

APPENDIX A

To: All holders of an electricity generation licence

NOTICE OF MODIFICATION OF THE STANDARD CONDITIONS OF ELECTRICITY GENERATION LICENCES UNDER SECTION 11A OF THE ELECTRICITY ACT 1989

1. Each of the companies to whom this Notice is addressed holds an electricity generation licence granted, or treated as granted, pursuant to section 6(1)(a) of the Electricity Act 1989 (the "Act").
2. In accordance with section 11A(3) and (4) of the Act, the Gas and Electricity Markets Authority (the "Authority") gives notice that it proposes to modify the standard conditions of the electricity generation licences by making the modifications to standard conditions 14 and 15 set out in the Schedule to this notice.
3. In summary the effect of the proposed licence modifications is to give effect to the powers and rights conferred by or under the provisions of Schedules 3 and 4 to the Act in relation to the holders of all electricity generation licences for the purposes of carrying out certain specified activities.
4. The reasons why the Authority proposes to make these licence modifications were published by the Authority in the following documents:
 - (a) "Statutory consultation on the modification of Standard Licence Conditions 14 and 15 of the Electricity Generation Licence", Ofgem March 2007
 - (b) "Review of Standard Licence Conditions 14 and 15 of the Electricity Generation licence", Ofgem November 2006

These documents are available free of charge from the Ofgem Research and Information Centre, 9 Millbank, London SW1P 3GE or from the Ofgem website at www.ofgem.gov.uk.

5. Any representations or objections to the proposed licence modifications may be made before 24 April 2007 and sent to:

Vanja Munerati
Ofgem
9 Millbank
London SW1P 3GE

or by e-mail to wholesale.markets@ofgem.gov.uk.



Sonia Brown
Director, Wholesale Markets
Duly authorised on behalf of the Gas and Electricity Markets Authority

27 March 2007

SCHEDULE

PROPOSED MODIFICATION OF THE STANDARD CONDITIONS OF ELECTRICITY GENERATION LICENCES UNDER SECTION 11A OF THE ELECTRICITY ACT 1989

1. Omit Standard Conditions 14 and 15 of the electricity generation licence.
2. After Standard Condition 13 of the electricity generation licence, insert:

“Condition 14. Compulsory Acquisition of Land etc.

1. This condition shall have effect and come into operation for the purpose of this licence on and from [date of direction to modify] 2007.
2. 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 relation to the licensee to enable the licensee to carry on the activities authorised by this licence and which relate to:
 - (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) the GB transmission system; or
 - (ii) a distribution system.
3. In paragraph 2 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. This condition shall have effect and be operation for the purpose of this licence on and from [date of direction to modify] 2007.

2. 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 3 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 3 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.
3. Electric lines are specified for the purposes of sub-paragraph (a) of paragraph 2 above:
 - (a) if they connect, or will connect when installed, a generating station with:
 - (i) the GB transmission system; or
 - (ii) any distribution system;
 - (b) where "electric lines" has the extended meaning given by paragraph 2(c) above, if they connect a generating station with any premises.
3. 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.
4. 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 3 of standard condition 14 (Compulsory Acquisition of Land etc);

"extension" in relation to a generating station, has the meaning given in paragraph 3 of standard condition 14 (Compulsory Acquisition of Land etc)."