

Note:

- 1** This document illustrates the proposed modifications to the generation licences which it is anticipated the Secretary of State will make in exercise of her powers under Chapter 1 of Part 3 of the Energy Act 2004 (save that this document does not show deleted conditions).
- 2** The text of the proposed modifications to the generation licences which it is anticipated the Secretary of State will make (“proposed designation text”) is contained in a number of annexes (the “Annexes”) which are also being published on this website today. (It is anticipated that annexes in the same form as the Annexes will form part of the direction from the Secretary of State to modify the generation licences).
- 3** The attached document, which is being made available for information purposes only, is intended to illustrate the proposed designation text in the context of the relevant licence conditions. It should not, however, be relied upon in any consideration of the proposed modifications, for which reference should be made to the proposed designation text referred to at paragraph 2 above.
- 4** There may be differences between the way the proposed modifications are illustrated in the attached documents and the way the proposed designation text is expressed in the Annexes. Any differences are unintentional and may be due to the software used to produce the attached documents.

GENERATION LICENCE CONDITIONS

ENDURING MODIFICATIONS

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STANDARD CONDITIONS

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Condition 1. Definitions and Interpretation

1. In the standard conditions unless the context otherwise requires:

the "Act" means the Electricity Act 1989.

"affiliate" in relation to any person means any holding company of such person, any subsidiary of such person or any subsidiary of a holding company of such person, in each case within the meaning of sections 736, 736A and 736B of the Companies Act 1985.

"alternative accounting rules" for the purposes of standard condition 16 (Regulatory Accounts) only, has the meaning given in that condition.

"ancillary services" means:

(a) such services as the licensee may be required to have available in association with any generation set pursuant to ~~any~~the Grid ~~Codes~~Code; and

(b) such services as the licensee may have agreed to have available in association with any generation set pursuant to any agreement made with ~~a transmission company,~~the
system operator,

and which may be offered for sale to ~~a~~
~~transmission company~~the system operator
for the purpose of securing stability of operation on ~~a~~the GB transmission system and/or a distribution system of any

	authorised electricity operator.
"auditors"	means the licensee's auditors for the time being holding office in accordance with the requirements of the Companies Act 1985.
"authorised"	in relation to any business or activity means authorised by licence granted or treated as granted under section 6 or exemption granted under section 5 of the Act.
"authorised activities"	for the purposes of standard condition 15 (Other Powers etc) only, has the meaning given in that condition.
"authorised electricity operator"	means any person (other than the licensee) who is authorised to generate, transmit participate in the transmission of , distribute or supply electricity and, for the purposes of the standard conditions shall include any person who has made an application to be so authorised which application has not been refused and any person lawfully transferring electricity to or from or across Great Britain or any part thereof or to or from across an interconnector or Scottish interconnection (or who has made application for use of an interconnector or Scottish interconnection which has not been refused).
"the Authority"	means the Gas and Electricity Markets Authority established under section 1 of the Utilities Act 2000.

"BSC"	for the purposes of Section B only, has the meaning given in standard condition 9 (Balancing and Settlement Code and NETA implementation)
"BSC Framework Agreement"	for the purposes of standard condition 9 (Balancing and Settlement Code and NETA implementation) only, has the meaning given in that condition.
"bilateral agreement"	for the purposes of standard condition 19 (Compliance with CUSC) only, has the meaning given in that condition.
"construction agreement"	for the purposes of standard condition 19 (Compliance with CUSC) only, has the meaning given in that condition.
"Consumer Council"	means the Gas and Electricity Consumer Council established by section 2 of the Utilities Act 2000.
"core industry documents"	for the purposes of standard conditions 9 (Balancing and Settlement Code and NETA Implementation) and 10 (Change Co-ordination for NETA <u>BSC</u>) only, has the meaning given in standard condition 9; and for the purposes of standard condition 19 (Compliance with CUSC) only, has the meaning given in that condition.
"current costs assets"	for the purposes of standard condition 16 (Regulatory Accounts) only, has the meaning given in that condition.
"CUSC"	for the purposes of standard condition 19

	(Compliance with CUSC) only, has the meaning given in that condition.
"CUSC Framework Agreement"	for the purposes of standard condition 19 (Compliance with CUSC) only, has the meaning given in that condition.
"customer"	means any person supplied or requiring to be supplied with electricity at any premises in Great Britain but shall not include any authorised electricity operator in its capacity as such.
"Distribution Code"	means a Distribution Code required to be prepared by a licensed distributor pursuant to standard condition 9 (Distribution Code) of a distribution licence and approved by the Authority and revised from time to time with the approval of the Authority.
"distribution licence"	means a distribution licence granted or treated as granted under section 6 (1) (c) of the Act.
"distribution system"	means the system consisting (wholly or mainly) of electric lines owned or operated by an authorised distributor and used for the distribution of electricity from grid supply points or generation sets or other entry points (and bulk supply points in Scotland) to the point of delivery to customers or authorised electricity operators or any transmission company licensee within Great Britain in its capacity as operator of a the licensee's transmission system or the GB

transmission system and includes any remote transmission assets (owned by a transmission licensee within England and Wales) operated by such distributor and any electrical plant, meters and metering equipment owned or operated by such distributor in connection with the distribution of electricity, but shall not include any part of ~~a~~[the GB](#) transmission system.

