

Annex 7. End of the transition period – Modification of the licence conditions of the gas supply licence

To: All holders of a gas supply licence

Gas Act 1986

Section 23(1)(b)

Modification of the standard conditions of all gas supply licences

1. Each of the licensees to whom this document is addressed has a supply licence which has been granted or treated as granted under Section 7A of the Gas Act 1986 ('the Act').
2. Under section 23(2) of the Act the Gas and Electricity Markets Authority ('the Authority')¹ gave notice on 2 separate occasions: On 14 January 2019 ('Notice 1') and on 26 November 2020 ('Notice 2') that we propose to modify the standard conditions in accordance with the provisions of section 23(1)(b) as set out below:

2.1 Notice 1

- SLC1 (Definitions for standard conditions)
- SLC5 (Provision of Information to Authority and data retention)

2.2 Notice 2

- SLC1 (Definitions for standard conditions)
- SLC5 (Provision of Information to Authority and data retention)

We stated that any representations to this modification proposal must be made on or before 15 February 2019, and 24 December 2020 for Notice 1 and Notice 2 respectively.

3. A copy of Notice 1 and Notice 2 were sent to the Secretary of State in accordance with section 23(4)(b) of the Act, and we have not received a direction that the changes should not be made.
4. We received 18 responses to Notice 1 and 12 responses to Notice 2 which we carefully considered. We have placed all non-confidential responses on our website. Our response to the comments for Notice 1 are set out in Annex 9 of this publication, and our response to Notice 2 is set out in the accompanying cover letter.
5. The UK and EU agreed an implementation period between 31 January 2020 and 31 December 2020. It was therefore necessary to make a number of minor alterations to the modifications in Notice 1. These alterations were set out in Notice 2 and are shown in yellow highlight in annex 7.1.a. The alterations are set out below:
 - a. SLC1 – Definition of "Directive": Proposed modifications referred to "Exit Day" which is no longer a relevant term. We have altered the definition to refer to the new relevant term "IP completion day"

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

- b. SLC1 – Definition of “Exit Day”: This definition is no longer relevant. We have replaced the definition with a definition for “IP completion day”
6. The following modifications were proposed in Notice 1 and are no longer required following legislative changes that amended licences as a result of the transposition of the Clean Energy Package²:
- a. SLC 5.6 – Change reference from “European Commission” to “Authority”: SLC 5.6 has been omitted by The Electricity and Gas (Internal Markets) (No.2) Regulations 2020 Statutory Instrument
7. It is also necessary to make minor alterations to the modifications set out in Notice 2. These changes are also shown in yellow highlight in annex 7.1.a, These alterations are an extension of other modifications that we have consulted on in Notice 1. The changes are set out herein below:
- a. SLC11.16 – the definition of Significant Code Review referred to “EU law”. This has been changed to “retained EU law”
- b. SLC30.15 – the definition of Significant Code Review referred to “EU law”. This has been changed to “retained EU law”
8. We are making these licence changes in order to reflect the changes to the legislative framework that have been implemented after the transition period ended at 11pm on 31 December 2020.
9. The effect of the modifications will be to ensure that the references in the licence to EU law (e.g. Directives, Regulations and Commission decisions) shall be read as references to such EU law as it had effect immediately before IP completion day³ subject to any further amendments as may be contained in statutory instruments made under the European Union (Withdrawal) Act 2018. The modifications do not seek to change the current obligations and duties of licensees, nor do they seek to change the current policy position as reflected in the licence conditions.
10. Where an application for permission to appeal our decision is made to the Competition and Markets Authority (CMA) under section 23B of the Act, Rule 5.7 of the Energy Licence Modification Appeals: Competition and Markets Authority Rules⁴ requires that the appellant must send to any relevant licence holders who are not parties to the appeal a non-sensitive notice setting out the matters required in Rule 5.2. The accompanying letter provides a list of the relevant licence holders in relation to this modification. Section 23(10) of the Act sets out the meaning of ‘relevant licence holder’.
11. Under the powers contained in section 23(1)(b) of the Act, we hereby modify the standard licence conditions for all gas supply licences in the manner specified in the below annex. In accordance with section 23(9) of the Act this decision will take effect from 8 April 2021, a date not less than 56 days after publication of this decision.
12. This document is notice of the reasons for the decision to modify the gas supply licences as required by section 38A(2) of the Act.

