

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 section 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')¹ gave notice on 12 October 2016 ('the Notice') that we propose to modify standard licence conditions:
 - C17: Transmission system security standard and quality of service
 - D3: Transmission system security standard and quality of service
 - E16: Transmission system security standard and quality of serviceWe stated that any representations to the modification proposal must be made on or before 16 November 2016.
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, which did not object to the implementation of the proposed changes. We have placed this response on our website.
5. We are making these licence changes because we wish to update all references to the National Electricity Transmission System Security and Quality of Supply Standard (NETS SQSS) version number to reflect the latest version, number 2.3. Licences currently refer to the out-of-date version 2.2.
6. The effect of the modifications will be that all electricity transmission licences will refer to the most up-to-date version of the NETS SQSS. Version 2.3 incorporates changes made relating to our decisions to approve modifications GSR008, GSR011 and GSR015². The proposed modifications are set out in Schedule 1 of this notice.
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 CMA's Energy Licence Modification Appeals Rules³ requires that the appellant must send to any relevant licence holders who are not parties to the appeal a non-confidential 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 8 February 2017.

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

²

Link to our GSR008 modification decision - <https://www.ofgem.gov.uk/publications-and-updates/security-and-quality-supply-standard-sqss-gsr008-1-regional-variations-and-wider-issues>

Link to our GSR011 modification decision - <https://www.ofgem.gov.uk/publications-and-updates/security-and-quality-supply-standard-sqss-gsr0011-review-offshore-networks>

Link to our GSR015 modification decision - <https://www.ofgem.gov.uk/publications-and-updates/security-and-quality-supply-standard-sqss-gsr015-normal-infeed-loss-risk>

³ The rules were published by the Competition Commission in September 2012. On 1 April 2014, the Competition Commission was abolished and its functions transferred to the CMA.

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.

**The Official Seal of the Gas and Electricity Markets Authority
here affixed is authenticated by the signature of**



Min Zhu

Associate Partner, Electricity Transmission

Signed on behalf of the Authority and authorised for that purpose

12/12/16

Schedule 1: Licence Drafting

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 licensee's 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 2.23, 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)

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 2.23, 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 2.23, 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 Holders⁴

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

⁴ Electricity licence holders are listed at: <https://www.ofgem.gov.uk/publications-and-updates/all-electricity-licensees-registered-addresses>