

**To: All holders of an electricity transmission licence**

**NOTICE UNDER SECTION 11A (2) OF THE ELECTRICITY ACT 1989**

The Gas and Electricity Markets Authority (the Authority) hereby gives Notice pursuant to section 11A (2) of the Electricity Act 1989 (the Act) as follows:

1. The Authority proposes to modify all electricity transmission licences granted or treated as granted under section 6(1)(b) of the Act by amending:
  - (a) Standard Condition B12 (System Operator – Transmission Owner Code);
  - (b) Standard Condition C1 (Interpretation of Section C);
  - (c) Standard Condition C6 (Connection charging methodology);
  - (d) Standard Condition C8 (Requirement to offer terms);
  - (e) Standard Condition C11 (Production of information about the national electricity transmission system);
  - (f) Standard Condition C25 (Provision of information and assistance to the Authority in relation to applications requiring the appointment of an offshore transmission owner); and
  - (g) inserting proposed new Standard Condition C27 (The Network Options Assessment process and reporting requirements);
2. In summary, the reason the Authority proposes to make these licence modifications is to implement our decision to enhance the role of the System Operator (SO) in planning the electricity transmission network as part of our Integrated Transmission Planning and Regulation (ITPR) project.
3. In summary, the effect of the proposed modifications is to enhance the role of the SO in planning the electricity transmission network and put in place measures to facilitate this.
4. Further detail on the reasons and effect of the proposed modifications are set out in Schedule 1 to this Notice. The proposed modifications are attached in full at Schedule 2 to this Notice.
5. A copy of the proposed modifications and other documents referred to in this Notice have been published alongside this Notice and are available on the Ofgem website ([www.ofgem.gov.uk](http://www.ofgem.gov.uk)).
6. Any representations with respect to the proposed licence modifications must be made on or before 4 August 2015 to: Sheona Mackenzie, Office of Gas and Electricity Markets, 107 West Regent Street, Glasgow. G2 2BA or by email to [ITPRMailbox@ofgem.gov.uk](mailto:ITPRMailbox@ofgem.gov.uk)
7. All responses will normally be published on Ofgem's website. However, if respondents do not wish their response to be made public then they should clearly mark their

response as not for publication. We prefer to receive responses in an electronic form so they can be placed easily on the Ofgem website.

8. If the Authority decides to make the proposed modifications, they will take effect not less than 56 days after the decision is published.

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**Kersti Berge, Partner, Transmission**

**Duly authorised on behalf of the Gas and Electricity Markets Authority**

**7 July 2015**

**Schedule 1: The reasons for and effect of our proposed modifications to the Electricity Transmission Standard Licence Conditions**

Licence condition	Proposed amendment and reasons	Effect of the proposed amendment
<b>B12: System Operator – Transmission Owner Code</b>	Proposal to modify paragraph 2b of Standard Licence Condition (SLC) B12. This will require the licensees to make sure that arrangements for exchanging information for the Network Options Assessment (NOA) process are set out within the System Operator – Transmission Owner Code (STC).	To ensure the electricity transmission licensees support the System Operator (SO) in its new role. This proposed amendment may have a delayed implementation to enable the appropriate code changes be brought forward.
<b>C1: Interpretation of Section C</b>	To include defined terms used in the modified and new conditions in the dedicated 'definitions' condition for that section of the licence.	Appropriate terms will be defined in the licence.
<b>C6: Connection charging methodology</b>	To ensure that Developer-Associated Offshore Wider Works (DAOWW) are covered by the connection charging methodology. Currently the licence condition states that the licensee should have a connection charging methodology which includes (in paragraph 4(c)) charges that will be made if the assets that are installed on the onshore network are of a greater size than is needed by the person seeking connection. We are proposing to modify paragraph 4(c) so that the requirement extends to cover offshore transmission systems too, which will mean that DAOWW will be accounted for in the connection charging methodology.	The changes to SLC C6, C8 and C25 will ensure that the SO will lead the gateway process for DAOWW to help the efficient coordinated and economic development of the electricity transmission system.  The amendment to C8 will also formalise the process for determining efficient connection options which should help ensure the process is transparent and fair.
<b>C8: Requirement to offer terms</b>	To set out the arrangements the SO must follow when anyone wants to connect to the transmission network. We are proposing the following changes to this condition, so that arrangements for connection offers including DAOWW are explicitly set out: <ul style="list-style-type: none"> <li>a) Paragraph 3(c) currently requires that a connection offer shows the initial assumptions made by the licensees about the works needed to connect an offshore generator. We are proposing to modify paragraph 3(c) to include initial assumptions regarding DAOWW, where relevant.</li> <li>b) A new paragraph 5A which requires the licensee to have in place and publish governance arrangements for the processes it undertakes when identifying (and keeping under review) the overall efficient, co-ordinated and economical solution to be included in the</li> </ul>	The housekeeping change will have no effect other than to ensure the condition is as clear as possible.

	<p>offer to enter into a bilateral agreement and/or construction agreement under this condition</p> <ul style="list-style-type: none"> <li>c) A housekeeping change in paragraph 6(f) to reflect new naming conventions for the Special Conditions.</li> <li>d) A new paragraph 9A which requires the SO to propose to vary the terms of an agreement, if necessary, to reflect our decision following the gateway assessment or a change to the rationale for the DAOWW.</li> </ul>	
<p><b>C25: Provision of information and assistance to the Authority in relation to applications requiring the appointment of an offshore transmission owner</b></p>	<p>To set out the information the SO is required to provide the Authority in relation to offshore transmission projects which include DAOWW. Specifically:</p> <ul style="list-style-type: none"> <li>a) We are proposing to add an introduction (paragraphs A1(a) and (b)) setting out the objectives of Parts A and B of this condition</li> <li>b) Paragraph 1 will require the SO to provide specific information to us relating to any application, offer, agreement or variation in the contractual terms for connection that requires the appointment of an OFTO and includes DAOWW.</li> <li>c) Consequential amendments to paragraph 5 to reflect changes to paragraph 1.</li> </ul> <p>We are also proposing to add a new Part B which will set out what information the SO is required to provide for offshore transmission projects which include DAOWW. Specifically:</p> <ul style="list-style-type: none"> <li>d) Paragraph 13 sets out the information the SO must provide us. This includes information on the works detailed in a connection offer and in particular its initial view of the scale and cost of any DAOWW. This will inform the SO's initial view of the needs case which must also be submitted.</li> <li>e) Paragraph 14 includes the information we may direct the licensee to submit once a connection agreement has been entered into</li> <li>f) Paragraph 15 sets out how the timescales for providing such information will be determined</li> <li>g) Paragraph 16 requires the SO to keep under review any needs case it submits to us for DAOWW.</li> </ul>	