"effective time"

for the purposes of standard condition ~~8 (Pooling and Settlement Agreement Run-Off) and standard condition~~ 9 (Balancing and Settlement Code and NETA Implementation) only, has the meaning given in ~~standard~~[that](#) condition ~~8 (Pooling and Settlement Agreement Run-Off)~~.

"electricity supplier"

means any person authorised to supply electricity.

"estimated costs"

for the purposes of standard condition 4 (Payments by the Licensee to the Authority) only, has the meaning given in that condition.

"extension"

shall be construed in accordance with standard condition 14 (Compulsory Acquisition of Land etc).

"financial year"

means subject to standard condition 16A (Change of Financial Year) (where applicable) a period of 12 months beginning on 1st April of each year and ending on 31st

March of the following calendar year.

"Fuel Security Code"

for the purposes of Section B only, has the meaning given in standard condition 7 (Security Arrangements).

"GB transmission system"

means the system consisting (wholly or mainly) of high voltage electric lines owned or operated by transmission licensees within Great Britain and used for the transmission of electricity from one generating station to a sub-station or to another generating station or between sub-stations or to or from any interconnector and includes any electrical plant or meters owned or operated by any transmission licensee within Great Britain in connection with the transmission of electricity.

"generating station"

shall be construed in accordance with standard condition 14 (Compulsory Acquisition of Land etc).

"generation business"

means the authorised business of the licensee or any affiliate or related undertaking of the licensee in the generation of electricity and the provision of ancillary services.

"generation licence"

means a generation licence granted or treated as granted under section 6(1)(a) of the Act.

"generation set"

means any plant or apparatus for the production of electricity and shall where appropriate include a generating station

	comprising more than one generation set.
"generating unit"	for the purposes of standard condition 18 (Generating Unit Availability) only, has the meaning given in that condition.
"Grid Code"	means the grid code which each transmission company <u>the system operator</u> is required to prepare and have approved by the Authority as from time to time revised with the approval of the Authority.
"grid supply point"	means any point at which electricity is delivered from at <u>the GB</u> transmission system to any distribution system.
"the handbook"	for the purposes of standard condition 16 (Regulatory Accounts) only, has the meaning given in that condition.
"holding company"	means a holding company within the meaning of sections 736, 736A and 736B of the Companies Act 1985.
"information"	shall include any documents, accounts, estimates, returns or reports, records and any data in verbal, written or electronic form and information in any form or medium whatsoever.
"interconnector"	means the electric lines and electrical plant and meters owned or operated by a transmission company <u>licensee</u> solely for the transfer of electricity to or from at <u>the GB</u> transmission system into or out of England and Wales <u>Great Britain</u> .

~~"interconnection"~~

~~means:~~

~~the 275 kV and 400 kV circuits between and including the associated switchgear at Harker sub-station in Cumbria and the associated switchgear at Strathaven sub-station in Lanarkshire;~~

~~the 275kV transmission circuit between and including the associated switchgear at Cockenzie in East Lothian and the associated Switchgear at Stella in Tyne and Wear; and~~

~~the 400kV transmission circuit between and including the associated switchgear at Torness in East Lothian and the associated switchgear at Stella in Tyne and Wear~~

~~all as existing at the date on which the transmission licence comes into force as from time to time maintained, repaired or renewed, together with any alteration, modification or addition (other than maintenance, repair or renewal) which is primarily designed to effect a permanent increase in one or more particular interconnection capacities as they exist immediately prior to such alteration, modification or addition and as from time to time maintained, repaired or renewed; and~~

~~the 132kV transmission circuit between and including (and directly connecting) the associated switchgear at Chapeleross and the~~

~~associated switchgear at Harker sub-station in Cumbria; and~~

~~the 132kV transmission circuit between and including (and connecting via Junction V) the associated switchgear at Chapeleross and the associated switchgear at Harker sub-station in Cumbria~~

~~all as existing at the date on which the transmission licence comes into force and as from time to time maintained, repaired or renewed.~~

"licensed distributor"

means any holder of a distribution licence.

"licensee's transmission system"

means those parts of the GB transmission system which are owned or operated by a transmission licensee within its transmission area.

"participating interest"

has the meaning given by section 260 of the Companies Act 1985, as amended by section 22 of the Companies Act 1989.

"planned availability period"

for the purposes of standard condition 18 (Generating Unit Availability) only, has the meaning given in that condition.

"Pooling and Settlement Agreement"

means the agreement of that title approved by the Secretary of State as from time to time amended.

"related undertaking"

in relation to any person means any undertaking in which such person has a participating interest.

