

# **National Grid Electricity System Operator Limited**

## **Electricity transmission licence**

### **Special Conditions**

We have included the sections of the licence conditions we propose to remove or amend as well as those that are relevant to our amendments below. Deletions are shown in strike through and new text is shown in red and underlined.

## **Special Condition 2.2 Electricity System Restoration Standard**

### **Introduction**

2.2.1 This condition requires the licensee to comply at all times with the Electricity System Restoration Standard once the licensee has received a direction from the Secretary of State designating the Electricity System Restoration Standard. It also requires the licensee to produce an Electricity System Restoration Assurance Framework to demonstrate compliance with the Electricity System Restoration Standard.

### **Part A: Electricity System Restoration Standard**

2.2.2 In accordance with sections 7(3)(a) and 107 of the Electricity Act 1989, the licensee must comply at all times during a Relevant Year with the Electricity System Restoration Standard, as directed by the Secretary of State, including through its procurement of balancing services pursuant to paragraph 3 of Standard Condition C16 (“Procurement and use of balancing services”).

2.2.3 As a consequence of this Special Condition 2.2 coming into effect the licensee will receive:

- (a) a direction from the Secretary of State designating the Electricity System Restoration Standard and the date from which it shall apply; or
- (b) any subsequent directions from the Secretary of State which have the effect of amending the Electricity System Restoration Standard.

2.2.4 Once the licensee has received the direction from the Secretary of State, it must procure restoration services and propose any modifications to the Grid Code and other industry codes that are required as a consequence of the direction and this Special Condition 2.2 coming into effect. The licensee must do so in sufficient time to ensure it is in compliance with the Electricity System Restoration Standard by the date from which the Secretary of State directs that it shall apply.

### **Part B: Electricity System Restoration Assurance Framework**

2.2.5 Within 90 days following receipt of a direction from the Secretary of State designating the Electricity System Restoration Standard, and thereafter at 12 monthly intervals (unless otherwise directed by the Authority), the licensee must submit an assurance framework (the “Electricity System Restoration Assurance Framework”) to the Authority for approval.

2.2.6 Prior to submission, the licensee must first consult with the Authority and any relevant interested parties for not less than 30 days on its proposed Electricity System Restoration Assurance Framework.

2.2.7 The Electricity System Restoration Assurance Framework must include, but need not be limited to:

- (a) The strategy for the provision of Electricity System Restoration which is to be applied for the next Relevant Year, between the next one to three years, and beyond three years. This must include an appropriate Restoration Approach that ensures that the Electricity System Restoration Standard is complied with at all times during a Relevant Year, and identification of new technologies and approaches for the provision of Electricity System Restoration services;
- (b) A description of how the licensee will monitor its compliance with the Electricity System Restoration Standard at all times during a Relevant Year. This must include ex-ante modelling of Restoration Times for the subsequent Relevant Year using credible projections of the required Electricity System data, as well as ex-post modelling of Restoration Times using real world Electricity System data for the previous Relevant Year; and
- (c) Sufficient details of the methodology, assumptions and data used by the licensee to reflect the capabilities of the Electricity System during the subsequent Relevant Year to allow other electricity licensees to assess and provide comment on how well the licensee is representing the capabilities of the Electricity System.

2.2.8 The submission of the Electricity System Restoration Assurance Framework must be accompanied by a report from an independent auditor of internationally recognised standing appointed by the licensee. This report must provide an assessment of the licensee's Electricity System Restoration Model, that must include, but need not be limited to, an ex-ante assessment of how well that model's input data, technical assumptions, and calculations will represent the capabilities and characteristics of the Electricity System during the subsequent Relevant Year.