	<p>h) Paragraph 17 sets out that if the SO notifies us of a material change under paragraph 16, we may require them to provide additional information so that we can decide on the continuing rationale for including DAOWW.</p>	
<p><b>C11: Production of information about the national electricity transmission system</b></p>	<p>We propose to insert new sub-paragraph (bb) into paragraph 1 to formalise the requirement for the SO to include a commentary on where major national electricity transmission system reinforcements are necessary.</p> <p>We propose adding a new sub-paragraph (e) into paragraph 3 requiring the ETYS to include the licensee’s best view of whether new interconnection capacity could facilitate the development of an efficient, coordinated and economical electricity system. Further, we propose inserting a new sub-paragraph (aa) into paragraph 13 requiring the SO to ensure that the capacity, location and timing of new interconnection capacity are considered when developing the Future Energy Scenarios (FES).</p> <p>Further, we are proposing housekeeping changes not specifically related to the ITPR final conclusions. We are updating references to sub-paragraphs (b), (c) and (d) in Paragraph 3. In paragraph 3d we propose minor change to make clear that this should be the licensee’s best view in line with the other parts of paragraph 3. Further, the definition of ‘interconnected system operator’ was accidentally deleted when this condition was updated in 2014. We are proposing to reinstate it. We are not proposing any change to this definition.</p>	<p>The proposed modifications will ensure that NGET continues to provide a commentary of where network reinforcements are required in the ETYS.</p> <p>The effect of the additional obligations regarding interconnector assessment will be improved FES scenarios and commentary in the ETYS on the value of additional interconnection.</p> <p>The housekeeping changes will have no effect other than to ensure the condition is as clear as possible.</p>
<p><b>C27: The Network Options Assessment process and reporting requirements</b></p>	<p>We propose to introduce new SLC C27 to set out the requirements for the NOA methodology (and associated approval process) and the NOA report. It will also set out how the SO must provide information to other parties including the Authority, and undertake the early development of options for Non Developer-Associated Offshore Wider Works (NDAOWW).</p> <p>Specifically</p> <ul style="list-style-type: none"> <li>• Part A will cover the NOA methodology and form of the NOA report. It sets out the scope of the methodology and the need for the SO to develop it in consultation with interested parties. It will require</li> </ul>	<p>The effect of these proposed modifications will be to give the SO additional responsibilities to identify the need for investment in the transmission network, and to coordinate and develop investment options. The proposed modifications will also enable the SO to publish an annual NOA report, based on methodology approved by the</p>

	<p>the SO to submit a proposed methodology and form of the report to the Authority each year and sets out the process for the Authority to approve or direct changes to the methodology proposed.</p> <ul style="list-style-type: none"> <li>• Part B will cover the NOA report including the scope of the report and timing of its publication.</li> <li>• Part C will deal with the provision of information to the Authority, Transmission Owners and interconnector developers. The information provided by the SO will support investment decisions.</li> <li>• Part D deals with the early development of options and will require the SO to undertake the early development of NDAOWW.</li> </ul> <p>For a fuller description of what this new SLC will cover please see our April consultation.<sup>1</sup></p>	<p>Authority, and provide additional information to transmission licensees and interconnector developers to support them in developing their projects. The proposed amendment will also have the effect of requiring the SO to undertake the early development of NDAOWW.</p>
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<sup>1</sup> <https://www.ofgem.gov.uk/ofgem-publications/94470/consultation-licence-modifications-enhance-role-system-operator-pdf>

**Schedule 2: Proposed amendments to Electricity Transmission Standard Licence Conditions**

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## **SECTION B: GENERAL**

[Note: Proposed new text is marked with a double underscore and proposed deletions with strike through. For clarity we have only included the part of the condition we are proposing to modify.]

### **Condition B12: System Operator – Transmission Owner Code**

1. The licensee shall, in common with those other transmission licensees to which this condition applies, at all times have in force a STC, being a document which:
  - (a) sets out terms as between STC parties whereby the national electricity transmission system and each STC party's transmission system forming part thereof is to be planned, developed or operated and transmission services are to be provided together with any associated arrangements;
  - (b) is designed to facilitate achievement of the objectives set out in paragraph 3;
  - (c) includes the modification procedures required by paragraph 6-6H;
  - (d) provides for mechanisms for the resolution of any disputes arising in relation to any of the matters addressed in the STC; and
  - (e) The licensee shall be taken to comply with this paragraph by:
    - (i) adopting (through entry into the STC Framework Agreement), as the STC in force with effect from the date this condition comes into effect, the document designated by the Secretary of State for the purposes of this condition; and
    - (ii) modifying such document from time to time in accordance with the transition modification provisions and the provisions of paragraphs 6-6H and 7 below.
2. For the purposes of this condition, the terms and arrangements referred to in paragraph 1(a) whereby the national electricity transmission system and each STC party's transmission system forming part thereof are to be planned, developed or operated and transmission services are to be provided are those which:
  - (a) are requisite for the enjoyment and discharge of the rights and obligations of transmission licensees and STC parties arising under any relevant licences codes or other document as may be specified from time to time by the



Authority including, but not limited to, rights and obligations which may arise under each of the core industry documents, the BSC and the CUSC; and

(b) provide for matters which include:

- the provision of transmission services,
- the operation, including the configuration, of the national electricity transmission system,
- the co-ordination of the planning of STC parties' transmission systems,
- the progression of matters necessary to respond to applications for new connections (or modifications of existing connections),
- planning for, and co-ordination of, transmission outages,
- procedures for developing, agreeing and implementing party entry processes,
- the resolution of disputes,
- the exchange of information between STC parties, which information they are free to disclose and relates to the discharge of their duties under the Act, transmission licences and other relevant statutory obligations,
- procedures to enable the system operator to obtain relevant information from STC parties to enable it to produce information and analysis about the national electricity transmission system in accordance with standard condition C11 (Production of information about the national electricity transmission system) and standard condition C27 (The Network Options Assessment process and reporting requirements), and
- procedures established in pursuance of paragraphs 6-6H.

Nothing in this condition shall preclude the licensee entering into other terms and arrangements connected with these terms and arrangements, outside of the STC, where such other arrangements are not inconsistent or in conflict with this licence or the STC or other relevant statutory requirements.

## **SECTION C: SYSTEM OPERATOR STANDARD CONDITIONS**

[Note: The following definitions are to be amended and/or added to this condition, in alphabetical order and in the manner set out below. For clarity, current definitions that are not being amended are not included in this paragraph.]