"relevant proportion"	for the purposes of standard condition 4 (Payments by the Licensee to the Authority) only, has the meaning given in that condition.
"relevant year"	for the purposes of standard condition 4 (Payments by the Licensee to the Authority) only, has the meaning given in that condition.
"remote transmission assets"	means any electric lines, electrical plant or meters in England and Wales owned by a transmission company licensee (the "owner transmission company licensee ") which <ul style="list-style-type: none"> (a) are embedded in a distribution system of any authorised distributor, and are not directly connected by lines or plant owned by the owner transmission companylicensee to a sub-station owned by the owner transmission companylicensee; and (b) are by agreement between the owner transmission companylicensee and such authorised distributor operated under the direction and control of such authorised distributor.

"run-off"	for the purposes of standard condition 8 (Pooling and Settlement Agreement Run-Off) only, has the meaning given in that condition.
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"Scottish interconnection Section C (system operator standard conditions)	means such part of the interconnection as is situated in Scotland a direction issued by the
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Direction"

Authority or the Secretary of State, where appropriate, in accordance with standard condition A2 (Application of Section C) of the standard conditions for electricity transmission licences.

"separate business"

means each and any of

- (a) the generation business of the licensee;
- (b) the supply business of the licensee;
- (c) any distribution business of an affiliate or related undertaking of the licensee; and
- (d) any transmission business of an affiliate or related undertaking of the licensee

taken separately from one another (but so that where all or any part of such business is carried on by an affiliate or related undertaking of the licensee, such part of the business as is carried on by that affiliate or related undertaking shall be consolidated with any such other business of the licensee and of any other affiliate or related undertaking of the licensee so as to form a single separate business).

"statutory accounts"

means the accounts that the licensee prepares under the Companies Act 1985 (as amended by the Companies Act 1989).

"subsidiary"

has the meaning given in sections 736, 736A and 736B of the Companies Act 1985.

"supply licence"

means a supply licence granted or treated as granted under section 6(1)(d) of the Act.

"system operator"

means the holder for the time being of a transmission licence in relation to which licence the Authority or the Secretary of State, where appropriate, has issued a Section C (system operator standard conditions) Direction and where Section C remains in effect (whether or not subject to any terms included in the Section C (system operator standard conditions) Direction or to any subsequent variation of its terms to which the licensee may be subject).

"terms"

means the terms contained in Part I of this licence and in any provisions in a Schedule referred to in such terms.

~~"transmission company"~~

~~means the holder for the time being of a transmission licence.~~

"transmission licence"

means a transmission licence granted or treated as granted under section 6(1)(b) of the Act.

"transmission ~~system~~licensee"

means ~~a system consisting (wholly or mainly) of high voltage electric lines owned or operated by~~ the holder for the time being of a transmission licence ~~in its authorised area and used for the transmission of electricity from one generating station to a sub-station or to another generating station~~

~~or between sub-stations or to or from any interconnector or Scottish interconnection in question and in relation to Scotland including any interconnector and Scottish interconnection, and includes any electrical plant and meters owned or operated by such transmission company in connection with the transmission of electricity but shall not include any remote transmission assets.~~

"undertaking"

has the meaning given by section 259 of the Companies Act 1985 as amended by section 22 of the Companies Act 1989.

2. Any words or expressions used in the Utilities Act ~~2000~~[or 2000](#), Part I of the Act [or the Energy Act 2004](#) shall, unless the contrary intention appears, have the same meaning when used in the standard conditions.
3. Except where the context otherwise requires, any reference to a numbered standard condition (with or without a letter) or Schedule is a reference to the standard condition or Schedule (with or without a letter) bearing that number in this licence, and any reference to a numbered paragraph (with or without a letter) is a reference to the paragraph bearing that number in the standard condition or Schedule in which the reference occurs, and reference to a Section is a reference to that Section in these standard conditions.
4. These standard conditions shall have effect as if in relation to references to a licence holder who is a natural person, the words "it", "its" and "which" there are substituted the words "he", "him", "his" and "whom", and cognate expressions shall be construed accordingly.
5. Except where the context otherwise requires, a reference in a standard condition to a paragraph is a reference to a paragraph of that condition and a reference in a paragraph to a sub-paragraph is a reference to a sub-paragraph of that paragraph.

6. Any reference in these standard conditions to:
 - (a) a provision thereof;
 - (b) a provision of the standard conditions of electricity supply licences, or
 - (c) a provision of the standard conditions of electricity distribution licences, or
 - (d) a provision of the standard conditions of electricity transmission licences,shall, if these standard conditions or the standard conditions in question come to be modified, be construed, so far as the context permits, as a reference to the corresponding provision of these standard conditions or the other standard conditions in question as modified.
7. In construing the standard conditions, the heading or title of any standard condition or paragraph shall be disregarded.
8. Any reference in a standard condition to the purposes of that condition generally is a reference to the purposes of that condition as incorporated in this licence and as incorporated in each other licence under section 6(1)(a) of the Act (whenever granted) which incorporates it.
9. Where any obligation under in or pursuant to the licence is required to be performed by a specified date or within a specified period, and where the licensee has failed so to perform by such date or within such period, such obligation shall continue to be binding and enforceable after the specified date or after the expiry of the specified period (but without prejudice to all rights and remedies available against the licensee by reason of the licensee's failure to perform by that date or within that period).
10. Anything required by or under these standard conditions to be done in writing may be done by facsimile transmission of the instrument in question or by other electronic means and, in such case:
 - (a) the original instrument or other confirmation in writing shall be delivered or sent by pre-paid first-class post as soon as is reasonably practicable, and
 - (b) where the means of transmission had been agreed in advance between the

parties concerned, in the absence of and pending such confirmation, there shall be a rebuttable presumption that what was received duly represented the original instrument.

