

Proposed form of Licensing Direction

DIRECTION

Pursuant to section 167 of the Energy Act 2023 the Secretary of State gives the following Direction.

Whereas:

- (a) National Grid Electricity System Operator Limited, company registration number 11014226 (the "Company") holds a licence under section 6(1)(b) of the Electricity Act 1989 (the "Existing Licence").
- (b) The Existing Licence is a pre-commencement transmission licence for the purposes of section 167 of the Energy Act 2023 (the "Energy Act").
- (c) The Secretary of State has consulted the Gas and Electricity Markets Authority and the Company about this Direction.

1 Effectiveness

- 1.1 This Direction has effect if the Secretary of State designates the Company as the Independent System Operator and Planner under section 162(1) of the Energy Act.
- 1.2 In this Direction:
 - (a) the time from which that designation has effect is referred to as the "designation time";
 - (b) "code" means any document maintained in accordance with the conditions of the Existing Licence, and includes any agreement that gives effect to such a document.

2 Amendment and treatment of the Existing Licence

- 2.1 With effect from the designation time, the Existing Licence:
 - (a) has effect as a licence granted to the Company under section 6(1)(da) of the Electricity Act 1989 (the "New Licence");
 - (b) ceases to have effect as a licence treated as granted to the Company under section 6(1)(b) of that Act.
- 2.2 The New Licence is in the form and includes the terms and conditions set out in the Schedule to this Direction.
- 2.3 The cessation of effect of the Existing Licence under clause 2.1(b) is without prejudice to any rights, liabilities or obligations accrued before the designation time under the Existing Licence.

3 Continuing Effect

- 3.1 Clause 3.2 applies where:
 - (a) the New Licence includes a condition (a "new condition") which corresponds to a condition of the Existing Licence (an "existing condition"), and

- (b) under or in accordance with the existing condition:
 - (i) a statement, code or other document was prepared or maintained by the Company,
 - (ii) a direction, consent, derogation, determination, guidance document or other instrument was given, made or issued by the Authority or the Secretary of State, or
 - (iii) any other thing was done by the Company, the Authority or the Secretary of State

(each a "relevant matter") which was in effect immediately before the designation time.

- 3.2 Where this clause 3.2 applies, the relevant matter has continuing effect after the designation time as if it were prepared, maintained, given, made, issued or done under or in accordance with the new condition, subject [(in the case of Clause 3.1((b)(ii))] to any exception or modification specified by the Authority by notice published not later than the date of this Direction.
- 3.3 The rights, liabilities and obligations of any person in connection with any existing condition, or any code prepared or maintained in accordance with it, that have effect immediately prior to the designation time, have continuing effect in connection with the new condition, or (as the case may be) such code as continuing pursuant to clause 3.2.

Schedule

[To set out the licence terms and conditions in full]