flexibility Services and Energy Efficiency Services which it entered into; and
- (c) records of all Distribution Flexibility Services and Energy Efficiency Services called for and provided.

31E.19 The licensee must provide to the Authority such information as the Authority may request concerning the procurement and use of Distribution Flexibility Services or Energy Efficiency Services.

31E.20 For the purpose of this condition:

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“Annual Submission Date” means:

- (a) 1 April 2021;
- (b) 1 April in each subsequent calendar year; or
- (c) such other date in any calendar year that the Authority may direct.

“Distribution Constraint” means any limit on the ability of the licensee’s Distribution System, or any part of it, to transmit the power supplied onto the licensee’s Distribution System to the location where the demand for that power is situated, such limit arising as a result of any one or more of:

- (a) the need to not exceed the thermal rating of any asset forming part of the licensee’s Distribution System;
- (b) the need to maintain voltages on the licensee’s Distribution System; and
- (c) the need to maintain the transient and dynamic stability of electricity plant, equipment and systems directly or indirectly connected to the licensee’s Distribution System and used by the licensee to operate the licensee’s electricity distribution system in accordance with the Act, this licence, or any other requirement of law;

“Distribution Flexibility Services” means Distribution Non-frequency Ancillary Services and Distribution Constraint management;

“Distribution Non-Frequency Ancillary Services” means a service used by the Distribution Licensee for steady state voltage control, fast reactive current injections, inertia for local grid stability, short-circuit current, Electricity System Resotation capability and island operation capability;

“Energy Efficiency” means the ratio of output of performance, service, goods or energy, to input of energy;

“Energy Efficiency Services” means a service contracted to improve the Energy Efficiency of a network user or users:

Condition 31F. Requirements relating to Electric Vehicle Recharging Points

- 31F.1 The licensee must not own, develop, manage or operate an Electric Vehicle Recharging Point, except where:
- (a) the conditions in 31F.2 below apply; or
 - (b) the Authority has issued a Provider of Last Resort direction pursuant to 31F.5 and the licensee complies with it.

Electric Vehicle Recharging Points: exception for Licensee's own use

- 31F.2 This paragraph applies where the following conditions are satisfied in respect of an Electric Vehicle Recharging Point:
- (a) it is not generally accessible to the public;
 - (b) it is used by the licensee only for the purposes of charging vehicles in connection with its Distribution Business; and
 - (c) it is not used in the provision of:
 - (i) any Balancing Services to the ~~ISOP~~ GB System Operator; or
 - (ii) any equivalent service in relation to the licensee's Distribution System.

- 31F.3 For the purpose of 31F.2 references to:
- (a) the licensee include references to an Affiliate of the licensee; and
 - (b) the public do not include employees or contractors of the licensee or any visitors to any premises under the control of any of them in the ordinary course of business.

Electric Vehicle Recharging Points: provider of last resort (process)

- 31F.4 Paragraph 31F.4 applies where the Authority is satisfied that no person other than the licensee is able to own, develop, manage or operate an Electric Vehicle Recharging Point or could not do so at a reasonable cost and in a timely manner.

- 31F.5 Where the Authority is satisfied that:

- (a) the circumstances described in 31F.4 are satisfied; and
- (b) the process described in 31F.6 to 31F.11 has been followed,

the licensee must comply with any direction (a "Provider of Last Resort Direction") issued by the Authority in relation to the ownership, development, management or operation of an Electric Vehicle Recharging Point of a description specified in the direction.

- 31F.6 Where the licensee considers that 31F.4 may apply to any Electric Vehicle Recharging Point, it must carry out a tender process, in an open, transparent and non-discriminatory manner, to determine whether any person is able to own, develop, manage and operate an Electric Vehicle Recharging Point at reasonable cost and in a timely manner.

- 31F.7 Prior to carrying out the tender process referred to in 31F.6 the licensee must prepare

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a statement of its proposed methodology for undertaking the tender process.

31F.8 The licensee must:

- (a) consult publicly on such methodology for a minimum of 28 days or such other period as the Authority may direct;
- (b) take account of the representations it receives in response to the consultation and revise the methodology as appropriate; and
- (c) within 28 days following the conclusion of the consultation, provide the Authority with the methodology together with any representations it has received during the consultation.

31F.9 The Authority may by direction, approve that methodology, with or without amendments.

31F.10 The licensee must carry out the tender process in accordance with the approved methodology.