11. The definitions referred to in this condition may include some definitions which are not used or not used exclusively in Sections A and B (which Sections are incorporated in all generation licences). Where:

- (a) any definition is not used in Sections A and B, that definition shall, for the purposes of this licence, be treated:
 - (i) as part of the standard condition or conditions (and the Section) in which it is used;
 - (ii) as not having effect in the licence until such time as the standard condition in which the definition is used has effect within the licence in pursuance of standard condition 2 (Application of Section C (Supplementary Conditions for Scotland)) or standard condition 3 (Application of Section D (Supplementary Conditions for Nuclear Generators));
 - (iii) as not having effect in the licence until such time as the standard condition in which the definition is used has effect within the licence in pursuance of that standard condition;
- (b) any definition which is used in Sections A and B is also used in one or more other Sections:
 - (i) that definition shall only be modifiable in accordance with the modification process applicable to each of the standard conditions in which it is used; and
 - (ii) if any such standard condition is modified so as to omit that definition, then the reference to that definition in this condition shall automatically cease to have effect.

Condition 5. Compliance with ~~the~~ Grid ~~Codes~~Code

1. The licensee shall comply with the requirements of ~~every~~the Grid Code in so far as applicable to it.
2. The Authority may (following consultation with ~~the~~any transmission ~~company~~ responsible for the relevant Grid Codelicensee likely to be affected) issue directions relieving the licensee of its obligation under paragraph 1 in respect of such parts of the ~~relevant~~ Grid Code and to such extent and subject to such conditions as may be specified in those directions.

Condition 9. Balancing and Settlement Code and NETA Implementation

1. Insofar as the licensee shall construct or operate a generating station in ~~England and Wales~~Great Britain, the licensee shall be a party to the BSC Framework Agreement and shall comply with the BSC.
2. The licensee shall comply with the programme implementation scheme established in accordance with paragraph 3, as modified from time to time in accordance with paragraph 5.
3. The programme implementation scheme is a scheme designated by the Secretary of State setting out the steps, including without limitation steps as to the matters referred to in paragraph 4, to be taken (or procured) by the licensee (and/or by authorised electricity operators) which are, in the Secretary of State's opinion, appropriate in order to give full and timely effect to:
 - (a) any modifications made to this licence and to the licences of authorised electricity operators by the Secretary of State pursuant to the power vested in him under section 15A of the Act;
 - (b) any conditions imposed by any exemption from the requirement to hold any such licence; and
 - (c) the matters envisaged by such modifications and conditions.
4. The programme implementation scheme may include provisions, *inter alia*,
 - (a) to secure or facilitate the amendment of any of the core industry documents;
 - (b) to secure that any systems, persons or other resources employed in the implementation of the Pooling and Settlement Agreement may be employed in the implementation of the BSC;
 - (c) for the giving of the indemnities against liabilities to which parties to the Pooling and Settlement Agreement may be exposed;
 - (d) for securing the co-ordinated and effective commencement of implementation of and operations under the BSC, including the testing, trialling and start-up of

the systems, processes and procedures employed in such implementation and employed by authorised electricity operators and others in connection with such operations;

- (e) for co-ordinating the administration and implementation of the BSC and the administration of the Pooling and Settlement Agreement;
- (f) for the licensee to refer to the Authority for determination, whether of its own motion or as provided in the programme implementation scheme, disputes, as to matters covered by the scheme, between persons who are required (by conditions of their licences or exemptions) or who have agreed to comply with the scheme or any part of it; and
- (g) for the Authority, in the circumstances set out in the scheme, to require that consideration be given to the making of a proposal to modify the BSC and, if so, to require the making of such proposal in the manner set out in the scheme, such power to be exercisable at any time within the period of 12 months after the effective time ~~(as defined in standard condition 8 (Pooling and Settlement Run-Off))~~.

5. The Secretary of State:

- (a) may at any time direct, in accordance with the provisions of the programme implementation scheme, that the programme implementation scheme be modified in the manner set out in such direction, in order to give (or continue to give) full and timely effect to the matters described in paragraph 3.
- (b) shall serve a copy of any such direction on the licensee, and thereupon the licensee shall comply with the scheme as modified by the direction.

6. If there is any conflict between the requirements contained in the programme implementation scheme pursuant to paragraph 4(a) and/or imposed on the licensee by paragraphs 2 and 5 of this condition, and those imposed on the licensee by any other condition, the provisions of paragraphs 4(a), 2 and/or 5 (as appropriate) shall prevail.

7. Without prejudice to paragraph 2, the licensee shall use all reasonable endeavours to do such things as may be requisite and necessary in order to give full and timely effect

to the modifications made to this licence as determined by the Secretary of State pursuant to the power vested in him under section 15A of the Act (and to give full and timely effect to the matters envisaged by such modifications).

