

Appendix 4 – Summary of consultation responses

Respondent	SLC Ref	Comments	Our views	Changes since the Consultation
Mutual Energy (ME)	Paragraph 6 of SLC 27	<ul style="list-style-type: none"> ME states that it would “appreciate clarification on the bounds of the ICP term specified by the authority, primarily that it may not be less than zero (i.e. resulting in payments from an interconnector licence holder to the GB System Operator).” ME also suggests amending paragraph 6 to include the words “such value to be not less than zero” or similar in order to make clear that the process cannot result in a payment being due from the interconnector licensee to the GB System Operator. 	<ul style="list-style-type: none"> We consider the scope, context and surrounding drafting of this condition makes sufficiently clear that it is only intended to address CACM related payments due to relevant interconnector licensees from the GB System Operator (rather from relevant interconnector licensees to the GB System Operator) However, we consider the suggested amendment may help eliminate any ambiguity and have therefore accept the suggested minor drafting amendment. 	The words “,such value to be not less than zero.” has been inserted at the end of paragraph 6
	SLC 28	<ul style="list-style-type: none"> ME suggests amendments to the definition of ‘Interconnector Payments’ in the CUSC may be required before standard condition 28 becomes operable and that changes to the CUSC definition of interconnector payments should be amended to include a reference to the meaning given under this condition 	<ul style="list-style-type: none"> As noted in our decision letter, changes will be required to the CUSC in order to reflect the use of the ICP term under special condition 1 (with respect to IFA Use of Revenues payments and under standard condition 28 with respect to CACM related payments to relevant interconnector licensees. We expect NGESO to bring forward the required changes to the CUSC 	No change

			to facilitate these licence changes as soon as reasonably practicable.	
National Grid Interconnector Holdings Limited (NGIH)	Paragraph 5(b) of SLC 9	<ul style="list-style-type: none"> • NGIH notes that “The text on Article 19(2) should be expanded to Articles 19(2) and (3) as Article 19(3) covers the separate internal account line that was covered within the 2009 Regulation Article 16(6)” • NGIH suggests amending the proposed text so as also include a reference Article 19(3) of the Regulation 	<ul style="list-style-type: none"> • We agree with the suggested amendment from NGIH for the reasons specified. We note that changes previously made by the Electricity and Gas (Internal Markets) Regulations 2020 address the suggested revisions to paragraph 2. We have now amended the text in paragraph 5(b) to align with paragraph 2 	Paragraph 5(b) amended so as to include reference to Article 19(3) of the Regulation
Eleclink Limited	SLC 27	<ul style="list-style-type: none"> • Eleclink suggests that additional guidance should be provided by the Authority with respect to what additional information may be required from relevant licenses under paragraph 4(d) of this condition • Eleclink also notes that it would welcome additional guidance on the criteria to be used by the Authority to assess the proposed value of the ICP term. 	<ul style="list-style-type: none"> • We consider the existing provisions in paragraph 4 sufficiently set the parameters of what any request for a determination of the licensees proposed value for the ICP term should contain. We do not consider it necessary or appropriate to issue guidance on what additional information may be requested given that the Authority can only reach a view on what additional information may be required, after it has received and reviewed any such request. • We consider our decision of 30 August 2019 on our approach to cost sharing and cost recovery under the CACM Regulation together with these licence changes to provide sufficient guidance on the process we intend to follow for assessing the proposed value of the ICP term. 	No change

Transmission Investment (TI)	SLC 9	<ul style="list-style-type: none"> • TI notes that the licence text published alongside this consultation (Schedule 1) did not reflect the most recent published version of the SLCs. Transmission Investment agree that the changes proposed in Schedule 1 reflect the CEP Electricity Regulation however have suggested a cross-check of the latest published version of the licence and the changes in Schedule 1 would be required. • TI notes that the Authority completed a statutory consultation on licence modifications in the event the UK leaves the EU without a deal. TI notes that subsequent changes suggested in this (and previous) consultations, an update should be made to the results of that consultation to ensure required changes can be reflected efficiently if needed. • TI notes that a change in Part C 3(a) of condition 9 sees the addition of the term "including firmness compensation". TI suggests that this additional term may benefit from a definition, to ensure that relevant revenues are stated. 	<ul style="list-style-type: none"> • Changes previously made to the interconnector standard licence conditions by the Electricity and Gas (Internal Markets) Regulations 2020 were inadvertently not reflected in the version of the licence text we published in the Consultation. The attached Schedule 1, published alongside this decision, now correctly reflects these changes. • In January 2019, we published a statutory consultation on licence modifications in the event the UK leaves the EU without a deal. We note that the changes proposed in this consultation will only be made in the event the UK leaves the EU without a deal. • The term "Firmness compensation" appears but is not defined in the CEP Electricity Regulation and therefore we have not defined this term in the standard conditions either. • "Firmness" is however defined in the CACM Regulation at Article 2(44) and means "a guarantee that cross-zonal capacity rights will remain unchanged and that a compensation is paid if they are nevertheless changed". At this stage we do not propose to add this definition to the licence. 	No change
	SLC 27	<ul style="list-style-type: none"> • TI notes that this condition will not be applicable to all interconnector licensees 	<ul style="list-style-type: none"> • We acknowledge that this condition will apply to some but not all interconnector licensees. 	No change