### **Condition C1: Interpretation of Section C**

<u>“Developer-Associated Offshore Wider Works”</u>	<u>means Offshore Wider Works</u> (a) <u>which are specified by the licensee in an offer, agreement or variation to the contractual terms made under standard condition C8 (Requirement to offer terms); and</u> (b) <u>for which the person seeking connection will undertake Preliminary Works and/or construction;</u>
<u>“Interconnector Developer”</u>	<u>means a person who owns and/or operates an entity participating in, or intending to participate in, activities which require a licence under section 6(1)(e) of the Electricity Act 1989.</u>
<u>“Major National Electricity Transmission System Reinforcements”</u>	<u>has the meaning set out in the Network Options Assessment methodology approved by the Authority under paragraph 7(a) of standard condition C27 (The Network options Assessment process and reporting requirements).</u>
<u>“Needs Case”</u>	<u>in the context of Developer-Associated Offshore Wider Works means the economic case for such works in the context of the benefit to be obtained or likely in the future to be obtained for users of the national electricity transmission system;</u>
<u>“Non Developer Associated Offshore Wider Works”</u>	<u>means Offshore Wider Works which a person seeking connection under standard condition C8 (Requirement to offer terms) will not be responsible for undertaking as part of the terms of any offer, agreement or variation made pursuant to</u>

that condition, including any Preliminary Works;

“Offshore Wider  
Works”

means works associated with offshore transmission  
identified by the system operator that are designed  
to reinforce or extend the national electricity  
transmission system for the benefit of multiple  
parties, both onshore and offshore and including  
generation and demand;

“Preliminary Works”

in the context of Developer-Associated Offshore  
Wider Works and Non Developer-Associated  
Offshore Wider Works has the meaning given to it  
in regulations made by the Authority under Section  
6C of the Act;

## **Condition C6: Connection charging methodology**

1. The licensee shall:
  - (a) as soon as practicable after the date this condition comes into effect determine a connection charging methodology approved by the Authority; and
  - (b) conform to the connection charging methodology as modified in accordance with standard condition C10 (Connection and Use of System Code (CUSC)) and in accordance with the relevant provisions of the CUSC.
2. The licensee shall, for the purpose of ensuring that the connection charging methodology achieves the relevant objectives, keep the connection charging methodology at all times under review.
3. The licensee shall, subject to standard condition C10 (Connection and Use of System Code (CUSC)) and in accordance with the relevant provisions of the CUSC, make such modifications to the connection charging methodology as may be requisite for the purpose of better achieving the relevant objectives.
4. The licensee shall as soon as practicable after the date this condition comes into effect prepare a statement approved by the Authority of the connection charging methodology in relation to charges, including charges:
  - (a) for the carrying out of works and the provision and installation of electrical lines or electrical plant or meters for the purposes of connection (at entry or exit points) to the national electricity transmission system;
  - (b) in respect of extension or reinforcement of the national electricity transmission system rendered (at the discretion of a transmission licensee where the extension or reinforcement is of that licensee's transmission system) necessary or appropriate by virtue of the licensee providing connection to or use of system to any person seeking connection;
  - (c) in circumstances where the electrical lines or electrical plant to be installed are (at the discretion of a transmission licensee where the electrical lines or electrical plant which are to be installed will form either part of that licensee's transmission system or part of an offshore transmission system) of greater size than that required for use of system by the person seeking connection;

(d) for maintenance and repair (including any capitalised charge) required of electrical lines or electrical plant or meters provided or installed for making a connection to the national electricity transmission system; and

(e) for disconnection from the national electricity transmission system and the removal of electrical plant, electrical lines and meters following disconnection,

and the statement referred to in this paragraph shall be in such form and in such detail as shall be necessary to enable any person to determine that the charges to which he would become liable for the provision of such services are in accordance with such statement.

5. An approval by the Authority pursuant to paragraph 1(a) and 4 may be granted subject to such conditions relating to further action to be undertaken by the licensee in relation to the connection charging methodology better meeting the relevant objectives as identified in any initial consultation by the Authority as the Authority deems appropriate. Such conditions may include (but are not limited to) elements relating to the time by which actions under this condition need to be completed.
6. Nothing in this condition shall affect the ability of the licensee to charge according to the statement issued pursuant to paragraph 4.
7. Unless otherwise determined by the Authority, the licensee shall only enter into a bilateral agreement or a construction agreement which secures that the connection charges will conform with the statement of the connection charging methodology last furnished under paragraphs 4 or 10 either:
  - (a) before it enters into the arrangements; or
  - (b) before the charges in question from time to time fall to be made.
8. The connection charging methodology shall make provision for connection charges for those items referred to in paragraph 4 to be set at a level for connections made after 30 March 1990 which will enable the licensee to recover:
  - (a) the appropriate proportion of the costs directly or indirectly incurred in carrying out any works, the extension or reinforcement of the national electricity transmission system or the provision and installation, maintenance and repair or (as the case may be) removal following disconnection of any electric lines, electric plant or meters; and

- (b) a reasonable rate of return on the capital represented by such costs,
- and for connections made before 30 March 1990 to the licensee's transmission system, the connection charging methodology for those items referred to in paragraph 4 shall as far as is reasonably practicable reflect the principles of sub-paragraphs (a) and (b).
9. [Not used].
10. (a) [Not used].
- (b) Where changes to the connection charging methodology, are made in accordance with standard condition C10 (CUSC) and the relevant provisions of the CUSC the licensee shall furnish the Authority with a revised statement showing the changed connection charging methodology and such revised statement of the connection charging methodology shall supersede previous statements of the connection charging methodology furnished under paragraph 4 or this paragraph 10 from the date specified therein.
11. In paragraphs 2 and 3 "the relevant objectives" shall mean:
- (a) the objectives referred to in paragraph 5 of standard condition C5 (Use of system charging methodology), as if references therein to the use of system charging methodology were to the connection charging methodology; and
- (b) in addition, the objective, in so far as consistent with sub-paragraph (a), of facilitating competition in the carrying out of works for connection to the national electricity transmission system.
12. A statement furnished under paragraphs 4 or 10 shall, where practicable, include examples of the connection charges likely to be made in different cases as determined in accordance with the methods and principles shown in the statement.
13. The licensee shall send a copy of any statement or revision of a statement or report furnished under paragraphs 4 or 10 to any person who asks for any such statement or revision thereof or report.
14. The licensee may make a charge for any statement or revision of a statement or report, furnished or sent pursuant to paragraph 13 of an amount reflecting the licensee's reasonable costs of providing such which costs shall not exceed the maximum amount specified in directions issued by the Authority for the purposes of this condition.

15. Nothing in this condition shall impact on the application of special conditions AA5A to AA5E (Revenue restriction provisions).

15A [Not used].

15B [Not used].

### **Condition C8: Requirement to offer terms**

1. Unless otherwise determined by the Authority under standard condition C9 (Functions of the Authority), on application made on or after the BETTA go-live date by:
  - (a) any authorised electricity operator in the case of an application for use of system; and
  - (b) any person in the case of an application for connection,the licensee shall (subject to paragraph 6) offer to enter into the CUSC Framework Agreement.
2. On application made on or after the BETTA go-live date by any person or any authorised electricity operator in accordance with paragraph 1, the licensee shall, where required by the STC, notify other STC parties in accordance with the STC and, for the purpose of making an offer for connection or modification to an existing connection or for use of system, shall co-operate and co-ordinate its activities with any other STC parties in accordance with the STC.
3. On application made on or after the BETTA go-live date by any person the licensee shall (subject to paragraph 6) offer to enter into a bilateral agreement and/or a construction agreement relating to connection or modification to an existing connection and such offer shall reflect any associated TO offer which relates to that offer and shall make detailed provision regarding:
  - (a) the carrying out of work (if any) required to connect the national electricity transmission system to any other system for the transmission or distribution of electricity and for the obtaining of any consents necessary for such purpose;
  - (b) the carrying out of works (if any) in connection with the extension or reinforcement of the national electricity transmission system rendered (at the discretion of an STC party where the works are to be carried out on that STC party's transmission system) appropriate or necessary by reason of making the connection or modification to an existing connection and for the obtaining of any consents necessary for such purpose;
  - (c) where there is a need for the Authority to identify an offshore transmission owner, the initial assumptions made by the licensee regarding the carrying



out of works in connection with the extension or reinforcement of the national electricity transmission system, including initial assumptions regarding any Developer-Associated Offshore Wider Works, where relevant, rendered appropriate or necessary by reason of making the connection or modification to an existing connection and for the obtaining of any consents necessary for such purpose;

