

Annex 3. End of the transition period – Notice of proposed licence modifications to the licence conditions of the Electricity Supply Licence

To: All holders of an Electricity Supply Licence

Electricity Act 1989

Section 11A(2)

Notice of statutory consultation on a proposal to modify the standard conditions of all Electricity Supply Licences.

1. The Gas and Electricity Markets Authority (the Authority) proposes to modify the standard conditions of all electricity supply licences granted or treated as granted under section 6(1)(d) of the Electricity Act 1989 by amending standard licence conditions under section 11A(1)(b):

- SLC1 (Definitions for standard conditions)

set out in Annex 3.1.a and 3.1.b to this notice.

2. The modifications we propose to make are to reflect the changes in the legislative framework that will be implemented after the transition period ends at 11pm on 31 December 2020.
3. The effect of these proposed modifications is 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 day 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.
4. The proposed modifications and the reasons why they are proposed are stated in Annex 3.1.a to this notice. The effect of the proposed changes is set out in paragraph 3 in this notice. Further information concerning the proposed modifications is contained in the letter entitled 'Statutory consultation on consequential licence modifications due to the end of the transition period' which can be found at www.ofgem.gov.uk.
5. Any representations with respect to the proposed licence modification/modifications must be made on or before 24 December 2020 to EUExit@ofgem.gov.uk.
6. We normally publish all responses on our website. However, if you do not wish your response to be made public then please clearly mark it as not for publication.

7. If we decide to make the proposed modifications, they will take effect not less than 56 days after the decision is published.

Kristian Marr

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

26 November 2020

Annex 3.1.a. Electricity Supply Standard Conditions Modification Table

Standard Licence Condition	Current wording	Proposed change	Reasons for change
1.3	Directive means means Directive 2009/72/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in electricity and repealing Directive 2003/54/EC(a)	Directive means Directive 2009/72/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in electricity and repealing Directive 2003/54/EC <u>as it has effect immediately before IP completion day as read with the modifications set out in the Act.</u>	The licence refers to the Directive in a number of conditions. This proposal will ensure that the references to the Directive are to be interpreted on the basis of the Directive as it has effect immediately before IP completion day as defined in Section 39 of the European Union (Withdrawal Agreement) Act 2020 ¹
1.3	New definition	<u>“IP completion day” has the same meaning as that given in section 39(1) of the European Union (Withdrawal Agreement) Act 2020.</u>	This new definition is required to give effect to the revised definition of “Directive”.
1.3	Regulation means Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast)	Regulation means Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast) <u>as it has effect immediately before IP completion day as read with the modifications set out in the SI 2020/1006.</u>	The licence refers to the Regulation in a number of conditions. This proposal will ensure that the references to the Directive are to be interpreted on the basis of the Directive as it has effect immediately before IP completion day

¹ <https://www.legislation.gov.uk/ukpga/2020/1/contents/enacted>

Annex 3.1.b. Electricity Supply Standard Conditions Change Marked Licence Text

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

Standard conditions of electricity supply licence

Condition 1. Definitions for standard conditions

Directive	means Directive 2009/72/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in electricity and repealing Directive 2003/54/EC(a) <u>as it has effect immediately before IP completion day as read with the modifications set out in the Act.</u>
<u>“IP completion day”</u>	<u>has the same meaning as that given in section 39(1) of the European Union (Withdrawal Agreement) Act 2020.</u>
Regulation	means Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast) <u>as it has effect immediately before IP completion day as read with the modifications set out in the SI 2020/1006.</u>