		<p>and therefore suggests that the provisions may better sit within the Special Conditions of each of the relevant interconnectors.</p> <ul style="list-style-type: none"> Alternatively, TI welcomes further text within the Standard Conditions to add clarity on the applicability of Section H, in particular confirming the limit on rights or discretion that Ofgem may have to apply Section H to other licensees." 	<p>However, given that they will apply to a number of licensees rather than a single licensee. On balance, we consider it preferable to insert the provisions into the standard conditions and direct which relevant licensees they apply to; rather than the alternative of proposing the exact same modifications (as special conditions) on an individual basis to a number of different licensees.</p> <ul style="list-style-type: none"> We do not think further text is needed here and consider condition 1B to provide sufficient clarity as to the applicability of Section H 	
	SLC 27	<ul style="list-style-type: none"> TI notes that "The definition of "Relevant Decision" in Condition 27 references the Authority's decision on approach to cost sharing and cost recovery under the CACM regulation, dated 20 August 2019. This date appears to be incorrect and should state 30 August 2019. 	<ul style="list-style-type: none"> We note the typographical error and have updated the text to reflect the correct date of the decision 	The definition has been updated to reflect the correct date of 30 August 2019
EIRGRID Interconnector DAC (EIDAC)	SLC 9	<ul style="list-style-type: none"> EIDAC notes that Article 19(4) of the CEP electricity regulation states that the use of revenue is subject to a methodology proposed by the TSOs. As this methodology is still subject to approval by ACER, EIDAC suggests that consideration is to "agreeing a fall back reporting format in the event of further amendments to the methodology". 	<ul style="list-style-type: none"> We note that the use of revenue methodology has yet to be approved by ACER however, we deem proposing an alternative fall back reporting format out with the scope of this consultation. 	No Change

	SLC 27	<ul style="list-style-type: none"> • EIDAC notes that the ICP term allows for recovery of costs owned by the licensee and also on the behalf of a relevant Nominated Electricity Market Owner Operator (NEMO). EIDAC also notes that "as 2(b) allows cost recovery either by the Licensee or by the Licensee on behalf of a NEMO, it might add more clarity if Paragraph 4(a) were amended to simply refer to the submission of the ICP term". EIDAC also suggests that a similar deletion to paragraph 6 could be made. • EIDAC notes that in the event that the licensee submits costs on behalf of a NEMO, condition 28 obligates the licensee to relay the information from the NEMO directly to NGESO. EIDAC notes that it should be the responsibility of the NEMO to ensure that the licensee is "furnished with the relevant information in advance of the timelines detailed in the Connection and Use of System Code". • EIDAC also suggests provisions should be placed in this licence condition that would state that the NEMO has to submit this information to the licensee, ten days before the CUSC submission period. 	<ul style="list-style-type: none"> • We acknowledge that there may be some limited scope for confusion and have therefore removed the word " licensee's" from both paragraph 4(a) and paragraph 6 • The interconnector licence places obligations on relevant interconnector licensees. NEMOs are not interconnector licensees and, as such, the interconnector licence may not be used to impose obligations on parties that do not hold an interconnector licence. • We do however note that the points made by EIDAC with respect to the responsibilities of the NEMOs. We expect NEMOs to adhere to the approach set out in our decision of 30 August 2019 on approach to cost sharing and cost recovery under CACM Regulation. We also note that these licence provisions provide the only means for NEMOs to recover relevant costs from TNUoS charges and consider this to be sufficient incentive to ensure that the NEMOs furnish relevant licensees with the required information in good time. 	Deleted the word "licensee's" from paragraph 4(a) and paragraph 6
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