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20 October 2026

To: All holders of an electricity transmission licence

Electricity Act 1989
Section 11A(1)(b)

Modification of the standard conditions of all electricity transmission licences

1. Each of the licensees to whom this document is addressed is the holder of an electricity transmission licence which has been granted or treated as granted under 6(1)(b) of the Electricity Act 1989 (the Act).

2. Under section 11A(2) of the Act, the Gas and Electricity Markets Authority ('the Authority')[1] gave notice on 1 July 2026[2] ('the Notice') that we propose to modify the following standard conditions:
    a. A1: Definitions and interpretations
    b. B2: Independence of the transmission business
    c. B3: Disposal of relevant assets and restriction on charges over receivables;
    d. B6: Restriction on activity and financial ring-fencing;
    e. B7: Availability of Resources;
    f. B9: Indebtedness;
    g. B10: Credit rating of the licensee and related obligations; and
    h. B22: Requirement for sufficiently independent directors.

3. We stated that any representations to the modification proposal must be made on or before 12 August 2026.

4. A copy of the Notice was sent to the Secretary of State in accordance with section 11A(4)(b) of the Act, and we have not received a direction that the change should not be made.

5. We received 12 responses to the Statutory Consultation to which this Notice relates, which we carefully considered. We have placed all non-confidential responses on our website. Our response to these comments is set out at Schedule 2 of the accompanying decision.

[1] The terms "the Authority", "we" and "us" are used interchangeably in this document.

[2] We issued notice to OFTOs and Mersey Reactive Power Ltd on 14 July 2026.

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6. It is necessary to make a number of alterations to the modifications set out in the Notice. These alterations are shown highlighted in yellow in the attached Schedule 1. The reasons for any differences between the modifications set out in the Notice and the modifications reflected in Schedule 1 - Modifications to the Electricity Transmission Standard Licence Conditions are to correct typographical errors and to address issues and corrections raised since the issuing of the Notice.

7. The reasons and effects for making the modifications, together with the full text of the modifications and associated documents, can be found at Energy Networks Ring-fence Review statutory consultation | Ofgem. Alternatively they are available from foi@ofgem.gov.uk.

8. In addition, further details and background on these changes are set out in the following documents:

    a. Ring fence review: energy networks call for input[3];
    b. Energy Networks Ring-fence Review consultation[4]; and
    c. Energy Networks Ring-fence Review statutory consultation[5]

9. Where an application for permission to appeal our decision is made to the Competition and Markets Authority (CMA) under section 11C of the Act, Rule 5.6 of the Energy Licence Modification Appeals: Competition and Markets Authority Rules6 requires that the appellant must send to any relevant licence holders who are not parties to the appeal a non-sensitive notice setting out the matters required in Rule 5.2. Section 11A(10) of the Act sets out the meaning of 'relevant licence holder'.

10. Under the powers set out in section 11A(1)(b) of the Act, we hereby modify the standard licence conditions for all electricity transmission licensees in the manner specified in attached Schedule 1. This decision will take effect from 16 December 2026.

[3] https://www.ofgem.gov.uk/call-for-input/ring-fence-review-energy-networks

[4] https://www.ofgem.gov.uk/consultation/energy-networks-ring-fence-review-consultation

[5] https://www.ofgem.gov.uk/consultation/energy-networks-ring-fence-review-statutory-consultation

[6] CMA70 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/655601/energy-licence-modification-appeals-rules.pdf

11. This document is notice of the reasons for the decision to modify the electricity transmission licence held by each of the licensees described above as required by section 49A of the Act.

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Mick Watson
Deputy Director
Duly authorised on behalf of the
Gas and Electricity Markets Authority

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