

Guidance on technical derogation requests

Guidance

Publication date: XX XX 2017

Contact: Stephen Perry, Senior Manager

Tel: 020 7901 1806

Email: Stephen.perry@ofgem.gov.uk

Target Audience:

- Electricity generation, transmission, distribution and supply licensees;
- Parties with obligations under the Requirement for Generators network code, Demand Connection Code and High Voltage Direct Current network code; and
- Wider interested parties

Overview:

This document sets out ~~Ofgem's~~ our guidance on the process for requesting a derogation from an ~~licence~~ obligation to comply with ~~a technical codes and standard technical requirement within electricity generation, transmission, distribution and supply licences~~. -It also sets out the criteria ~~Ofgem~~ we will take into account when considering such requests.

This guidance replaces the '~~Guidance on licence derogation requests~~' document ~~Guidance Note: Derogation From Codes And Standards In Electricity Generation, Supply, Distribution And Transmission Licences~~ that we issued in ~~October~~ January 2009~~3~~. -It updates the previous guidance ~~in light of recent developments, including the revised guidance on impact assessments, guidance to industry on environmental issues and code objectives and, most recently, issues arising in the context of the Transmission Access Review~~ to reflect the development of several new European Network Codes. ~~The guidance sets out that Ofgem's assessment of derogation requests will take into account the Authority's statutory duties and consider costs and benefits, including amongst other things the potential benefits of reduced carbon emissions.~~

Formatted: Default Paragraph Font

Formatted: Indent: Left: -1.25 cm

Formatted: Font: Bold

Formatted: Font: Bold

Formatted: Bulleted + Level: 1 + Aligned at: 0.63 cm + Indent at: 1.27 cm

Formatted: English (United Kingdom)

Formatted: English (United Kingdom)

Context

This document sets out the process for ~~electricity generation, transmission, distribution and supply licensee~~ parties to apply for a derogation from an ~~an~~ licensee obligation to comply with relevant technical ~~requirements~~ codes and standards, ~~our~~¹ ~~Ofgem's~~ assessment of such requests and criteria of assessment. ~~This guidance replaces the previous guidance document that we issued in 2009~~³.

~~The previous guidance has been updated~~We have updated the previous guidance document to ~~reflect the development of the Requirement for Generators network code (RfG),² Demand Connection Code network code (DCC)³ and High Voltage Direct Current network code (HVDC).⁴ These codes form part of a suite of European Network Codes (ENCs) that intend to deliver a harmonised set of rules for the operation of the electricity sector in Europe. These ENCs specify the technical connection requirements that relevant parties must adhere to. Collectively we refer to these three ENCs as the 'Grid Connection Codes' (the GCCs).~~

The GCCs include provisions that allow parties to seek derogations from the ~~requirements of the GCCs.~~⁵ The GCCs give us the role of reviewing, and making decisions on, GCC derogation requests. ~~We consider it is appropriate that our guidance on technical codes and standards derogation requests incorporates guidance on how we will review and assess GCC derogations requests~~reflect recent developments, in particular in relation to sustainable development. ~~In March 2008, Ofgem issued revised guidance on impact assessments to take account of best practice as it has developed, for example in relation to sustainability issues. In June~~

¹ Ofgem is the Office of Gas and Electricity Markets. Our governing body is the Gas and Electricity Markets Authority and is referred to variously as GEMA or the Authority. We use "the Authority", "Ofgem" and "we" interchangeably in this document. More information can be found here <https://www.ofgem.gov.uk/publications-and-updates/powers-and-duties-gema>

² Commission Regulation (EU) 2016/631 of 14 April 2016 establishing a network code on requirements for grid connection of generators; http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L:2016_112_R_0001

³ Commission Regulation (EU) 2016/1388 of 17 August 2016 establishing a Network Code on Demand Connection; http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2016.223.01.0010.01.ENG&toc=OJ:L:2016:223:TOC

⁴ Commission Regulation (EU) 2016/1447 of 26 August 2016 establishing a network code on requirements for grid connection of high voltage direct current systems and direct current-connected power park modules; <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32016R1447>

⁵ Articles 60-65 of RfG, Articles 50-55 of DCC and Articles 75-81 of HVDC.

Guidance on technical derogation requests

~~2008, Ofgem issued guidance to industry on the treatment of carbon costs within the existing code governance framework. In parallel, we are undertaking a broader code governance review which will consider, amongst other things, whether it is appropriate to amend the code framework to align it more closely with the Authority's statutory objectives in relation to the environment.~~

~~Also in June 2008, Ofgem published its final report following the Transmission Access Review (TAR). Under TAR, Ofgem identified a number of measures which may facilitate faster connection of some generation and establish enduring access arrangements that will facilitate the achievement of the government's 2020 targets for renewable energy. The final TAR report noted that transmission licensees would be working to identify opportunities to use derogations from minimum standards in the GB SQSS to facilitate faster connection. It also noted that Ofgem's assessment of derogation requests would take into account the Authority's statutory duties and will consider appropriate costs and benefits including, amongst other things, the potential benefits of reduced carbon emissions.~~

~~We consider it is appropriate that the guidance on derogations reflects these developments in relation to sustainable development, in particular to clarify the type of information we expect to be included in a request for a derogation, including where appropriate a quantitative assessment of the impacts of the potential derogation on, amongst other things, carbon emissions.~~

~~We~~ We have also updated the guidance to include a number of housekeeping changes.