### **Part C: Authority Approval of Electricity System Restoration Assurance Framework**

- 2.2.9 The licensee must submit the Electricity System Restoration Assurance Framework to the Authority for approval, as set out in Part B of this condition.
- 2.2.10 If the Authority rejects the Electricity System Restoration Assurance Framework it may direct the licensee to resubmit a revised Electricity System Restoration Assurance Framework to the Authority for approval, within a period specified in that direction.
- 2.2.11 If the Authority approves the Electricity System Restoration Assurance Framework, the licensee must publish the Electricity System Restoration Assurance Framework on its website as soon as is reasonably practicable following approval.
- 2.2.12 Where the licensee considers that there are legitimate reasons for not publishing certain information or data on its website in accordance with paragraph 2.2.11, it

must seek the Authority's approval to publish a redacted version of the Electricity System Restoration Assurance Framework.

#### **Part D: Revisions to Electricity System Restoration Assurance Framework**

- 2.2.13 During the 12-month period to which the approved Electricity System Restoration Assurance Framework applies during a Relevant Year, the licensee may submit revisions to the Authority for approval.
- 2.2.14 Except where the Authority directs otherwise, before seeking any revision of the approved Electricity System Restoration Assurance Framework the licensee must:
- (a) send a copy of the proposed revisions to the Authority;
  - (b) consult stakeholders on the proposed revisions and allow them a period of not less than 30 days in which to make representations to the licensee;
  - (c) submit to the Authority within 30 days of the close of the consultation period referred to in paragraph 2.2.14(b) a report setting out:
    - i. the revisions originally proposed;
    - ii. the representations (if any) made to the licensee; and
    - iii. any changes to the revisions, and
  - (d) where the Authority directs that paragraphs 2.2.14(a), (b) and (c) or any of them shall not apply, comply with such other requirements as are specified in that direction.
- 2.2.15 Following receipt of a revision under paragraph 2.2.14(c) the Authority may direct the licensee to make the revision, where the Authority is satisfied that the revision is economic and efficient and will provide value for money for electricity consumers in Great Britain.
- 2.2.16 Unless the Authority issues a direction under paragraph 2.2.15 within a period of 60 days, beginning with the date of the submission made by the licensee under paragraph 14(c), the proposed revision will be treated as not being approved by the Authority.
- 2.2.17 If the Authority directs any revision to be made under paragraph 2.2.15 the licensee must revise the approved Electricity System Restoration Assurance Framework .
- 2.2.18 The licensee must also publish the revised Electricity System Restoration Assurance Framework on its website during the period of 7 days beginning with the date of receipt of a direction under paragraph 2.2.15.
- 2.2.19 Where the licensee considers that there are legitimate reasons for not publishing certain information or data on its website in accordance with paragraph 2.2.18, it must seek the Authority's approval to publish a redacted version of the revised Electricity System Restoration Assurance Framework.

## **Part E: Definitions**

2.2.20 The definitions in this condition will have the following meaning:

<u>Electricity System Restoration</u>	<u>means the procedure used to restore power in the event of a total or partial shutdown of the national electricity transmission system.</u>
<u>Electricity System Restoration Standard</u>	<u>means the target Restoration Time that the Secretary of State requires the licensee to have the capability to meet.</u>
<u>Electricity System Restoration Assurance Framework</u>	<u>means an assurance framework prepared by the licensee for approval by the Authority containing, at a minimum, the information provided for under paragraph 2.2.7 (a)-(c) of this Special Condition 2.2.</u>
<u>Electricity System Restoration Model</u>	<u>means the model used by the licensee to assess the capabilities of the electricity system and provide a range of credible Restoration Times.</u>
<u>Restoration Approach</u>	<u>means the method by which the licensee would restore the National Electricity Transmission System.</u>
<u>Restoration Time</u>	<u>means the time it would take to energise a part or parts of the National Electricity Transmission System following a Total Shutdown or Partial Shutdown (each as defined in the Grid Code).</u>

## **Special Condition 2.2 Black Start Strategy & Procurement Methodology**

### **Introduction**

~~2.2.1 — The purpose of this condition is to set out the obligations of the licensee in relation to:~~

- ~~(a) a Black Start Strategy;~~
- ~~(b) a Black Start Procurement Methodology; and~~
- ~~(c) an Annual Report.~~

### **Part A: Black Start Strategy**

~~2.2.2 — Further to the statement prepared pursuant to paragraph 4 of Standard Condition C16 (Procurement and use of balancing services) the licensee must, before the end of the first Working Day after the date on which this condition comes into effect and once during each period of 12 months beginning with that date (or otherwise directed by the Authority), submit to the Authority for~~

approval, a Black Start Strategy setting out how the licensee will approach the delivery of Black Start onto the National Electricity Transmission System.

