

# **TRANSMISSION LICENCE STANDARD CONDITIONS**

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## SECTION A: INTERPRETATION, APPLICATION AND PAYMENTS

### Condition A1: Definitions and interpretation

1. In the standard conditions unless the context otherwise requires:

the “Act”	means the Electricity Act 1989.
<del>“affected transmission licensee”</del>	<del>for the purposes of section C only, has the meaning given in standard condition C1 (Interpretation of Section C).</del>
“affiliate”	in relation to the licensee, means any holding company of the licensee, any subsidiary of the licensee, or any subsidiary of a holding company of the licensee.
the “Agency”	means the European Union Agency for the Cooperation of Energy Regulators established by Regulation (EC) No 713/2009 as it had effect immediately before IP completion day.
“ancillary services”	<u>has the meaning given in condition A1 (Definitions) of the electricity system operator licence.</u> <del>for the purposes of section C only, has the meaning given in standard condition C1 (Interpretation of Section C).</del>
<del>“applicable balancing services”</del>	<del>for the purposes of standard condition C16 (Procurement and use of balancing services) only has the meaning given in that condition.</del>

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<del>“applicable balancing services volume data”</del>	<del>for the purposes of standard condition C16 (Procurement and use of balancing services) only, has the meaning given in that condition.</del>
<del>“applicable balancing services volume data methodology”</del>	<del>for the purposes of standard condition C16 (Procurement and use of balancing services) only, has the meaning given in that condition.</del>
<del>“applicable BSC objective(s)”</del>	<del>for the purposes of standard condition C3 (Balancing and Settlement Code (BSC)) only, has the meaning given in that condition.</del>
<del>“applicable CUSC objectives”</del>	<del>for the purposes of standard condition C10 (Connection and Use of System Code (CUSC)) only, has the meaning given in that condition.</del>
<del>“applicable STC objectives”</del>	<del>for the purposes of standard condition B12 (System Operator-Transmission Owner Code) only, has the meaning given in that condition.</del>
<del>“Application Regulations”</del>	<del>for the purposes of section C only, has the meaning given in standard condition C1 (Interpretation of Section C).</del>
<del>“associated TO agreement”</del>	<del>for the purposes of Section C only, has the meaning given in standard condition C1 (Interpretation of Section C)</del>
<del>“associated TO offer”</del>	<del>for the purposes of Section C only, has the meaning given in standard condition C1 (Interpretation of Section C).</del>

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“auditors”	means the licensee’s auditors for the time being holding office in accordance with the requirements of the Companies Act 2006.
“authorised”	in relation to any business or activity, means authorised by licence granted or treated as granted under section 6 of the Act or, in appropriate cases, by exemption granted under section 5 of the Act.
“authorised electricity operator”	means any person (other than the licensee <del>in its capacity as operator of the licensee’s transmission system or the national electricity transmission system</del> ) who is authorised to <u>hold an electricity system operator licence, or to</u> generate, participate in the transmission of, distribute, or supply electricity or participate in the operation of an interconnector <del>and for the purposes of standard conditions C7 (Prohibition on discriminating between users) to C9 (Functions of the Authority) inclusive shall include any person who has made an application to be so authorised which application has not been refused and any person transferring electricity to or from the national electricity transmission system across any interconnector (or who has made an application for use of an interconnector which has not been refused).</del>
the “Authority”	means the Gas and Electricity Markets Authority established under section 1 of the Utilities Act 2000.

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<del>“balancing mechanism”</del>	<del>for the purposes of Section C only, has the meaning given in standard condition C1 (Interpretation of Section C).</del>
<del>“balancing services”</del>	<del>for the purposes of section c only, has the meaning given in standard condition C1 (Interpretation of Section C).</del>
<del>“balancing services activity”</del>	<del>has the meaning given in standard condition C1 (Interpretation of Section C).</del>
<del>“balancing services adjustment data methodology”</del>	<del>for the purposes of standard condition C16 (Procurement and use of balancing services) only, has the meaning given in that condition.</del>
“BETTA”	means the British electricity trading and transmission arrangements which are provided for in Chapter 1 of Part 3 of the Energy Act 2004.
“BETTA go-live date”	means the date which the Secretary of State indicates in a direction shall be the BETTA go-live date.
<del>“bilateral agreement”</del>	<del>for the purposes of Section C only, has the meaning given in standard condition C1 (Interpretation of Section C).</del>
<del>“bilateral connection agreement”</del>	<del>for the purposes of Section C only, has the meaning given in standard condition C1 (Interpretation of Section C).</del>
<del>“bilateral embedded generation agreement”</del>	<del>for the purposes of Section C only, has the meaning given in standard condition C1 (Interpretation of Section C).</del>

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“BSC”	has the meaning given in <del>standard condition A€1</del> <u>(Definitions Interpretation of Section C)</u> of the electricity system operator licence.
“ <del>BSC Framework Agreement</del> ”	<del>for the purposes of Section C only, has the meaning given in standard condition C1 (Interpretation of Section C).</del>
“ <del>BSC party</del> ”	<del>for the purposes of section C only, has the meaning given in standard condition C1 (Interpretation of Section C).</del>
“Citizens Advice”	means the National Association of Citizens Advice Bureaux.
“Citizens Advice Scotland”	means the Scottish Association of Citizens Advice Bureaux.
“Codes”	means any or all of the CUSC, BSC, Grid Code, STC and any Scottish grid code as the context requires.
“connect and manage applicant”	means a person seeking a connect and manage connection to the national electricity transmission system or distribution system by submitting a connect and manage application to the <u>ISOP</u> licensee;
“connect and manage application”	means an application from a connect and manage applicant for connection to the national electricity transmission system or distribution system or for modification to an existing connection to the national electricity transmission system or distribution system after the connect and manage implementation date;

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“connect and manage connection”	means the connection or modification of an existing connection to the national electricity transmission system or distribution system of a connect and manage applicant, that is dependent upon completion of enabling works but not on completion of wider works on the national electricity transmission system;
“connect and manage derogation”	for the purposes of Sections <del>C</del> and D has the meanings given in <del>each of</del> standard conditions <del>C1 (Interpretation of Section C)</del> and D1 (Interpretation of Section D)
“connect and manage derogation criteria”	for the purposes of Sections <del>C</del> and D has the meanings given in <del>each of</del> standard conditions <del>C1 (Interpretation of Section C)</del> and D1 (Interpretation of Section D)
“connect and manage derogation report”	for the purposes of Sections <del>C</del> and D has the meanings given in <del>each of</del> standard conditions <del>C1 (Interpretation of Section C)</del> and D1 (Interpretation of Section D)
“connect and manage implementation date”	means the date which the Secretary of State determines shall be the connect and manage implementation date;
“connect and manage offer”	for the purposes of sections <del>C</del> and D has the meanings given in <del>each of</del> standard conditions <del>C1 (Interpretation of Section C)</del> and D1 (Interpretation of Section D)
“connect and manage transferee”	means persons who have received or have accepted an interim connect and manage offer but who have not yet been connected

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to the national electricity transmission system or distribution system as at the connect and manage implementation date pursuant to that interim connect and manage offer;

“connect and manage transition period”

means the period ending 6 months after the connect and manage implementation date;

~~“connection charges”~~

~~for the purposes of Section C only, has the meaning given in standard condition C1 (Interpretation of Section C).~~

~~“connection charging methodology”~~

~~for the purposes of Section C only, has the meaning given in standard condition C1 (Interpretation of Section C).~~

“connection date”

means the date on which a connect and manage applicant is connected to or able to use the national electricity transmission system or distribution system in accordance with a connect and manage offer;

“consolidated transmission business”

for the purposes of standard conditions B1 (Regulatory Accounts) and E2 (Regulatory Accounts) only, means the consolidation, for regulatory accounting purposes, of the business referred to in the definition of the “transmission business”.