Associated documents

- Guidance Note: Derogation from Codes and Standards In Electricity Generation, Supply, Distribution And Transmission Licences. October 2003
http://www.ofgem.gov.uk/Networks/Tech/TechStandds/Deroqtns/Documents1/4956-Derogation_Guidance_Note_21oct03.pdf
- ~~Transmission Access Review — Final Proposals~~ Guidance on licence derogation requests.- January 2009
• June 2008
https://www.ofgem.gov.uk/sites/default/files/docs/2009/01/090119derogationsguidance_0.pdf

Formatted: Font: 10 pt

Field Code Changed

Formatted: Font: 10 pt

Formatted: Indent: Left: 0.63 cm, No bullets or numbering

Field Code Changed

Formatted: Font: 10 pt

Formatted: No bullets or numbering

Contents

Executive Summary	5
Guidance on derogation requests	5
What a derogation is and when it may be appropriate	5
Information required and our assessment	5
1. Introduction and background	7
Background	7
GB technical codes and standards	7
EU technical requirements	7
Contents of this document	8
What is meant by derogation?	8
When would a derogation be required?	8
Types of derogation	9
2. Information required in a derogation request	11
Applying for a derogation	11
A request for a derogation from a GB technical code or standard only	11
A request for a derogation from a EU Grid Connection Code (GCC) obligation	11
Minimum requirements of the request	15
Additional information	16
3. Our assessment of derogation applications	19
Our role	19
Our assessment	19
Procedure	20
Derogation Assessment Criteria	21
Our decision	23
4. Register of derogations	25
Appendices	26
Appendix 1 – Technical requirements to which this guidance applies	27

Executive Summary

Guidance on derogation requests

What a derogation is and when it may be appropriate

Electricity generation, transmission, distribution and supply licensees are obliged to comply with certain technical codes and standards. Other parties, including new licence-exempt generators, transmission-connected demand facilities and providers of demand side response, are also obliged to comply with certain technical requirements identified in the GCCs.

-Compliance with ~~technical codes and standards~~technical requirements is in the interests of electricity consumers as a failure to comply can have a direct and adverse impact on the security and quality of electricity supplied, and may have health and safety implications.

However, there may be occasions when a party licensee assesses that it is not in a position to comply with a particular ~~code or standard~~technical requirement, or that the technical requirements placed upon it ~~by a code or standard~~ may result in an inefficient outcome either in the short or longer term. -In these circumstances, a affected party licensee may submit a request to Ofgem-us for a derogation from the ~~licence~~ requirement to comply with a particular ~~obligation~~obligation in a code or standard.

This document sets out the information ~~Ofgem-we will~~requires in order to assess a request for a derogation, and outlines the factors ~~we will~~Ofgem takes into account in its assessment.

Information required and our~~Ofgem's~~ assessment

A request for a derogation should be submitted in writing to Ofgem-us and should include sufficient information to enable ~~the us~~Authority to make a decision, including a comprehensive, and where possible, quantitative assessment, of the impact ~~of the non-compliance~~ on:

- Consumers
- Competition
- Sustainable development
- Health and safety and the associated risk management measures
- Other parties affected by the non-compliance, including the ability of the relevant system operator (SO) or Distribution Network Operator (DNO) to operate its system

Each derogation request is assessed by Ofgem-us individually on its merits in terms of the likely effect on ~~consumers-the above items~~ and on the ability of other

Guidance on technical derogation requests

~~authorised electricity operators~~ affected parties to comply with their statutory obligations, including the GCCs and licence conditions.

In ~~our~~^{its} assessment ~~the Authority~~^{we}, having regard to ~~our~~^{its} principal objective and ~~our~~^{its} statutory duties. This includes, including our duties in respect of sustainable development and duties to carry out our functions in the manner that we considers is best calculated to implement or ensure compliance with any decision of the Agency or the European Commission under the Third Package (which includes the GCCs); and, will consider amongst other things the impacts set out above.

If ~~Ofgem is~~^{we are} satisfied that the information received meets the minimum requirements and considers that the derogation request is justified then ~~the Authority~~^{we} will issue a ~~derogation~~^{rection} to the ~~licensee~~^{affected party} granting the necessary relief from the relevant obligations for a time period specified in the ~~derogation~~^{rection}. ~~— A copy will also be placed on Ofgem's public register.~~

1. Introduction and background

Chapter Summary

This chapter explains what a derogation is, the circumstances in which a derogation may be appropriate, and the different types of derogation ~~Ofgem we~~ may grant.

Background

1.1. Electricity generation, transmission, distribution and supply licensees are obliged to comply with certain technical codes and standards. ~~Other parties that do not have a licence, including new licence-exempt generators, transmission-connected demand facilities and providers of demand side response, are also obliged to comply with certain technical codes and standards identified in the GCCs.~~

GB technical codes and standards

~~1.1. Compliance with technical codes and standards is in the interests of electricity consumers as failure to comply can have a direct and adverse impact on the security and quality of electricity supplied and may have health and safety implications.~~

1.2. Unless ~~the Authority we~~ directs otherwise, electricity generation, transmission⁶ and supply licensees are required to comply with the Distribution Code and the Grid Code. ~~In addition, Distribution Licensees must comply with the Engineering Recommendation P2/6 and Transmission Licensees with GB~~ Security and Quality of Supply Standards (GB SQSS)~~SQSS~~ when planning their respective systems. ~~Further, transmission licensees are required to comply with the System~~ Owner Operator - Transmission Owner Code ('SO-TO Code' or 'STC').

1.3. A licensee may submit a request to ~~Ofgem us~~ for a derogation from the licence requirement to comply with a particular obligation in a code or standard. ~~This document summarises the process for requesting a derogation from a technical code or standard within electricity generation, transmission and distribution licences.~~

EU technical requirements

1.4. Parties with obligations under the GCCs can submit a request to us for derogation from a requirement to comply with a particular obligation in the GCCs.

⁶ This applies only to a transmission licensee with section C (System operator conditions) in force in its licence. In practice therefore this applies only to one of the electricity transmission licensees, National Grid Electricity Transmission plc (NGET).

Formatted: Heading 3, Sub-heading 2 - Bold, Space Before: 0 pt

Formatted: Not Highlight

Formatted: Heading 3, Sub-heading 2 - Bold, Space Before: 0 pt

Formatted: Highlight

Where a party applies for a derogation from a GCC requirement, we will also treat this as an application from the relevant GB technical code or standard, if applicable.

Contents of this document

1.3-1.5. This document summarises the process for requesting a derogation. -It also sets out the criteria -Ofgem-we will take into account when considering a derogation request, and the process we will follow.

1.4-1.6. A list of the technical ~~codes and standards~~requirements to which this guidance applies, ~~together with the associated licence and licence condition number~~ is provided in Appendix 1 to this guidance.

1.5-1.7. This document will be updated as required from time to time to reflect changes in licences, the technical codes and standards referenced, primary and secondary legislation and ~~Ofgem's~~our processes.

What is meant by derogation?

