

To all holders of an electricity distribution licence, the Distribution Code Review Panel, other interested parties

Direct Dial: 020 3263 2788
Email: bryan.oneill@ofgem.gov.uk

Date: 2nd April 2019

Dear Colleagues.

Statutory Consultation proposing to modify Standard Licence Condition 24 of the electricity distribution licence

We will shortly be recommending to The Authority¹ that it approves the Distribution Code Review Panel (DCRP) DCRP/18/03 – Revision of Engineering Recommendation (EREC) P2 – Security of Supply.²

The modification proposes changes to Energy Networks Association (ENA) Engineering Recommendation (ER) P2/6³ and consequential changes to the Distribution Code. The changes would be captured in a new ER to be referenced as EREC P2/7 with associated changes to the Distribution Code where it references ER P2/6.

Distribution licensees are obliged by their licences to meet the planning standards prescribed by Standard Licence Condition 24 (Distribution System planning standard and quality of performance reporting) (SLC 24). SLC 24 states, among other things, that a licensee must plan and develop its distribution system in accordance with a standard no less than that set out in ER P2/6. If approved, the proposed modification to the Distribution Code would result in the electricity distribution licence reference to P2/6 not aligning with the correct version of the ER. SLC 24 therefore needs to be modified accordingly.

The statutory consultation notice with the proposed legal text changes to SLC 24 is attached to this letter. In summary, we propose to modify SLC 24 to remove the reference to P2/6 replacing it with P2/7 and to insert a power for the Authority to direct the future P2 issue number in accordance with which the licensee must plan and develop its distribution system. A direction would be issued at the same time as the code modification decision letter approving any further issues of P2.

Any representations with respect to the proposed licence modifications must be made on or before 3rd May 2019 to: Bryan O’Neill, Office of Gas and Electricity Markets, 10 South Colonnade, Canary Wharf, London, E14 4PU or by email to Bryan.O'Neill@ofgem.gov.uk

¹ References to the “Authority”, “Ofgem”, “we” and “our” are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day to day work.

² <http://www.dcode.org.uk/dcrp-er-p2-working-group.html>

³ <http://www.dcode.org.uk/annexes.html>

Subject to responses to our statutory consultation, we propose to implement the changes to the Distribution Code and Electricity Distribution Licence at the same time to ensure consistency between the code and licence. This would be 56 days after our decision on the Electricity Distribution Licence modification associated with SLC 24 is published.

Yours faithfully,

Bryan O'Neill,
Senior Engineer

To: All holders of an electricity distribution licence (each the 'licensee')

**Electricity Act 1989
Section 11A(2)**

**Notice of statutory consultation on a proposal to modify the standard conditions
of all electricity distribution licences**

1. The Gas and Electricity Markets Authority ('the Authority')⁴ proposes to modify the standard conditions of all electricity distribution licences granted or treated as granted under section 6(1)(c) of the Electricity Act 1989 by amending Standard Licence Condition 24 (Distribution System planning standard and quality of performance reporting) (SLC 24).
2. SLC 24 requires the licensee to, among other things, plan and develop its distribution system in accordance with a standard not less than that set out in Engineering Recommendation P2/6 of the Energy Networks Association so far as that standard is applicable to it. We will shortly approve an update to Engineering Recommendation P2/6 resulting in a new version thereof, P2/7. Therefore, references in SLC 24 to P2/6 need to be updated to reference P2/7 as the current standard.
3. We are proposing these modifications to change the reference from P2/6 to P2/7, and also to include a power for the Authority to change the P2 issue number by direction, rather than by licence modification.
4. The effect of these proposed modifications will be to require the licensee to plan and develop its distribution system in accordance with Engineering Recommendation, P2/7, and to enable the Authority to change the P2 issue number by direction in the future.
5. A copy of the proposed modification and other documents referred to in this Notice have been published on our website (www.ofgem.gov.uk). Alternatively, they are available from foi@ofgem.gov.uk.
6. Any representations with respect to the proposed licence modifications must be made on or before 3rd May 2019 to: Bryan O'Neill, Office of Gas and Electricity Markets, 10 South Colonnade, Canary Wharf, London, E14 4PU or by email to Bryan.ONeill@ofgem.gov.uk.
7. 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.
8. If we decide to make the proposed modification it will take effect not less than 56 days after the decision is published.

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

2nd April 2018

⁴ The terms "the Authority", "we" and "us" are used interchangeably in this document.

Proposed Legal Text:

- Text which has been deleted is struck through: ~~Example~~
- Text which has been added is bold and double underlined: **Example**

24.1 The licensee must plan and develop its Distribution System in accordance with:

(a) a standard not less than that set out in Engineering Recommendation P.2/~~67~~ of the Energy Networks Association, **or set out in any subsequent Engineering Recommendation in the EREC P2 series of the Energy Networks Association, as may be directed by the Authority,** so far as that standard is applicable to it;