~~“construction agreement”~~

~~for the purposes of Section C only, has the meaning given in standard condition C1 (Interpretation of Section C).~~

“Consumer Scotland”

means the body corporate established by the Consumer Scotland Act 2020.

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“core industry documents”

means those documents which:

- (a) in the Secretary of State’s opinion are central industry documents associated with the activities of the licensee and authorised electricity operators, the subject matter of which relates to or is connected with the BSC or the balancing and settlement arrangements and
- (b) have been so designated by the Secretary of State.

“cross-default obligation”

means a term of any agreement or arrangement (not including any arrangements between any transmission licensees and the ISOP under the STC Framework Agreement) whereby the licensee’s liability to pay or repay any debt or other sum arises or is increased or accelerated or is capable of arising, increasing or of acceleration by reason of a default (howsoever such default may be described or defined) by any person other than the licensee unless:

- (i) that liability can arise only as the result of a default by a subsidiary of the licensee,
- (ii) the licensee holds a majority of the voting rights in that subsidiary and has the right to

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appoint or remove a majority of its board of directors, and

- (iii) that subsidiary carries on business only for a purpose within paragraph (a) of the definition of permitted purpose.

“customer” means any person supplied or requiring to be supplied with electricity at any premises in the national electricity transmission system operator area but shall not include any authorised electricity operator in his capacity as such.

“CUSC” means the Connection and Use of System Code provided for in ~~paragraph 2 of standard condition E2C10~~ (Connection and Use of System Code (CUSC)) of the electricity system operator licence, as from time to time modified in accordance with that condition.

~~“CUSC Framework Agreement”~~ ~~for the purposes of Section C only, has the meaning given in standard condition C1 (Interpretation of Section C).~~

~~“CUSC party”~~ ~~for the purposes of Section C only, has the meaning given in standard condition C1 (Interpretation of Section C).~~

~~“CUSC user”~~ ~~for the purposes of Section C only, has the meaning given in standard condition C1 (Interpretation of Section C).~~

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Data Assurance Guidance (DAG)	means the document issued by the Authority from time to time pursuant to a direction under Condition B23.
<del>“designated sum”</del>	<del>for the purposes of standard condition C13 (Adjustments to use of system charges (small generators), has the meaning given in that condition.</del>
<del>“Director General of Electricity Supply”</del>	<del>for the purposes of standard condition A4 (Payments to the Authority) only, has the meaning given in that condition.</del>
“disposal”	for the purposes of standard condition B3 and E4 (Disposal of relevant assets) only, has the meaning given in each of those conditions.
<del>“Distribution Code”</del>	<del>means any distribution code required to be prepared by a licensed distributor pursuant to standard condition 9 (Distribution Code) of a distribution licence and approved by the Authority and revised from time to time with the approval of the Authority.</del>
“distribution licence”	means a distribution licence granted or treated as granted under section 6(1)(c) of the Act.
“distribution system”	means the system consisting (wholly or mainly) of electric lines owned or operated by an authorised distributor and used for the distribution of electricity from grid supply points or generation sets or other entry points to the points of delivery to customers or authorised electricity operators or <del>any</del>

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~~transmission licensee in its capacity as operator of the licensee's transmission system or the national electricity transmission system~~ **the ISOP** and includes any electrical plant, meters and metering equipment owned or operated by such distributor in connection with the distribution of electricity, but shall not include any part of the national electricity transmission system.

~~“effective time”~~

~~for the purposes of Section C only, has the meaning given in standard condition C1 (Interpretation of Section C).~~

“the Electricity 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 as it has effect immediately before IP completion day as read with the modifications set out in the Act.

“electricity licensee”

means the holder of a licence granted under the Act.

“the Electricity 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) as it has effect immediately before IP completion day as

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read with the modifications set out in the SI 2020/1006.

“electricity system operator licence”

means a licence granted or treated as granted under section 6(1)(da) of the Act.

“eligible generator”

~~for the purposes of standard condition C13 (Adjustments to use of system charges (small generators)), has the meaning given in that condition.~~

“EMR legislation”

~~means Part 2 of the Energy Act 2013 and any secondary legislation or other rules in force pursuant to that Part;~~

“enabling works”

~~for the purposes of standard condition B19 and Section C has the meaning given in standard condition A€1 (Definitions Interpretation of Section C) of the electricity system operator licence and for the purposes of Section D has the meaning given in standard condition D1 (Interpretation of Section D)~~

“estimated costs”

~~for the purposes of standard condition A4 (Payments to the Authority) only, has the meaning given in that condition.~~

“final proposals”

means the documents entitled RIIO-T1: Final Proposals for National Grid Electricity Transmission and National Grid Gas – Overview (Reference number: 169/12), together with all of the supporting, associated and other relevant documents referred to in that document, which was published on 17 December 2012; RIIO-T1

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Final Proposals for SP Transmission Ltd and Scottish Hydro Electric Transmission Ltd (Reference number: 58/12), together with all of the supporting, associated and other relevant documents referred to in that document, which was published on 23 April 2012; and RIIO-T1: Final Proposals update letter in respect of the statutory consultation on the licence modifications for SP Transmission Ltd and Scottish Hydro Electric Transmission Plc (Reference number: 193/12), which was published on 21 December 2012.

“Financial Resilience Report”

means the report prepared by the licensee pursuant to Part C of Standard Condition B10.

“financial year”

means subject to standard E3 (Change of financial year) (where applicable) a period of 12 months beginning on 1<sup>st</sup> April of each year and ending on 31<sup>st</sup> March of the following calendar year

“Fuel Security Code”

means the document of that title designated as such by the Secretary of State as from time to time amended.

~~“GB transmission system”~~

~~for the purposes of standard conditions C18 and D15 and the special conditions of the system operator’s and Scottish licensees’ licences, means the system consisting (wholly or mainly) of high voltage electric lines owned or operated by transmission licensees within Great Britain and used for~~

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<p>“generation set”</p>	<p><del>the transmission of electricity from one generating station to a sub-station or to another generating station or between sub-stations or to or from any interconnector and includes any electrical plant or meters owned or operated by any transmission licensee within Great Britain in connection with the transmission of electricity.</del></p>
<p>“Great Britain”</p>	<p>means the landmass of England and Wales and Scotland, including internal waters.</p>
<p>“Grid Code”</p>	<p>means the grid code required to be <del>prepared</del><u>drawn up</u> by the <del>ISOP</del><u>system operator</u> pursuant to <del>standard</del> condition <u>E3C14 (Grid Code) of the electricity system operator licence</u>, as from time to time revised with the approval of the Authority.</p>
<p>“grid supply point”</p>	<p>means any point at which electricity is delivered from the national electricity transmission system to any distribution system.</p>
<p>“holding company”</p>	<p>means a holding company within the meaning of section 1159 of the Companies Act 2006.</p>
<p>“Housekeeping Modification”</p>	<p>means minor changes such as:</p>

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- (a) renumbering of paragraphs, capitalising defined terms and deleting transitional provisions that have expired;
- (b) corrections of evident mistakes including typographical errors, incorrect cross-references and formatting errors;
- (c) updates to:
  - (i) version numbers of other documents mentioned in the licence;
  - (ii) the titles of re-enacted legislation;

names of bodies that have been renamed.