8. In this condition:

- "BSC" means the Balancing and Settlement Code required to be in place, pursuant to the transmission licence granted to the ~~transmission company in England and Wales~~[system operator](#), as from time to time modified.
- "BSC Framework Agreement" means the agreement of that title, in the form approved by the Secretary of State, by which the BSC is made contractually binding between the parties to that agreement, as from time to time amended with the consent of the Secretary of State.
- "core industry documents" mean those documents which:
- (a) in the Secretary of State's opinion are central industry documents associated with the activities of the licensee and authorised electricity operators, the subject matter of which relates to or is connected with the BSC or the Balancing and Settlement arrangements, and
 - (b) have been so designated by the Secretary of State.

"effective time" [means the start of the first period for trading under the BSC as determined by the](#)

Secretary of State.

Condition 10. Change Co-ordination for ~~NETA~~BSC

1. Insofar as the licensee shall construct or operate a generating station in ~~England and Wales~~Great Britain, the licensee shall take all reasonable measures to secure and implement (consistently with the procedures applicable under or in relation to the core industry documents to which it is party (or in relation to which it holds rights in respect of amendment), as modified or replaced from time to time), and shall not take any steps to prevent or unduly delay, changes to those documents, such changes being changes which are appropriate in order to give full and timely effect to and/or in consequence of any modification which has been made to the BSC.
2. For the purposes of paragraph 1, core industry documents has the meaning given in paragraph 8 of standard condition 9 (Balancing and Settlement Code and NETA Implementation).

Condition 11. Ancillary Services

1. The licensee shall from time to time upon request by ~~any transmission company~~the system operator offer terms for the provision by the licensee of ancillary services from any operating generation set of the licensee.
2. The licensee shall at any time upon request of the Authority provide to the Authority a report containing details of:
 - (a) prices offered pursuant to paragraph 1 for the provision of ancillary services from each generation set of the licensee; and
 - (b) an explanation of the factors justifying the prices offered including (without limitation) details of the licensee's costs associated with making available such ancillary services in conformity with the ~~applicable~~ Grid Code and of providing the same to the ~~transmission company responsible for the relevant Grid Code~~system operator.

Condition 14. Compulsory Acquisition of Land etc

1. Where the Secretary of State provides, by a scheme made under Schedule 7 to the Utilities Act 2000, for this condition to have effect within this licence, the provisions contained in paragraphs 5 to 7 shall apply to the licensee from the date the said scheme takes effect until such date as may be specified for that purpose in the said scheme. The Authority may from time to time direct that such a period is extended.
2. The Authority may issue a direction providing that the provisions of paragraphs 5 to 7 shall have effect in this licence. Where the Authority has issued to the licensee a direction, paragraphs 5 to 7 shall have effect within the licence from the date specified in the Authority's direction until the end of the period specified in the Authority's direction (unless extended by a direction of the Authority).
3. Until:
 - (a) the Secretary of State provides, by a scheme made under Schedule 7 to the Utilities Act 2000, for this condition to have effect within this licence; or
 - (b) the Authority has issued to the licensee a direction for the purposes of this condition,the provisions contained in paragraphs 5 to 7 shall not have effect within this licence.
4. A direction pursuant to paragraph 1 or 2 may be issued at any time from the date the Secretary of State determines these standard conditions pursuant to sub-section 33(1) of the Utilities Act 2000.
5. The powers and rights conferred by or under the provisions of Schedule 3 to the Act (Compulsory Acquisition of Land etc. by Licence Holders) shall have effect (in respect of the licensee) for the purposes set out in paragraph 6 below.
6. The purposes referred to in paragraph 5 above are:
 - (a) the construction or extension of a generating station;
 - (b) activities connected with the construction or extension of a generating station or connected with the operation of a generating station; and

(c) the installation, maintenance, removal or replacement of electric lines, and electrical plant associated with them, connecting a generating station with:

(i) ~~a~~[the GB](#) transmission system; or

(ii) a distribution system.

7. In paragraph 6 above:

(a) the references to "generating station" are to an electricity generating station which

(i) has, or will have when its construction or extension is completed, a capacity of not less than 50 megawatts or such other capacity as may be specified in relation thereto by order of the Secretary of State under section 36(3) of the Act; and

(ii) is, or will be when its extension or construction is completed, operated by or for the licensee; and

(b) "extension" in relation to a generating station includes the use by the person operating the station of any land (wherever situated) for a purpose directly related to the generation of electricity by that station.

Condition 15. Other Powers etc.

