

All interested parties

Email: Assetresilience@ofgem.gov.uk

Date: 30 January 2024

Dear Stakeholders,

Statutory Consultation on amendment to Guaranteed Standards of Performance (GSOPs) Statutory Instrument for Reliability GSOPs (Severe Weather Arrangements)

On 1 September 2023, we issued our decision on our approach to implementing the immediate recommendations from the Review of Severe Weather Arrangements for Electricity Customers¹, amending the Electricity (Standards of Performance) Regulations 2015 ("the Principal Regulations").

The Electricity (Standards of Performance) Amendment Regulations 2023 (the "Amendment Regulations") were made on 31 July 2023. The Amendment Regulations are published here: <u>http://www.legislation.gov.uk/id/uksi/2023/887</u>.

The Amendment Regulations intended to implement our decision and remove all references to category 3 severe weather conditions as well as amending the payment intervals and compensation payable for <u>both</u> Category 1 and Category 2 storms.

The Amendment Regulations amended the Electricity (Standards of Performance) Regulations 2015 in relation to payment intervals and compensation payable for Category 1 storms. However, due to an error the Amendment Regulations did not include a relevant provision to reflect the change in payment intervals and compensation payable for Category 2 storms.

The proposed regulations will amend the Principal Regulations to make provision correcting for the omissions in the drafting of the Amendment Regulations.

This letter constitutes a publishing of notice of our proposal under section 40B of the Electricity Act 1989. We welcome any representations on these proposals.

¹ <u>Final Decision and Statutory Instrument on Guaranteed Standards of Performance</u> (GSOPs) for Reliability and Connections

Responses to this consultation should be received by 5pm on 27 February 2024 and directed to Faysal.mahad@ofgem.gov.uk.

Kind regards,

Faysal Mahad, Senior Policy Manager Infrastructure – Networks – Asset Risk and Resilience Ofgem

STATUTORY INSTRUMENTS

2024 No.

ELECTRICITY

The Electricity (Standards of Performance) (Amendment) Regulations 2024

Made--***Coming into force-***

The Gas and Electricity Markets Authority(**a**) (the "Authority") makes these Regulations in exercise of the powers conferred by sections 39A and 60 of the Electricity Act 1989(**b**) (the "Act").

In accordance with section 40B(1)(a)(c) of the Act, the Authority arranged for such research as it considered appropriate with a view to discovering the views of a representative sample of persons likely to be affected and considered the results.

In accordance with section 40B(1)(b), (2) and (3) of the Act, the Authority published a notice of its proposals and considered the representations made in respect of those proposals.

In accordance with section 40B(1)(c) and (4) of the Act, the Authority consulted Citizens Advice, Consumer Scotland, electricity distributors, electricity suppliers, and persons and bodies appearing to be representative of persons likely to be affected by these Regulations.

The Secretary of State has consented to making these Regulations in accordance with section and 39A(1) of the Act.

Citation and commencement

1.—These Regulations may be cited as the Electricity (Standards of Performance) (Amendment) Regulations 2024 and come into force on [].

Amendment to the Electricity (Standards of Performance) Regulations 2015

2.—The Electricity (Standards of Performance) Regulations 2015(**d**) are amended as follows.

(1) In regulation 4(1) (supply restoration standards of performance for electricity distributors)—

(a) substitute the definition of "category 1 severe weather conditions" with the following—

⁽a) The Gas and Markets Authority was established under section 1(1) of the Utilities Act 2000 (c.27).

⁽b) 1989 c. 29; section 39 was amended by sections 3(2) and 54(1) of, and paragraph 32 of Schedule 6 and Schedule 8 to, the Utilities Act 2000; section 39A was inserted by section 54(2) of the Utilities Act 2000; and section 60 was amended by section 3(2) of the Utilities Act 2000.

⁽c) Section 40B was inserted by section 56 of the Utilities Act 2000 (c. 27) and amended by paragraph 5 of Schedule 1 to the Public Bodies (Abolition of the National Consumer Council and Transfer of the Office of Fair Trading's Functions in relation to Estate Agents etc) Order (S.I. 2014/631).

⁽d) S.I. 2015/699, as amended by S.I. 2015/1544 and S.I. 2023/887.

"category 1 severe weather conditions" are

(a) conditions in which no less than eight times the daily mean faults at distribution higher voltage on the designated electricity distributor's distribution system at distribution higher voltage in a 24-hour period are caused by weather predominantly related to lightning; or

(b) conditions in which no less than eight times the daily mean faults at distribution higher voltage but fewer than thirteen times the daily mean faults at distribution higher voltage on the designated electricity distributor's distribution system at distribution higher voltage in a 24-hour period are caused by weather not predominantly related to lightning;"

(b) substitute the definition of "category 2 severe weather conditions" with the following—

"category 2 severe weather conditions" conditions in which no less than thirteen times the daily mean faults at distribution higher voltage on the designated electricity distributor's distribution system at distribution higher voltage in a 24-hour period are caused by weather not predominantly related to lighting;"

(2) In sub-paragraph 3(b) of regulation 6 (supply restoration: normal conditions - 5,000 or more customers' premises interrupted) substitute "category 1, 2 or 3" with "category 1 or 2".

(3) In sub-paragraph (5)(b) of regulation 7 (supply restoration: severe weather conditions)—

- (a) substitute "12" with "6", and
- (b) substitute "a maximum of $\pounds700$ " with "the prescribed cap".

(4) In the heading of Part 3 of Schedule 2 (data for the purpose of calculating payments) omit ", the category 3 threshold number of customers and the upper-threshold number of customers".

The seal of the Gas and Electricity Markets Authority here affixed is authenticated by the signature of



Name A member of the Gas and Electricity Markets Authority

Date

I consent

Date

Name Minister of State Department for Energy Security and Net Zero

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Electricity (Standards of Performance) Regulations 2015 (S.I. 2005/699) ("the Principal Regulations"), which prescribe the sums that electricity suppliers and distributors must pay to a customer by way of compensation for failure to meet specified standards of performance in respect of the services to be provided by such suppliers or distributors, subject to certain exemptions.

Regulation 2(2) amends the definitions of "category 1 severe weather conditions" and "category 2 severe weather conditions" as a consequence of the "category 3 severe weather conditions" being removed under the Electricity (Standards of Performance) (Amendment) Regulations 2023 (S.I. 2023/887)

Regulation 2(3) removes the reference to "category 3" severe weather conditions as a consequence of the "category 3 severe weather conditions" being removed under the Electricity (Standards of Performance) (Amendment) Regulations 2023 (S.I. 2023/887)

Regulation 2(4) reduces the time period from 12 hours to 6 hours for each period of time that compensation is payable after the relevant period has expired. The maximum amount that can be paid to a customer under this provision has been increased from \pounds 700 to the prescribed cap as set out in Part 1A of Schedule 2 to the Principal Regulations.

An impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sectors is foreseen.