Natasha Zoe Smith

.....
Head of European Wholesale Markets
Duly authorised on behalf of the
Gas and Electricity Markets Authority

11 February 2021

² Our open letter on these changes is available here: <https://www.ofgem.gov.uk/publications-and-updates/open-letter-changes-licence-conditions-result-transposition-clean-energy-package>

³ As defined in section 39 of the [European Union \(Withdrawal Agreement\) Act 2020](#)

⁴ CMA70 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/655601/energy-licence-modification-appeals-rules.pdf

Annex 7.1.a. Gas Supply Standard Conditions Change Marked Licence Text

We have included the sections of the SLCs we propose to remove or amend below. Deletions are shown in strike through and new text is double-underlined.

Condition 1. Definitions for standard conditions

Directive means Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC, as it has effect immediately before IP completion day as read with the modifications set out in the Act;

IP completion day has the same meaning as that given in section 39(1) of the European Union (Withdrawal Agreement) Act 2020.

legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators means any relevant legally binding decisions of the European Commission and/or the Agency, but a binding decision does not include a decision that is not, or so much of a decision as is not Retained EU Law;

Retained EU Law has the same meaning as that given by section 6(7) of the European Union (Withdrawal) Act 2018.

Condition 5. Provision of Information to Authority and data retention

- 5.1 After receiving a request from the Authority for Information that it may reasonably require or that it considers may be necessary to enable it to perform any functions given or transferred to it by or under any legislation, including any functions conferred on the Authority by or under the Regulation, the licensee must give that Information to the Authority when and in the form requested.
- 5.2 The licensee is not required to comply with paragraph 5.1 if the licensee could not be compelled to produce or give the Information in evidence in civil proceedings before a court.
- 5.3 After receiving a request from the Authority for reasoned comments on the accuracy and text of any Information relating to the licensee's activities under or pursuant to this licence which the Authority proposes to publish under section 35 of the Act, the licensee must give such comments to the Authority when and in the form requested.
- 5.4 The Authority's power to request Information under this condition is additional to its power to call for information under or pursuant to any other condition of this licence.

Data Retention

- 5.5 The licensee shall keep, for at least five years, the Relevant Data relating to any transactions in gas supply contracts ~~and gas derivatives~~ with wholesale customers, transmission system operators, storage facility and LNG import or export facility owners, or any person who sells gas to the licensee, which have been entered into by the licensee on or after the day after the day on which the Electricity and Gas (Internal Markets) Regulations 2011 are made.
- 5.6 [Omitted]
- 5.7 After receiving a request from the Authority for the Relevant Data, the licensee must give the Relevant Data to the Authority when and in the form requested.
- 5.8 Paragraphs 5.5 and 5.7 do not require the licensee to keep Relevant Data in respect of any feed-in tariff arrangements entered into by the licensee in accordance with Condition 33 or 34.
- 5.9 For the purposes of this condition:

"LNG import or export facility" has the meaning given in and is to be interpreted in accordance with section 48 of the Act;

"owner" has the meaning given in and is to be interpreted in accordance with section 48 of the Act;

"Relevant Data" means details on the characteristics of all transactions in gas supply contracts ~~and gas derivatives~~ with wholesale customers, transmission system operators, storage facility and LNG import or export facility owners, or any person who sells gas to the licensee, including but not limited to the duration, delivery and settlement rules, the quantity, the dates and times of execution and the transaction prices and means of identifying the wholesale customer concerned, as well as specified details of all unsettled gas supply contracts ~~and gas derivatives~~;

"storage facility" has the meaning given in and is to be interpreted in accordance with section 48 of the Act."

