

Future System Operation Team
10 South Colonnade
Canary Warf
London
E14 4PU

By email: FSO@ofgem.gov.uk

19th January 2024

Julie Struthers

0141 614 9173

Dear Future System Operation Team,

Future System Operator – Draft amendments to other impacted licences consultation

This response is from SP Energy Networks (SPEN). SPEN owns and operates the electricity distribution networks in the Central Belt and South of Scotland (SP Distribution plc) which serves approximately two million customers, and North Wales, Merseyside, Cheshire and North Shropshire (SP Manweb plc) which serves approximately one and a half million customers. We also own and maintain the electricity transmission network in Central and South Scotland (SP Transmission plc). We welcome the opportunity to respond to this consultation.

Consultation questions

Q1. Have we correctly identified the impacts of the FSO licence proposals on other licences?

We have provided our feedback on the proposed changes to the Electricity Distribution Standard Licence Conditions below. We do not have any comments on the proposed amendments to the Electricity Distribution Special Licence Conditions, the Electricity Transmission Standard Licence Conditions and the Electricity Transmission Special Licence Conditions.

Licence Name, Condition no.	Feedback text
Electricity Distribution SLCs, SLC 1.3, Definitions	The term 'National Transmission System Operator Area' is defined as 'the area specified in Schedule 1 to the ISOP's Electricity System Operator licence'. We note that there does not appear to be a 'Schedule 1' included in the draft ISOPs Electricity System Operator licence conditions.

Q3. Do you have any other comments?

Although consequential policy changes are not the focus of this consultation, we want to reiterate the following concerns raised in our attached email 'SPEN Response – Future System Operator Second Policy Consultation and Project Update and FSO Draft Licences.'

As noted in our previous response, we broadly support the FSO roles in the consultation, including understanding and planning system resilience, preparing for emergencies, and learning from emergencies. Regarding the FSO's responsibility to plan system security and resilience across the energy system, we note that this responsibility is critical to ensuring energy security. However, the network licensees have extensive experience with planning system resilience, so the FSO role should be one of collaboration and coordination alongside TOs. Furthermore, we urge caution to the intended expansion of the FSO's responsibility for transmission and distribution system security beyond the whole system and strategic role. At this stage of the FSO's inception, the detailed knowledge, experience, and lessons from the network licensees could assist the FSO in implementing its mandate. Therefore, we urge coordination with network licensees and seek further clarification on how the FSO's role in system security and resilience interacts with network licensees.

Secretary of State Roles

We recognise the planned powers of the Secretary of State to act when there is a risk to the energy system's resilience, safety, or security. We note the additional provision for the Secretary of State to relieve the FSO of any obligations under its licenses where the obligation conflicts with the direction. The above provision may equally have the consequence of impacting the ability of electricity network licensees to comply with their Licences, so similar powers for licence derogations for network licenses should be introduced and applied as required.

Yours sincerely,



Julie Struthers
Regulation Senior Analyst