1. Where the Secretary of State provides, by a scheme made under Schedule 7 to the Utilities Act 2000, for this condition to have effect within this licence, the provisions contained in paragraphs 5 to 8 shall apply to the licensee from the date the said scheme takes effect until such date as may be specified for that purpose in the said scheme. The Authority may from time to time direct that such a period is extended.
2. The Authority may issue a direction providing that the provisions of paragraphs 5 to 8 shall have effect in this licence. Where the Authority has issued to the licensee a direction, paragraphs 5 to 8 shall have effect within the licence from the date specified in the Authority's direction until the end of the period specified in the Authority's direction (unless extended by a direction of the Authority).
3. Until:
 - (a) the Secretary of State provides, by a scheme made under Schedule 7 to the Utilities Act 2000, for this condition to have effect within this licence; or
 - (b) the Authority has issued to the licensee a direction for the purposes of this condition,the provisions contained in paragraphs 5 to 8 shall not have effect within this licence.
4. A direction pursuant to paragraph 1 or 2 may be issued at any time from the date the Secretary of State determines these standard conditions pursuant to sub-section 33(1) of the Utilities Act 2000.
5. The powers and rights conferred by or under the provisions of Schedule 4 to the Act (Other Powers etc. of Licence Holders) shall, subject to paragraph 6 below, have effect to enable the licensee to carry on its authorised activities:
 - (a) in relation to, or in pursuance of, the installation, inspection, maintenance, adjustment, repair, alteration, replacement and removal of:
 - (i) electric lines specified in paragraph 6 below;
 - (ii) electrical plant associated with such lines; and

- (iii) any structures for housing or covering such lines or plant;
 - (b) in relation to the installation of electrical plant to be used in connection with a generating station or the operation thereof;
 - (c) in relation to electric lines or electrical plant as if the references to them in Schedule 4 to the Act included pipes for conveying directly to consumers' premises heat produced in association with electricity and steam produced from air and water heated by such heat and associated works in relation to such pipes and as if "associated works" had the meaning given in section 10(3) of the Act.
6. Electric lines are specified for the purposes of sub-paragraph (a) of paragraph 5 above:
- (a) if they connect, or will connect when installed, a generating station with:
 - ~~a~~ [the GB](#) transmission system; or
 - any distribution system
 - (b) where "electric lines" has the extended meaning given by paragraph 5(c) above, if they connect a generating station with any premises.
7. Paragraph 10 of Schedule 4 to the Act shall apply to the licensee if:
- (a) it wishes to exercise its rights of entry on land for the purpose of establishing whether or not the land is suitable for the construction or extension of a generating station; and
 - (b) it obtains the consent of the Authority before exercising those rights.
8. In this condition:
- | | |
|-------------------------|---|
| "authorised activities" | means the activities which the licensee is authorised by the licence to carry on, and shall include any purpose connected with the supply to any premises of heat produced in association with electricity and steam produced from air and water heated by such |
|-------------------------|---|

heat.

"generating station"

has the meaning given in paragraph 7 of standard condition 14 (Compulsory Acquisition of Land etc).

"extension"

in relation to a generating station, has the meaning given in paragraph 7 of standard condition 14 (Compulsory Acquisition of Land etc).

Condition 18. Generating Unit Availability

1. Where the Secretary of State provides, by a scheme made under Schedule 7 to the Utilities Act 2000, for this condition to have effect within this licence, the licensee shall be obliged to comply with the requirements of the provisions contained in paragraph 7 to 17 from the date the said scheme takes effect.
2. Subject to paragraph 3, the Authority may issue a direction providing that paragraphs 7 to 17 shall have effect in this licence. Where the Authority has issued to the licensee a direction, paragraphs 7 to 17 shall have effect within the licence from the date specified in the Authority's direction and the licensee shall be obliged to comply with the requirements of the provisions contained in those paragraphs from that date.
3. Where -
 - (a) the Authority has consented to a disapplication request pursuant to paragraph 13; or
 - (b) the licensee has issued a termination notice pursuant to paragraph 15 or 16,the Authority shall not thereafter issue a direction pursuant to paragraph 2 to the licensee in respect of the paragraphs (or any part or parts thereof) to which the termination notice relates until -
 - (i) at least 12 months have elapsed since the date of the termination notice, and
 - (ii) the Authority is of the opinion that circumstances have changed in a material respect.
4. Until:
 - (a) the Secretary of State provides, by a scheme made under Schedule 7 to the Utilities Act 2000, for this condition to have effect within this licence; or
 - (b) the Authority has issued to the licensee a direction for the purposes of this condition,the provisions contained in paragraphs 7 to 17 shall not have effect within this licence and the licensee shall not be obliged to comply with any of the requirements of such

paragraphs.

5. Where the Authority has issued to the licensee a direction pursuant to paragraph 2, the provisions contained in paragraphs 7 to 17 shall be deemed to have effect within the licence and shall apply to the licensee from the date specified in the Authority's direction.
6. A direction pursuant to paragraph 2 may be issued at any time from the date the Secretary of State determines these standard conditions pursuant to sub-section 33(1) of the Utilities Act 2000.
7. The purpose of this condition is to enable the Authority to keep under review the behaviour of the licensee to ascertain whether the licensee is pursuing a course of conduct in making or declining (whether temporarily or permanently) to make available generating units owned or operated by the licensee which is intended to have or is likely to have the effect of restricting, distorting or preventing competition in the generation or supply of electricity.
8. The licensee shall within 2 months of the Authority's direction under paragraph 2 prepare a statement, for approval as to form by the Authority, specifying in reasonable detail the criteria upon which the licensee will, for the purpose of planning the availability of generating units:
 - (a) determine its policy regarding the closure, whether permanent or temporary, of any generating units; and
 - (b) determine its policy regarding the reduction in capacity of any generating units,
9. (a) Where the licensee is required, pursuant to ~~any~~the Grid Code, to provide information to ~~a transmission company~~the system operator relating to planned availability of any generating unit operated by the licensee, then, where applicable, in respect of each planned availability period, as soon as is reasonably practicable and in any event no later than 2 months from the end of the planned availability period in question, the licensee shall provide the Authority with a statement setting out in reasonable detail the information specified in sub-paragraph (b).