- (d) the installation of appropriate meters (if any) required to enable the licensee to measure electricity being accepted into the national electricity transmission system at the specified entry point or points or leaving such system at the specified exit point or points;
  - (e) the date by which any works required to permit access to the national electricity transmission system (including for this purpose any works to reinforce or extend the national electricity transmission system) shall be completed (time being of the essence unless otherwise agreed by the person seeking connection);
  - (f) the connection charges to be paid to the licensee, such charges:
    - (i) to be presented in such a way as to be referable to the connection charging methodology or any revision thereof; and
    - (ii) to be set in conformity with the requirements of paragraph 8 of standard condition C6 (Connection charging methodology) and (where relevant) paragraph 4; and
  - (g) such further terms as are or may be appropriate for the purpose of the agreement.
4. For the purpose of determining an appropriate proportion of the costs directly or indirectly incurred in carrying out works under a bilateral agreement and/or construction agreement, the licensee will have regard to:
- (a) the benefit (if any) to be obtained or likely in the future to be obtained by any transmission licensee or any other person as a result of carrying out such works whether by reason of the reinforcement or extension of the national electricity transmission system or the provision of additional entry or exit points on such system or otherwise; and

- (b) the ability or likely future ability of any transmission licensee to recoup a proportion of such costs from third parties.
5. The licensee shall offer terms in accordance with paragraphs 1 and 3 above as soon as practicable and (except where the Authority consents to a longer period) in any event not more than the period specified in paragraph 7 below after receipt by the licensee of an application containing all such information as the licensee may reasonably require for the purpose of formulating the terms of the offer.

5A. The licensee must have in place and publish governance arrangements for the processes it undertakes when identifying (and keeping under review) the overall efficient, co-ordinated and economical solution to be included in the offer to enter into a bilateral agreement and/or construction agreement under this condition.

6. The licensee shall not be obliged pursuant to this condition to offer to enter or to enter into any agreement if:
- (a) to do so would be likely to involve the licensee:
    - (i) in breach of its duties under section 9 of the Act;
    - (ii) in breach of any regulations made under section 29 of the Act or of any other enactment relating to safety or standards applicable in respect of the transmission business;
    - (iii) in breach of the Grid Code; or
    - (iv) in breach of the conditions; or
  - (b) the person making the application does not undertake to be bound insofar as applicable by the terms of the Grid Code and/or the CUSC from time to time in force; or
  - (c) in the case of persons making application for use of system under paragraph 1, such person ceases to be an authorised electricity operator; or
  - (d) it is unable to do so due to another transmission licensee having notified the licensee that, for one or more of the reasons set out in paragraph 4 of standard condition D4A and E17 (Obligations in relation to offers for connection etc), it is not obliged to offer to enter or to enter into any agreement with the licensee in accordance with paragraph 1 or paragraph 3 of standard condition D4A or E17 (Obligations in relation to offers for

connection etc) and that it does not intend to offer to enter or to enter into any such agreement; or

- (e) it is unable to do so due to another STC party having notified the licensee in accordance with the STC that it is not obliged to offer to enter or to enter into any agreement with the licensee; or
- (f) if to do so would extend the national electricity transmission system beyond the transmission area defined in special condition ~~AA~~ 1B of the licensee's or any other transmission licensee's licence and the required works could not be undertaken by an offshore transmission owner.

6A. In any such case the licensee shall give duly substantiated reasons for not offering to enter or not entering into any agreement.

7. For the purposes of paragraph 5, the period specified shall be:

- (a) in the case of persons seeking use of system only and seeking to become a party to the CUSC Framework Agreement if not already a party, in connection with such use, 28 days; and
- (b) in the case of persons seeking a bilateral connection agreement or a construction agreement (and seeking to become a party to the CUSC Framework Agreement if not already a party, in connection with such agreements), 3 months; and
- (c) in any other case, 28 days.

8. The licensee shall within 28 days following receipt of a request from any person, give or send to such person such information in the possession of the licensee as may be reasonably required by such person for the purpose of completing an application under the Application Regulations or such provisions of similar effect contained in any further regulations.

9. On receipt of notice from the Authority that an offshore transmission owner has been identified, the licensee shall propose to vary the contractual terms of a bilateral connection agreement and/or construction agreement entered into pursuant to paragraph 3, within 3 months to reflect any changes needed as a consequence of a TO offer from an offshore transmission owner being different from the initial assumptions made by the licensee under paragraph 3(c).

9A. Within 28 days following receipt of a notice from the Authority regarding:

- (a) a decision pursuant to paragraph 14 of standard condition C25 (Provision of information and assistance to the Authority in relation to applications requiring the appointment of an offshore transmission owner) on the rationale for the inclusion of Developer-Associated Offshore Wider Works in the scope of an agreement entered into in accordance with paragraph 3; or
- (b) a decision pursuant to paragraph 17 of standard condition C25 (Provision of information and assistance to the Authority in relation to applications requiring the appointment of an offshore transmission owner) on the continuing rationale for the inclusion of Developer-Associated Offshore Wider Works in the scope of an agreement entered into in accordance with paragraph 3

the licensee must, if necessary, propose to vary the contractual terms of a bilateral connection agreement and/or construction agreement entered into pursuant to paragraph 3 to reflect any changes needed as a consequence of paragraphs 9A(a) or (b).

10. For the period between offshore transmission go-active and offshore transmission go-live, the licensee shall for the purposes of paragraph 3 of this condition:
  - (a) treat a notification made by a distribution licensee in respect of a relevant offshore agreement between the distribution licensee and an existing offshore generator, as an application on behalf of that existing offshore generator for connection to and use of the national electricity transmission system; and
  - (b) treat a notice issued by the licensee in accordance with the CUSC, to an existing offshore generator in respect of a relevant offshore agreement as an application on behalf of that existing offshore generator for modification to an existing connection to the national electricity transmission system.
11. In making an offer to an existing offshore generator in accordance with paragraph 3 of this condition, the licensee shall offer to enter into an agreement that reflects the terms of any relevant offshore agreement that:
  - (a) the licensee has with the existing offshore generator;
  - (b) that a distribution licensee has with the existing offshore generator that has been notified to the licensee in accordance with the CUSC.