1.6-1.8. A derogation is a direction from the Gas and Electricity Markets Authority ('the Authority') relieving ~~a licensee~~the affected party from its obligation to comply with a ~~technical standard or code in its licence~~requirement in specified circumstances and to a specified extent. - The derogation will normally have an expiry date so that the need for it can be systematically reviewed and performance towards compliance can be monitored. - The derogation will not apply to a period before the date the direction is issued. ~~-Every derogation will be entered on Ofgem's public register after it has been granted.~~

1.7-1.9. A derogation is granted to an individual licensee-party and cannot be transferred. - Thus if a non-compliant system or plant item is sold, the new licensee-entity will need to apply for a new derogation.

1.8-1.10. If an ~~eaaffected party~~ licensee would gain a competitive advantage from a derogation, then a direction would not be issued without ~~Ofgem-us~~ assessing what measures might be appropriate to offset that advantage. - Such measures may also include requirements to monitor the impact of the derogation on the licensee eaaffected party making the application and other parties who may be affected.

When would a derogation be required?

1.9-1.11. Continued compliance with ~~technical codes and standards~~technical requirements ~~is a licence obligation and~~ is the responsibility of each relevant eaaffected partylicensee. - ~~Failure to comply, unless permitted by a derogation, is a contravention of the licence for which Ofgem may take enforcement action and~~

Formatted: Heading 3, Sub-heading 2 - Bold, Space Before: 0 pt

Guidance on technical derogation requests

~~consequently issue an order and/or impose a financial penalty⁷. However, as noted above, Ofgem-We~~ recognises there may be occasions when ~~an licensee-affected party~~ assesses that it is not in a position to comply with a particular ~~code or standard~~ technical requirements, or that the requirements placed upon it ~~by a code or standard~~ may result in an inefficient outcome either in the short or longer term. There are a number of circumstances in which a derogation may be required, for example:

- To prevent a breach of an ~~an licensee's-affected party's~~ obligations while a system or plant item is restored to compliance with a ~~code or standard~~ technical requirement.- Such a derogation is likely to be limited to a timescale in which the compliance could reasonably be expected to be restored.
- To prevent a breach of an ~~affected party's~~ licensee's obligations while changes to a code, standard, ~~or~~ licence condition ~~or GCC~~ are made. -Such a derogation is likely to be limited to a timescale in which the compliance could reasonably be expected to be restored.
- To permit a system or plant item to operate out of compliance with the ~~standard or code~~ technical requirement either indefinitely or for the lifetime of the system or plant item.

~~1.12.~~ In general, where an ~~affected party~~ licensee has failed to comply with their obligations, but has remedied the matter before an application for a derogation could reasonably be made, a derogation would not be issued by the ~~Authority-us~~ retrospectively.- In such circumstances, ~~Ofgem-we~~ will consider the extent to which the situation warrants enforcement action being taken in respect of the breach based on the nature of that breach, its consequences and any remedial action taken by the ~~affected party seeking a derogation~~ licensee.- ~~Ofgem-We~~ will however expect to be notified ~~by licensees~~ of any such situations as soon as possible.- If no remedial action has been taken there is an increased likelihood of enforcement action.

~~1.10. by Ofgem.~~

Types of derogation

~~1.11.1.13.~~ There are three main categories of derogation that arise.- ~~These are:~~

Type		Description
Definite	-	Continues for a period of time specified in the Authority's the direction
Lifetime	-	Specific to a system or plant item and continues for the lifetime of the equipment forming that system or plant item

~~⁷ Section 27A of the Electricity Act 1989 (as amended) gives the Authority~~us~~ the power to impose financial penalties where there has been a contravention of a licence condition~~

Formatted: Paragraph, Space Before: 6 pt

Formatted: No bullets or numbering

Formatted: Heading 3, Sub-heading 2 - Bold

Formatted: Font: Bold

Guidance on technical derogation requests

	<ul style="list-style-type: none"> - Would cease should the equipment or plant item be replaced or a further derogation is made or the derogation is revoked - Would only be granted when there are strong grounds for not taking action to restore compliance - May be made where all parties materially affected by the non-compliance agree in writing to accept the consequences or are protected from the effects of the non-compliance
Indefinite	<ul style="list-style-type: none"> - Continues until a further derogation is made or the derogation is revoked. - Would only be granted if there are strong grounds for omitting an expiry date - May be made where all parties materially affected by the non-compliance agree in writing to accept the consequences or are not affected by the derogation - To the extent that it does not set out the actions that would be required to restore compliance, this will need to be justified against the Authority's <u>our</u> principal objective and statutory duties and the licence obligations of the applicant

~~1.12-1.14.~~ It should be noted that a lifetime or indefinite derogation would only be issued in very limited circumstances.- It is usual practice for derogations to be limited for a period of time that is specified in the direction.- ~~The Authority~~ We may issue further directions that can vary or withdraw previous derogations. ~~This would be done following consultation with the affected licensee (and more widely if required) and may be initiated by a request from a licensee or by the Authority.~~

2. Information required in a derogation request

Chapter Summary

This chapter sets out the information required to be provided by the ~~licensee~~ affected party seeking a derogation to enable ~~Ofgem-us~~ to consider a derogation application.

Applying for a derogation

2.1. The process for applying for a derogation depends on who the party seeking the derogation is and the specific technical requirement that it is seeking a derogation from.

A Submitting a request request for a derogation from a GB technical code or standard only

2.1.2.2. Where a relevant licensee has identified that it does not, or will not in the future be in a position to comply with relevant obligations in a technical code or standard, ~~the~~ licensee should make a written request to ~~the relevant Ofgem Director-us~~ for a derogation from the licence requirement to comply with such obligations.

A request for a derogation from a EU Grid Connection Code (GCC) obligation

2.3. Where a party applies for a derogation from a GCC requirement, we will also treat this as an application from the relevant GB technical code or standard, if applicable.

2.4. The process for requesting a derogation is different depending on who you are and what you are requesting a connection for. You should use Process One for:

- A request for a derogation from any RfG obligation(s) by a power generating facility owner for a power generating module.
- A request for a derogation from any DCC obligation(s) by a demand facility owner, a Distribution Network Operator (DNO) or Closed Distribution System Operator (CDSO) for a transmission-connected demand facility, transmission-connected distribution facility, distribution or demand units used to provide demand response services to a SO or relevant DNO.
- A request for a derogation from any HVDC obligation(s) by an HVDC system owner and DC-connected power park module.