31F.11 No later than 28 days following the conclusion of the tender process, the licensee must provide a report to the Authority setting out whether any person has been awarded the right to own, develop, manage or operate an Electric Vehicle Recharging Point.

31F.12 Any of the steps described in 31F.6 to 31F.11 may be carried out by a person other than the licensee where the Authority considers this appropriate.

Electric Vehicle Recharging Points: provider of last resort (review)

31F.13 Paragraph 31F.14 applies where the Authority has issued a Provider of Last Resort Direction, in respect of an Electric Vehicle Recharging Point.

31F.14 The licensee must within five years of the coming into force of the direction and every subsequent period of five years, or such other date as the Authority may direct, provide a report to the Authority on whether the circumstances described in 31F.4 continue to be satisfied in relation to the Electric Vehicle Recharging Point.

31F.15 The report referred to in 31F.14 is to be informed by a public consultation undertaken by the licensee of at least 28 days, or such other period as the Authority may direct, and must include any representations made in response to such consultation.

31F.16 If having considered the report referred to in 31F.14 the Authority considers 31F.4 is no longer satisfied it may direct that the steps outlined in 31F.6 to 31F.11 are undertaken by the licensee on such terms as may be specified in the direction.

31F.17 Where the Authority, following consideration of the report provided by the licensee pursuant to 31F.14 gives notice of revocation of the Provider of Last Resort Direction, the licensee must ensure that its activities are phased out within 18 months of the notice, including by way of a transfer to another person of the ownership, development, management or operation of the Electric Vehicle Recharging Point, and as part of the conditions of that procedure the Authority may allow the licensee to recover the residual value of its investment.

Electric Vehicle Recharging Points: provider of last resort (general)

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31F.18 Any Provider of Last Resort Direction may relate to specific premises or premises of a general description, for such period of time and subject to such conditions as may be specified in the direction.

Interpretation

31F.19 For the purpose of this condition:

- (a) **“Balancing Services”** has the meaning given in Condition A€1 (~~Definitions~~^{interpretation}) of the ~~Electricity System Operator~~^{Transmission} Licence;
- (b) **“Electric Vehicle Recharging Point”** means an interface which is capable of charging one electric vehicle at a time, or exchanging a battery of one electric vehicle at a time; and
- (c) **“Provider of Last Resort Direction”** has the meaning given in paragraph 4 of this condition.

Condition 37. Provision of the Data Transfer Service

Licensee's obligation

37.1 The licensee, in conjunction and co-operation with all other Distribution Services Providers, must:

- (a) establish, or procure the establishment of; and
- (b) subsequently operate and maintain, or procure the subsequent operation and maintenance of,

a service, to be known as the Data Transfer Service, for providing Data Transfer Services in accordance with the provisions of this condition.

Requirements of the Data Transfer Service

37.2 The Data Transfer Service must:

- (a) provide a network over which may be made all of the electronic data transfers specified at paragraph 37.3;
- (b) operate and maintain that network; and
- (c) provide a connection to that network, on request, to any person who is or will be a party to any of the electronic data transfers specified at paragraph 37.3.

Specification of the data transfers

37.3 The electronic data transfers specified at this paragraph are those which are reasonably required for any of the purposes set out at paragraph 37.4 and which are made between:

- (a) a Metering Point Administration Service Operator and an Electricity Supplier;
- (b) a Metering Point Administration Service Operator and any person identified in the Balancing and Settlement Code as an appropriate person to receive data from the Metering Point Administration Service Operator for Settlement Purposes;
- (c) a Transmission Licensee or the ISOP and an Electricity Supplier;
- (d) an Electricity Supplier and any other Electricity Supplier;

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- (e) an Electricity Supplier and any of its agents;
- (f) different agents of the same Electricity Supplier; and
- (g) a Green Deal Participant and any other Green Deal Participant.

Purposes of the data transfers

37.4 The purposes to which paragraph 37.3 refers in relation to the electronic data transfers specified under that paragraph are these:

- (a) to meet obligations with respect to the transfer of data for Settlement Purposes;
- (b) to communicate Electricity Meter reading data and Electricity Meter standing data;
- (c) to facilitate the provision of Metering Point Administration Services;
- (d) to communicate Use of System information;
- (e) to fulfil such other requirements relating to the transfer of data as may be essential for the supply of electricity to Customers and compliance by Electricity Suppliers with the Retail Energy Code; and
- (f) to communicate Green Deal Arrangements Data.