12. The Licensee shall within 28 days after the end of the following six monthly periods:

(a) 1 April until 30 September; and

(b) 1 October until 31 March

Submit to the Authority a report in relation to all offers made under paragraph 3 of this condition during that six month period setting out the factors which have influenced the date identified in each offer in accordance with paragraph 3(e) of this condition including the following:

(i) Information on the timescales for connection, and how this may vary by location, type and size of connection

(ii) Key issues that have an impact or have had an impact on the timetable for delivery of the connection; and

(iii) Any issues likely to impact timing of connections going forward.

13. A non-confidential, combined version of this report and the reports provided to the licensee under standard condition D4A (Obligations in relation to offers for connection etc) must also be published by the licensee within 10 days after the later of:

(i) the receipt by the licensee of the last of the reports under standard Condition D4A

(ii) the date by which the licensee is required to submit its report to the Authority pursuant to paragraph 12.

14. In this condition:

“existing offshore generator” means a generator with a generating station located in offshore waters that has a relevant offshore agreement for connection via lines of 132kV or above that are wholly or partly in offshore waters.

“offshore waters” has the meaning given in the Act.

“relevant offshore” means an agreement between an existing offshore

agreement”

generator and the licensee for connection to and/or use of the national electricity transmission system or an agreement between an existing offshore generator and a distribution licensee for connection to its distribution system.

**Condition C11: Production of information about the national electricity transmission system**

1. The licensee shall by 30 November 2014 (or such later date as the Authority may direct) for the financial year commencing 1 April 2014 and by 30 November (or such later date as the Authority may direct) in each financial year thereafter, use reasonable endeavours to prepare and publish a statement of network development information ("the electricity ten year statement") in a form approved by the Authority pursuant to paragraph 8. The electricity ten year statement shall set out in respect of the current financial year and each of the nine succeeding financial years: circuit capacity, forecast power flows and loading on each part of the national electricity transmission system and fault levels for each transmission node, together with:
  - (a) such further information as shall be reasonably necessary to enable any person seeking use of the national electricity transmission system to identify and evaluate the opportunities available when connecting to and making use of such system;
  - (b) a commentary prepared by the licensee indicating those parts of the national electricity transmission system most suited to new connections and transport of further quantities of electricity;
  - (bb) a commentary prepared by the licensee indicating where Major National Electricity Transmission System Reinforcements are likely to be required;
  - (c) such further information as may be necessary for: authorised electricity operators, interconnected system operators, or any other transmission system operator or distribution system operator (as defined in the Electricity Directive) with whose system the licensee's transmission system is connected or with whom the licensee interfaces, to ensure the secure and efficient operation, coordination development and interoperability of the interconnected system;
  - (d) a reasonable number of future scenarios prepared pursuant to paragraph 12;
  - (e) an explanation of any differences between the datasets used for the electricity ten year statement and the datasets used for the ten year network development plan; and
  - (f) such other matters as shall be specified in directions issued by the Authority from time to time for the purposes of this condition.

2. The licensee shall prepare the electricity ten year statement in such a form and manner as is necessary to facilitate the development of an efficient, co-ordinated and economical system of electricity transmission ("the co-ordinated development objective") and in accordance with the further development information objectives as set out in paragraph 3.
3. In preparing the electricity ten year statement, the licensee shall use the future scenarios developed pursuant to paragraph 12, in such a form that provides:
  - (a) the licensee's best view of the design and technical characteristics of the development of the national electricity transmission system, considering:
    - (i) the likely development of the national electricity transmission system;
    - (ii) the likely capacity, location and timing of the development of onshore and offshore generating stations and interconnector(s);
    - (iii) the likely location of feasible connection points for new offshore transmission systems to the national electricity transmission system;
    - (iv) to the extent that information is available to the licensee, possible routing options for new transmission circuits that might be used to connect generating stations and interconnector(s) in offshore waters to the national electricity transmission system;
  - (b) ~~(a)~~ the licensee's best view of the potential reinforcements to the national electricity transmission system that may be required to connect onshore and offshore generating stations and interconnector(s);
  - (c) ~~(b)~~ the licensee's best estimates of the costs associated with connecting onshore and offshore generating stations and interconnector(s); ~~and~~
  - (d) ~~(c)~~ the licensee's best view of other economic and technical factors, to help planning of onshore and offshore generating stations and interconnector(s); and
  - (e) the licensee's best view of the capacity, location and timing of the connection of new interconnectors that would facilitate an efficient economical and coordinated system of electricity. This should take into account the impact on GB wholesale prices, the provision of ancillary services, constraint management and other operational considerations;



collectively, “the development information objectives”.

4. The licensee shall include in every statement prepared pursuant to paragraph 1 above the information required by that paragraph except that the licensee may, with the prior consent of the Authority, omit from such statement any details as to circuit capacity, power flows, loading or other information, disclosure of which would, in the view of the Authority, seriously and prejudicially affect the commercial interests of the licensee or any other transmission licensee or any third party.
5. The licensee shall not less than once in each financial year (and at such other times as the Authority may direct), in consultation with interested parties, review the most recent electricity ten year statement prepared and published pursuant to paragraph 1. The consultation shall be of such a form and duration to reasonably allow all interested parties to contribute to the preparation of the electricity ten year statement. The licensee shall provide to the Authority, no later than 14 days after it has completed its consultation, copies of all of the responses that it has received to any consultation undertaken pursuant to this paragraph.
6. Following a review of the electricity ten year statement pursuant to paragraph 5, the licensee shall propose to the Authority any suggested revisions to the ten year electricity statement that it considers would better facilitate the co-ordinated development objective and the development information objectives. Any such revisions shall, as appropriate, be included in the licensee’s submissions to the Authority pursuant to paragraphs 8 and 15.
7. The licensee shall periodically revise (at least once every 6 months) the information set out in the statement prepared pursuant to paragraph 1 to ensure that the information set out in the statement remains accurate in all material respects.
8. The licensee shall submit to the Authority for approval the proposed form of the electricity ten year statement to be published in the financial year commencing 1 April 2014 by no later than 1 June 2014 and submit to the Authority for approval any proposed revisions to the form of the electricity ten year statement by no later than by 1 June in each subsequent financial year thereafter or at such other date as directed by the Authority.
9. The Authority may:

- (a) within 28 days of receipt of the licensee's proposals pursuant to paragraph 8, give a direction to the licensee that the proposed form of the electricity ten year statement or the proposed revisions to the form of the electricity ten year statement requires further development; and
  - (b) subsequently, following consultation with the licensee and other interested parties, direct the areas in which the licensee shall be required to make revisions to the proposed form of the electricity ten year statement and the date by which the licensee shall be required to submit a revised form of the electricity ten year statement to the Authority for approval.
- 10. If, within 28 days of receipt of the licensee's proposals pursuant to paragraph 8, the Authority has not given a direction to the licensee pursuant to paragraph 9, the form of the electricity ten year statement proposed by the licensee will be deemed to have been approved by the Authority.
- 11. The licensee shall publish the electricity ten year statement on its website in such readily accessible form and manner that it considers will facilitate the achievement of the co-ordinated development objective and the development information objectives, and must give a copy of the statement on request and free of charge to any person who asks for one.
- 12. The licensee shall, in consultation with interested parties, prepare a reasonable number of future scenarios that it proposes to include within the electricity ten year statement. The consultation shall be of such a form and duration as to reasonably allow all interested parties to contribute to the preparation of the future scenarios. The future scenarios shall be reasonable, reflect uncertainties and shall, as far as practicable, be consistent with scenarios that the licensee uses in other relevant areas of work.
- 13. Each future scenario prepared pursuant to paragraph 12 shall include a description of the key assumptions made by the licensee in developing that future scenario, including, but not limited to:
  - (a) the capacity, location and timing of the connection of generating stations ~~and interconnectors~~, having regard to information generally available in the public domain as well as such information, if any, made available to the licensee for use in the electricity ten year statement by interested parties with respect to generating stations ~~and interconnector(s)~~ planned to be developed;

