

**To: All holders of an electricity transmission licence**

**Electricity Act 1989**

**Section 11A(1)(b)**

**Modification of the standard conditions of all electricity transmission licences**

1. Each of the licensees to whom this document is addressed has an electricity transmission licence which has been granted or treated as granted under 6(1)(b) of the Electricity Act 1989 (the Act).
2. Under section 11A(2) of the Act the Gas and Electricity Markets Authority ('the Authority')<sup>1</sup> gave notice on 15 December 2020 ('the Notice') that we propose to modify standard licence condition (SLC):
  - C17: Transmission system security standard and quality of service;
  - D3: Transmission system security standard and quality of service, and
  - E16: Transmission system security standard and quality of service.

We stated that any representations to the modification proposal must be made on or before 12 January 2021.

3. A copy of the Notice was sent to the Secretary of State in accordance with section 11A(4)(b) of the Act, and we have not received a direction that the change should not be made.
4. We received one response to the Notice, agreeing with our proposed changes. We have placed this non-confidential response on our website.
5. We are making these licence changes to update all references to the National Electricity Transmission System Security and Quality of Supply Standard (NETS SQSS) to reflect the latest version number 2.5. Licences currently refer to the out-of-date version number 2.4. Version 2.5 of the incorporates changes made to the

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

NETS SQSS as a result of our decisions to approve modifications GSR025<sup>2</sup>, GSR026<sup>3</sup> and GSR027<sup>4</sup>.

We note that the changes to SLC C17 include provisions such that prior to Authority approval of the first Frequency Risk and Control Report (FRCR), the Electricity System Operator (ESO) will:

- continue to apply the definition of Unacceptable Frequency Conditions contained within NETS SQSS version 2.4, and
- not need to comply with paragraphs 5.8, 5.11.2, 9.2 or 9.4.2 of the NETS SQSS version 2.5, all of which refer to the FRCR.

This is because GSR027 introduces a FRCR, which requires Authority approval prior to being implemented, and requires the ESO to use the FRCR to determine the events for which Unacceptable Frequency Conditions shall not occur. GSR027 requires the FRCR to be submitted to the Authority for review by 1 April 2021, however if this, or Authority approval is delayed, there will be a period of time where no FRCR is available thereby making NETS SQSS version 2.5 requirements related to Unacceptable Frequency Conditions unachievable.

The changes to SLC C17 ensure that the ESO is required to comply with NETS SQSS version 2.4 requirements related to Unacceptable Frequency Conditions, as it currently does, until the Authority approves the first FRCR.

6. The effect of the modifications will be to ensure that all references in the electricity transmission licence conditions to the NETS SQSS are to the most up-to-date version, 2.5. Version 2.5 incorporates changes made to the NETS SQSS as a result of our decisions to approve modifications GSR025, GSR026 and GSR027.
7. Where an application for permission to appeal our decision is made to the Competition and Markets Authority (CMA) under section 11C of the Act, Rule 5.7 of the Energy Licence Modification Appeals: Competition and Markets Authority Rules<sup>5</sup>

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<sup>2</sup> Authority decision on SQSS modification GSR025 can be found on our website: <https://www.ofgem.gov.uk/publications-and-updates/gsr025-updating-sqss-reflect-recent-modification-engineering-recommendation-p28>

<sup>3</sup> Authority decision on SQSS modification GSR026 can be found on our website: <https://www.ofgem.gov.uk/publications-and-updates/gsr026-adding-non-standard-voltages-sqss>

<sup>4</sup> Authority decision on SQSS modification GSR027 can be found on our website: <https://www.ofgem.gov.uk/publications-and-updates/gsr027-review-nets-sqss-criteria-frequency-control-drive-reserve-response-and-inertia-holding-gb-electricity-system>

<sup>5</sup> CMA70 [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/655601/energy-licence-modification-appeals-rules.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/655601/energy-licence-modification-appeals-rules.pdf)

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 attached Schedule 2 provides a list of the relevant licence holders in relation to this modification. Section 11A(10) of the Act sets out the meaning of 'relevant licence holder'.

Under the powers set out in section 11A(1)(b) of the Act, we hereby modify the standard licence conditions for all electricity transmission licences in the manner specified in attached Schedule 1. This decision will take effect from 1 April 2021.