Condition 11 - Retail Energy Code

- 11.1 The licensee must be a party to, comply with and maintain the Retail Energy Code (for this condition only, the "REC"), as may be designated by the Authority for the purposes of this condition.
- 11.2 If a consequential change is required, the licensee must take all reasonable steps to secure and implement, and must not take any unreasonable steps to prevent or delay, the making or implementation of that consequential change.
- 11.3 Paragraph 11.2 is without prejudice to:
- (a) any right of appeal that the licensee may have in relation to a decision made by the Authority under the Industry Codes; and

(b) any right of approval, veto or direction that the Authority or the Secretary of State may have in relation to changes to Industry Codes.

11.4 The licensee must take all reasonable steps to secure and implement changes to its systems, procedures and processes which are necessary to give full, timely and practical effect to any modification of the REC.

11.5 The licensee must take all reasonable steps to ensure that the REC remains an agreement which:

(a) is designed to facilitate the achievement of the relevant objectives set out in paragraph 11.6; and

(b) includes the matters set out in paragraph 11.7

11.6 The relevant objectives referred to in sub-paragraph 11.5 (a) are:

a) to ensure the REC operates and evolves in a manner that facilitates the achievement of its mission statement;

b) to ensure customers interests and data is protected in the operation of the REC; and,

c) to drive continuous improvements and efficiencies in the operation of the REC and the central systems and communication infrastructures it governs.

11.7 The matters referred to in sub-paragraph 11.5(b) are:

(a) provision for enabling the REC to be modified from time to time so as to better facilitate the achievement of the relevant objectives set out in paragraph 11.6;

(b) provision for enabling parties to the REC, and such other persons as may be specified in the code, to appeal against a decision to implement or reject any proposed modification of it, where that modification does not require the Authority's approval, to the Authority for determination;

(c) for the REC, and all ancillary documents and products to be published on a free to access website; and

(d) where an appeal has been raised in respect of a modification proposal in accordance with sub-paragraph (b), provision for that modification proposal to be treated in accordance with any decision and/or direction of the Authority following that appeal.

11.8 The REC must provide for:

(a) a panel body, as specified in the REC (the "panel") whose functions shall include the matters required by this condition and as set out in the REC; and

(b) a person or body, as specified in the REC, to perform the role of code manager (the "REC manager"). In addition to any powers, duties or functions set out in the REC, the REC manager shall:

(i) together with other code managers and/or code administrators, publish, review and (where appropriate) amend from time to time the Code of Practice approved by the Authority (any amendments to the Code of Practice are to be approved by the Authority);

- (ii) facilitate the procedures for making a modification to the REC;
- (iii) have regard to, and in particular (to the extent relevant) be consistent with the principles contained in, the Code of Practice; and
- (iv) provide assistance, insofar as is reasonably practicable and on reasonable request, to parties (including, in particular, Small Participants) and, to the extent relevant, consumer representatives that request the code manager's assistance in relation to the REC including, but not limited to, assistance with:
 - a. drafting a modification proposal;
 - b. understanding the operation of the REC;
 - c. their involvement in, and representation during, the modification procedure processes (including, but not limited to, code panel and/or workgroup meetings);
 - d. accessing information relating to modification proposals and/or modifications.

and

- (c) a “performance assurance board” to conduct and administer activities identified within the REC and being appropriate to provide assurance that all participants in the REC arrangements, particularly those relating to switching activities, are suitably qualified and that the relevant standards are maintained.

11.9 The modification procedures referred to in sub-paragraph 11.7(a) must provide:

- (a) for a modification report to be prepared in such manner and with all such contents as specified in the REC, which shall include an assessment of the extent to which the proposed modification would better facilitate achieving the relevant objectives and a detailed explanation of the reasons for that assessment;
- (b) where the proposed modification requires Authority approval in accordance with the provisions of the REC, for the revision and resubmission of the modification report upon, and in accordance with, a direction issued to the panel by the Authority, where the Authority determines that it cannot properly form an opinion on the approval of the modification proposal;
- (c) without prejudice to paragraph 11.10B, that proposals for the modification of the REC falling within the scope of a significant code review may not be made during the significant code review phase, except:
 - a. where the Authority determines that the modification proposal may be made, having taken into account (among other things) the urgency of the subject matter of the proposal; or
 - b. at the direction of, or by, the Authority;
- (d) that where a modification proposal is made during a significant code review phase the panel shall:
 - (i) unless exempted by the Authority, notify the Authority as soon as practicable of:
 - 1. any representations received in relation to the relevance of the significant code review; and