2.2.3 — The Black Start Strategy must include:

- (a) the strategy for Black Start provision which is to be applied for the subsequent year including an appropriate Restoration Approach, the Minimum Service Level required and appropriate Restoration Time;
- (b) the strategy for Black Start provision for the two years following the period covered by subparagraph (a), including an appropriate Restoration Approach, the Minimum Service Level required, appropriate Restoration Time and identification of new technologies and approaches for the provision of Black Start; and
- (c) the strategy for Black Start provision for the years following the period covered by subparagraph (b), including an appropriate Restoration Approach, the Minimum Service Level required, appropriate Restoration Time and identification of new technologies and approaches for the provision of Black Start.

#### **Part B: Black Start Procurement Methodology**

2.2.4 — The licensee must before the end of the first Working Day after the date on which this condition comes into effect and once during each period of 12 months beginning with that date (or as otherwise directed by the Authority), submit to the Authority for approval, a Black Start Procurement Methodology for the purposes of determining that any procurement of Black Start is economic and efficient, including that it provides value for money for current and future electricity consumers in Great Britain.

2.2.5 — The Black Start Procurement Methodology must include:

- (a) the methodology for determining the value to current and future electricity consumers in Great Britain of Black Start provision;
- (b) the methodology for determining how each Black Start service contracted provides value to current and future electricity consumers in Great Britain and how consumer value is assessed across all Black Start services contracted cumulatively;
- (c) the process by which the licensee will seek to procure new Black Start services and assess tenders to determine that:
  - i. — the Minimum Service Level required is met in Great Britain;
  - ii. — any tenders accepted by the licensee are demonstrably economic and efficient, including by providing value for money for current and future electricity consumers in Great Britain; and
  - iii. — the Black Start procurement process is economic, efficient and competitive; and

(d) the process by which the licensee will assess whether it is economic and efficient to incur Feasibility Studies cost to test new providers.

### **Part C: Authority Approval of Methodologies**

2.2.6 — The licensee must submit the Black Start Strategy and the Black Start Procurement Methodology to the Authority for approval, as set out in Part A and B of this condition.

2.2.7 — If the Authority rejects the Black Start Strategy or Black Start Procurement Methodology it may direct the licensee to resubmit a revised strategy or methodology to the Authority for approval, within a period specified in that direction.

2.2.8 — If the Authority approves the Black Start Strategy or the Black Start Procurement Methodology, the licensee must publish the Black Start Strategy or the Black Start Methodology on its website as soon as is reasonably practicable following approval.

2.2.9 — Where the licensee considers that there are legitimate reasons for not publishing certain information or data on its website in accordance with paragraph 2.2.8, it must seek the Authority's approval to publish a redacted version of the Black Start Strategy or the Black Start Procurement Methodology.

### **Part D: Revision to Methodologies**

2.2.10 — During the 12-month period to which the approved Black Start Strategy and Black Start Procurement Methodology apply, the licensee may submit revisions to the Authority for approval.

2.2.11 — Where the licensee submits revisions to the Authority for approval, the licensee must send a copy to any person who requests one, unless in the licensee's view it would not be appropriate to do so.

2.2.12 — Following receipt of a notification under paragraph 2.2.10 the Authority may direct the licensee to revise the relevant approved methodology to reflect the proposed revision where the Authority is satisfied that the revision is economic and efficient and will provide value for money for electricity consumers in Great Britain.

2.2.13 — Following receipt of a revision under paragraph 2.2.11 the Authority will direct the licensee to make the revision, where the Authority is satisfied that the revision is economic and efficient and will provide value for money for electricity consumers in Great Britain.