“Housekeeping Modification Working Group”

means a working group established for the purposes of considering proposed Housekeeping Modifications under Condition B24.

~~“imbalance price”~~

~~for the purposes of standard condition C16 (Procurement and use of balancing services) only, has the meaning given in that condition.~~

“indebtedness”

means all liabilities now or hereafter due, owing or incurred, whether actual or contingent, whether solely or jointly with any other person and whether as principal or surety, together with any interest accruing thereon and all costs, charges, penalties and expenses incurred in connection therewith.

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“information”

includes any documents, accounts, estimates, returns, records, or reports and data in written, verbal or electronic form and information in any form or medium whatsoever, (whether or not prepared specifically at the request of the Authority) of any description specified by the Authority.

“interconnection”

~~means the 275kV and 400kV circuits between and including the associated switchgear at Harker sub-station in Cumbria and the associated switchgear at Strathaven sub-station in Lanarkshire;~~

~~the 275kV transmission circuit between and including the associated switchgear at Cockenzie in East Lothian and the associated switchgear at Stella in Tyne and Wear; and~~

~~the 400kV transmission circuit between and including the associated switchgear at Torness in East Lothian and the associated switchgear at Stella in Tyne and Wear~~

~~all as existing at the date on which the transmission licence of each existing Scottish licensee comes into force as from time to time maintained, repaired or renewed, together with any alteration, modification or addition (other than maintenance, repair or renewal) which is primarily designed to effect a permanent increase in one or more particular~~

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~~interconnection capacities as they exist immediately prior to such alteration, modification or addition and as from time to time maintained, repaired or renewed; and~~

~~the 132kV transmission circuit between and including (and directly connecting) the associated switchgear at Chapelcross and the associated switchgear at Harker sub-station in Cumbria; and~~

~~the 132kV transmission circuit between and including (and connecting, via Junction V) the associated switchgear at Chapelcross and the associated switchgear at Harker sub-station in Cumbria~~

~~all as existing at the date on which the transmission licence of each existing Scottish licensee comes into force and as from time to time maintained, repaired or renewed.~~

“interconnector(s)”

has the meaning given to ‘electricity interconnector’ in section 4(3E) of the Act in standard condition C1 (Interpretation of Section C).

“interim connect and manage offer”

means an offer for connection from the ISOP pursuant to the interim connect and manage framework in place between May 2009 and the connect and manage implementation date. ~~for the purpose of Section C only has the meaning given in standard condition C1 (Interpretation of Section C)~~

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“Instrument Credit Rating”

means: (a) a “Long-Term Issue Credit Rating” by Standard & Poor’s Ratings Group or any of its subsidiaries;

(b) a “Long-Term Obligation Rating” by Moody’s Investors Services Inc. or any of its subsidiaries;

(c) a rating on the “Structured, Project & Public Finance Obligations Long Term Ratings Scale” by Fitch Ratings Ltd or any of its subsidiaries;

(d) a rating which, the Authority directs, is equivalent to those referred to in sub-paragraphs (a), (b), or (c) and issued by: (i) any of the credit rating agencies as referred to in sub-paragraphs (a), (b), or (c); or (ii) any other reputable credit rating agency which, in the opinion of the Authority, notified in writing to the licensee, has comparable standing in both the United Kingdom and the United States of America.

“Investment Grade”

means in relation to any Issuer Credit Rating or Instrument Credit Rating unless otherwise directed:

(a) one of the following:

(i) a rating of not less than BBB- by Standard & Poor’s Ratings Group or any of its subsidiaries;

(ii) a rating of not less than Baa3 by Moody’s Investors Service Inc. or any of its subsidiaries;

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- (iii) a rating of not less than BBB-by Fitch Ratings Ltd or any of its subsidiaries;
  - (iv) in relation to Issuer Credit Ratings only, a rating of not less than BBB (low) by DBRS Ratings Limited or any of its affiliates; or
  - (v) a rating which, the Authority directs, is equivalent to those referred to in sub-paragraphs (i), (ii), (iii) and (iv) issued by:
    - (aa) any of the credit rating agencies referred to in sub-paragraphs (i), (ii), (iii) or (iv) or
    - (bb) any other reputable credit rating agency which, in the opinion of the Authority, notified in writing to the licensee, has comparable standing in both the United Kingdom and the United States of America;
- or
- (b) such higher rating as may be specified by those agencies from time to time as the lowest investment grade credit rating.

“ISOP”

means the person for the time being designated as the Independent System Operator and Planner under section 162 of the Energy Act 2023 who holds an electricity system operator licence and gas system planner licence.

“Issuer Credit Rating”

means

- (a) an issuer credit rating by Standard & Poor’s Ratings Group or any of its subsidiaries;

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- (b) an issuer credit rating by Moody’s Investors Service Inc. or any of its subsidiaries;
- (c) an issuer credit rating by Fitch Ratings Ltd or any of its subsidiaries;
- (d) an issuer credit rating by DBRS Ratings Limited or any of its affiliates; or
- (e) a rating which, in the opinion of the Authority, notified in writing to the licensee, is equivalent to those referred to in sub-paragraphs (a), (b), (c) or (d) and issued by:
  - (i) any of the credit rating agencies as referred to in sub-paragraphs (a), (b), (c) or (d) ; or
  - (ii) any other reputable credit rating agency which, in the opinion of the Authority, notified in writing to the licensee, has comparable standing in both the United Kingdom and the United States of America.

“IP completion day”

has the same meaning as that given in section 39(1) of the European Union (Withdrawal Agreement) Act 2020.

~~“licensed distributor”~~

~~means any holder of a distribution licence.~~

“legally binding decision of the European Commission and/or the Agency” and

means any relevant legally binding decision or decisions of the European Commission and/or the Agency, but a binding decision does not include a decision that is not, or so

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“legally binding decisions of the European Commission and/or the Agency”	much of a decision as is not, Retained EU Law.
“licensee’s transmission system”	<p>means those parts of the national electricity transmission system which are</p> <ul style="list-style-type: none"> <li>a) owned by a transmission owner within its transmission area; or</li> <li>b) operated by the <u>ISOP</u> <del>system operator</del>.</li> </ul>
“national electricity transmission system”	<p>Means the system consisting (wholly or mainly) of high voltage electric lines owned or operated by transmission licensees, <u>or operated by the ISOP</u>, within Great Britain, in the territorial sea adjacent to Great Britain and in any Renewable Energy Zone and used for the transmission of electricity from one generating station to a sub-station or to another generating station or between sub-stations or to or from any interconnector and includes any electrical plant or meters owned or operated by any transmission licensee <u>or the ISOP</u> within Great Britain, in the territorial sea adjacent to Great Britain and in any Renewable Energy Zone in connection with the transmission of electricity.</p>
“national electricity transmission system operator <u>area</u> ”	means the <del>specified area</del> <u>by that name as set out defined in the terms</u> <del>Schedule 1</del> of the