2. the panel's assessment of whether the proposal falls within the scope of the significant code review and its reasons for that assessment; and

(ii) if the Authority so directs, not proceed with the modification proposal until the significant code review phase has ended;

- (e) for proposals for the modification of the REC to be made by the licensee or the Authority (in relation only to modifications which fall within the scope of paragraph 11.10E);
- (f) for modification proposals made by the Authority and the licensee in accordance with paragraphs 11.9(e) and 11.9(g)(i) respectively which fall within the scope of paragraph 11.10E:

(i) to be accepted into the REC modification procedures by the REC Manager and/or REC Panel;

(ii) where they are raised by the licensee, not to be withdrawn without the Authority's prior consent; and

(iii) to proceed in accordance with paragraph 11.9(g);

- (g) for compliance by the licensee and (where applicable) the panel with any direction(s) issued by the Authority under this paragraph setting and/or amending a timetable (in relation to a modification proposal which falls within the scope of paragraph 11.10E) for:

(i) the licensee to raise a modification proposal(s); and/or

(ii) the completion of each of the procedural steps outlined in the direction, to the extent that they are relevant; and/or

(iii) the implementation of a modification.

11.10 If, within twenty eight (28) days after the Authority has published its significant code review conclusions:

- (a) the Authority issues directions to the licensee, the licensee shall comply with those directions and shall treat the significant code review phase as ended;
- (b) the Authority issues to the licensee a statement that no directions under sub-paragraph (a) will be issued in relation to the REC, the licensee shall treat the significant code review phase as ended;
- (ba) the Authority raises a modification proposal in accordance with paragraph 11.9(e), the licensee shall treat the significant code review phase as ended;
- (bb) the Authority issues a statement that it will continue work on the significant code review, the licensee shall treat the significant code review phase as continuing until it is brought to an end in accordance with paragraph 11.10A;
- (c) neither directions under sub-paragraph (a) nor a statement under sub-paragraph (b) or (bb) have been issued, nor a modification proposal under sub-paragraph (ba) has been made, the significant code review phase will be deemed to have ended.

The Authority's published conclusions and directions to the licensee will not fetter any voting rights of REC parties or members of the panel, or the procedures informing the modification report described at sub-paragraph 11.9(a).

11.10A Where the Authority issues a statement under sub-paragraph 11.10(bb) and/or a direction in accordance with paragraph 11.10D, the significant code review phase will be deemed to have ended when:

- (a) the Authority issues a statement that the significant code review phase has ended;
- (b) one of the circumstances in sub-paragraphs 11.10(a) or (ba) occurs (irrespective of whether such circumstance occurs within twenty-eight (28) days after the Authority has published its significant code review conclusions); or
- (c) the Authority makes a decision consenting, or otherwise, to the modification of the REC following the submission of the modification report prepared pursuant to sub-paragraph 11.9(c) a.

11.10B Where the Authority issues a statement in accordance with sub-paragraph 11.10(bb) and/or a direction in accordance with paragraph 11.10D, the Authority may submit a modification proposal for a modification falling within the scope of sub-paragraph 11.10E(b) to the panel.

11.10C The modification procedures must provide, where the Authority submits a significant code review modification proposal to the panel in accordance with paragraph 11.10B, for compliance with the modification procedures set out in sub-paragraphs 11.9(a) and (b).

The Authority's published conclusions and significant code review modification proposal will not fetter any voting rights of REC parties or members of the panel, or the procedures informing the modification report described at sub-paragraph 11.9(a).

