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12 April 2021

**RE: National Grid Electricity Transmission response to the Whole Electricity System Licence Condition D17/7A statutory consultation**

Dear Richard,

Thank you for your recent correspondence dated 6 April 2021 regarding the Whole Electricity Licence Condition D17/7A statutory consultation. Following our recent conversation, we are writing to acknowledge a technical error in the handling of your response to our March 2020 statutory consultation, and to assure you that the content of your response has been considered in our final decision to implement the licence modification.

As the energy system continues to transition to a smart, flexible system to enable net zero, coordination and collaboration across electricity networks becomes increasingly important. Electricity Transmission Owners and Distribution Network Operators have a significant responsibility to ensure the appropriate levels of coordination and cooperation across networks and network users. We believe that the introduction of Whole Electricity System Licence Condition D17/7A clarified this responsibility and obligation, and on 1 April 2021 we issued our decision to implement this licence modification.<sup>1</sup> In your correspondence dated 6 April 2021, we are pleased to note that you have no objection to the licence modification or material concerns with the route to implementation.

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<sup>1</sup> <https://www.ofgem.gov.uk/publications-and-updates/decision-implement-whole-electricity-system-licence-condition-d177a-transmission-owners-and-electricity-distributors>

The development of the licence modification followed a consultative approach which started with informal consultation in 2018,<sup>2</sup> followed by multiple workshop and a statutory consultation in 2020.<sup>3</sup> We acknowledge that we did not respond directly to your response to the statutory consultation in our decision document. This was the result of an unfortunate technical error which we have sought to make sure does not happen again. We are, however, confident that the content of your response to our statutory consultation has been suitably considered and accounted for in the decision to implement the licence modification.

In particular, we note that key feedback you provided suggesting that any amendments to the licence condition guidance should be consulted on has been accounted for in the final licence modification. We further note that your feedback on the unsuitability of the requirement for onshore electricity network licensees to collaborate with network users has been accounted for and the clause removed from the final licence text. We have also updated the licence text to clarify data confidentiality and issues around cross-funding, which meet your statutory consultation response concerns. Your statutory consultation response will shortly be uploaded to our website.

Our decision to implement the licence modification stands and the licence modification will be implemented on 27 May 2021 after a 56 day standstill period. We ask that you kindly return correspondence by 19 April 2021 that you acknowledge and accept this course of action.

Yours sincerely,



Steve McMahon  
**Deputy Director, Electricity Distribution and Cross-Sector Policy**

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<sup>2</sup> <https://www.ofgem.gov.uk/publications-and-updates/consultation-licence-conditions-and-guidance-network-operators-support-efficient-coordinated-and-economical-whole-system>

<sup>3</sup> <https://www.ofgem.gov.uk/publications-and-updates/statutory-consultation-proposed-whole-electricity-system-licence-condition-d177a-electricity-distributors-and-transmission-owners>