

TRANSMISSION LICENCE STANDARD CONDITIONS

Amendments for Consultation

Note: Consolidated conditions are not formal Public Register documents and should not be relied on.
Amended from - Transmission Licence: Standard Conditions – 05 Aug 2013

SECTION A: INTERPRETATION, APPLICATION AND PAYMENTS

Insert the following definition in Condition A1: Definitions and interpretation, in the correct alphabetical order:

"EMR legislation"

means Part 2 of the Energy Act 2013 and any secondary legislation or other regulatory arrangements in force pursuant to that Part

SECTION C: SYSTEM OPERATOR STANDARD CONDITIONS

Amend Condition C3: Balancing and Settlement Code (BSC) paragraph 1 as follows:

1. The licensee shall at all times have in force a BSC, being a document
 - (a) setting out the terms of the balancing and settlement arrangements described in paragraph 2;
 - (b) designed so that the balancing and settlement arrangements facilitate achievement of the objectives set out in paragraph 3;
 - (c) including the modification procedures required by paragraphs 4, 4A to 4C, 13A and 13D;
 - (d) including the matters required by paragraph 6;
 - (e) establishing a secretarial or administrative person or body, as specified in the BSC, (the "code administrator") and setting out the code administrator's powers, duties and functions, which shall;
 - (i) include a requirement that, in conjunction with other code administrators, the code administrator will maintain, publish, review and (where appropriate) amend from time to time the Code of Practice approved by the Authority and any amendments to the Code of Practice are to be approved by the Authority;

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(ii) include facilitating the matters required by paragraphs 4 and 6;

(iii) have regard to and, in particular to the extent that they are relevant, be consistent with the principles contained in, the Code of Practice; ~~and~~

(iv) not prevent or restrict the code administrator or an affiliate of the code administrator from operating the reconciliation mechanism referred to in paragraph 1A(a); and

~~(iv)~~(v) Not prevent or restrict the code administrator or an affiliate of the code administrator from undertaking the calculation, collection, administration and settlement of amounts payable or arising in respect of contracts for difference and capacity agreements entered into pursuant to EMR legislation.

(f) establishing a panel body, as specified in the BSC, (the “panel”) whose functions shall include the matters required by this condition, and whose composition shall include;

(i) an independent chairperson approved by the Authority; and

(ii) a consumer representative (appointed by the National Consumer Council, or any successor body) who has a vote as specified in the BSC,

and the licensee shall be taken to comply with this paragraph by modifying from time to time in accordance with the provisions of paragraphs 4 and 5 and the transition modification provisions, the document known as the BSC which existed and the licensee maintained pursuant to this licence immediately prior to the start of the transition period.

**Amend Condition C3: Balancing and Settlement Code (BSC)
paragraph 1A as follows:**

1A. The BSC may also include provisions about:

(a) arrangements for the operation of any reconciliation mechanism established by the Secretary of State under section 11 of the Energy Act 2010 in connection with a scheme for reducing fuel poverty, where the operator of the reconciliation mechanism is the code administrator or an affiliate of the code administrator; and

~~(a)~~(b) arrangements that facilitate the operation of contracts for difference and arrangements that facilitate the operation of a capacity market pursuant to EMR legislation.

**Amend Condition C3: Balancing and Settlement Code (BSC)
paragraph 3 as follows:**

3. The objectives referred to in paragraph 1(b) are:

(a) the efficient discharge by the licensee of the obligations imposed upon it by this licence;

(b) the efficient, economic and co-ordinated operation of the national electricity transmission system;

(c) promoting effective competition in the generation and supply of electricity, and (so far as consistent therewith) promoting such competition in the sale and purchase of electricity;

(d) promoting efficiency in the implementation and administration of the balancing and settlement arrangements described in paragraph 2; and

(e) compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency; and

(f) implementing and administrating the arrangements for the operation of contracts for difference and arrangements that facilitate the operation of a capacity market pursuant to EMR legislation

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Amend Condition C14: Grid Code paragraph 1 as follows:

1. The licensee shall in consultation with authorised electricity operators liable to be materially affected thereby prepare and at all times have in force and shall implement and comply (subject to paragraph 12) with the Grid Code:
 - (a) covering all material technical aspects relating to connections to and the operation and use of the national electricity transmission system or (in so far as relevant to the operation and use of the national electricity transmission system) the operation of electric lines and electrical plant connected to the national electricity transmission system or any distribution system of any authorised distributor and (without prejudice to the foregoing) making express provision as to the matters referred to in paragraph 5 below; and
 - (b) which is designed so as:
 - (i) to permit the development, maintenance and operation of an efficient, co-ordinated and economical system for the transmission of electricity;
 - (ii) to facilitate competition in the generation and supply of electricity (and without limiting the foregoing, to facilitate the national electricity transmission system being made available to persons authorised to supply or generate electricity on terms which neither prevent nor restrict competition in the supply or generation of electricity) ;
 - (iii) subject to sub-paragraphs (i) and (ii), to promote the security and efficiency of the electricity generation, transmission and distribution systems in the national electricity transmission system operator area taken as a whole; and
 - (iv) to efficiently discharge the obligations imposed upon the licensee by this license and to comply with the Electricity Regulation and any relevant legally binding decisions of the European Commission and/or the Agency.
 - (v) To ensure consistency with the EMR legislation.

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