[DRAFT] Direction issued pursuant to paragraph 25.2 of the Electricity Distribution Licence (Long-Term Development Statement)

Whereas:

1. [Distribution Network Operator] (the "Licensee") is the holder of an Electricity Distribution Licence (the "Licence") granted under section 6(1)(c) of the Electricity Act 1989 (the "Act").

2. In accordance with paragraph 25.6 of the Licence, the Gas and Electricity Markets Authority (the "Authority") on 10 January 2024 gave notice to the Licensee ("the Notice") and set out the proposed contents of this Direction.

3. The Authority has considered all representations which were made and not withdrawn.

Now, for the reasons specified in Annex 2 to this Direction, the Authority directs pursuant to paragraph 25.2 of the Licence that the Licensee must publish its Long-Term Development Statement in a form consistent with the Form of Statement hyperlinked at Annex 1 to this Direction in accordance with the timeline set out in the Implementation Plan which can be found in Section 9 of the Form of Statement.

This Direction contains the reasons for the Authority's decision and constitutes notice pursuant to section 49A of the Act.

Rebecca Barnett

Director of Major Projects

Annex 1 of the Direction issued pursuant to paragraph 25.2 of the Licence FORM OF LONG-TERM DEVELOPMENT STATEMENT

A copy of the form of Long-Term Development Statement and all other associated documents, can be found here on our website:

[Website link to be confirmed following formal consultation process and consideration of responses to this]

Annex 2 of the Direction issued pursuant to paragraph 25.2 of the Licence

The Authority's reasons for giving a direction pursuant to paragraph 25.2 of the Licence

The Long-Term Development Statement ("LTDS") was first introduced in 2002. In 2007 we carried out a consultation to establish how well the LTDS was fulfilling its objectives and whether any changes were needed. Based on the consultation responses, we decided that changes were not required.

The LTDS was discussed with stakeholders again as part of the 5th Distribution Price Control Review. We committed to consult again on the form, content and accessibility of the LTDS. We did this in 2010 and published our decision letter¹ in September 2010. The LTDS was revised following this decision, with a direction² issued on 2 September 2011.

We informally consulted³ on a new Form of Long-Term Development Statement (FoS) in August 2023, which sought to introduce important new requirements for grid model data to be provided using the Common Information Model and for the publication of Capacity Heatmap data. These changes sought to build upon the work undertaken by the LTDS Reforms Working Group, including the development of grid modelling guidelines and data exchange specifications.

The reason for this direction is to bring into effect changes to the FoS, following both the informal consultation on 29 August 2023, the formal consultation process in accordance with paragraph 25.6 of the Licence on 10 January 2024 and taking into consideration the feedback received as set out in our letter of 10 January 2024, as well as any representations made and not withdrawn in response to the formal consultation process.

¹ <u>Decision Letter – 22 September 2010</u>

² <u>Direction – 2 September 2011</u>

³ Consultation – 29 August 2023