2.2.14 — Unless the Authority issues such a direction, during the period of three months beginning with the date of the submission under paragraph 2.2.10, the proposed revision will be treated as not being approved by the Authority.

- 2.2.15—If the Authority directs revisions under paragraph 2.2.12 the licensee must revise the relevant approved Methodology.
- 2.2.16—The licensee must also publish the revised Black Start Strategy or Black Start Procurement Methodology on its website during the period of 7 days beginning with the date of receipt of a direction under paragraph 2.2.12.
- 2.2.17—Where the licensee considers that there are legitimate reasons for not publishing certain information or data on its website in accordance with paragraph 2.2.16, it must seek the Authority's approval to publish a redacted version of the revised Black Start Strategy or the revised Black Start Procurement Methodology.

### **Part E: Preparation and publication of Annual Report**

- 2.2.18—During the period of one month beginning with the end of each Regulatory Year, the licensee must prepare an Annual Report in a form approved by the Authority in respect of the Total Costs the licensee has incurred in that Regulatory Year in relation to Black Start Provision.
- 2.2.19—The report provided to the Authority under paragraph 2.2.18 must give particulars of:
- (a) the Total Costs incurred for that Regulatory Year, and how the Total Costs have been calculated;
  - (b) how the Total Costs have been incurred in accordance with the Black Start Strategy and the Black Start Procurement Methodology; and
  - (c) any other analysis or information which the licensee considers to be required to enable the Authority fully to assess the particulars to which the report relates.
- 2.2.20—The report prepared pursuant to paragraph 2.2.18 must be accompanied by a statement from an independent auditor of internationally recognised standing appointed by the licensee:
- (a) confirming that the report is accurate; and
  - (b) detailing the auditor's independent assessment of the extent to which the licensee has complied with the Black Start Strategy and the Black Start Procurement Methodology.
- 2.2.21—The licensee must publish the Annual Report on its website as soon as is reasonably practicable.
- 2.2.22—Where the licensee considers that there are legitimate reasons for not publishing certain information or data on its website in accordance with paragraph 2.2.21, it must seek the Authority's approval to publish a redacted version.



## **Transmission Licence Standard Conditions**

We have included the sections of the licence conditions we propose to remove or amend as well as those that are relevant to our amendments below. Deletions are shown in strike through and new text is shown in red and underlined.

# SECTION A: INTERPRETATION, APPLICATION AND PAYMENTS

## Condition A1: Definitions and interpretation

1. In the standard conditions unless the context otherwise requires:

[...]

Regulatory Year

means a period of twelve months commencing on 1 April at 05:00 and ending on the following 1 April immediately before 05:00. The first such Regulatory Year (t=1) commences on 1 April 2021 at 05:00 hours.

[...]

# SECTION C: SYSTEM OPERATOR STANDARD CONDITIONS

## Condition C1: Interpretation of Section C

1. In the standard conditions in this Section unless the context otherwise requires:

[...]

"balancing services"

Means:

- (a) ancillary services;
- (b) offers and bids made in the balancing mechanism;
- (c) restoration services; and
- (d) other services available to the licensee which serve to assist the licensee in co-ordinating and directing the flow of electricity onto and over the national electricity transmission system in accordance with the Act or the standard conditions and/or in doing so efficiently and economically, but shall not include anything provided by another transmission licensee pursuant to the STC.

[...]

"restoration services"

Means services procured by the electricity system operator and used to re-energise the National Electricity Transmission System following a Total Shutdown or Partial Shutdown (each as defined in the Grid Code).

[...]

## **Condition C16: Procurement and use of balancing services**

### **Introduction**

1. This condition sets out the processes and activities the licensee must undertake for the procurement of balancing services, used to assist in co-ordinating and directing the flow of electricity onto and over the national electricity transmission system in an efficient, economic and co-ordinated manner.