11.10D The modification procedures must provide for modification proposals raised in accordance with sub-paragraph 11.10(a) or 11.9(g), or by the Authority under sub-paragraph 11.10(ba) and which fall within the scope of paragraph 11.10E(b), the Authority may issue a direction (a "backstop direction"), which requires such proposal(s) and any alternatives to be withdrawn and which causes the significant code review phase to recommence.

11.10E Modification proposals fall within the scope of this paragraph where:

- (a) the Authority reasonably considers the modifications are necessary to comply with, or implement, the Regulation and/or any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators; and/or
- (b) the modification proposal is in respect of a significant code review.

11.11 Eligible grounds for appeal under the provisions referred to in sub-paragraph 11.7(b) shall be that, in the opinion of the Authority:

- (a) (i) the appealing party is likely to be unfairly prejudiced by the implementation or non-implementation of that modification proposal; or
- (ii) the appeal is on the grounds that:

1. in the case of implementation, the modification proposal may not better facilitate the achievement of at least one of the relevant objectives; or
2. in the case of non-implementation, the modification may better facilitate the achievement of at least one of the relevant objectives; and

(b) the appeal is not brought for reasons that are trivial or vexatious, nor does the appeal have no reasonable prospect of success.

11.12 The procedures for the modification of the REC must provide that recommendations or decisions for or against the implementation of a modification proposal shall be made with regard to whether that modification would, as compared with the existing provisions of the REC, better facilitate the achievement of the relevant objectives.

11.13 The procedures for the modification of the REC must be consistent with the principles set out in the Code of Practice, to the extent that they are relevant.

Duty to cooperate

11.14 The licensee will cooperate with the Authority and/or any person(s) appointed by the Authority or appointed pursuant to a direction of the Authority, to undertake any reasonable requests in relation to planning, project assurance and/or coordination/systems integration in order to give full effect to the conclusions of a Significant Code Review.

11.15 Cooperation for the purposes of condition 11.14 may include but not be limited to:

- a) the sharing of such information as reasonable, and constructive participation in industry engagement in order to undertake appropriate planning of changes to IT systems or industry standard operational processes system changes pursuant to the conclusions of a significant code review;
- b) the provision of such data as may be identified and reasonably requested in order to undertake testing and/or the population of any new central systems;
- c) the preparation and cleansing of such data as may reasonably be requested in order to facilitate live operation of the new central system;
- d) the provision of test scripts and results of any testing as may be requested by any person appointed to assure the success of any testing;
- e) all reasonable steps to:
 - i) meet key programme milestones for the completion of any action(s) assigned to the licensee;
 - ii) adhere to any remedial plan put in place to address any issues, delays or slippage that may impact the licensee's ability to meet programme milestones, to the extent that failure to do so may jeopardise the successful and timely implementation of the programme;
 - iii) identify any dependencies that the licensee may have upon agents or other third-parties and secure the necessary support from such parties; and,
 - iv) promptly escalate and/or resolve any disputes that if unresolved may jeopardise the fulfilment of these obligations.

11.16 For the purposes of condition 11.14 only:

Significant Code Review means a review of matters in relation to its principal objective and/or general duties (under section 3A of the Electricity Act or section 4AA of the Gas Act), statutory functions and/or relevant obligations arising under retained EU law ~~EU law~~, which the Authority considers are likely to relate to one or more of the documents referred to in this condition, or to which the licensee is required under this licence to be a party, and concerning which the Authority has

consulted upon and issued a Notice to the parties stating that the review will constitute a Significant Code Review.