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	<p><u>ISOP's electricity</u> system operator's transmission licence.</p>
<p>“Negative Rating Action”</p>	<p>means a rating agency placing a rating on Negative Watch or a rating agency downgrading a rating to a lower rating.</p>
<p>“Negative Watch”</p>	<p>means the mechanism or mechanisms used by the relevant credit rating agency to identify an issuer that is at risk of a credit rating downgrade in the short or long term, including but not limited to negative designations of S&amp;P CreditWatch, S&amp;P Outlook, Fitch Rating Watch, Fitch Outlook, Moody's Watchlist, or Moody's Rating Outlook, as defined on the relevant rating agencies' websites from time to time.</p>
<p>“NIC funding mechanism”</p>	<p>has the meaning given in <del>Special Condition A14.1 (D</del> Interpretation and definitions) of the system operator's transmission <u>Electricity System Operator</u> licence.</p>
<p>“offshore transmission”</p>	<p>has the meaning given at section 6C of the Act</p>
<p><del>“offshore transmission go active”</del></p>	<p><del>means the date on which the Secretary of State first makes changes using powers pursuant to section 90 or section 91 of the Energy Act 2004;</del></p>
<p><del>“offshore transmission go live”</del></p>	<p><del>means the date on which the last of sections 89 of the Energy Act 2004, 180 of the Energy Act 2004 and section 44(3) of the Energy Act 2008 is commenced by the Secretary of State (irrespective of which of</del></p>

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	<del>these three provisions is the last to be commenced).</del>
<del>“offshore transmission implementation period”</del>	<del>means the period ending 18 months after offshore transmission go active;</del>
<del>“offshore transmission implementation plan”</del>	<del>means the plan issued by the Secretary of State and the Authority (as amended) detailing the activities that are considered necessary or appropriate for the implementation of offshore transmission</del>
“offshore transmission owner”	means the holder for the time being of a transmission licence in relation to which licence the Authority has issued a Section E (offshore transmission owner standard conditions) Direction and where Section E remains in effect (whether or not subject to any terms included in a Section E (offshore transmission owner standard conditions) Direction or to any subsequent variation of its terms to which the licensee may be subject).
“offshore transmission system”	means a transmission system that is used for purposes connected with offshore transmission.
“participating interest”	has the meaning given in Section 421A of the Financial Services and Markets Act 2000
“party entry processes”	for the purposes of standard condition B12 (System Operator-Transmission Owner Code) only, has the meaning given in that condition.

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“permitted purpose”	<p>means the purpose of any or all of the following:</p> <ul style="list-style-type: none"> <li>(a) the transmission business, or any business or activity within the limits of paragraph 4 of standard condition B6 or E7 (Restriction on activity and financial ringfencing);</li> <li>(b) any business or activity to which the Authority has given its consent in writing in accordance with paragraph 3(d) of standard condition B6 or E7 (Restriction on activity and financial ringfencing);</li> <li>(c) without prejudice to the generality of subparagraphs (a) and (b), any payment or transaction lawfully made or undertaken by the licensee for a purpose within subparagraphs (i) to (vii) of standard condition B9 or E10, 1(b)(Indebtedness).</li> </ul>
“Pooling and Settlement Agreement”	<p>means the agreement of that title approved by the Secretary of State as from time to time amended.</p>
“Potential Mitigating Actions”	<p>means actions designed to improve the Issuer Credit Rating, Significant Instrument Credit Rating and/or financial resilience, including but not limited to:</p> <ul style="list-style-type: none"> <li>(a) dividend restraint;</li> </ul>

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	<p>(b) equity injection or other additional sources of finance;</p> <p>(c) profiling of investment within the Price Control Period;</p> <p>(d) cost reduction;</p> <p>(e) profiling of financial liabilities within the Price Control Period; and</p> <p>(f) if relevant, negotiations with lenders regarding covenants and possible exemptions.</p>
“Price Control Period”	means the period of five years beginning on 1 April 2021 and ending on 31 March 2026.
“Published Rating Report”	<p>means a rating action announcement, credit opinion report, rating report, research update or transaction update which:</p> <p>(a) specifically relates to the licensee, and</p> <p>(b) is published by any rating agency that is paid by the licensee (or a company in the licensee’s group) to provide either an Issuer Credit Rating or a Significant Instrument Credit Rating.</p>
“regulatory accounts”	means for the purposes of standard conditions B1 or E2 (Regulatory Accounts), B6 or E7 (Restriction on Activity and Financial Ring Fencing), B7 or E8 (Availability of Resources) only, the accounts required to be prepared by the

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licensee pursuant to standard condition B1 or E2 (Regulatory Accounts).

“Regulatory Year”

means a period of twelve months commencing on 1 April at 05:00 and ending on the following 1 April immediately before 05:00. The first such Regulatory Year (t=1) commences on 1 April 2021 at 05:00 hours.

“related undertaking”

in relation to the licensee means any undertaking in which the licensee has a participating interest.

~~“relevant agreement”~~

~~for the purposes of standard condition C9 (Functions of the Authority) only, has the meaning given in that condition.~~

“relevant assets”

for the purposes of standard condition B3 and E4 (Disposal of relevant assets) only has the meaning given in that condition.

~~“relevant balancing services”~~

~~for the purposes of standard condition C16 (Procurement and use of balancing services) only, has the meaning given in that condition.~~

~~“relevant connect and manage derogation report”~~

~~for the purpose of Section C only has the meaning given in standard condition C1 (Interpretation of Section C)~~

~~“Relevant Consumers’ Committees”~~

~~for the purposes of standard condition A4 (Payments to the Authority) only, has the meaning given in that condition.~~

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“relevant proportion”	for the purposes of standard condition A4 (Payments by to the Authority) only, has the meaning given in that condition.
“relevant year”	for the purposes of standard conditions A4 (Payments to the Authority) and B15 (Regulatory Instructions and Guidance) only, has the meaning given in standard condition A4 (Payments to the Authority).
“relinquishment of operational control”	for the purposes of standard condition B3 and E4 (Disposal of relevant assets) only, has the meaning given in each of those conditions.
“Renewable Energy Zone”	means an area designated by Order in Council under section 84(4) of the Energy Act 2004.
“Retail Price Index”	means the general index of retail prices published by the Office for National Statistics each month in respect of all items or: <ul style="list-style-type: none"> <li>(a) if the index for any month in any year shall not have been published on or before the last day of the third month after such month, such index for such month or months as the Authority may after consultation with the licensee and for the purposes of this condition generally determine to be appropriate in the circumstances; or</li> </ul>

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(b) if there is a material change in the basis of the index, such other index as the Authority may after consultation with the licensee and for the purposes of this condition generally determine to be appropriate in the circumstances.

“Retained EU Law”

has the same meaning as that given by section 6(7) of the European Union (Withdrawal) Act 2018.

“Scottish grid code”

means a grid code which a Scottish licensee is obliged to maintain pursuant to standard condition D9 (Licensee’s grid code) of that Scottish licensee’s transmission licence and references in standard condition D3 (Transmission system security standard and quality of service), standard condition D9 (Licensee’s grid code), standard condition D10 (Supplementary grid code condition) and standard condition D13C (Functions of the Authority) to the “licensee’s grid code” shall be construed accordingly.

“Scottish licensee”

means the holder of a transmission licence at the date that this condition takes effect in the licensee’s transmission licence but shall not include ~~the system operator or~~ any offshore transmission owner.

