

FAO: James Hill, ESO Regulation

By email: [ESOPerformance@ofgem.gov.uk](mailto:ESOPerformance@ofgem.gov.uk)

8 March 2024

Dear James,

**Consultation on potential modifications to generation licence for suitability to assets dedicated to providing network services**

Transmission Investment (TI) is a leading independent electricity transmission business in the UK, with over ten years of experience developing, acquiring and managing large complex infrastructure projects. TI manages one of the largest offshore electricity transmission portfolios in Great Britain (GB), in total we currently manage a portfolio of approximately 4GW and £3billion in capital employed. TI is also leading the development of two electricity interconnector projects in support of the UK's Net Zero ambition. This includes a proposed 700MW link between Northern Ireland and Scotland known as "LirIC", as well as the FAB interconnector between GB and France. We have successfully participated in the NG ESO Pathfinder programme, securing contracts to provide stability services at four sites in the two recent stability tenders. We are a strong advocate of introducing competition to deliver electricity transmission faster and cheaper.

We are pleased to provide our views with regards to the consultation on potential modifications to the generation licence for assets providing network services. We agree with Ofgem's proposal to include two new definitions in the generation licence for assets dedicated to providing network services in order to activate conditions that were drafted without these assets in mind. We support the proposed scope of assets to be captured by the definitions, however we propose one minor edit to the definitions (included in tracked changes as an annex to our submission for clarity).

We are supportive of the proposal to address any necessary changes through the addition of a new section to the generation licence, as this appears to be aligned to the approach taken for other asset types. We agree with Ofgem's assessment that Licence Condition 14 does not suitably apply for assets dedicated to providing network services, and at this time are not aware of any other conditions in the generation licence which do not apply suitably.

Finally we recognise that Ofgem is seeking to provide further clarity on the regulatory treatment of assets dedicated to providing network services in the first half of 2024, and we would urge Ofgem to ensure that interim arrangements are not slowed whilst this is being considered. We would like to impress the importance of moving at pace to progress the necessary amendments to the Generation Licence as soon as possible.

We hope the contents of the letter are helpful and we would be pleased discuss any points raised.

Yours faithfully



**Mark Fitch**  
Corporate Development Director

Annex

Suggested edit to definition, marked in red:

***“Assets dedicated to providing network service(s)”***

*Means assets that:*

*(a) have the capability to provide, in a dedicated manner, network service(s) to the system operator and,*

*(b) are or will be operated by an authorised business that has been awarded a contract on or after 1 March 2022 of length greater than 1 day by the system operator to deliver those network services and,*

*(c) do not generate electricity for purposes other than to deliver the contracted network service(s).*