Condition 30. Supply Point Administration Agreement

- 30.1 The licensee must be a party to, comply with and maintain the Supply Point Administration Agreement (for this condition only, the "SPAA").
- 30.2 If a consequential change is required, the licensee must take all reasonable steps to secure and implement, and must not take any unreasonable steps to prevent or delay, the making or implementation of that consequential change.
- 30.3 Paragraph 30.2 is without prejudice to:
- (a) any right of appeal that the licensee may have in relation to a decision made by the Authority under Industry Documents; and
 - (b) any right of approval, veto or direction that the Authority or the Secretary of State may have in relation to changes to Industry Documents.
- 30.4 The licensee must take all reasonable steps to secure and implement changes to its systems, procedures and processes which are necessary to give full, timely and practical effect to any modification of the SPAA.
- 30.5 The licensee must take all reasonable steps to ensure that the SPAA remains an agreement which:
- (a) is designed to facilitate the achievement of the relevant objectives set out in paragraph 30.6; and
 - (b) includes the matters set out in paragraph 30.7.
- 30.6 The relevant objectives referred to in sub-paragraph 30.5(a) are:
- (a) the development, maintenance and operation of an efficient, coordinated and economical change of supplier process;
 - (b) the furtherance of effective competition between Gas Suppliers and between relevant agents;
 - (c) the promotion of efficiency in the implementation and administration of the supply point administration arrangements;
 - (d) so far as is consistent with sub-paragraphs (a), (b) and (c), the efficient discharge of the licensee's obligations under this licence;
 - (e) the establishment, maintenance and operation of the Meter Asset Manager arrangements and/or the approved Meter Installer arrangements; and
 - (f) securing compliance with standard condition 12A; and
 - (g) compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.
- 30.7 The matters referred to in sub-paragraph 30.5(b) are:

- (a) provision for enabling the SPAA to be modified from time to time so as to better facilitate the achievement of the relevant objectives set out in paragraph 30.6;
- (b) provision for enabling parties to the SPAA, and such other persons as may be specified in the code, to appeal against a decision to implement or reject any proposed modification of it, where that modification does not require the Authority's approval, to the Authority for determination;
- (c) provision for a copy of the SPAA and accompanying schedules to be provided to any person on request, upon payment of an amount not exceeding the reasonable costs of making and providing it.
- (d) where an appeal has been raised in respect of a modification proposal in accordance with sub-paragraph (b), provision for that modification proposal to be treated in accordance with any decision and/or direction of the Authority following that appeal.

30.8 The SPAA must provide for:

- (a) a panel body, as specified in the SPAA (the "panel") whose functions shall include the matters required by this condition and as set out in the SPAA; and
- (b) a secretarial or administrative person or body, as specified in the SPAA, to perform the role of code administrator (the "code administrator"). In addition to any powers, duties or functions set out in the SPAA, the code administrator shall:
 - (i) together with other code administrators, publish, review and (where appropriate) amend from time to time the Code of Practice approved by the Authority (any amendments to the Code of Practice are to be approved by the Authority);
 - (ii) facilitate the procedures for making a modification to the SPAA;
 - (iii) have regard to, and in particular (to the extent relevant) be consistent with the principles contained in, the Code of Practice; and
 - (iv) provide assistance, insofar as is reasonably practicable and on reasonable request, to parties (including, in particular, small participants) and, to the extent relevant, consumer representatives that request the code administrator's assistance in relation to the SPAA including, but not limited to, assistance with:
 - drafting a modification proposal;
 - understanding the operation of the SPAA;
 - their involvement in, and representation during, the modification procedure processes (including, but not limited to, code panel and/or workgroup meetings);
 - accessing information relating to modification proposals and/or modifications.