Compliance with Data Specification

37.5 The Data Transfer Service must, where relevant, transmit data in a form that complies with the provisions of the Data Specification.

Collective nature of licensee's obligations

37.6 Any obligation placed on the licensee in relation to the provision of the Data Transfer Service under or because of:

- (a) standard condition 35 (Requirement to offer terms for the provision of Data Services);
- (b) standard condition 36 (Charges for the provision of Legacy Metering Equipment and Data Services); or
- (c) standard condition 39 (Prohibition of discrimination under Chapter 9),

is to be treated (for the purposes of those conditions) as a requirement on the licensee to take all steps within its power to fulfil that obligation, or to procure its fulfilment by a third party, in conjunction and co-operation with all other Distribution Services Providers.

Interpretation

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37.7 In this condition:

References to an Electricity Supplier or a Transmission Licensee include references to any agent of that supplier or that licensee.

Metering Point Administration Service Operator means the licensee or any other Distribution Services Provider in its capacity as a provider of Metering Point Administration Services.

Condition 48A. Electricity Network Innovation Strategy

Introduction

48A.1. The purpose of this condition is to oblige the licensee to work with other parties to maintain the Electricity Network Innovation Strategy. This requirement is intended to ensure that Relevant Network Licensees work together in relation to innovation to take coordinated action on priority areas that offer significant potential benefit, shared learning and avoid unnecessary duplication.

48A.2. This condition does not prevent the licensee from undertaking Innovation Projects that are not specifically included within the Electricity Network Innovation Strategy.

Part A: Requirement to maintain an Electricity Network Innovation Strategy

48A.3. The licensee must maintain the Electricity Network Innovation Strategy and must use reasonable endeavours to cooperate with all other Relevant Network Licensees in the development of the Electricity Network Innovation Strategy.

48A.4. The licensee must use reasonable endeavours to work with all other Relevant Network Licensees to ensure that the Electricity Network Innovation Strategy is reviewed every two years and that where necessary in the majority view of Relevant Network Licensees, it is also updated.

Part B: Electricity Network Innovation Strategy

48A.5. The Electricity Network Innovation Strategy must:

- (a) set out the procedures for updating it (which must include the requirement to consult with Interested Parties in accordance with Part C and the biennial review referred to in paragraph 48A.4);
- (b) be kept up to date in accordance with the procedures referred to in paragraph 48A.5(a); and
- (c) be readily accessible to the public from the licensee's Website.

48A.6. The Electricity Network Innovation Strategy must include:

- a) a description of the challenges and uncertainties which the Relevant Network Licensees consider are pertinent to the electricity network over different time periods that could be addressed through innovative projects;
- b) a description of the challenges and uncertainties pertinent to the electricity network, which are not currently being addressed through innovative projects, including but not limited to projects or plans made by the Relevant Network Licensees and Interested Parties;
- c) a description of the innovative projects and plans that the Relevant Network Licensees intend to pursue in order to address the challenges and uncertainties referred to in paragraph 48A.6(a) of this condition, with particular regard to how future Innovation Projects which Relevant Network Licensees will seek to initiate over the period of the Electricity Network Innovation Strategy will help to address those challenges;
- (d) a description of the innovative projects and plans that the Relevant Network Licensees intend to pursue in relation to the challenges and uncertainties identified in paragraph 48A.6(b) of this condition, with particular regard to how future Innovation Projects which Relevant Network Licensees will seek to initiate over the period of the Electricity Network Innovation Strategy will help to address those challenges.

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Consideration should be given to the suitability of the Relevant Network Licensees to carry out the innovative projects and plans. If the Relevant Network Licensees do not intend to carry out innovative projects and plans relating to any challenge and uncertainties identified in paragraph 48A.6(b), a reason should be provided as part of this description;

- (e) a description of how Relevant Network Licensees will coordinate their activities on Innovation Projects to minimise unnecessary duplication of effort;

a description of how Relevant Network Licensees will share the learning that they have gained through Innovation Projects; and

any content required by any directions related to the Electricity Network Innovation Strategy issued by the Authority, in accordance with Part D.

Part C: Consultation

48A.7 The licensee must, in cooperation with Relevant Network Licensees, have regard to Whole System Solutions and use reasonable endeavours to consult with Interested Parties and with stakeholders in other sectors prior to the publication, or revision, of the Electricity Network Innovation Strategy. This includes stakeholders in the following sectors:

- (a) electricity;
- (b) gas;
- (c) heat;
- (d) refuse;
- (e) telecoms;
- (f) transport; and
- (g) water and wastewater.

