

Guidance

Ancillary Document 1: Electricity Transmission Standard Licence Conditions Amendments

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This document contains the proposed textual changes to the Electricity Transmission Standard Licence Conditions, to give effect to the proposals to expand the scope of self-build and transfer of transmission level assets.

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Amendments

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1. Introduction

This document contains proposed modifications to the Electricity Transmission Standard Licence Conditions. It does not reproduce the licence conditions in full and includes only those provisions affected by the proposed changes. The section summaries below indicate whether the provisions shown are new or contain amendments to existing licence conditions. Where amendments are proposed, the new text is highlighted in red.

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2. Definitions

Section summary

The following definitions are proposed for inclusion in the licence.

Terms and Descriptions

- 2.1 **Adoption Agreement:** the agreement to be offered by a Relevant Transmission Licensee and entered into between the Relevant Transmission Licensee and a User under the Self-Build and Transfer Arrangements
- 2.2 **Adoption Agreement Guidance:** The guidance produced and published by the Authority which for Transmission Owner must have regard to when drafting the Standard Adoption Agreement
- 2.3 **Contestable or Contestably:** in the context of the Self-Build and Transfer Arrangements means the activities and/or works in respect of Sole Use Transmission Assets between a Connection Point and SBT Point of Connection as set out in the Relevant Transmission Licensees' published guidance **Contestable Works:** in relation to a particular User where the Self-Build and Transfer Arrangements apply means the Contestable activities and/or works as set out in and to be undertaken under the Adoption Agreement
- 2.4 **Non-Contestable Works:** the activities and works that can only be undertaken by a Relevant Transmission Licensee (which includes any Transmission works identified in the Centralised Strategic Network Plan at the time the Adoption Agreement is entered into] as set out in the Relevant Transmission Licensees' published guidance
- 2.5 **Self-Build and Transfer Arrangements:** the Contestable arrangements as set out in combination in CUSC Section 20, the Transmission Licences and the Adoption Agreement
- 2.6 **Standard Adoption Agreement:** The template Adoption Agreement setting out the standard terms and conditions that apply to all Self-Build and Transfer Arrangements

3. Condition D4A: Obligations in relation to offers for connection etc

Section summary

The text highlighted in red is proposed to be inserted into Condition D4A. This document does not reproduce the Electricity Standard Licence Conditions in full. Only those provisions affected by the proposed changes in Condition D4A are included below. Text shown in red identifies the amendments to be made to the existing provisions.

Paragraph 1

- 3.1 1) On notification by the ISOP of receipt on or after the BETTA go-live date of an application for a connection or for modification to an existing connection, in accordance with paragraph E12.5 of condition E12 (Requirement to offer terms) of the Electricity System Operator Licence by a person who is required to meet and whom the ISOP is satisfied meets the Gate 2 Criteria, or a person who is not required to meet the Gate 2 Criteria, the licensee shall (subject to paragraph 3, paragraph 5 and **paragraph 7**), offer to enter into an agreement with the ISOP that makes detailed provision regarding:

Paragraph 2

- 3.2 2) On notification by the ISOP of receipt on or after the BETTA go-live date of an application made in accordance with paragraph E12.7 of condition E12 (Requirement to offer terms) of the Electricity System Operator Licence by any person, or made in accordance with paragraph E12.5 of condition E12 by a person who is required to meet but does not meet the Gate 2 Criteria, the licensee shall (subject to paragraph 3, paragraph 5 and **paragraph 7**), provide an information submission to the ISOP that makes provision regarding

Paragraph 7

- 3.3 **7) On notification by the ISOP of receipt on or after the BETTA go-live date of an application in accordance with paragraphs 1 and 2 above, where the connecting customer has indicated a preference to undertake some of the works Contestably (in accordance with the self-build and transfer requirements in condition D19) then the licensee shall:**
- (a) Engage with the connecting customer to agree the point of connection, what work will be undertaken Contestably and the indicative timelines for doing this work. The licensee must seek to minimise, to the fullest extent reasonably practical, the instances when they do not agree for the work to be undertaken Contestably and must always provide justification for that decision based on the requirements of other connecting customers.**