~~“Secretary of State’s costs”~~

~~for the purposes of standard condition A4 (Payments to the Authority) has the meaning given in that condition.~~

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“Section B (General) Direction”	means a direction issued by the Authority in accordance with standard condition A5 (Application of Section B).
<del>“Section C (system operator standard conditions) Direction”</del>	<del>means a direction issued by the Authority or the Secretary of State, where appropriate, in accordance with standard condition A2 (Application of Section C).</del>
“Section D (transmission owner standard conditions) Direction”	means a direction issued by the Authority in accordance with standard condition A3 (Application of Section D).
“Section E (offshore transmission owner of last resort) Direction”	means a direction issued by the Authority in accordance with standard condition B18 or E21 (Offshore Transmission Owner of Last Resort).
“Section E (offshore transmission owner standard conditions) Direction”	means a direction issued by the Authority in accordance with standard condition A6 (Application of Section E).
“Significant Instrument Credit Rating”	means an Instrument Credit Rating relating to debt issued by the licensee or a funding vehicle of the licensee which represents more than 10% of the licensee’s total debt.
“statutory accounts”	means the accounts that the licensee prepares in accordance with Part 15 of the Companies Act 2006.
“STC”	means the document required to be in place pursuant to standard condition B12 (System Operator – Transmission Owner Code) as from time to time amended in accordance with that condition.

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“STC Framework Agreement”	means the agreement of that title, in the form approved by the Secretary of State, by which the STC is made contractually binding between the parties to that agreement, as amended from time to time with the approval of the Secretary of State.
“STC party”	means any person who is a party to the STC Framework Agreement.
“STC party’s transmission system”	means those parts of the national electricity transmission system planned, owned or operated by an STC party.
“STC procedures”	for the purposes of standard condition B12 (System Operator-Transmission Owner Code) only, has the meaning given in that condition.
“subsidiary”	means a subsidiary within the meaning of section 1159 of the Companies Act 2006.
“ <del>system operator</del> ” <sup>2</sup>	<del>means the holder for the time being of a transmission licence in relation to which licence the Authority or the Secretary of State, where appropriate, has issued a Section C (system operator standard conditions) Direction and where Section C remains in effect (whether or not subject to any terms included in a Section C (system operator standard conditions) Direction or to any subsequent variation of its terms to which the licensee may be subject).</del>

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“tender regulations”	means regulations made by the Authority in accordance with section 6C of the Act.
“TO offer”	means an offer made by a STC party to enter into an agreement with the <u>ISOP</u> system operator; <ul style="list-style-type: none"> <li>(a) pursuant to standard condition D4A (Obligations in relation to offers for connection etc) <u>or</u>, standard condition D16 (Requirements of a connect and manage connection) <del>or standard condition D15 (Obligations relating to the preparation of TO offers during the transition period)</del>; or</li> <li>(b) pursuant to standard condition E17(Obligations in relation to offers for connection etc); or</li> <li>(c) pursuant to the STC.</li> </ul>
“total system”	<del>for the purposes of Section C only, has the meaning given in standard condition C1 (Interpretation of Section C).</del>
“transitional tender exercise”	has the meaning given at section 6D of the Act.
“transition modification provisions”	for the purposes <del>of each</del> of standard condition B12 (System Operator – Transmission Owner Code), <del>standard condition C3 (Balancing and Settlement Code (BSC)), standard condition C10 (Connection and Use of System Code (CUSC)) and standard condition C14 (Grid</del>

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Code)	has the meaning given in that condition.
“transition period”	means the period commencing on the date on which this condition takes effect in the licensee’s transmission licence and ending on the BETTA go-live date.
“transmission area”	means the area specified in special condition 1B of the licensee’s transmission licence.
“transmission assets”	has the meaning given at paragraph 1(3) of Schedule 2A to the Act.
“transmission business”	means the authorised business of the licensee or any affiliate or related undertaking in the planning or development or construction or operation or maintenance of the licensee’s transmission system or the national electricity transmission system or the provision of transmission services (whether or not pursuant to directions of the Secretary of State made under section 34 or 35 of the Act) <del>or the co-ordination and direction of the flow of electricity onto and over the national electricity transmission system including the balancing services activity, and any business in providing connections to the national electricity transmission system</del> , but shall not include: <ul style="list-style-type: none"> <li>(i) <del>any business of the licensee or any affiliate or related undertaking in the provision of settlement services in</del> <b>not used</b></li> </ul>

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~~connection with the BSC or the Pooling and Settlement Agreement; or~~

- (ii) any other business of the licensee or any affiliate or related undertaking in the provision of services to or on behalf of any one or more persons.

~~“transmission constraint costs”~~

~~for the purpose of Section C only has the meaning given in standard condition C1 (Interpretation of Section C)~~

“transmission licence”

means a licence granted or treated as granted under section 6(1)(b) of the Act.

“transmission licensee”

means the holder for the time being of a transmission licence.

“Transmission Network Revenue”

means the revenue received by the ~~system operator~~ ISOP via Transmission Network Use of System Charges as per Section 14 of the CUSC.

~~“transmission network services”~~

~~for the purposes of Section C only, has the meaning given in standard condition C1 (Interpretation of Section C).~~

“Transmission network use of system charges”

has the meaning given to that term in the CUSC Section 14.14.

“transmission owner”

means the holder for the time being of a transmission licence in relation to which licence the Authority has issued a Section D (transmission owner standard conditions) Direction and where Section D remains in effect (whether or not subject to any terms included in a Section D (transmission owner

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standard conditions) Direction or to any subsequent variation of its terms to which the licensee may be subject).

“transmission reinforcement works”

for the purposes of sections ~~C and D~~ has the meanings given in ~~each of standard conditions C1 (Interpretation of Section C) and D1 (Interpretation of Section D)~~

“transmission services”

means those services which are provided or are to be provided to the ~~ISOP system operator~~ by another transmission licensee pursuant to standard condition D2 or E15 (Obligation to provide transmission services).

“ultimate controller”

means

- (a) a holding company of the licensee which is not itself a subsidiary of another company; and
- (b) any person who (whether alone or with a person or persons connected with him is in a position to control, or to exercise significant influence over, the policy of the licensee or any holding company of the licensee by virtue of:
  - (i) rights under contractual arrangements to which he is a party or of which he is a beneficiary; or
  - (ii) rights of ownership (including rights attached to or deriving from securities or rights under a trust)

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which are held by him or for which he is a beneficiary but excluding any director or employee of a corporate body in his capacity as such

(c) for the purposes of sub-paragraph (b) a person is connected with another person if they are party to any arrangement regarding the exercise of any such rights as are described in that paragraph; and

(d) for the purposes of sub-paragraph (b), rights under contractual arrangements shall not include any rights in or arising under the STC Framework Agreement which are exercisable by the ISOP or a transmission licensee over the activities of, or as against, another transmission licensee.

“undertaking”

means an undertaking within the meaning of section 1161 of the Companies Act 2006.

“use of interconnector”

means use of any interconnector for the conveyance of electricity (whether in both directions or in only one).

“use of system”

means use of the national electricity transmission system for the transport of electricity by any authorised electricity operator.

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“use of system charges”	for the purposes of Section C only, has the meaning given in standard condition C1 (Interpretation of Section C).
“use of system charging methodology”	for the purposes of Section C, only has the meaning given in standard condition C1 (Interpretation of Section C).
“vertically integrated undertaking”	means an electricity undertaking or a group of electricity undertakings where the same person or the same persons are entitled, directly or indirectly, to exercise control, and where the undertaking or group of undertakings perform in the European Economic Area at least one of the functions of transmission or distribution and at least one of the functions of generation or supply of electricity. The terms within this definition shall have the meaning given to them by the Electricity Directive.
“wider works”	for the purposes of standard condition B19 and Section C has the meaning given in standard condition C1 (Interpretation of Section C) and for the purposes of Section D has the meaning given in standard condition D1 (Interpretation of Section D)

2. Any word or expressions used in the Utilities Act 2000, Part I of the Act or the Energy Act 2004 shall, unless the contrary intention appears, have the same meaning when used in the standard conditions.