- (b) The information referred to in sub-paragraph (a) shall, in respect of each generating unit involved, comprise the following:
 - (i) details of any material differences between the actual availability and the information specified in sub-paragraph (a) relating to planned availability, such information to include the date and duration of any unavailability; and
 - (ii) an explanation (with appropriate supporting technical information) as to how each such difference has arisen.
10. (a) The licensee shall give notice to the Authority of the date upon which it is intended:
- (i) to close permanently or close temporarily any power station; or
 - (ii) to make a material reduction in the registered capacity of any power station,
- and shall use its reasonable endeavours to give that notice not less than six months prior to the date of the intended closure or reduction in capacity.
- (b) A notice under sub-paragraph (a) shall specify the power station to which it relates, the intended date of closure or reduction in capacity and, if in respect of sub-paragraph (a)(ii), shall also specify:
- (i) the existing and proposed registered capacity;
 - (ii) the expected duration of the reduction in capacity;
 - (iii) the reasons for the reduction in capacity; and
 - (iv) (if the reduction is as a result of the cessation of operation of a generating unit or units) whether it would be practicable for that generating unit or those units (on the assumption, if not the case, that it or they were operational) to be operated separately from the other unit or units of that station and, if not, the reasons therefor.
- (c) For the purpose of this paragraph :

- (i) a reduction of more than 10 per cent in the registered capacity of an open cycle gas turbine generating unit is material;
- (ii) subject to (c)(i), a reduction in capacity is material if it will reduce the registered capacity of a power station by more than 25 megawatts or more than 10 per cent whichever is the lesser; and
- (iii) "close temporarily" means to close or not to make available for a period greater than one year but not permanently.

11. (a) Within one month of delivery of a notice under paragraph 10(a)(i), the licensee shall provide to the Authority a statement setting out in reasonable detail:

- (i) (if in relation to any closure of a power station) the reasons for the decision referred to in the notice;
- (ii) (if in respect of a temporary closure of a power station) the circumstances in which the licensee expects to recommence operating the power station; and
- (iii) (if in respect of a permanent closure of a power station) the licensee's proposals for use or disposal of the site and the plant, and alternative proposals considered and the reason for adopting the chosen proposal.

(b) The licensee shall provide to such independent and competent assessor (if any) as may be appointed by the Authority with the approval of the licensee (such approval not to be unreasonably withheld) such information (in addition to that contained in any notice under paragraph 10(a)(i) or the statement under paragraph 11(a)) as the assessor may reasonably require to enable him to provide to the Authority and the licensee within two months of his appointment (or such longer period as the Authority may approve) an assessment of whether the above decision process and result were reasonable, taking into account all the relevant circumstances and opportunities, identifying the direct and indirect financial implications for the licensee, and the amounts if any which third parties have offered or would be likely to pay to purchase or lease the plant or site and associated facilities whether or not for use as an operating power station.

12. A licensee, in whose licence this condition has effect, may make a disapplication request in writing to the Authority. The disapplication request shall specify the paragraphs of this condition (or any part or parts thereof) to which the request relates and shall state the date ("the disapplication date", being a date not less than 18 months after the date of delivery of the request) from which the licensee wishes the Authority to agree that the specified paragraphs (or the specified part or parts thereof) shall cease to have effect.
13. Paragraphs 7 to 17 of this condition (or any part or parts thereof) shall cease to have effect from the date specified in the disapplication request or such later date as may be agreed, if the licensee delivers to the Authority a disapplication request made in accordance with paragraph 12 and the Authority agrees in writing to the disapplication request.
14. Save where the Authority otherwise agrees, no further disapplication request pursuant to paragraph 12 may be served within 12 months following the date on which a report is delivered by the Competition Commission following a reference under paragraph 15 where the report of the Competition Commission did not entitle the licensee to deliver a notice to the Authority under paragraph 16.
15. If the Authority has not made a reference to the Competition Commission in respect of this licence under section 12 of the Act relating to the modification of this licence by the removal of the paragraphs (or any part or parts thereof) specified in the disapplication request before the beginning of the period of 12 months which will end with the disapplication date, the licensee may deliver a termination notice to the Authority. Following the service of a termination notice, with effect from the disapplication date or such later date as may be specified in the termination notice such of the paragraphs (or any part or parts thereof) as are specified in the disapplication request shall cease to have effect in this licence.
16. If the Competition Commission makes a report on a reference in respect of this licence made by the Authority relating to the modification of this licence by the removal of the paragraphs (or any part or parts thereof) specified in the disapplication request and such report does not include a conclusion that the removal of such paragraphs (or any part or parts thereof) operates or may be expected to operate against the public interest,

the licensee may within 30 days after the publication of the report by the Authority in accordance with section 13 of the Act deliver a termination notice to the Authority. With effect from the disapplication date or such later date as may be specified in the termination notice such paragraphs (or any part or parts thereof) as are specified in the disapplication request and in respect of which the Competition Commission report does not include the aforementioned conclusion shall cease to have effect in this licence.