2.5. You should use Process Two for:

Formatted: Paragraph, Space Before: 6 pt

Formatted: Paragraph, Space Before: 6 pt

Formatted: Paragraph, Indent: Left: 0 cm, Hanging: 0.63 cm, Bulleted + Level: 1 + Aligned at: 0.63 cm + Indent at: 1.27 cm

Formatted: Paragraph, Space Before: 6 pt

- A request for a derogation from any RfG obligation(s) by the relevant SO, Transmission Licensee⁸ or DNO for classes of PGMs connected, or to be connected, to their network;
- A request for a derogation from any DCC obligation(s) by the relevant SO, Transmission Licensee or DNO for transmission-connected demand facilities, transmission-connected distribution facilities, distribution systems or demand units within a demand facility or a CDS that are connected, or to be connected, to their network.
- A request for a derogation from any HVDC obligation(s) by the relevant SO, Transmission Licensee or DNO for classes of HVDCs systems or DC-connected power-park modules connected or to connected to their network; and

Process One

2.6. Once a relevant party identifies that it is unable to comply with relevant GCC obligations, then it should file a derogation request with either the relevant SO or DNO (depending on whether it is connected to the distribution or transmission system).

2.7. The derogation request should include the minimum information specified in paragraph 2.23 of this document.

2.8. Within two weeks of receiving the derogation request, the SO or relevant DNO,- shall confirm to the party seeking the derogation whether the request is complete.

2.9. If the SO or relevant DNO considers that the derogation request is incomplete, the party seeking a derogation shall submit the additional required information reasonably requested by the SO or relevant DNO within one-month of receiving a request for it. If the party seeking a derogation does not supply the requested information within that time limit, the derogation request shall be deemed to have been withdrawn.

2.10. In coordination with the SO and any affected adjacent DNO, the relevant DNO shall assess the derogation request and the provided cost-benefit analysis, against the criteria outlined in Chapter 3 of this document.

Formatted: Not Highlight

Formatted: Not Highlight

Formatted: Not Highlight

Formatted: Not Highlight

Formatted: Indent: Left: 0 cm, Hanging: 0.63 cm

Formatted: Indent: Left: 0 cm, Hanging: 0.63 cm, Space After: 18 pt

Formatted: Not Highlight

Formatted: Not Highlight

Formatted: Not Highlight

Formatted: Heading 4, Sub-heading 2 - Italic

Formatted: Font: 10 pt

⁸ This includes onshore Transmission Operators (TOs), Offshore Transmission Operators (OFTOs) and Interconnectors.

Guidance on technical derogation requests

2.11. If the derogation request concerns a Type C⁹ power-generating module (PGM),¹⁰ a Type D PGM, a HVDC system or DC-connected power park modules¹¹ that is connected to a distribution system, then the relevant DNO's assessment of the derogation application must include an assessment of the derogation from the SO. The SO must provide its assessment within two months of being requested to do so.

2.12. Within six months of receipt of a request for a derogation, the SO or relevant DNO shall forward the derogation request and their assessment of derogation request to us. The period may be extended:

- by one month, where the SO or relevant DNO or has requested additional information in accordance with paragraph 2.6, or
- by two months, where the relevant DNO requests the SO to submit an assessment of the derogation request.

2.13. We will make a decision on any relevant derogation request within six months of receiving a derogation request and the assessment of the derogation by the relevant DNO or SO. ~~Our~~The six-month time limit for making a decision may be extended by an additional three months where we request further information from the party seeking a derogation. The three-month extension runs from when we receive the complete information. The party seeking a derogation is required to provide us with the requested information within two months. If the party seeking a derogation fails to do so within that time limit, then the request for a derogation shall be deemed to have been withdrawn (unless we decide to provide an extension of time or the party seeking a derogation informs us with a reasoned submission that the derogation request is complete).

2.14. In relation to owners (and prospective owners) of Type A power-generating modules (PGM), demand units¹² within a demand facility¹³ or a closed distribution

⁹ The requirements in the RfG depend on the size of the PGM. The smallest PGMs (Type A) incur the minimum set of requirements and number of requirements increase so that the largest PGMs (Type D) incur the most requirements.

¹⁰ A 'Power-generating module' is defined as either a 'synchronous power-generating module' or a 'power park module'. A 'synchronous power generating module' means an indivisible set of installations which can generate electrical energy such that the frequency of the generated voltage, the generator speed and the frequency of network voltage are in constant ratio and thus in synchronism. A 'power park module' means a unit or ensemble of units generating electricity which is either non-synchronously connected to the network or connected through power electronics, and that also has a single connection point to the transmission system, distribution system including CDS or HVDC system.

¹¹ A 'DC-connected power park module' means a power park module that is connected via one or more HVDC interface points to one or more HVDC systems

¹² 'demand unit' means an indivisible set of installations containing equipment which can be actively controlled by a demand facility owner or by a CDSO, either individually or commonly as part of demand aggregation through a third party.

¹³ 'demand facility' means a facility which consumes electrical energy and is connected at one or more connection points to the transmission or distribution system. A distribution system and/or auxiliary supplies of a power generating module do not constitute a demand facility.

Formatted: Not Highlight

Formatted: Not Highlight

Formatted: Not Highlight

Formatted: Not Highlight

Commented [SP1]: RfG Art 62 para 5 and HVDC Art 77 para 5.

system (CDS)¹⁴ connected at a voltage level of or below 1000V, a derogation requests may be made by a third party on their behalf. The derogation request could be for a single PGM or demand unit. Alternatively, the derogation request could be for multiple identical PGMs or multiple demand units within the same demand facility or CDS. If a third party requests a derogation for multiple units, then the third party will need to provide their contact information and a detailed description of the PGM or demand unit for which it is seeking a derogation, as part of the derogation request.

Commented [SP2]: Para 12 of RFG Art 62 and para 11 of DCC Art 52.

2.15. HVDC derogation requests will not need to provide detailed reasoning to explain their derogation request or provide evidence to demonstrate that their derogation request does not have an adverse effect on cross-border trade, if they meet the following criteria:

- The derogation request is from the owner, or prospective owner, of a DC-connected power park modules that have, or will have a single connection to a single synchronous are.
- The derogation request relates to the reactive power capability, control, network characteristics, protection, and power quality requirements of DC-connected power park modules (Article 40(2)(a) and (b) and Articles 41-45 of the HVDC).