48A.8 The licensee must include, subject to any necessary redactions to protect confidential information, in the Electricity Network Innovation Strategy:

- a) a description of those Interested Parties and stakeholders referred to in paragraph 48A.7, with whom it has consulted; and
- b) a description of any representations relevant to the requirements set out in paragraph 48A.6, received in response to the consultation, alongside an explanation of how any representations have been considered.

Part D: Authority Directions on the Electricity Network Innovation Strategy

48A.9 The Authority may issue a direction setting out changes to requirements pertaining to the Electricity Network Innovation Strategy, in relation to its required contents, scope, form, means of publication and dates of publication. Before issuing a direction under this Part, the Authority must send to the licensee and publish on the Authority's Website:

- (a) the text of the proposed direction;
- (b) the date on which the Authority intends the proposed direction to come into effect;
- (c) the reasons why it proposes to issue the direction; and
- (d) a period during which representations may be made on the proposed direction, which must not be less than 28 days.

Part E: Interpretation

48A.10. For the purposes of this condition:

Electricity Network Innovation Strategy means a document, or suite of documents, published by Relevant Network Licensees that complies, or together comply, with the requirements of this condition.

Innovation Project

means a project funded by:

- (a) RIIO-1 Network Innovation Allowance;
- (b) RIIO-2 Network Innovation Allowance;
- (c) RIIO-1 Network Innovation Competition; or
- (d) SIF.

Interested Parties

interested parties include, but are not limited to, the Engineering and Physical Sciences Research Council, the Department of Business, Energy and Industrial Strategy, Innovate UK and their successor bodies and holders of a Transmission Licence or an Electricity Distribution Licence that are not Relevant Network Licensees.

Offshore Electricity Transmission Licence

means a Transmission Licence awarded via a competitive tender for the transmission of electricity generated by an offshore windfarm to bring it onto the onshore grid.

Relevant Network Licensee

means the holder of a Transmission Licence with condition B16 in effect in its licence, [the ISOP](#), or an Electricity Distribution Licence with condition 48A in effect in its licence.

RIIO-1 Network Innovation Allowance

means the network innovation allowance as established by Charge Restriction Condition 2J (The Network Innovation Allowance) as in force on 31 March 2023 and now governed by Special Condition 5.3

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(Carry-over Network Innovation Allowance); and Special Condition 3H (The Network Innovation Allowance) of the Transmission Licence held by Transmission Licensees as in force on 31 March 2021 and now governed by Special Condition 5.3 (Carry-over Network Innovation Allowance) and Special Condition 4.7 (Carry-over Network Innovation Allowance) of the GB System Operator's Transmission Licence.

RIIO-1 Network Innovation Competition

means the network innovation competition as established by Charge Restriction Condition 5A (the Network Innovation Competition) as in force on 31 March 2023 and now governed by Special Condition 7.9 (RIIO-ED1 network innovation competition); Special Condition 3I (The Network Innovation Competition) of the Transmission Licence held by Transmission Licensees as in force on 31 March 2021 and now governed by Special Condition 7.11 (the RIIO-ET1 network innovation competition); Special Condition 3.3 (the RIIO-ET1 network innovation competition) of the GB System Operator's Electricity Transmission Licence; and amended Standard Conditions E12 – J11 (the Network Innovation Competition) of the Offshore Electricity Transmission Licence.

RIIO-2 Network Innovation Allowance

means the network innovation allowance as established by Special Condition 5.2 (The RIIO-2 network innovation allowance); Special Condition 5.2 (The RIIO-2 network innovation allowance) of the Transmission Licence held by Transmission Licensees; and Special Condition 4.6 (The RIIO-2 network innovation allowance) of the GB System Operator's Transmission Licence.

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SIF

means the strategic innovation fund as established by Special Condition 9.9 (The strategic innovation fund) of this licence; Special Condition 9.19 (The strategic innovation fund) of the Transmission Licence held by Electricity Transmission Licensees; and Special Condition 3.4 (The strategic innovation fund) of GB System Operator's Transmission Licence.

Whole System Solutions

means solutions arising from energy network companies and ~~system operators~~ the ISOP coordinating effectively, between each other and with broader areas, which deliver value for consumers.