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Our Reference:
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Dear Vanja,

Statutory Consultation on the Modification of Standard Licence Conditions 14 and 15 of the Electricity Generation Licence

Thank you for the opportunity to respond to this statutory consultation.

Of the three options considered in the November 2006 consultation, we believe that giving effect to Standard Licence Conditions 14 and 15 for all generators, is the correct solution. It is recognised that this will remove a step in the process, however, the decision to grant compulsorily purchase powers rests with the Secretary of State and we believe this will provide sufficient comfort that these powers cannot be abused. In addition the implementation of this option will reduce the administrative burden of individual generators applying to Ofgem on an ad hoc basis and improve consistency across all generation licences.

With regard to the implementation of the change, greater consistency across licences at present and into the future will be achieved through the modification of the licences rather than by the issuing of directions to electricity generation licence holders.

We therefore have no objections to the proposed licence modifications.

We would however like to highlight a discrepancy in the numbering of the paragraphs of the draft licence conditions. In Condition 15, the second paragraph 3 should be re-numbered 4 and paragraph 4 re-numbered 5.

I hope you find our comments helpful. Please do not hesitate to give me a call if you wish to discuss this further.

Yours sincerely

Rob McDonald
Director of Regulation