3. Except where the context otherwise requires, any reference to a numbered standard condition (with or without a letter) or Schedule is a reference to the standard condition (with or without a letter) or Schedule bearing that number in this licence, and any

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reference to a numbered paragraph (with or without a letter) is a reference to the paragraph bearing that number in the standard condition or Schedule in which the reference occurs, and reference to a Section is a reference to that Section in these standard conditions.

4. These standard conditions have effect as if in relation to a licence holder who is a natural person, for the words “it”, “its” and “which” there were substituted the words “he”, “him”, “his”, and “whom”, and cognate expressions are to be construed accordingly.
5. Except where the context otherwise requires, a reference in a standard condition to a paragraph is a reference to a paragraph of that standard condition and a reference in a paragraph to a sub-paragraph is a reference to a sub-paragraph of that paragraph.
6. Any reference in these conditions to
  - (a) a provision thereof;
  - (b) a provision of the standard conditions of electricity generation licences;
  - (c) a provision of the standard conditions of electricity distribution licences;
  - (d) a provision of the standard conditions of electricity supply licences; ~~and~~
  - (e) a provision of the standard conditions of electricity interconnector licences;
  - and,
  - (f) a provision of the conditions of electricity system operator licence.

will, if these standard conditions or the standard conditions in question come to be modified, be construed so far as the context permits, as a reference to the corresponding provision of these standard conditions or the other standard conditions in question as modified.

7. In construing the standard conditions, the heading or title of any standard conditions or paragraph shall be disregarded.
8. Any reference in a standard condition to the purposes of that condition generally is a reference to the purposes of that condition as incorporated in this licence and as incorporated in each other licence under section 6(1)(b) of the Act (whenever granted) which incorporates it.

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9. Where any obligation under, in or pursuant to the licence is required to be performed by a specified date or within a specified period, and where the licensee has failed so to perform by such date or within such period, such obligation will continue to be binding and enforceable after the specified date or after the expiry of the specified period (but without prejudice to all rights and remedies available against the licensee by reason of the licensee's failure to perform by that date or within that period).
10. Anything required by or under these standard conditions to be done in writing may be done by facsimile transmission of the instrument in question or by other electronic means and, in such case –
- (a) the original instrument or other confirmation in writing shall be delivered or sent by pre-paid first class post as soon as is reasonably practicable, and
  - (b) where the means of transmission had been agreed in advance between the parties concerned, in the absence of and pending such confirmation, there shall be a refutable presumption that what was received duly represented the original instrument.
11. The definitions referred to in this condition may include some definitions which are not used or not used exclusively in Sections A and B (which Sections are incorporated in all transmission licences). Where:
- (a) any definition is not used in Sections A and B, that definition will, for the purposes of this licence, be treated:
    - (i) as part of the standard condition or conditions (and the Section) in which it is used;
    - (ii) as not having effect in the licence until such time as the standard conditions in which the definition is used has effect within the licence in pursuance of ~~standard condition A2 (Application of Section C)~~, standard condition A3 (Application of Section D) or standard condition A6 (Application of Section E);
  - (b) any definition which is used in Sections A and B and is also used in one or more other Sections:

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- (i) will only be modifiable in accordance with the modification process applicable to each of the standard conditions in which it is used; and
- (ii) if any such standard condition is modified so as to omit that definition, then the reference to that definition in this condition will automatically cease to have effect.

**Condition A2: ~~Not used~~ Application of Section C**

~~1. The standard conditions in Section C (in whole or, as the case may be, in part) shall not have effect in this licence; and the licensee shall not be obliged to comply with the requirements of Section C (in whole or, as the case may be, in part) of this licence until the Secretary of State or the Authority has issued to the licensee a direction in accordance with paragraph 2.~~

~~1. The Secretary of State may issue a direction (a "Section C (system operator standard conditions) Direction") on or before 8 September 2004.~~

~~(a) The Authority may issue a Section C (system operator standard conditions) Direction on or after 9 September 2004.~~

~~Where the Secretary of State or the Authority has issued a Section C (system operator standard conditions) Direction to the licensee, the standard conditions in Section C (in whole or, as the case may be, in part) shall have effect within this licence from the date specified in the direction; and the licensee shall be obliged to comply with the requirements of Section C (in whole or, as the case may be, in part) to the extent and subject to the terms specified in such direction.~~

~~1. The Authority may, with the consent of the licensee:~~

~~(a) vary the terms (as set out in the Section C (system operator standard conditions) Direction or elsewhere) under which Section C (or parts thereof) has effect in this licence; or~~

~~(a) provide for Section C (or parts thereof) to cease to have effect in this licence.~~

~~1. The variation or cessation provided for in paragraph 3 shall take effect from the date specified in the variation or cessation notice given to the licensee by the Authority.~~

~~1. With effect from the date of cessation referred to in paragraph 4, paragraphs 2 to 4 of this condition shall be suspended and shall cease to have effect in this licence, but the Authority may at any time thereafter give to the licensee a notice ending the suspension and providing for those paragraphs again to have effect in this licence with effect from the date specified in the notice.~~

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**Condition A4: ~~Not used~~ Payments by Licensee to the Authority**

- ~~1. This condition applies where the licensee has been issued with a Section C (system operator standard conditions) Direction which is still in effect.~~
- ~~1. Where Paragraph 1 applies, the licensee shall, at the times stated, pay to the Authority such amounts as are determined by or under this condition.~~
- ~~1. In respect of each relevant year at the beginning of which the licensee holds this licence, the licensee shall pay to the Authority the aggregate of:
  - ~~(a) an amount which is the appropriate proportion of the costs of the Authority during the year in question;~~
  - ~~(a) the appropriate proportion of the costs of Citizens Advice;~~
  - ~~(a) the appropriate proportion of the costs of Citizens Advice Scotland or Consumer Scotland;~~
  - ~~(a) an amount which is the appropriate proportion of the costs of the Citizens Advice, Citizens Advice Scotland or Consumer Scotland on, or in connection with, the support of any qualifying public consumer advice scheme that the Secretary of State considers is reasonable having regard to the functions exercisable by the National Consumer Council in relation to gas and electricity consumers; and~~
  - ~~(a) an amount that is the appropriate proportion of the costs of the Secretary of State during the year in question in respect of:
    - ~~(i) payments made by the Secretary of State by virtue of paragraph 4(2) or (2A) of Schedule 7 to the Act (payments relating to meter examiners);~~
    - ~~and~~
    - ~~(a) any other costs incurred by the Secretary of State in performing functions conferred by Schedule 7 to the Act or by electricity meter regulations (as defined in section 95(5) of the Energy Act 2008).~~~~~~

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~~1. The amounts (net of any credit notes issued by the Authority) determined in accordance with paragraph 3 shall be paid by the licensee to the Authority in two instalments, with:~~

~~(a) the first instalment being due for payment by 31 July in each relevant year;  
and~~

~~(a) the second instalment being due for payment by 31 January in each relevant year~~

~~provided that, in each case, if the Authority has not given notice of the amount of the instalment due at least 30 days before the payment date stated above, the licensee shall pay the amount due within 30 days from the actual giving of notice by the Authority to the licensee (whenever notice is given).~~

~~1. If the licensee fails to pay the amount determined in accordance with paragraph 3 within 30 days of the payment date determined in accordance with paragraph 4, it shall with effect from that date pay simple interest on that amount at the rate which is from time to time equivalent to the base rate of NatWest Bank plc or, if there is no such base rate, such base rate as the Authority may designate for the purposes hereof.~~