(aa) the capacity, location and timing of the connection of new interconnectors, having regard to the overall level of interconnection between the national electricity transmission system and transmission systems in other jurisdictions that the licensee reasonably considers likely;

- (b) the wider development of the national electricity transmission system, having regard to the licensee's investment plans and investment plan information provided by other authorised electricity operators; and
- (c) the plant and equipment that the licensee considers would reasonably be available to transmission owners and interconnectors;

together with a description of the data used by the licensee to model each of the future scenarios.

14. The licensee shall finalise the future scenarios that it proposes to use in the preparation of the electricity ten year statement it prepares pursuant to paragraph 1, taking account of the views expressed by interested parties in response to the consultation undertaken by the licensee pursuant to paragraph 12.
15. The licensee shall submit the following information to the Authority by no later than 31 January 2015 and by no later than 31 January in each subsequent financial year (or such other date as the Authority may direct):
  - (a) the future scenarios, or any revisions to the future scenarios, that it proposes to include in the electricity ten year statement;
  - (b) a detailed explanation of the consultation process undertaken in the development of the future scenarios; and
  - (c) a summary of views from interested parties on the future scenarios and an explanation of how these responses were taken into account in the design of the future scenarios.
16. If the Authority is not satisfied that the future scenarios proposed by the licensee would facilitate the achievement of the coordinated development objective and the development information objectives, the Authority may, within 28 days of receipt of the future scenarios pursuant to paragraph 15, issue a direction to the licensee that the future scenarios proposed by the licensee require further development.

17. The Authority may subsequently, following consultation with the licensee and other interested parties, direct the areas in which the licensee shall be required to make revisions to the future scenarios and any further consultation with interested parties that the licensee shall be required to undertake together with the date by which the licensee shall be required to submit those further revisions to the future scenarios to the Authority.
18. The licensee shall also include in the electricity ten year statement an explanation of how responses from interested parties on the future scenarios were taken into account in further revisions of the future scenarios.
19. In this condition:

**“interested parties”** includes authorised electricity operators, potential offshore transmission owners, the Crown Estate, Government bodies and institutions with an interest in the development of the national electricity transmission system.

**“ten year network development plan”** refers to the non-binding European Community-wide ten year network plan published every two years in accordance with Article 8 of EC Regulation No 714/2009, and which includes a European generation adequacy outlook built on national generation adequacy outlooks prepared by each individual transmission system operator.

**“interconnected system operator”** means any authorised electricity operator, or any other transmission system operator or distribution system operator (having the meaning given by the Electricity Directive) with whose system the licensee’s transmission system is connected or with whom the licensee interfaces.

***Condition C25: Provision of information and assistance to the Authority in relation to applications requiring the appointment of an offshore transmission owner***

**Introduction**

A1. (a) The objective of Part A of this condition is to place an obligation on the licensee to provide such information and assistance as is required by the Authority in relation to any application, offer, agreement or variation to contractual terms made pursuant to standard condition C8 (Requirement to offer terms) requiring the appointment of an offshore transmission owner.

(b) The objective of Part B of this condition is to place an obligation on the licensee to provide such information and assistance as is required by the Authority in relation to the rationale for including Developer-Associated Offshore Wider Works in an offer made under paragraph 3 of standard condition C8 (Requirement to offer terms) requiring the appointment of an offshore transmission owner.

**Part A: Provision of information and assistance to the Authority**

1. The licensee shall furnish to the Authority information relating to
  - (a) any application made under standard condition C8 (Requirement to offer terms) that would require the appointment of an offshore transmission owner, including the licensee's initial view on whether Developer-Associated Offshore Wider Works are anticipated in relation to the application;
  - (aa) any offer made under standard condition C8 (Requirement to offer terms) that would require the appointment of an offshore transmission owner and that includes Developer-Associated Offshore Wider Works;
  - (b) any agreement entered into under standard condition C8 (Requirement to offer terms) that requires the appointment of an offshore transmission owner, specifying, where relevant, if Developer-Associated Offshore Wider Works are included, and
  - (c) any agreed variation to the contractual terms entered into under standard condition C8 (Requirement to offer terms) that requires the appointment of an offshore transmission owner, specifying, where relevant, if Developer-Associated Offshore Wider Works are included in or affected by the variation(s).

2. The licensee shall submit to the Authority information equivalent to an application in accordance with the STC, made by the licensee to another licensee under paragraph 1 or of standard condition D4A, in respect of an application made under standard condition C8 (Requirement to offer terms) that requires the appointment of an offshore transmission owner.
3. The licensee shall provide to the Authority computer file(s) produced by the licensee that the licensee considers provides an appropriate representation of the national electricity transmission system, for the conditions on the national electricity transmission system relevant to each agreement notified pursuant to paragraph 1(b) and in sufficient detail to enable other parties to undertake offshore transmission system design work.
4. The licensee shall provide to the Authority information describing any other design options considered by the licensee that are relevant to each agreement notified pursuant to paragraph 1(b).
5. The licensee shall provide the information required under paragraphs 1, 2, 3 and 4 without specific request from the Authority and within 10 business days of the date of the application or offer made or agreement entered into or variation to contractual terms agreed, under standard condition C8 (Requirement to offer terms).
6. The Authority may require the licensee to provide additional information as the Authority may reasonably require or as may be necessary, for the purposes of appointing an offshore transmission owner. The licensee shall agree with the Authority an indicative timetable for additional information provision during a tender exercise.
7. The licensee shall provide the Authority with assistance in assessing offshore transmission system designs proposed during a tender exercise, equivalent to that provided to other STC parties in respect of an application in accordance with the STC. Such assistance may include (but is not limited to) the licensee:
  - (a) Carrying out an economic impact assessment of proposed offshore transmission designs;
  - (b) Assessing the impact of proposed offshore transmission designs that require a change to the assumptions made by the licensee in preparing the offer made under standard condition C8 (Requirement to offer terms); and