17. In this condition:

"registered capacity";	each shall have the same meaning as in the
"generating unit",	Grid Code, but as if in relation to a power
"power station" and	station the registered capacity means the
"settlement period"	aggregate of the registered capacity of the
	generating units forming part of that power
	station;
"planned availability period"	means each period of 4 successive weeks,
	the first such period to begin on the first date
	in respect of which the licensee is required,
	pursuant to any the Grid Code, to provide the
	information specified in sub-paragraph 9(a)
	of this condition.

- (a) This condition does not apply to any generating unit having a registered capacity of [10] megawatts or less.
- (b) Unless the Authority otherwise directs, any reference to generating unit or power station shall mean, respectively, each generating unit owned or operated by the licensee forming part of a power station owned or operated by the licensee which is capable of providing 100 megawatts or more to the total system being the ~~transmission and~~ distribution systems of all authorised electricity operators which are located in Great Britain [and the GB transmission system](#).

Condition 19. Compliance with CUSC

1. Insofar as the licensee shall construct or operate a generating station in ~~England and Wales~~[Great Britain](#), the licensee shall be a party to the CUSC Framework Agreement and shall comply with the CUSC ~~and, if it is party to the agreement known as the Master Connection and Use of System Agreement ("MCUSA"), execute such other documents as shall be stated as required to be made in any direction issued by the Authority to enable the MCUSA and its supplemental agreements and ancillary service agreements (as defined or referred to in MCUSA) and any associated agreements derived from MCUSA to be amended appropriately into the CUSC Framework Agreement, CUSC, bilateral agreements, construction agreements and, so far as is appropriate, associated agreements derived from CUSC so as to maintain continuity of contractual relationships.~~
2. The licensee shall take all reasonable steps to secure and implement (consistently with the procedures applicable under or in relation to core industry documents to which it is a party (or in relation to which it holds rights in respect of amendment), as modified or replaced from time to time), and shall not take any steps to prevent or unduly delay, changes to the those documents, such changes being changes which are appropriate in order to give full and timely effect to and/or in consequence of any modification which has been made to the CUSC.
3. For the avoidance of doubt, paragraph 2 is without prejudice to any rights of approval, veto or direction in respect of proposed changes to the core industry documents which the Authority may have.
4. In this condition:

~~"bilateral agreement"~~

~~means an agreement between the holder of a transmission licence in England and Wales and a CUSC user supplemental to the CUSC relating to a direct connection to that transmission system identifying the relevant connection site and setting out other site specific details in relation to that connection~~

"construction agreement"

~~to the transmission system, including provisions relating to payment of connection charges.~~

~~means an agreement between the holder of a transmission licence in England and Wales and a CUSC user in respect of construction works required on that transmission system and the associated construction works of the CUSC user in relation to a connection to the transmission system or in relation to a generating station connected to a distribution system in England and Wales, whether for the initial connection or a modification of the connection.~~

"core industry documents"

means those documents which:

- (a) in the Secretary of State's opinion are central industry documents associated with the activities of the licensee and authorised electricity operators, the subject matter of which relates to or is connected with the CUSC or connection and use of system arrangements; and
- (b) have been so designated by the Secretary of State.

"CUSC"

means the connection and use of system code required to be in place pursuant to the transmission licence granted to the ~~transmission company in England and Wales~~system operator, as from time to time

modified.

"CUSC Framework Agreement"

means the agreement of that title, in the form approved by the Secretary of State, by which the CUSC is made contractually binding between the parties to that agreement, as amended from time to time with the approval of the Secretary of State.

Condition C1. Definitions

In this Section:

"Settlement Agreement for Scotland"

means the agreement of that title, as nominated by the Authority for the purposes of this Section, prepared in accordance with, and comprising such matters as are set out in special condition I (The Settlement Agreement for Scotland) of each of the electricity distribution licences of SP Distribution Limited, Southern Electric Power Distribution plc, and Scottish Hydro-Electric Power Distribution Limited (and any other name by which any of these companies come to be known).

~~"Trading Code"~~

~~means the trading code required to be adopted pursuant to standard condition D2 (Trading Code for Scotland) of the transmission licences granted in respect of an authorised area in Scotland and approved by the Authority as from time to time revised with the approval of the Authority.~~

Condition D2. Consultation with the Nuclear Installations Inspectorate

1. Where the Authority may issue directions under paragraph 2 of each of the following standard conditions:

Condition 5 (Compliance with [the](#) Grid ~~Codes~~[Code](#)), or

Condition 6 (Compliance with Distribution Codes)

following consultation by the Authority as referred to in those standard conditions (respectively), the Authority's consultation will include consultation with the Nuclear Installations Inspectorate.