To: All holders of an Electricity Transmission licence

Electricity Act 1989 Section 11A(2)

Notice of statutory consultation on a proposal to modify the standard conditions of all Electricity Transmission licences

- 1. The Gas and Electricity Markets Authority (the Authority)¹ proposes to modify the standard conditions of all Electricity Transmission licences granted or treated as granted under section 6(1)(b) of the Electricity Act 1989 by amending standard licence conditions:
 - C17: Transmission system security standard and quality of service
 - D3: Transmission system security standard and quality of service
 - E16: Transmission system security standard and quality of service
- 2. We are proposing these modifications to update all references to the National Electricity Transmission System Security and Quality of Supply Standard (NETS SQSS) version number to reflect the latest version, number 2.3. Licences currently refer to the out-of-date version 2.2.
- 3. The effect of the proposed modifications, which are set out in the Annex to this notice, will be that all Electricity Transmission licence conditions will refer to the most up-to-date version of the NETS SQSS. Version 2.3 incorporates changes made relating to our decisions to approve modifications GSR008, GSR011 and GSR015².
- A copy of the proposed modifications and other documents referred to in this Notice have been published on our website (<u>www.ofgem.gov.uk</u>). Alternatively they are available from our Research and Information Centre, 9 Millbank, London, SW1P 3GE (020 7901 7003).
- 5. Any representations with respect to the proposed modifications must be made on or before 16 November 2016 to: Hannah Cummins, Office of Gas and Electricity Markets, 3rd Floor, Cornerstone, 107 West Regent Street, Glasgow, G2 2BA or by email to hannah.cummins@ofgem.gov.uk.
- We normally publish all responses on our website. However, if you do not wish your response to be made public then please clearly mark it as not for publication. We prefer to receive responses in an electronic form so they can be placed easily on our website.
- 7. If we decide to make the proposed modifications they will take effect not less than 56 days after the decision is published.

Min Zhu

Associate Partner, Electricty Transmission

Signed on behalf of the Authority and authorised for that purpose

12/10/16

¹ The terms "the Authority", "we" and "us" are used interchangeably in this document.

² Link to our GSR008 modification decision - https://www.ofgem.gov.uk/publications-and-updates/security-and-quality-supply-standard-sqss-qsr0011-review-offshore-networks
Link to our GSR015 modification decision - https://www.ofgem.gov.uk/publications-and-updates/security-and-quality-supply-standard-sqss-qsr015-normal-infeed-loss-risk

Annex

Condition C17: Transmission system security standard and quality of service

- 1. Subject to any connect and manage derogation made pursuant to paragraphs 2, 3 and 4 of this condition, the licensee shall at all times:
 - a) plan, develop and operate the licensee's transmission system; and
 - b) co-ordinate and direct the flow of electricity onto and over the national electricity transmission system,

in accordance with the National Electricity Transmission System Security and Quality of Supply Standard version 2.23, together with the STC, the Grid Code or such other standard of planning and operation as the Authority may approve from time to time and with which the licensee may be required to comply (following consultation (where appropriate) with any authorised electricity operator liable to be materially affected thereby).

Condition D3: Transmission system security standard and quality of service

1. Subject to any connect and manage derogation made pursuant to paragraphs 2 and 3 of this condition, the licensee shall at all times plan and develop the licensee's transmission system in accordance with the National Electricity Transmission System Security and Quality of Supply Standard version 2.23, together with the STC or such other standard of planning and operation as the Authority may approve from time to time and with which the licensee may be required to comply (following consultation (where appropriate) with any authorized electricity operator liable to be materially affected thereby) and shall, in so doing, take into account the system operator's obligations under standard condition C17 (Transmission system security standard and quality of service) to co-ordinate and direct the flow of electricity onto and over the national electricity transmission system.

Condition E16: Transmission system security standard and quality of service

1. The licensee shall at all times plan and develop the licensee's transmission system in accordance with the National Electricity Transmission System Security and Quality of Supply Standard version 2.23, together with the STC or such other standard of planning and operation as the Authority may approve from time to time and with which the licensee may be required to comply (following consultation (where appropriate) with any authorised electricity operator liable to be materially affected thereby) and shall, in so doing, take into account the system operator's obligations under standard condition C17 (Transmission system security standard and quality of service) to co-ordinate and direct the flow of electricity onto and over the national electricity transmission system.