

**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')<sup>1</sup> proposes to modify the standard conditions of all Electricity Transmission licences granted or treated as granted under 6(1)(b) of the Electricity Act 1989 by amending standard licence conditions ('SLC'):
  - C17: Transmission system security standard and quality of service;
  - D3: Transmission system security standard and quality of service, and
  - 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') to reflect the latest version number 2.5. Licences currently refer to the out-of-date version number 2.4.
  
3. The effect of these proposed modifications, which are set out in the Annex to this notice is to ensure that all references in the Electricity Transmission licence conditions to the NETS SQSS are to the most up-to-date version, 2.5. Version 2.5 incorporates changes made to the NETS SQSS as a result of our decisions to approve modifications GSR025<sup>2</sup>, GSR026<sup>3</sup> and GSR027<sup>4</sup>.

We note that the proposed changes to SLC C17 include provisions such that prior to Authority approval of the first Frequency Risk and Control Report ('FRCR'), the Electricity System Operator ('ESO') will:

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

<sup>2</sup> Authority decision on SQSS modification GSR025 can be found on our website:  
<https://www.ofgem.gov.uk/publications-and-updates/gsr025>

<sup>3</sup> Authority decision on SQSS modification GSR026 can be found on our website:  
<https://www.ofgem.gov.uk/publications-and-updates/gsr026>

<sup>4</sup> Authority decision on SQSS modification GSR027 can be found on our website:  
<https://www.ofgem.gov.uk/publications-and-updates/gsr027>

- continue to apply the definition of Unacceptable Frequency Conditions contained within NETS SQSS version 2.4; and
- not need to comply with paragraphs 5.8, 5.11.2, 9.2 or 9.4.2 of the NETS SQSS version 2.5, all of which refer to the FRCR.

This is because GSR027 introduces a FRCR, which requires Authority approval prior to being implemented, and requires the ESO to use the FRCR to determine the events for which Unacceptable Frequency Conditions shall not occur. GSR027 requires the FRCR to be submitted to the Authority for review by 1 April 2021, however if this, or Authority approval is delayed, there will be a period of time where no FRCR is available thereby making NETS SQSS version 2.5 requirements related to Unacceptable Frequency Conditions unachievable.

The proposed changes to SLC C17 ensure that the ESO is required to comply with NETS SQSS version 2.4 requirements related to Unacceptable Frequency Conditions, as it currently does, until the Authority approves the first FRCR.

4. A copy of the proposed modifications and other documents referred to in this Notice have been published on our website ([www.ofgem.gov.uk](http://www.ofgem.gov.uk)). Alternatively, they are available from [foi@ofgem.gov.uk](mailto:foi@ofgem.gov.uk).
5. Any representations with respect to the proposed licence modifications must be made on or before 12/01/2021 to: Shilen Shah, Office of Gas and Electricity Markets, 10 South Colonnade, Canary Wharf, London, E14 4PU or by email to [Shilen.shah@ofgem.gov.uk](mailto:Shilen.shah@ofgem.gov.uk).
6. 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 from 1 April 2021.

**Peter Bingham, Chief Engineer**

Duly authorised on behalf of the Gas and Electricity Markets Authority

**15/12/2020**

## Annex

In this modification proposal:

- Existing text which is proposed to be deleted is double struck through: ~~Example~~
- Text proposed to be added is bold and double underlined: **Example**

### 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 national electricity 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 2.4~~5~~, 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).

**Prior to approval by the Authority of the first Frequency Risk and Control Report referred to in National Electricity Transmission System Security and Quality of Supply Standard version 2.5, (i) the licensee shall continue to apply the definition of Unacceptable Frequency Conditions contained within National Electricity Transmission System Security and Quality of Supply Standard version 2.4; and (ii) the licensee will not need to comply with paragraphs 5.8, 5.11.2, 9.2 or 9.4.2 of the National Electricity Transmission System Security and Quality of Supply Standard version 2.5; all of which relate to the Frequency Risk and Control Report.**

**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 2.45, 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 2.45, 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.