2.16. We may attached conditions to this type of derogation. This may include a condition that we will reassess or remove the derogation on the development of the connection into a multi-terminal network or connection of further power park modules at the same point. For this type of derogation request, we will take into account the need to optimise the configuration between the DC-connected power park module and the remote-end HVDC converter station, as well as the legitimate expectations of the DC-connected power-park module owner when making a decision on any relevant derogation request.

Commented [SP3]: HVDC Article 79

Process Two

Commented [PL4]: Grid connection codes?

2.17. The SO, relevant SO, Transmission Licensee, DNO or CDSO shall submit their derogation request to us. The derogation request shall contain the information identified in paragraph 2.23.

Formatted: Heading 4, Sub-heading 2 - Italic

Formatted: Not Highlight

2.18. Where the derogation request is submitted by the relevant DNO or CDSO, within two weeks of receiving the derogation request we will ask the SO to assess the derogation request in accordance with the criteria outlined in Chapter 3 of this document.

Formatted: Not Highlight

Formatted: Not Highlight

¹⁴ A CDS is a distribution system classified, pursuant to Directive 2009/72/EC, which distributes electricity within a geographically confined industrial, commercial or shared services site and does not supply household customers (without prejudice to incidental use by a small number of households located within the area served by the system and with employment or similar associations with the owner of the system).

2.19. Within two weeks of receiving a request for assessment, the SO shall confirm to the DNO or CDSO whether the derogation request is complete. If the SO considers that it is incomplete, then the DNO or CDSO shall submit the required additional information to the SO within one month of receiving the request for additional information.

Formatted: Not Highlight

Formatted: Not Highlight

Formatted: Not Highlight

Formatted: Not Highlight

2.20. Within six months of receiving a derogation request, the SO shall submit to us its assessment of the derogation request. The time limit may be extended by one month where the SO seeks further information from the relevant DNO or CDSO.

Formatted: Not Highlight

2.21. Within six months of receiving a derogation request, we will make a decision on any GCC derogation request. Where the request is submitted by the DNO, the six month time limit runs from when we receive the SO's assessment of the derogation.

Formatted: Not Highlight

2.22. Our six-month time limit for making a decision may be extended by three months where we request further information from either the party seeking the derogation or any other interested party. The three-month time extension runs from when we receive the complete information. The party seeking the derogation shall provide any additional information that we request within two months of receiving the request. If the party seeking the derogation fails to do so within that time limit, the request for a derogation shall be deemed to have been withdrawn (unless we decide to provide an extension of time or the relevant system operator informs us with a reasoned submission that the derogation request is complete).

Formatted: Not Highlight

Formatted: Not Highlight

Formatted: Not Highlight

2.2. Requests in respect of compliance with the Grid Code and the GB SQSS should be made to Ofgem's Director of Transmission. Requests in respect of compliance with the Distribution Code and engineering standard P2/6 should be made to Ofgem's Director of Distribution.

Minimum requirements of the request

Formatted: Heading 2, Main Heading - Colour

2.3.2.23. The request should include as a minimum:

Commented [SP5]: Amendments to reflect para 2 of Art 62, Art 52 of DCC and Art 77 HVDC.

- **Details of the applicant** (typically the Company Secretary), including
 - the full name, and address and contact information for the licensee party seeking a derogation concerned, and
 - a description of the party seeking a derogation (including, where relevant, information on the location of the relevant site that the derogation is being asked for).
- **A clear description of the non-compliance** including
 - Type of licence, and relevant licence condition number, technical code, or standard or GCC requirement (with specific relevant licence condition or code or standard or GCC reference(s))
 - The required performance
 - The existing capability of the system or plant;
- A clear description of the **reasons why the non-compliance has occurred or is expected to occur**;

Formatted: List Paragraph

- For GCC derogation requests, cost benefit analysis (CBA) pursuant to the requirements of Article 39 of the RfG or Article 49 of the DCC or Article 66 of HVDC respectively, explaining the rationale for the derogation request;
- A comprehensive and, wherever possible, quantitative assessment, of the **impact of the non-compliance on:**
 - **Consumers**
 - **Security of supply**
 - **Competition**
 - **Sustainable development**
 - **Health and safety** and the associated risk management measures
 - **Other parties affected** by the non-compliance, including the ability-~~of the relevant system operator~~ to operate ~~the~~¹⁵ system;
- Demonstration that the requested derogations would have **no adverse affect on cross-border trade**
- Details of **actions to mitigate** risks to consumers or other ~~authorised electricity operators-affected parties~~ while the non-compliance exists;
- A description of the **proposal for restoring compliance** (where applicable) including- timetable of works;
- A description of the **alternative actions** that have been considered; and
- The proposed **duration of the derogation** requested

Additional information for all applicants

2.24. The ~~party seeking a derogation~~~~licensee~~ is required to justify the derogation request in terms of both the specific circumstances and the expected duration. ~~Licensees-Parties seeking a derogation~~ are advised to give as much notice as possible when making derogation requests since a derogation will not be granted unless ~~the Authority~~~~is we are~~ satisfied that the request is justified.

~~2.4.~~

~~2.5.~~2.25. Where relevant, in assessing the likely costs and benefits in terms of carbon savings, we expect the ~~licensee~~~~affected party~~ to identify the volume of the change in carbon emissions associated with a particular request, and to apply the

¹⁵ Specifically for DC-connected power park modules connected to one or more remote-end HVDC converter stations and are seeking a derogation under HVDC, we will need evidence that the converter station will not be affected by the derogation or, alternatively, agreement from the converter station owner to the proposed derogation.

Commented [SP6]: HVDC Art 77 – para 2(f)

Commented [SP7]: Amended to reflect paragraph 2(e) of RfG Art 62, DCC art 52 and HVDC art 77.

Commented [SP8]: Review whether this applies to GCC

Commented [SP9R8]:

Formatted: No bullets or numbering

Shadow Price of carbon and/or forecast EU ETS carbon prices in order to quantify a value for this change.

2.6.2.26. All technical terms should be fully explained, and the request should be presented in as clear a manner as possible to avoid unnecessary delays in ~~Ofgem's~~our assessment of the request.

A request cannot be made for a retrospective derogation however if non-compliance has occurred detail of any remedial action taken by the ~~licensee-relevant party~~ will be taken into consideration for enforcement purposes.

2.27.