- (c) Advising on any constraints relevant to the carrying out of the works necessary to connect proposed offshore transmission system designs to the national electricity transmission system.
8. (a) Where an offshore transmission system has not been constructed or installed by an offshore transmission owner:
- (i) the licensee shall provide a completion notice to the Authority in respect of that offshore transmission system on the same date that any electricity generated by the relevant generating station connected to that offshore transmission system is permitted to be transmitted over that offshore transmission system onto the total system in accordance with the Grid Code; or
  - (ii) where, on or before the date this paragraph comes into effect, any electricity generated by the relevant generating station connected to that offshore transmission system has already been permitted to be transmitted over that offshore transmission system onto the total system, the licensee shall provide a completion notice to the Authority in respect of that offshore transmission system within 10 business days from that date and the completion notice shall be issued by the licensee with effect from the same date for all such offshore transmission systems.
- (b) In all other cases, the licensee shall notify the Authority within 10 business days of the completion of any offshore transmission system.
9. The licensee shall not be required by the Authority to furnish it under this condition with information for the purpose of the exercise of its functions under section 47 of the Act.
10. This condition shall not require the licensee to produce any documents or give any information which it could not be compelled to produce or give in evidence in civil proceedings before a court.
11. The power of the Authority to call for information under this condition is in addition to the power of the Authority to call for information under or pursuant to any other condition. There shall be a presumption that the provision of information in accordance with any other condition is sufficient for the purposes of that condition,

but that presumption shall be rebutted, if the Authority states in writing that in its opinion such further information is, or is likely to be, necessary to enable it to exercise functions under the condition in question.

12. [Not used] In this condition:

~~“completion notice” means a notice given by the licensee to the Authority in relation to an offshore transmission system stating that it would be possible to carry on an activity to which section 4(1)(b) of the Act applies by making available for use that system.~~

**Part B: Provision of information to the Authority in relation to the assessment of Developer-Associated Offshore Wider Works**

13. When providing information to the Authority under paragraph 1(aa), the licensee must provide:

- (a) information on the works detailed in the offer to enter into a bilateral agreement and/or construction agreement made under standard condition C8 (Requirement to offer terms), including its initial view of the scale and cost of any Developer-Associated Offshore Wider Works together with relevant information from discussions with transmission owners and Developers as appropriate; and
- (b) the licensee’s initial view of the Needs Case for the Developer-Associated Offshore Wider Works detailed in the offer.

14. On receipt of information under paragraph 1(b) that an agreement which includes Developer-Associated Offshore Wider Works has been entered into under standard condition C8 (Requirement to offer terms), the Authority will direct the licensee to submit such information as the Authority considers necessary to enable it to assess and make a decision on the rationale for inclusion of Developer-Associated Offshore Wider Works in the scope of the agreement. This may include a requirement to submit a more detailed Needs Case and information collated by the licensee from other licensees or other relevant parties.



15. The Authority will, following discussions with the licensee, direct the timescales within which the licensee is to submit the information required under paragraph 14.
16. The licensee must keep under review any Needs Case submitted to the Authority in accordance with paragraph 14 from the date of submission until the Developer-Associated Offshore Wider Works are deemed to be Commissioned. The licensee must notify the Authority of any material changes to the Needs Case or to the circumstances in which the bilateral agreement and/or construction agreement was made within 10 business days of the licensee becoming aware of such change.
17. The Authority may, following notification given to it under paragraph 16, require the licensee to provide such additional information as may be necessary for the purposes of enabling the Authority to decide on the continuing rationale for inclusion of Developer-Associated Offshore Wider Works in the scope of the bilateral agreement and/or construction agreement. The Authority will direct a timetable for provision of additional information under this paragraph.
18. In the context of this condition:

"Commissioned" has the meaning given to it in Section 11 of the CUSC.

"completion notice" means a notice given by the licensee to the Authority in relation to an offshore transmission system stating that it would be possible to carry on an activity to which section 4(1)(b) of the Act applies by making available for use that system.

"Developer" has the meaning given to it in regulations made by the Authority under section 6C of the Act.

## **Standard Condition C27: The Network Options Assessment process and reporting requirements**

### **Introduction**

1. This condition sets out the licensee's role in assessing options for the development of the national electricity transmission system (including Offshore Wider Works) and interconnection capacity. The network options assessment (NOA) process is designed to facilitate the development of an efficient, co-ordinated and economical system of electricity transmission and the development of efficient interconnection capacity.
2. The methodology underpinning the NOA process, along with how this will be approved, is set out in Part A of this condition. The requirements for the publication of the annual NOA report are outlined in Part B. The licensee's obligations regarding the provision of information underpinning the NOA process are described in Part C. Part D sets out the role the licensee will play in the early development of options and the circumstances in which the licensee will be required to do so. Together, all of these activities make up the NOA process.
3. The licensee must take such steps as are within its power, and it considers may be necessary to enable the NOA process. In carrying out the NOA process, the licensee must act in a manner that best ensures transparency and independence.

### **Part A: The NOA methodology and form of the NOA report**

4. The licensee must, not less than once in each financial year (and at such other times as the Authority may direct), develop proposals for the NOA methodology and the form of the NOA report in consultation with interested parties. The consultation shall be of such a form and duration as practicable to reasonably allow all interested parties to contribute.
5. Following any consultation pursuant to paragraph 4, the licensee must:
  - (a) by 1 October 2015, or at such other date as directed by the Authority, submit to the Authority a proposed NOA methodology and proposed form of the initial NOA report ("the initial NOA report"). The licensee must make reasonable endeavours to ensure the NOA methodology includes the

- information set out in paragraph 8. Where this has not been possible, the licensee must explain the reasons and how it proposes to progress outstanding issues; and
- (b) by 1 August of each subsequent financial year, or at such other date as directed by the Authority submit to the Authority for approval the proposed NOA methodology and form of the NOA report.
6. Submissions made under paragraph 5 must include:
- (a) a detailed explanation of the consultation process undertaken in the development of the NOA methodology;
- (b) a summary of views from interested parties and an explanation of how these were taken into account in the development of the NOA methodology; and
- (c) copies of any formal responses submitted to the licensee as part of its consultation process.
7. The Authority will on receipt of a submission under paragraph 5:
- (a) approve the proposed NOA methodology and/or form of the NOA report; or
- (b) give a direction to the licensee that the NOA methodology and/or form of the NOA report requires further development, and the date by which the licensee is required to submit a revised NOA methodology and/or the form of the NOA report to the Authority for approval.
8. The NOA methodology must be designed to facilitate the development of an efficient, co-ordinated and economical system of electricity transmission, and must include (but need not be limited to):
- (a) the approach used for determining what constitutes Major National Electricity Transmission System Reinforcements;
- (b) the approach used for identifying the range of options to meet system needs in accordance with the development of an efficient, co-ordinated and economical system of electricity transmission to be set out in the NOA report in accordance with 14(a)(i) and (ii);

- (c) how the options identified in (b) will be assessed, including but not limited to:
  - (i) the approach used to assess the technical, economic and environmental impacts and risks; and
  - (ii) the approach used for modelling boundary capacity, offshore transmission capacity and interconnector capacity along with assumptions and assessment criteria used;
- (d) the basis for the cost estimate provided for each option;
- (e) how the licensee will engage with interested parties to share relevant information and how that information will be used to review and revise the NOA methodology; and
- (f) details of the licensee's proposed timetable for updating and consulting on the methodology for the NOA reports.