This document is notice of the reasons for the decision to modify the electricity transmission licences as required by section 49A(2) of the Act.

**Peter Bingham, Chief Engineer**

Duly authorised on behalf of the Gas and Electricity Markets Authority

**1 February 2021**

## Schedule 1: Licence Drafting

- Existing text which has been deleted is double struck through: ~~Example~~
- Text which has been added is bold and double underlined: **Example**

### Condition C17: Transmission system security standard and quality of service

1. Subject to any connect and manage derogation made pursuant to paragraphs 2, 3 and 4 of this condition, the licensee shall at all times:
  - (a) plan, develop and operate the national electricity transmission system; and
  - (b) co-ordinate and direct the flow of electricity onto and over the national electricity transmission system,

in accordance with the National Electricity Transmission System Security and Quality of Supply Standard version 2.4~~5~~, together with the STC, the Grid Code or such other standard of planning and operation as the Authority may approve from time to time and with which the licensee may be required to comply (following consultation (where appropriate) with any authorised electricity operator liable to be materially affected thereby).

**Prior to approval by the Authority of the first Frequency Risk and Control Report referred to in National Electricity Transmission System Security and Quality of Supply Standard version 2.5, (i) the licensee shall continue to apply the definition of Unacceptable Frequency Conditions contained within National Electricity Transmission System Security and Quality of Supply Standard version 2.4; and (ii) the licensee will not need to comply with paragraphs 5.8, 5.11.2, 9.2 or 9.4.2 of the National Electricity Transmission System Security and Quality of Supply Standard version 2.5; all of which relate to the Frequency Risk and Control Report.**

### **Condition D3: Transmission system security standard and quality of service**

1. Subject to any connect and manage derogation made pursuant to paragraphs 2 and 3 of this condition, the licensee shall at all times plan and develop the licensee's transmission system in accordance with the National Electricity Transmission System Security and Quality of Supply Standard version 2.45, together with the STC or such other standard of planning and operation as the Authority may approve from time to time and with which the licensee may be required to comply (following consultation (where appropriate) with any authorized electricity operator liable to be materially affected thereby) and shall, in so doing, take into account the system operator's obligations under standard condition C17 (Transmission system security standard and quality of service) to co-ordinate and direct the flow of electricity onto and over the national electricity transmission system.

### **Condition E16: Transmission system security standard and quality of service**

1. The licensee shall at all times plan and develop the licensee's transmission system in accordance with the National Electricity Transmission System Security and Quality of Supply Standard version 2.45, together with the STC or such other standard of planning and operation as the Authority may approve from time to time and with which the licensee may be required to comply (following consultation (where appropriate) with any authorised electricity operator liable to be materially affected thereby) and shall, in so doing, take into account the system operator's obligations under standard condition C17 (Transmission system security standard and quality of service) to co-ordinate and direct the flow of electricity onto and over the national electricity transmission system.

## **Schedule 2: Relevant Licence Holders<sup>6</sup>**

Blue Transmission London Array Limited  
Blue Transmission Sheringham Shoal Limited  
Blue Transmission Walney 1 Limited  
Blue Transmission Walney 2 Limited  
Diamond Transmission Partners RB Limited  
Diamond Transmission Partners BBE Limited  
Diamond Transmission Partners Walney Extension Limited  
Great Gabbard OFTO plc  
Gwynt y Môr OFTO plc  
Humber Gateway OFTO Limited  
National Grid Electricity System Operator Limited  
National Grid Electricity Transmission Plc  
Scottish Hydro Electric Transmission Plc  
SP Transmission Plc  
TC Barrow OFTO Limited  
TC Dudgeon OFTO plc  
TC Gunfleet Sands OFTO Limited  
TC Lincs OFTO Limited  
TC Ormonde OFTO Limited  
TC Robin Rigg OFTO Limited  
TC Westermost Rough OFTO Limited  
Thanet OFTO Limited  
WoDS Transmission plc

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<sup>6</sup> Electricity licence holders are listed on our website, here: <https://www.ofgem.gov.uk/publications-and-updates/list-all-electricity-licensees-including-suppliers>