30.9 The modification procedures referred to in sub-paragraph 30.7(a) must provide:

- (a) for a modification report to be prepared in such manner and with all such contents as specified in the SPAA, which shall include an assessment of the extent to which the proposed modification would better facilitate achieving the relevant objectives and a detailed explanation of the reasons for that assessment;
- (b) where the proposed modification requires Authority approval in accordance with the provisions of the SPAA, for the revision and resubmission of the modification report upon, and in accordance with, a direction issued to the panel by the Authority where the Authority determines that it cannot properly form an opinion on the approval of the modification proposal;
- (a) without prejudice to paragraph 30.10B, that proposals for the modification of the SPAA falling within the scope of a significant code review may not be made during the significant code review phase, except:
 - (i) where the Authority determines that the modification proposal may be made, having taken into account (among other things) the urgency of the subject matter of the proposal; or
 - (ii) at the direction of, or by, the Authority;
- (b) that where a modification proposal is made during a significant code review phase the panel shall:
 - i. unless exempted by the Authority, notify the Authority as soon as practicable of:
 - 1. any representations received in relation to the relevance of the significant code review; and
 - 2. the panel's assessment of whether the proposal falls within the scope of the significant code review and its reasons for that assessment; and
 - ii. if the Authority so directs, not proceed with the modification proposal until the significant code review phase has ended;
- (e) for proposals for the modification of the SPAA to be made by the licensee or the Authority (in relation only to modifications which fall within the scope of paragraph 30.10E);
- (f) for modification proposals made by the Authority and the licensee in accordance with paragraphs 30.9(e) and 30.9(g)(i) respectively which fall within the scope of paragraph 30.10E:
 - (i) to be accepted into the SPAA modification procedures by the panel;
 - (ii) where they are raised by the licensee, not to be withdrawn without the Authority's prior consent; and
 - (iii) to proceed in accordance with paragraph 30.9(g);

- (g) For compliance by the licensee and (where applicable) the panel with any direction(s) issued by the Authority under this paragraph setting and/or amending a timetable (in relation to a modification proposal which falls within the scope of paragraph 30.10E) for:
 - (i) the licensee to raise a modification proposal(s); and/or
 - (ii) the completion of each of the procedural steps outlined in the direction, to the extent that they are relevant; and/or
 - (iii) the implementation of a modification.

30.10 If, within twenty eight (28) days after the Authority has published its significant code review conclusions:

- (a) the Authority issues directions to the licensee, the licensee shall comply with those directions and shall treat the significant code review phase as ended;
- (b) the Authority issues to the licensee a statement that no directions under sub-paragraph (a) will be issued in relation to the SPAA, the licensee shall treat the significant code review phase as ended;
- (ba) the Authority raises a modification proposal in accordance with paragraph 30.9(e), the licensee shall treat the significant code review phase as ended;
- (bb) the Authority issues a statement that it will continue work on the significant code review, the licensee shall treat the significant code review phase as continuing until it is brought to an end in accordance with paragraph 30.10A;
- (c) neither directions under sub-paragraph (a) nor a statement under sub-paragraph (b) or (bb) have been issued, nor a modification proposal under sub-paragraph (ba) has been made, the significant code review phase will be deemed to have ended.

The Authority's published conclusions and directions to the licensee will not fetter any voting rights of SPAA parties or members of the panel, or the procedures informing the modification report described at sub-paragraph 30.9(a).

30.10A Where the Authority issues a statement under sub-paragraph 30.10(bb) and/or a direction in accordance with paragraph 30.10D, the significant code review phase will be deemed to have ended when:

- (a) the Authority issues a statement that the significant code review phase has ended;
- (b) one of the circumstances in sub-paragraphs 30.10(a) or (ba) occurs (irrespective of whether such circumstance occurs within twenty-eight (28) days after the Authority has published its significant code review conclusions); or
- (c) the Authority makes a decision consenting, or otherwise, to the modification of the SPAA following the submission of the modification report prepared pursuant to sub-paragraph 30.10C(a).

30.10B Where the Authority issues a statement in accordance with sub-paragraph 30.10(bb) and/or a direction in accordance with paragraph 30.10D, the Authority may submit a modification proposal for a modification falling within the scope of sub-paragraph 30.10E(b) to the panel.

30.10C The modification procedures must provide, where the Authority submits a significant code review modification proposal to the panel in accordance with paragraph 30.10B, for compliance with the modification procedures set out in sub-paragraphs 30.9(a) and (b).

The Authority's published conclusions and significant code review modification proposal will not fetter any voting rights of SPAA parties or members of the panel, or the procedures informing the modification report described at sub-paragraph 30.9(a).