#### **Part B: The NOA report**

9. The licensee must publish an initial NOA report by 31 March 2016 or such other date as directed by the Authority. The initial NOA report must be based on the NOA methodology and be in a form approved by the Authority in accordance with paragraph 7. In producing the initial NOA report, the licensee must make reasonable endeavours to ensure it includes the information set out in paragraph 14. Where this has not been possible, the licensee must explain the reasons and how it proposes to progress any outstanding issues.
10. If, following a submission of the NOA methodology and form of the initial NOA report in accordance with paragraph 6(a), the Authority has not approved or directed further development of the NOA methodology and/or form of the NOA report in accordance with paragraph 7 by 1 December 2015, the publication date set out in paragraph 9 will be treated as being amended accordingly. The amendment will equal the number of days between 1 December 2015 and receipt of the Authority's approval or direction.
11. Following publication of the initial NOA report the licensee must:

- (a) review at least once in each financial year the NOA report prepared and published in the previous financial year and consider any improvements to better facilitate the development of an efficient, co-ordinated and economical system of electricity transmission; and
  - (b) publish an updated NOA report by 31 January or such other date as directed by the Authority in a form approved by the Authority. This must be based on and include the latest NOA methodology approved by the Authority pursuant to paragraph 7.
- 12. If, following a submission of the methodology and the form of the NOA report by the date set out in paragraph 5(b), the Authority has not approved or directed further development of the NOA methodology and/or form of the report in accordance with paragraph 7 by 1 October the publication date set out in paragraph 11(b) will be treated as amended accordingly. The amendment will equal the number of days between 1 October and receipt of the Authority's approval or direction.
- 13. The licensee must publish the NOA report on its website in such readily accessible form and manner that it considers will facilitate the development of an efficient, co-ordinated and economical system of electricity transmission, and provide a copy of the NOA report on request, and free of charge, to any person who asks for one.
- 14. In complying with the requirements of paragraph 13, the licensee must have due regard to the need for excluding from the NOA report any information that would or might seriously and prejudicially affect the commercial interests of the owner of that information if published or might be expected to be incompatible with any legislation, rule of law or licence condition. The licensee must provide to the Authority its reasons for any omission of information from the NOA report.
- 15. Each NOA report (including the initial NOA report) must, in respect of the current financial year and each of the nine succeeding financial years:
  - (a) set out:
    - (i) the licensee's best view of the options for Major National Electricity Transmission System Reinforcements (including any Non Developer-Associated Offshore Wider Works that the licensee is undertaking early

development work for under Part D), and additional interconnector capacity that could meet the needs identified in the electricity ten year statement (ETYS) and facilitate the development of an efficient, co-ordinated and economical system of electricity transmission;

- (ii) the licensee's best view of alternative options, where these exist, for meeting the identified system need. This should include options that do not involve, or involve minimal, construction of new transmission capacity; options based on commercial arrangements with users to provide transmission services and balancing services; and, where appropriate, liaison with distribution licensees on possible distribution system solutions;
  - (iii) the licensee's best view of the relative suitability of each option, or combination of options, identified in accordance with paragraph 14(a)(i) or (ii), for facilitating the development of an efficient, co-ordinated and economical system of electricity transmission. This must be based on the latest available data, and must include, but need not be limited to, the licensee's assessment of the impact of different options on the national electricity transmission system and the licensee's ability to co-ordinate and direct the flow of electricity onto and over the national electricity transmission system in an efficient, economic and co-ordinated manner; and
  - (iv) the licensee's recommendations on which option(s) should be developed further to facilitate the development of an efficient, co-ordinated and economical system of electricity transmission;
- (b) be consistent with the ETYS and where possible align with the Ten Year Network Development Plan, in the event of any material differences between the Ten Year Network Development plan and the NOA report an explanation of the difference and any associated implications must be provided; and
  - (c) have regard to interactions with existing agreements with parties in respect of developing the national electricity transmission system and changes in system requirements.

## **Part C: Provision of information**

16. Based on the NOA methodology set out in Part A, the licensee must provide electricity transmission licensees and interconnector developers if requested to do so:
- (a) with information and analysis to support them in their decision-making and development of options to meet system needs as identified in the ETYS. This must include information on the potential for coordination between parties where the licensee's analysis suggests coordination could facilitate the development of an efficient, co-ordinated and economical system of electricity transmission. The licensee must provide this information and analysis in such form and within such timescales as transmission licensees and interconnector developers may reasonably request and which is necessary to support these parties' decision making and development of options;
  - (b) with its assessment of the options that a party is considering for Major National Electricity Transmission System Reinforcements and interconnectors, as well as its assessment of any alternative options being considered by other parties. The licensee must provide the assessment in such form and within such timescales as transmission licensees and interconnector developers may reasonably request and which is necessary to support these parties' decision making;
  - (c) with updated information and analysis to support submissions to the Authority in such form and within such timescales as transmission licensees and interconnector developers may reasonably request and which is necessary to support these parties' submissions to the Authority;
  - (d) In complying with the requirements of this paragraph, the licensee must have due regard to the need to exclude from disclosure any information which would or might seriously and prejudicially affect the commercial interests of the owner of that information if disclosed or might be expected to be incompatible with any legislation, rule of law or licence condition. The licensee must provide to the Authority its reasons for any non-disclosure of information.
17. Based on the NOA methodology set out in Part A, the licensee must if requested submit to the Authority the information it has provided to parties under paragraph

16 on the assessment of options to meet a particular system requirement. This includes but is not limited to information to support a needs case for a Strategic Wider Works Output, a Needs Case for Developer-Associated Offshore Wider Works and any interconnector developers submission to the Authority. The licensee must also submit any additional information requested by the Authority. The licensee's submissions must be made in timescales consistent with related submissions from other parties to the Authority, and as directed by the Authority.

18. In relation to interconnectors, based on the NOA methodology set out in Part A, the licensee must submit to the Authority, within the timescales directed by the Authority, information on:
- (a) the efficiency of the connection choices made by an interconnector developer, based on the licensee's involvement in assessing different options, including the costs of any necessary reinforcements required to connect interconnectors to the national electricity transmission system;
  - (b) the licensee's assessment of the impact of new interconnectors on system operation. This should include costs and benefits relating to provision of security of supply including ancillary services, constraint management and other operational factors, which may accrue to the licensee and to consumers; and
  - (c) the licensee's assessment of changes in wholesale prices as a result of interconnector flows and the impact of these changes on GB consumers, generators and interconnectors.
19. The Authority may direct the licensee to submit additional information on the assessment of options specified in paragraphs 15, 16 and 17, within such timeframe as the Authority may require in order to carry out any of its functions in relation to the assessment of submissions.

#### **Part D: Early development of options**

20. The licensee must undertake early development of options for Non Developer-Associated Offshore Wider Works where these have been identified as options for the development of the national electricity transmission system in accordance with the NOA methodology. The development of these options should be consistent with the NOA methodology and undertaken in a transparent manner which will enable



the options to be compared with alternative options (including those being developed by other parties) in accordance with the requirements in paragraph 15(a)(i) and (ii).