### **Part A: Licensee's obligations under this condition**

2. Having taken into account relevant price and technical differences, the licensee must not discriminate as between any persons or classes of persons in its procurement or use of balancing services.
3. The licensee must prepare the following:
  - (a) Procurement guidelines statement (and associated report) described in Part B of this condition;
  - (b) Balancing principles statement (and associated report) described in Part C of this condition;
  - (c) Balancing services adjustment data methodology statement described in Part D of this condition;
  - (d) System management action flagging methodology statement described in Part E of this condition;
  - (e) Applicable balancing services volume data methodology statement described in Part F of this condition; and
  - (f) Preparation and publication of an annual report described in Part G of this condition.

### **Part B: Procurement guidelines statement**

4. (a) The licensee must before the effective time and thereafter at 12 monthly intervals (or such longer period as the Authority may approve) prepare a statement in a form

approved by the Authority setting out the kinds of balancing services which it may be interested in purchasing in the period until the next statement is due and the mechanisms by which it would envisage purchasing them.

- (b) Where during the term of the statement referred to in sub-paragraph (a) the licensee's intentions change regarding the types of services it wishes to purchase, the licensee must review the statement and consider whether any revision to the statement is necessary and promptly seek to establish a revised statement in accordance with the terms of paragraph 10(a) of this condition.

~~5. Within one month after the date on which each statement (other than the first one) is due to be published pursuant to paragraph 3, the licensee must prepare a report in a form approved by the Authority in respect of the balancing services which the licensee has bought or acquired (other than balancing services which the licensee has acquired through the mere acceptance of an offer or bid in the balancing mechanism, provided such offer or bid was not made pursuant to any prior agreement) in the period of 12 months (or such longer period as the Authority may approve) ending on the date referred to above.~~

### **Part C: Balancing principles statement**

6.

- (a) The licensee must before the effective time prepare a statement approved by the Authority setting out (consistently with the licensee's duty under paragraph 2 and consistently with its other duties under the Act and the conditions of its transmission licence) the principles and criteria by which the licensee will determine, at different times and in different circumstances, which balancing services the licensee will use to assist in co-ordinating and directing the flow of electricity onto and over the national electricity transmission system (and/or to assist in doing so efficiently and economically), and when the licensee would resort to measures not involving the use of balancing services.
- (b) The licensee must if so directed by the Authority or when any modification should be made to the statement referred to in paragraph 6(a) to more closely reflect the intentions of the licensee but in any event at least once a year, review the statement

prepared pursuant to sub-paragraph (a) and promptly seek to establish a revised statement approved by the Authority, such revisions to be made in accordance with the terms of paragraph 10(a) of this condition.

- ~~(c) The licensee must as soon as practicable after 30 September 2021 and in each subsequent year, in respect of each period of twelve months commencing on 1 October and ending on 30 September, prepare a report on the manner in which and the extent to which the licensee has, during that period, complied with the statement prepared pursuant to sub-paragraph (a) together with any revision made in accordance with paragraph 8 of this condition and whether any modification should be made to that statement to more closely reflect the practice of the licensee.~~
- ~~(d) The report prepared pursuant to sub-paragraph (c) must be accompanied by a statement from an independent auditor of internationally recognised standing appointed by the licensee that they have carried out an investigation the scope and objectives of which must have been established by the licensee and approved by the Authority, and they must give their opinion as to the extent to which the licensee has complied with the statement prepared pursuant to sub-paragraph (a) together with any revision made in accordance with paragraph 9 of this condition.~~

#### **Part D: Balancing services adjustment data methodology statement**

7.

- (a) This paragraph applies where the BSC provides that any imbalance price is to be determined (in whole or in part) by reference to the costs and volumes of relevant balancing services.
- (b) Where this paragraph applies the licensee must:
- (i) before the effective time, establish a balancing services adjustment data methodology approved by the Authority;
  - (ii) from time to time thereafter, when the licensee first buys, sells or acquires any relevant balancing services of a kind or under a mechanism which is not covered by the prevailing balancing services adjustment data methodology, promptly seek to establish a revised balancing services adjustment data

methodology approved by the Authority which covers that kind of balancing services or mechanisms for buying, selling or acquiring them;

- (iii) prepare a statement of the prevailing balancing services adjustment data methodology as approved by the Authority; and
- (iv) at all times determine and provide (for use under the relevant provisions of the BSC) the costs and volumes of the relevant balancing services in compliance with the prevailing balancing services adjustment data methodology, which are to be taken into account in determining imbalance price(s) under the BSC.