GCC Cost Benefit Analysis (CBA)

2.28. Where a relevant DNO, Transmission Licensee or SO requests a derogation in accordance with Article 63 of the RfG, Article 53 of the DCC or 78 of HVDC, then the relevant power generating facility owners, demand facility owners, HVDC system owners, DC-connected power park modules, DNOs or CDSOs shall help contribute to the CBA. In accordance with the GCCs and relevant data protection legislation, the relevant party will provide any necessary data requested by the SO or relevant DNO, within three months (unless otherwise agreed) and such information received shall be treated by the receiving party in accordance with the relevant confidentiality requirements in the respective GCC.

2.29. For GCC, any CBA required in accordance with Article 39 of the RfG, Article 49 of DCC or Article 69 of HVDC shall:

- Be based on one or more of the following calculating principles:
 - The net present value,
 - The return on investment,
 - The rate of return, or
 - The time needed to break even;
- Quantify the socioeconomic benefits in terms of improvement in security of supply and shall include at least
 - The associated reduction in probability of loss of supply over the lifetime of the modification,
 - the probable extent and duration of such loss of supply, and
 - the societal cost per hour of such loss of supply.
- Quantify the benefits to the internal electricity market, cross-border trade and the integration of renewable energies, including at least:
 - The active power frequency response
 - The balancing reserves
 - The reactive power provision

Formatted: Space Before: 6 pt, Outline numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0 cm + Tab after: 1.2 cm + Indent at: 0 cm, Tab stops: Not at 1.2 cm

Formatted: Heading 4, Sub-heading 2 - Italic

Formatted: Space Before: 6 pt

Formatted: Outline numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0 cm + Tab after: 1.2 cm + Indent at: 0 cm

Formatted: Space Before: 6 pt, Outline numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0 cm + Tab after: 1.2 cm + Indent at: 0 cm, Tab stops: Not at 1.2 cm

Formatted: Text - bulleted

Formatted: Text - bulleted, Bulleted + Level: 2 + Aligned at: 1.27 cm + Tab after: 1.9 cm + Indent at: 1.9 cm

Formatted: Text - bulleted, Indent: Left: 1.9 cm

Formatted: Text - bulleted, Bulleted + Level: 2 + Aligned at: 1.27 cm + Tab after: 1.9 cm + Indent at: 1.9 cm

Formatted: Text - bulleted, Indent: Left: 0.63 cm

Formatted: Text - bulleted

Formatted: Text - bulleted, Bulleted + Level: 2 + Aligned at: 1.27 cm + Tab after: 1.9 cm + Indent at: 1.9 cm

Guidance on technical derogation requests

- Congestion management, and
 - Defence measures
- Quantify the costs of applying the necessary rules, including at least:
 - The direct costs incurred in implementation a requirement.
 - The costs associated with attributable loss of opportunity, and
 - The costs associated with resulting changes in maintenance and operation.

Formatted: Text - bulleted, Indent: Left: 1.9 cm

Formatted: Text - bulleted

Formatted: Text - bulleted, Bulleted + Level: 2 + Aligned at: 1.27 cm + Tab after: 1.9 cm + Indent at: 1.9 cm

3. Our assessment of derogation applications

Chapter Summary

This chapter sets out the procedure ~~Ofgem~~ will follow in considering a request for a derogation ~~from an electricity generation, transmission, distribution or supply licensee~~ and the criteria against which the request will be assessed.

~~Ofgem's~~ Our role

Our assessment

3.1. Each derogation request is assessed by ~~Ofgem~~ us individually on its merits ~~in terms of meeting the minimum requirements set out at paragraph 2.3 against the criteria outline 3.7, and the likely effect on consumers and on the ability of other authorised electricity operators to comply with their licence conditions and statutory obligations.~~

3.2. ~~In its assessment the Authority, having regard to its principal objective and its general duties including environmental guidance issued by the government, will consider amongst other things the impact on:~~

- ~~**Consumers:** we will consider the extent to which the non-compliance impacts on consumers, for example through increased costs.~~
- ~~**Competition:** for example, any competitive advantage that may arise from granting the derogation.~~
- ~~**Sustainable development:** Where relevant and possible, we would expect to assess the costs associated with granting a derogation (for example increased operational costs), compared to potential environmental benefits such as a reduction in carbon emissions.~~
- ~~**Health and safety:** If health and safety implications have been identified by the applicant, Ofgem may seek expert advice from the relevant government bodies and other organisations, for example, the Health & Safety Executive (HSE)~~
- ~~**Other parties affected:** where relevant, we will seek the views of affected parties before making a decision. We will also take into account the impact on the relevant system operator to operate its system if a derogation were granted.~~

~~3.12.3.2.~~ 3.2.3.2. Our assessment will also take into account:

Guidance on technical derogation requests

- The nature of derogations ~~already granted by Ofgem~~ that we have already granted
- The likelihood of similar derogation requests in the future
- The effect of the decision on future derogation requests
- Allowances that have been made in current and previous price controls (where relevant)
- Any other relevant information

~~3.13.3.3.~~ We have set out below ~~our~~ Ofgem's procedure for considering an application for derogation and the criteria that ~~we will use~~ Ofgem proposes to apply when considering to assess a derogation request.

Procedure

~~3.14.3.4.~~ ~~We~~ Ofgem may consult with the ~~party licensee~~ making the request initially to clarify points relating to the derogation request and satisfy itself that there is a need for a derogation.

~~3.15.3.5.~~ As part of its consideration of the request, ~~Ofgem-we~~ will consult with other parties as required in accordance with the following checklist:

Is broader industry consultation (eg an impact assessment) required to inform the Authority's <u>our</u> decision?		
	YES	<div>→ Ofgem-We will consider the appropriate manner in which to consult with industry and affected parties.</div> <div>Should we <u>Ofgem</u> consider an impact assessment is required, this will consider the matters set out in our Impact Assessment Guidance¹⁶.</div>
Have directly affected authorised electricity operators <u>parties</u> been identified?		
	NO	<div>→ Discuss with the licensee <u>party</u> making the request</div>

¹⁶<http://www.ofgem.gov.uk/About%20us/BetterReg/IA/Documents1/GUIDANCE%20ON%20IMPACT%20ASSESSMENTS.pdf> Impact Assessment Guidance, 4 October 2016;
https://www.ofgem.gov.uk/system/files/docs/2016/10/impact_assessment_guidance_0.pdf

Guidance on technical derogation requests

	YES	Consult with those who are materially affected (this includes those parties who Ofgem considers would be affected technically and/or commercially)
Are there safety implications?		
	YES	Consult with relevant organisations, eg the Health and Safety Executive
Does it affect a nuclear powered generating station?		
	YES	Consult with the Nuclear Installations Inspectorate Office for Nuclear Regulation
Is a monitoring mechanism required?		
	YES	Consult with licensee affected party making the request and materially affected parties (or more publicly where necessary) about suitable mechanism
Are there other relevant factors?		
	YES	Seek independent external advice if required.