~~1. In this condition:~~

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<del>“costs”</del>	<p><del>means costs estimated by the Authority as likely to be or have been:</del></p> <p><del>— the costs of</del></p> <p style="padding-left: 40px;"><del>(i) the Authority calculated in accordance with principles determined by the Authority for the purposes of this condition generally (after consultation with the licensee and others likely to be affected by the application of such principles) and notified to the licensee;</del></p> <p style="padding-left: 40px;"><del>(ii) Citizens Advice, Citizens Advice Scotland or Consumer Scotland as the case may be; and</del></p> <p style="padding-left: 40px;"><del>(iii) the Secretary of State.</del></p>
<del>“appropriate proportion”</del>	<p><del>means the proportion of the costs attributable to the licensee in accordance with principles determined by the Authority for the purposes of this condition generally (after consultation with the licensee and others likely to be affected by the application of those principles) and notified to the licensee; and</del></p>
<del>“relevant year”</del>	<p><del>means a year beginning on 1 April of each calendar year and ending on 31 March of the following calendar year.</del></p>

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| **SECTION B: GENERAL**

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## ***Condition B1: Regulatory Accounts***

### **Introduction**

1. This condition applies to regulatory accounts prepared for financial years commencing on or after 1 April 2013 for the purpose of ensuring that the licensee:
  - (a) prepares and publishes regulatory accounts within the meaning of Part A below; and
  - (b) maintains (and ensures that any affiliate or related undertaking of the licensee maintains) such accounting records, other records, and reporting arrangements as are necessary to enable the licensee to comply with that obligation.

### **Part A: Preparation of regulatory accounts**

2. For the purposes of this condition, but without prejudice to the requirements of Part C below, the licensee must prepare regulatory accounts for each financial year, for each of the following businesses of the licensee, where applicable:
  - (a) the consolidated transmission business;
  - (b) any de minimis business within the meaning of paragraph 4 of Standard Condition B6 (Restriction of activity and financial ring-fencing);
  - (c) other activities to which this licence relates and to which the Authority has given its consent in accordance with paragraph 3(d) of Standard Condition B6 (Restriction on activity and financial ring-fencing); and
  - (d) the whole business to which this licence relates, as represented by the consolidation of the businesses and activities referred to within sub-paragraphs (a) to (c), where applicable.
3. Except and so far as the Authority otherwise consents, the regulatory accounts should be prepared under the same applicable accounting framework as the most recent or concurrent statutory accounts of the licensee.

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4. Except and so far as the Authority otherwise consents, the licensee must comply with the obligations imposed by the following paragraphs of this Part A in relation to the preparation of regulatory accounts.
5. The licensee must keep or cause to be kept, for a period approved by the Authority, but not less than the period referred to in section 388(4)(b) of the Companies Act 2006 and in the manner referred to in that section, such accounting records and other records as are necessary to ensure that all the revenues, costs, assets, liabilities, reserves, and provisions of, or reasonably attributable to, each of the businesses or activities identified in paragraph 2 are separately identifiable in the accounting records of the licensee (and any affiliate or related undertaking of the licensee) from those of any other business of the licensee.
6. The regulatory accounts are to be prepared on a consistent basis from the accounting records and other records referred to in paragraph 5 in respect of each financial year, and must comprise:
  - (a) the matters set out in paragraph 7; supported by
  - (b) the matters mentioned in paragraph 8; and
  - (c) the statement required by paragraph 9.
7. The matters to which paragraph 6(a) refers are:
  - (a) an income statement and a statement of comprehensive income (or, as appropriate, a profit and loss account and, as appropriate, a statement of total recognised gains and losses);
  - (b) a statement of changes in equity, if appropriate;
  - (c) a statement of financial position (or, as appropriate, a balance sheet);
  - (d) a statement of cash flows (or, as appropriate, a cash flow statement);
  - (e) a corporate governance statement in respect of the whole business to which this licence relates;

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- (f) a directors' report in respect of the whole business to which this licence relates;  
and
  - (g) a business review in respect of the whole business to which this licence relates.
8. The matters to which paragraph 6(b) refers are set out in explanatory notes to the regulatory accounts that:
- (a) provide a summary of the accounting policies adopted by the licensee for the purpose of producing regulatory accounts;
  - (b) comply with the requirements applicable for preparing annual accounts in Chapter 4 of Part 15 of the Companies Act 2006 and of the reporting requirements of the applicable accounting framework; and
  - (c) provide segmental information for ~~each of the transmission~~ owner business activities of the licensee.

#### **Part B: Bases of charge or apportionment**

9. Subject to paragraph 10, the licensee must include within its regulatory accounts, a statement in respect of the consolidated transmission business that shows separately and in appropriate detail the amount of any revenue, cost, asset, liability, reserve, or provision which has been:
- (a) charged from any ultimate controller of the licensee, or from any subsidiary of such ultimate controller (other than the licensee or its subsidiaries), in relation to the provision of goods or services to the licensee; or
  - (b) charged from the licensee, or from any subsidiary of the licensee, in relation to the provision of goods or services to any ultimate controller of the licensee, or to any subsidiaries of such ultimate controller (other than the licensee or its subsidiaries); or
  - (c) determined by apportionment or allocation between the consolidated transmission business and any other business of the licensee or affiliate or related undertaking (and, where this sub-paragraph applies, the statement must include a description of the basis of the apportionment or allocation).

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10. The requirements of paragraph 9 apply only in respect of goods and services received or supplied for the purposes of the consolidated transmission business.
11. Unless the Authority so specifies in directions issued for the purposes of this condition, or with the Authority's prior written consent, the licensee must not in relation to the regulatory accounts in respect of any financial year change the bases of charge, apportionment, or allocation referred to in paragraph 9 from those applied in respect of the immediately preceding financial year.
12. Where the licensee has, in accordance with paragraph 11 above, changed its bases of charge, apportionment, or allocation or changed any of its accounting policies or the manner of their application from those adopted for the immediately preceding financial year, then the licensee must, if so directed by the Authority, in addition to preparing regulatory accounts on the changed bases that it has adopted, also prepare such regulatory accounts by reference to the bases, accounting policies, and manner of application that applied in respect of the immediately preceding financial year.

**Part C: Consistency with statutory accounts**

13. Regulatory accounts and information prepared under Parts A and B above must, so far as is reasonably practicable and except so far as the Authority otherwise consents, having regard to the purposes of this condition:
  - (a) have the same content and format as the most recent or concurrent statutory accounts of the licensee prepared under Part 15 of the Companies Act 2006; and
  - (b) comply with all relevant accounting and reporting standards currently in force under the applicable accounting framework as set out in Part 15 of the Companies Act 2006.

**Part D: Audit and delivery of regulatory accounts**

14. Except and so far as the Authority otherwise consents, the licensee must:
  - (a) procure an audit by an appropriate auditor of such parts of its regulatory accounts and the directors' report and business review as is specified in the Companies

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Act 2006 as being required to be so audited if the licensee were a quoted company and those accounts were the statutory accounts of the licensee drawn up to 31 March each financial year and prepared under Part 15 of the Companies Act 2006;

- (b) procure a report by an appropriate auditor, addressed to the Authority, that states whether in the appropriate auditor's opinion those accounts fairly present the financial position, financial performance, and cash flows of or reasonably attributable to each of the businesses referred to in paragraph 2 in accordance with the requirements of this condition; and
- (c) deliver those accounts and the Auditor's report required under paragraph 14(b) of this licence condition to the Authority as soon as is reasonably practicable, and in any event before publication of such accounts under Part G below and not later than 31 July following the end of the financial year to which the regulatory accounts relate.