The licensee must when any modification should be made to the statement referred to in sub-paragraph 7 (b)(iii) to more closely reflect the intentions of the licensee review the statement prepared pursuant to sub-paragraph 7 (b)(iii) and promptly seek to establish a revised statement approved by the Authority made in accordance with terms of paragraph 10(a) of this condition.

**Part E: System management action flagging methodology statement**

7A. (a) This paragraph applies to the extent that the BSC provides that the licensee is required to identify balancing services which relate to system management.

(b) Where this paragraph applies, the licensee must, before 5 November 2009, in writing:

- (i) establish a system management action flagging methodology approved by the Authority; and
- (ii) prepare a statement of the prevailing system management action flagging methodology as approved by the Authority,

and at all times thereafter use its reasonable endeavours to identify the balancing services which the BSC requires it to identify as relating to system management in accordance with the prevailing system management action flagging methodology and provide records (for use under the relevant

provisions of the BSC) of those balancing services which the BSC requires must be taken into account in determining imbalance price(s).

- (c) The licensee must, if so directed by the Authority or when it considers that any modification should be made to the statement referred to in sub-paragraph 7A(b)(ii) more accurately to identify the balancing services which relate to system management, review the statement prepared pursuant to sub-paragraph 7A(b)(ii) and promptly seek to establish a revised statement approved by the Authority, such revisions to be made in accordance with the terms of paragraph 10(a) of this condition.

#### **Part F: Applicable balancing services volume data methodology statement**

8.

- (a) This paragraph applies where the BSC provides that any applicable balancing services volume data is to be determined (in whole or in part) by reference to the volumes of energy associated with the provision of applicable balancing services.
- (b) Where this paragraph applies the licensee must:
  - (i) before the date this paragraph comes into effect, establish an applicable balancing services volume data methodology approved by the Authority;
  - (ii) Not used;
  - (iii) prepare a statement of the prevailing applicable balancing services volume data methodology as approved by the Authority; and
  - (iv) at all times determine and provide (for use under the relevant provisions of the BSC) the volumes of applicable balancing services in compliance with the prevailing applicable balancing services volume data methodology, which are to be taken into account in determining applicable balancing services volume data under the BSC.
- (c) The licensee must when any modification should be made to the statement referred to in sub-paragraph 8(b)(iii) to more closely reflect the intentions of the licensee review the statement prepared pursuant to sub-paragraph 8(b)(iii) and promptly



seek to establish a revised statement approved by the Authority made in accordance with terms of paragraph 10(a) of this condition.

### **Part G: Preparation and publication of an annual report**

9.

- (a) During a period of one month, beginning with the end of each regulatory year, the licensee must prepare an annual report in a form approved by the Authority in respect of the total costs the licensee has incurred in that regulatory year in relation to balancing services.
- (b) Within one month, beginning with the end of each regulatory year, the licensee must submit the annual report prepared in accordance with paragraph 9(a) to the Authority and publish the annual report on its website as soon as is reasonably practicable.
- (c) Where the licensee considers that there are legitimate reasons for not publishing certain information or data on its website in accordance with paragraph 9(b), it must seek the Authority's approval to publish a redacted version.
- (d) The report provided to the Authority under paragraph 9(b) must give particulars of:
  - (i) the total costs incurred for that regulatory year, and how the total costs have been calculated in respect of the balancing services which the licensee has bought or acquired (other than balancing services which the licensee has acquired through the mere acceptance of an offer or bid in the balancing mechanism, provided such offer or bid was not made pursuant to any prior agreement);
  - (ii) how the total costs have been incurred in accordance with the balancing services statements prepared pursuant to paragraphs 4(a) and 6(a); and