Derogation Assessment Criteria

3.6. The criteria that we use to assess derogation requests are identified below.¹⁷ We will review and amend the criteria at most once every year. Before making any changes to the criteria we will consult with relevant stakeholders. The possibility to review and amend the criteria for granting derogations shall not affect the derogations already granted which shall continue to apply until the scheduled expiry date (as specified in any derogation decision).

3.16.3.7. ~~Ofgem is likely to consider that a derogation request is justified if~~ A derogation would need to be justified along the following grounds:-

- An assessment has been provided by the applicant, and where relevant, the relevant SO or DNO, that demonstrates that there are NO:-

¹⁷ These criteria were determined following consultation with relevant stakeholders. Decision on the assessment criteria for derogations from the Grid Connection Codes, 13 February 2017, https://www.ofgem.gov.uk/system/files/docs/2017/02/decision_on_the_assessment_criteria_for_derogations_from_the_grid_connection_codes.pdf

Formatted: Space Before: 18 pt, Tab stops: 1.2 cm, List tab

Commented [SP10]: Para 2 of Art 61 RfG, Art 51 DCC and Art 76 HVDC.

Commented [SP11]: Para 1 of Art 61 RfG, Art 51 DCC and Art 76 HVDC.

Guidance on technical derogation requests

- Significant risks associated with the non-compliance to the affected party seeking a derogation¹⁸, other relevant parties or connected customers (who may or may not be a licensed party).
 - Avoidable adverse impacts (immediately or in the longer term) on the affected party seeking derogation, other relevant parties or connected customers.
 - Additional measures that could be taken to further mitigate the impact of the non-compliance on the affected party seeking a derogation, other relevant parties or connected customers for its duration.
 - Outstanding objections from other parties who are materially affected by the non-compliance.
 - Competitive advantages to the affected party seeking a derogation arising from the derogation that cannot be addressed that are not offset by a suitable mechanism.
 - Other reasonable options to address the non-compliance that have not been considered.
 - Adverse effects on cross-border trade (if the party is seeking a derogation from the RfG, DCC or HVDC European Network Codes).
- The applicant has presented a robust, economic case that supports the action that it considers necessary to address the non-compliance.— In respect of any GCC derogation(s), the economic case should take the form of a cost-benefit analysis pursuant to the requirements of the relevant European Network Code and this guidance document.¹⁹ (We Ofgem notes that there may be cases where the impact of the non-compliance may not justify the expenditure required to restore compliance but would expect any applicant to make a strong economic case for any decision not to restore compliance.)
 - The applicant has presented a realistic and comprehensive implementation plan that defines, at the very least:
 - The works required to restore compliance, where applicable.
 - The timetable for those works that show a deadline that is reasonable and is achievable (subject to highlighting any factors that may be outside the applicant's control, for example, third party consents).
 - Any measures to mitigate the risks to other parties that will be (or have been) taken until the non-compliance is restored.
 - The applicant has produced any other supporting information that is relevant to a specific request, including on the materiality of the issue.
 - Any application for a derogation that is made by a relevant party will be considered in accordance with the requirements of the specific code(s) and the requirement that they will not adversely impact the interests of the consumer. In the process of assessing whether a derogation process adversely impacts on the interest of the consumer, we will specifically consider, amongst other things, the impact upon:

Formatted: Indent: Left: 0.63 cm, No bullets or numbering

Formatted: List Paragraph

¹⁸ The codes set out who can seek derogations.

¹⁹ Pursuant to the requirements of Article 39 of RfG, Article 49 of DCC and Article 66 of HVDC.

Guidance on technical derogation requests

- **Consumers:** We will consider the extent to which the non-compliance impacts on consumers, for example through increased costs.
- **Competition:** For example, any competitive advantage that may arise from granting the derogation.
- **Sustainable development:** Where relevant and possible, we would expect to assess the costs associated with granting a derogation (for example increased operational costs), compared to potential environmental benefits such as a reduction in carbon emissions.
- **Health and safety:** If health and safety implications have been identified by the applicant, we may seek expert advice from the relevant government bodies and other organisations, for example, the Health & Safety Executive (HSE).
- **Other parties affected:** Where relevant, we will seek the views of affected parties before making a decision. We will also take into account the impact on operating its system if a derogation were granted.

3.8. Where an applicant is unable to satisfy all the above criteria, ~~Ofgem-we~~ will assess how far the applicant's ability to satisfy the criteria is sufficient to justify the granting of a derogation. -It is noted that a justified derogation request would not necessarily need to meet all of the listed criteria. -~~WeOfgem~~ would use ~~ourits~~ judgement in assessing any derogation requests and would advise any applicant of additional information requirements that were not included in the original request.

3.17. **Our decision**

3.9. If ~~Ofgem-we~~ considers that the derogation request is justified then ~~the Authoritywe~~ will issue a direction ~~to the licensee to the~~ ~~affected party~~ granting the necessary relief from the relevant obligation~~s~~ for a time period specified in the direction.²⁰

3.18. ~~A copy will also be placed on Ofgem's public register.~~

3.10. ~~Ofgem We may reserve the right to revoke a derogation and~~ may grant a derogation which is subject to certain conditions being satisfied, either by the ~~licensee~~ ~~affected party~~ to which the derogation applies or in respect of the wider system.