30.10D The modification procedures must provide for modification proposals raised in accordance with sub-paragraph 30.10(a) or 30.9(g), or by the Authority under sub-paragraph 30.10(ba) and which fall within the scope of paragraph 30.10E(b), the Authority may issue a direction (a "backstop direction"), which requires such proposal(s) and any alternatives to be withdrawn and which causes the significant code review phase to recommence.

30.10E Modification proposals fall within the scope of this paragraph where:

- (a) the Authority reasonably considers the modifications are necessary to comply with, or implement, the Regulation and/or any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators; and/or
- (b) the modification proposal is in respect of a significant code review.

30.11 Eligible grounds for appeal under the provisions referred to in sub-paragraph 30.7(b) shall be that, in the opinion of the Authority:

- (a)
 - (i) the appealing party is likely to be unfairly prejudiced by the implementation or non-implementation of that modification proposal; or
 - (ii) the appeal is on the grounds that:
 - i. in the case of implementation, the modification proposal may not better facilitate the achievement of at least one of the relevant objectives; or
 - ii. in the case of non-implementation, the modification may better facilitate the achievement of at least one of the relevant objectives; and
- (b) the appeal is not brought for reasons that are trivial or vexatious, nor does the appeal have no reasonable prospect of success.

30.12 The procedures for the modification of the SPAA must provide that recommendations or decisions for or against the implementation of a modification proposal shall be made with regard to whether that modification would, as compared with the existing provisions of the SPAA, better facilitate the achievement of the relevant objectives.

30.13 The procedures for the modification of the SPAA must be consistent with the principles set out in the Code of Practice, to the extent that they are relevant.

30.14 Without prejudice to any rights of approval, veto or direction the Authority may have, the licensee shall use its best endeavours to ensure that procedures are in place that facilitate its compliance with the requirements of this condition including, but not limited to, modifying the SPAA where necessary no later than 31 March 2017.

30.15 For the purposes of this condition:

directions	<p>in the context of paragraph 30.10(a), means direction(s) issued following publication of significant code review conclusions which will contain:</p> <ul style="list-style-type: none">(a) instructions to the licensee to make (and not withdraw, without the Authority's prior consent) a modification proposal;(b) the timetable for the licensee to comply with the Authority's direction(s); and(c) the Authority's reasons for its direction(s).
significant code review	<p>means a review of one or more matters which the Authority considers likely to:</p> <ul style="list-style-type: none">(a) relate to the SPAA (either on its own or in conjunction with any other industry code(s));(b) be of particular significance in relation to its principal objective and/or general duties (under section 4AA of the Act), statutory functions and/or relevant obligations arising under <u>retained EU law</u> EU law; and <p>concerning which the Authority has issued a notice to the SPAA parties (among others, as appropriate) stating:</p> <ul style="list-style-type: none">(i) that the review will constitute a significant code review;(ii) the start date of the significant code review; and(iii) the matters that will fall within the scope of the review.
significant code review phase	<p>means the period</p> <ul style="list-style-type: none">(a) commencing either:<ul style="list-style-type: none">(i) on the start date of a significant code review as stated by the Authority; or,(ii) on the date the Authority makes a direction under paragraph 30.10D (a "backstop direction"); <p>and</p> <ul style="list-style-type: none">(b) ending in one of the following ways:<ul style="list-style-type: none">(i) on the date on which the Authority issues a statement under sub-paragraph 30.10(b) that

no directions will be issued in relation to the SPAA; or

- (ii) if no statement is made under sub-paragraph 30.10(b) or (bb), on the date on which the licensee has made a modification proposal in accordance with directions issued by the Authority under sub-paragraph 30.10(a), or the Authority makes a modification proposal under sub-paragraph 30.10(ba); or
- (iii) immediately under sub-paragraph 30.10(c) if neither a statement, nor a modification proposal, nor directions are made by the Authority within (and including) twenty eight (28) days from the Authority's publication of its significant code review conclusions; or
- (iv) if a statement has been made under sub-paragraph 30.10(bb) or a direction has been made under paragraph 30.10D (a "backstop direction"), on the date specified in accordance with paragraph 30.10A.