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- (b) Enter into an Adoption Agreement with the User for the self-build and transfer of the assets. The terms of this Adoption Agreement should be the same as terms in the Standard Adoption Agreement, unless both parties have agreed to change these, and those changes do not result in any adverse impact to the wider consumer base.
- (c) Fulfil their obligations under the Adoption Agreement. This includes adopting the assets if the relevant independent third party certifies that the User has delivered the assets to the agreed requirements

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4. Condition D5: Prohibition on engaging in preferential or discriminatory behaviour

Section summary

The text highlighted in red is proposed to be inserted into Condition D5. This document does not reproduce the Electricity Standard Licence Conditions in full. Only those provisions affected by the proposed changes in Condition D5 are included below.

Paragraph 1(d)

- 4.1 1)d) in meeting its obligations under standard condition D19 (Requirements in relation to self-build and transfer connections); and

5. Condition D19: Requirements in relation to self-build and transfer connections

Section summary

The text highlighted in red is proposed to be inserted into Condition D19. This document does not reproduce the Electricity Standard Licence Conditions in full. Only those provisions affected by the proposed changes in Condition D19 are included below.

Part A: Objective

- 5.1 1) The licensee must facilitate effective competition in connections by working collaboratively with connection customers seeking to self-build and transfer their connections (under condition D4A paragraph 7).

Part B: Document containing the information relating to Self-Build and Transfer Arrangements including the Standard Adoption Agreement

- 5.2 2) The licensee shall publish, in a clear and accessible form on its Website, and abide by a document containing the information relating to Self-Build and Transfer Arrangements, including:
- (a) a Standard Adoption Agreement;
 - (b) information on what constitutes Contestable and Non-Contestable Works;
 - (c) information on applicable technical, design and operational standards;
 - (d) the process and timescales for adoption; and
 - (e) grounds upon which adoption may be refused.
- 5.3 3) All licensees in whose licence this condition has effect must ensure consistency in their approach in relation to their Self-Build and Transfer Arrangements, which should be evident in the document published under paragraph 2 above.
- 5.4 4) The licensee must periodically review (including upon request of the Authority) the document set out in paragraph 2 above and, subject to the governance arrangements, make such modifications as are necessary for the purpose of better achieving the objective set out in paragraph 1 above.

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- 5.5 5) The Authority may (after consulting with the licensee and, where appropriate, any other materially affected party) issue a direction amending the governance arrangements of the document set out in paragraph 2 above.
- 5.6 6) A direction issued by the Authority under paragraph 5 above will be of no effect unless, before issuing it, the Authority has:
- (a) by notice to all licensees in whose licence this condition has effect, set out the text of the proposed modifications to the governance arrangements that it proposes to direct;
 - (b) specified in the notice the reasons for the Authority's proposals;
 - (c) specified in the notice the date or dates on which it proposes that the modifications should take effect;
 - (d) specified in the notice the period (which may not be less than 28 days from the date of the notice) within which the licensee may make representations to the Authority about its proposals; and
 - (e) considered any representations duly received in response to the notice.

Part C: Standard Adoption Agreement and refusals to adopt

- 5.7 7) In accordance with paragraph 2 above, the licensee must develop, publish and maintain a Standard Adoption Agreement for the transfer of assets constructed by connection customers under Self-Build and Transfer Arrangements. In satisfying the requirements of this condition the licensee must have due regard to the Adoption Agreement Guidance.
- 5.8 8) The licensee may only refuse to adopt connection assets built under Self-Build and Transfer Arrangements on reasonable and objective technical or safety grounds, which must be clearly set out in its Standard Adoption Agreement and published standards as per paragraph 2 above.

Part D: Charging Statements

- 5.9 9) The Licensee shall ensure that its charging statements provide information on Self-build and Transfer Arrangements, including examples of how the charges could be calculated when some of the works is done Contestably. This must be presented in such form and with such detail as are necessary to allow the connecting customer to make an informed choice as to what, if any, works they want to undertake themselves.