3.19. -||

Formatted: Font: Not Bold

Formatted: Bulleted + Level: 2 + Aligned at: 1.27 cm + Tab after: 1.9 cm + Indent at: 1.9 cm

Formatted: Bulleted + Level: 2 + Aligned at: 1.27 cm + Tab after: 1.9 cm + Indent at: 1.9 cm

Formatted: Bulleted + Level: 2 + Aligned at: 1.27 cm + Tab after: 1.9 cm + Indent at: 1.9 cm

Formatted: Bulleted + Level: 2 + Aligned at: 1.27 cm + Tab after: 1.9 cm + Indent at: 1.9 cm

Formatted: Bulleted + Level: 2 + Aligned at: 1.27 cm + Tab after: 1.9 cm + Indent at: 1.9 cm

Commented [SP12]: From our recent decision on the GCC derogation assessment criteria

<https://www.ofgem.gov.uk/publications-and-updates/decision-assessment-criteria-derogations-grid-connection-codes>

Formatted: Heading 3, Sub-heading 2 - Bold, Space Before: 0 pt

Formatted: Text - bulleted, Space Before: 0 pt

Commented [SP13]: Para 11 of Art 62 RfG and Art 77 of HVDC. Para 10 of Art 52 of DCC

²⁰ For GCC derogation requests, this is in accordance with paragraph 1 of Article 60 of the RfG, Article 50 of the DCC and Article 75 of the HVDC.

~~3.20-3.11.~~ If ~~Ofgem-we~~ considers that the derogation request has not been sufficiently justified then ~~the Authority we will may refuse the derogation.~~

- ~~• Issue a direction granting the derogation for a short duration to allow the licensee time for further investigation of solutions to the non-compliance, or~~
- ~~• Refuse the derogation request.~~

Formatted: No bullets or numbering

~~3.24-3.12.~~ Where ~~Ofgem-we~~ refuses a derogation request where there is non-compliance with the licence obligation, ~~weOfgem~~ will consider the extent to which the situation warrants enforcement action being taken in respect of the breach based on the nature of that breach, its consequences and any remedial actions taken by the ~~relevant party licensee.~~²¹

~~3.13. We may revoke a derogation if the circumstances and underlying reasons for the derogation no longer apply. We may also revoke a GCC derogation following the receipt of a reasoned recommendation from the European Commission or ACER to do so (in accordance with Article 65 of the RfG, Article 55 of the DCC or Article 81 of the HVDC).~~

~~3.14. For GCCs, we may decide that a party does not need to comply with the GCC requirement for which the derogation has been sought, from the day that the party submits the derogation request. For GCC derogation requests we will also notify other relevant parties of our decision:~~

Commented [SP14]: Para 11 of Art 62 RfG and Art 77 of HVDC. Para 10 of Art 52 of DCC

- ~~• For GCC derogation requests from PGMs, demand facilities, DNOs, CDSs, HVDC system owners and DC-connected power park modules (under Article 62 of the RfG, Article 52 of the DCC or Article 77 of the HVDC) we will notify our decision to the affected party seeking a derogation, the relevant SO or DNO (depending on the network it is connected to).~~
- ~~• For GCC derogation requests from the SO, Transmission Licensees or DNOs (under Article 63 of the RfG, Article 53 of the DCC or Article 78 of the HVDC), we will notify our decision to the party seeking the derogation, the relevant SO and ACER.~~

Commented [SP15]: Para 10 of Article 62 of the RfG, Article 52 of the DCC or Article 77 of the HVDC

Commented [SP16]: Para 9 of Article 63 of the RfG, Article 53 of the DCC or Article 78 of the HVDC

Formatted: No bullets or numbering

²¹ In accordance with our Enforcement Guidelines, 14 September 2016;
<https://www.ofgem.gov.uk/publications-and-updates/enforcement-guidelines>

4. Register of derogations

Chapter Summary

This chapter specifies that we will maintain a register of derogations outlines what information will be held in the register.

4.1. We will maintain a register of all derogations that we have granted and refused. The register will contain:

- the technical requirement or requirements for which the derogation was granted or refused,
- the content of the derogation,
- the reasons for granting or refusing the derogation, and
- the consequences resulting from granting the derogations.

4.2. For GCC requests, we will provide a copy of the register to the Agency for the Cooperation of Energy Regulators (ACER), at least once every six months.

Commented [SP17]: Chapter added to reflect - Art 64 of RfG, Art 80 HVDC and Art 54 DCC.

Formatted: Chapter Heading

Formatted: Paragraph, Space Before: 6 pt

Formatted: Text - bulleted

Formatted: Text - bulleted, Indent: Left: 0 cm, Hanging: 0.63 cm

Formatted: Paragraph, Space Before: 6 pt



Appendices

Index

Appendix	Name of Appendix	Page Number
1	Technical Codes and Standards to which this guidance applies	(ix)

Appendix 1 – Technical ~~codes and standards-requirements~~ to which this guidance applies

GB Technical Code or Standard	Electricity Licensee	Relevant Licence condition
Grid Code	Transmission [▲] Generation [▲] Distribution [▲] Supply <u>licensees</u>	C14 5 20 11
Distribution Code	Transmission [▲] Generation [▲] Distribution [▲] <u>and</u> Supply <u>licensees</u>	C15 6 20 11
SO-TO Code (STC)	Transmission <u>licensees</u>	B12
Engineering Recommendation P2/6	Distribution <u>licensees</u>	24
GB Security and Quality of Supply Standard (GB SQSS)	Transmission <u>licensees</u>	C17 and D3

[▲] Applies only to National Grid Electricity Transmission plc ~~as system operator~~, and not the other transmission licensees

1.1. This guidance also applies to derogation requests in relation to the following European Network Codes:

Summary - European Network Code	Full name – European Network Code
<u>Requirements for Generators (RfG)</u>	<u>Commission Regulation (EU) 2016/631 of 14 April 2016 establishing a network code on requirements for grid connection of generators</u>

Formatted: Font: 8 pt

Formatted: Appendix text - Numbered

Formatted: Font: Bold

Formatted Table

Formatted: Space Before: 0 pt, After: 0 pt

Guidance on technical derogation requests

<u>Demand Connection Code (DCC)</u>	<u>Commission Regulation (EU) 2016/1388 of 17 August 2016 establishing a Network Code on Demand Connection</u>
<u>High Voltage Direct Current (HVDC)</u>	<u>Commission Regulation (EU) 2016/1447 of 26 August 2016 establishing a network code on requirements for grid connection of high voltage direct current systems and direct current-connected power park modules</u>

Formatted: Text - bulleted

Formatted: Space Before: 0 pt, After: 0 pt

Formatted: Text - bulleted