- (iii) any other analysis or information which the licensee considers to be required to enable the Authority fully to assess the particulars to which the report relates.
- (e) The report prepared pursuant to paragraph 9(a) must be accompanied by a statement from an independent auditor of internationally recognised standing appointed by the licensee:
  - (i) confirming that the report is accurate; and
  - (ii) detailing the auditor's independent assessment of the extent to which the licensee has complied with the relevant approved balancing services statements prepared pursuant to paragraphs 4(a) and 6(a) together with any revision made in accordance with paragraph 10(a) of this condition.

#### **Part H: Governance**

10. (a) Except where the Authority directs otherwise, before revising the statements prepared pursuant to paragraphs 4(a), 6(a), 7(b)(iii), 7A(b) (ii) and 8(b)(iii) and each revision thereof the licensee must:
- (i) send a copy of the proposed revisions to the Authority and to any person who asks for one;
  - (ii) consult BSC parties on the proposed revisions and allow them a period of not less than 28 days in which to make representations;
  - (iii) submit to the Authority within seven (7) days of the close of the consultation period referred to in sub-paragraph 10(a)(ii) above a report setting out  
  
the revisions originally proposed,  
  
the representations (if any) made to the licensee,  
  
any changes to the revisions, and

- (iv) where the Authority directs that sub-paragraphs (i), (ii) and (iii) or any of them must not apply, comply with such other requirements as are specified in the direction.
- (b) The licensee must not revise the statements referred to in paragraphs 4(a), 6(a), 7(b)(iii), 7A(b) (ii) and 8(b)(iii) and each revision thereof until the expiry of 28 days from the date on which the Authority receives the report referred to in sub-paragraph (a)(iii) unless prior to such date the Authority either:
  - (v) directs the licensee to make the revisions on an earlier date; or
  - (vi) directs the licensee not to make the revision.
- 11. The licensee must take all reasonable steps to comply with the statement for the time being in force pursuant to paragraph 6(a).
- 12. The licensee must send to the Authority a copy of each of the statements and reports prepared pursuant to paragraphs 4, 5, 6, 7, 7A and 8 and of all revisions to any such statements made in accordance with the terms of paragraph 10(a) of this condition.
- 13. The licensee must:
  - (a) publish (in such manner as the Authority may approve from time to time) the statements prepared pursuant to paragraphs 4(a), 6(a), 7(b)(iii), 7A(b) (ii) and 8(b)(iii) and each revision thereof, and
  - (b) send a copy of each statement and report prepared pursuant to paragraphs 4, 5, 6, 7, 7A and 8 or the latest revision of any such statements to any person who requests the same, provided that the licensee must exclude therefrom, so far as is practicable, any matter which relates to the affairs of any person where the publication of that matter would or might seriously and prejudicially affect his interests,

and, for the purposes of paragraph (b), the licensee must refer for determination by the Authority any question as to whether any matter would or might seriously and prejudicially affect the interests of any person (unless the Authority consents to the licensee not doing so).

14. The licensee may make a charge for any copy of a statement, report or revision sent pursuant to paragraph 13(b) of any amount reasonably reflecting the licensee's reasonable costs of providing such a copy which must not exceed the maximum amount specified in directions issued by the Authority for the purpose of this condition.
15. The licensee must, unless the Authority otherwise consents, maintain for a period of six years:
  - (a) particulars of all balancing services offered to it;
  - (b) particulars of all contracts (other than those in the balancing mechanism) for balancing services which it entered into;
  - (c) particulars of all contracts for balancing services entered into by way of the acceptance of a bid or offer in the balancing mechanism where the bid or offer was made pursuant to a prior agreement;
  - (d) records of all balancing services called for and provided; and
  - (e) records of quantities of electricity imported and exported across each interconnector(s).
16. The licensee must provide to the Authority such information as the Authority shall request concerning the procurement and use of balancing services.

**Part H: Interpretation**

17. In this condition:

active power	must have the same meaning as that given to that term in the Grid Code.
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adverse effects	means any impact on the continued stability of operation of the national electricity transmission system including, but not limited to, any effect on the frequency or voltage of the electricity transmitted on all or any part of the national electricity transmission system.
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<u>annual report</u>	<u>means a report of that name published by the licensee under Standard Licence Condition C16;</u>
applicable balancing services	means those services that the Authority directs the licensee to treat as applicable balancing services.
applicable balancing services volume data	means the amount of energy deemed by virtue of the applicable balancing services volume methodology to have been produced or consumed as a result of delivering applicable balancing services.
applicable balancing services volume data methodology	means a methodology to be used by the licensee to determine what volumes of applicable balancing services are to be taken into account under the BSC for the purposes of determining in whole or in part the applicable balancing services volume data in any period, which methodology shall cover each of the applicable balancing services which the licensee buys, sells or acquires at the time at which the methodology is established.
balancing costs	means the costs incurred by the licensee to balance the national electricity transmission system.
balancing services adjustment data methodology	means a methodology to be used by the licensee to determine what costs and volumes of relevant balancing services are to be taken into account under the BSC for the purposes of determining in whole or in part the imbalance price(s) in any period, which methodology must cover each of the kinds of balancing services which the licensee buys, sells or acquires, and the mechanisms by which the licensee buys, sells or acquires them, at the time at which the methodology is established.

demand	means taking, or being able to take, megawatts (MW) of electricity (active power) from the total system.
imbalance price	means a price, in the BSC, for charging for imbalances as referred to in paragraph 2(b)(ii) of standard condition C3 (Balancing and Settlement Code (BSC)).
indicated margin	shall have the same meaning as that given to that term in the Grid Code.
interconnected TSO	means the operator of any transmission system outside of the national electricity transmission system operator area whose transmission system is connected to the national electricity transmission system by one or more interconnectors (irrespective of the ownership of those interconnectors).
relevant balancing services	means balancing services other than <ul style="list-style-type: none"> <li>(a) those which the licensee has acquired through the mere acceptance of an offer or bid in the balancing mechanism, provided that such offer or bid was not made pursuant to any prior agreement, and</li> <li>(b) those which the Authority directs the licensee not to treat as relevant balancing services.</li> </ul>
system management	means: <ul style="list-style-type: none"> <li>(a) the licensee's management of transmission constraints;</li> <li>(b) the licensee's management of adverse effects on the national electricity transmission system arising from changes</li> </ul>

in electrical flows over any interconnector which are not the result of actions taken by an interconnected TSO; and

- (c) actions by any interconnected TSO which have an effect on the national electricity transmission system.

system management  
action flagging  
methodology

means a methodology to be used by the licensee which, in the licensee's opinion, will enable it to use reasonable endeavours to identify those balancing services which the BSC requires it to identify as relating to system management.

total costs

means the total costs associated with the provision of balancing services. In the case of restoration services, this includes, testing, warming, utilising, capital contributions and payments for feasibility study costs.

transmission constraint

means any limit on the ability of the national electricity transmission system, or any part of it, to transmit the power supplied onto the national electricity transmission system to the location where the demand for that power is situated, such limit arising as a result of any one or more of:

- (a) the need not to exceed the thermal rating of any asset forming part of the national electricity transmission system;
- (b) the need to maintain voltages on the national electricity transmission system; and
- (c) the need to maintain the transient and dynamic stability of electricity plant, equipment and

systems directly or indirectly connected to the national electricity transmission system,

and used by the licensee to operate the national electricity transmission system in accordance with the National Electricity Transmission System Security and Quality of Supply Standard referred to in standard condition C17 (Transmission system security standard and quality of service) or any other provision of the Act, this licence or any other requirement of law.

wind generation output

means the active power output in MW from each wind generator in respect of which operational metering is installed (excluding that relating to wind generators accepted as bids and offers in the balancing mechanism).