**Part E: Terms of appointment of the appropriate auditor**

- 15. For the purposes of Part D above, the licensee must, at its own expense, enter into a contract of appointment with an appropriate auditor which includes a term requiring that the audit of the licensee's regulatory accounts must be conducted by that appropriate auditor in accordance with all such relevant auditing standards in force on the last day of the financial year to which the audit relates as would be appropriate for accounts prepared in accordance with the provisions of Part 15 of the Companies Act 2006.

**Part F: Agreed upon procedures for the appropriate auditor**

- 16. The licensee must at its own expense enter into a contract of appointment with an appropriate auditor for the completion of agreed upon procedures that are to apply for the purposes of enabling that Auditor to review:
  - (a) the licensee's compliance with its obligations in respect of the prohibition of cross-subsidy and discrimination generally and, in particular, to the extent that

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they apply to the licensee, under standard conditions B5 (Prohibition of cross subsidies), C7 (Prohibition on discrimination between users), C8 (Requirement to offer terms), and D5 (Prohibition on engaging in preferential or discriminatory behaviour) of this licence; and

- (b) the statement that by virtue of Part B above is required to be included in the regulatory accounts concerning the bases of charge, apportionment, and allocation applied by the licensee in relation to those accounts.
17. The contract of appointment must require that the agreed upon procedures are conducted in relation to each financial year and that the licensee will arrange for the appropriate auditor to address a report to the Authority by 31 July following the end of each such year which:
- (a) states that he has, in a manner consistent with the relevant auditing standards, completed the agreed upon procedures issued by the Authority in respect of the financial year under report; and
  - (b) sets out his findings.
18. If the Authority is satisfied that the appropriate auditor's report submitted under this Part F demonstrates that the licensee has complied with the obligations to avoid discrimination and cross-subsidies that are imposed on the licensee, the report is to be deemed to represent the results of an audit of those obligations.

#### **Part G: Publication and provision of regulatory accounts**

19. Unless the Authority, after consulting with the licensee, otherwise directs, the licensee must publish its regulatory accounts (excluding the statement required to be included in them by virtue of Part B above and any other information agreed by the Authority to be confidential):
- (a) as a stand-alone document in accordance with this condition;
  - (b) by 31 July after the end of the financial year to which the accounts relate;

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- (c) on, and in a way that is accessible from, its website or that of an affiliate or ultimate controller of the licensee provided that link is both clear and readily accessible; and
  - (d) in any other manner which, in the opinion of the licensee, is necessary to secure adequate publicity for the accounts.
20. A copy of the regulatory accounts must be provided free of charge:
- (a) to Citizens Advice and Consumer Scotland (or any successor entity), no later than the date on which the regulatory accounts are published; and
  - (b) to any person requesting a copy.

#### **Part H: Interpretation and definitions**

21. Any consent or direction by the Authority given in relation to a provision of this condition may be given in relation to some or all of the requirements of the relevant provision and subject to such conditions as the Authority considers appropriate or necessary having regard to the purposes of this condition.
22. The requirement under paragraph 7 of this condition for the licensee to include a business review, a corporate governance statement, and a directors' report in its regulatory accounts is to be read as if the requirement applied to the licensee as a quoted company, whether or not it is such a company, such that:
- (a) the business review has the coverage and content of the business review that a quoted company is required to prepare under section 417 of the Companies Act 2006;
  - (b) the corporate governance statement has the coverage and content of a corporate governance statement that a quoted company is required to prepare under the UK Corporate Governance Code issued under the UK Listing Authority's listing rules and interpretations on corporate governance; and

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- (c) the directors' report has the coverage and content of the directors' report that a quoted company is required to prepare under sections 415, 416, 417, 418(2), and 419(3) and (4) of the Companies Act 2006.
23. For the avoidance of doubt, the licensee should prepare regulatory accounts for the financial year commencing on or after 1 April 2012 in accordance with the licence condition in force as at 31 March 2013.
24. For the purposes of this condition:

**agreed upon procedures** means procedures from time to time agreed between the Authority, the appropriate auditor, and the licensee for the purpose of enabling the appropriate auditor to review and report to the Authority on matters relating to the requirements referred to at paragraph 16 of this condition.

**applicable accounting framework** means:

- (a) in accordance with section 396 of the Companies Act 2006 ("Companies Act individual accounts"), or in accordance with international accounting standards ("IAS individual accounts") or
- (b) in accordance with section 403 Companies Act group accounts, or IAS group accounts.

**appropriate auditor** means:

- (a) in the case of a licensee that is a company within the meaning of section 1 of the Companies Act 2006, a person appointed as auditor under Chapter 2 of Part 16 of that Act;

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- (b) in the case of any other licensee that is required by the law of a country or territory within the European Economic Area to appoint an auditor under provisions analogous to those of Chapter 2 of Part 16 of that Act, a person so appointed; and
- (c) in any other case, a person who is eligible for appointment as a company auditor under Part 42 of that Act.

**quoted company** has the meaning given to that term in section 385 of the Companies Act 2006;

**segmental information** means such financial and descriptive information in respect of the transmission ~~owner~~ **business** activities of the licensee as would be required to be disclosed under International Financial Reporting Standard 8 (or Statement of Standard Accounting practice 25, or successor standards under any applicable accounting framework) if each of those activities was an operating segment (or reportable segment) of the licensee within the meaning of the respective standards;

~~**system operator activity** means the balancing services activity, as that term is defined in standard condition C1 (Interpretation of Section C);~~

~~**transmission business activities** means the following activities of the licensee, in each case to the extent applicable:~~

- ~~(a) the transmission owner activity; and~~
- ~~(a) the system operator activity;~~

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**transmission owner  
activity**

means:

the activity permitted to the holder for the time being of a transmission licence in relation to which licence the Authority has issued a Section D (transmission owner standard conditions) Direction and where Section D remains in effect whether or not subject to any terms included in a Section D (transmission owner standard conditions) Direction or to any subsequent variation of its terms to which the licensee may be subject);

**UK Listing Authority**

has the meaning given in section 72 of the Financial Services and Markets Act 2000 and refers to the Financial Services Authority when it acts in its capacity as the competent authority for the purposes of that section.

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1. The licensee must not dispose of or relinquish operational control over any relevant asset except in accordance with the provisions of this condition.
2. Subject to paragraph 3, the licensee must not, after 1 April 2013, grant any mortgage, charge, or other form of security over any receivable except in accordance with the provisions of this condition.
3. The licensee may permit any mortgage, charge, or other form of security over any receivable in effect at the date mentioned in paragraph 2 to remain in effect and may vary its terms so long as the variation does not have the effect of materially extending the scope of the mortgage, charge, or other form of security insofar as it applies to the licensee's receivables.
4. Save as provided in paragraphs 5 or, as applicable, 6, or 8 the licensee shall give to the Authority not less than two months' prior written notice of:
  - (a) its intention to dispose of or relinquish operational control over any relevant asset, together with such further information as the Authority may request relating to such asset or the circumstances of such intended disposal or relinquishment of control or to the intentions in regard thereto of the person proposing to acquire such asset or operational control over such asset; or
  - (b) its intention to grant any mortgage, charge, or other form of security over any receivable or class or classes of receivables together with such further information as the Authority may request relating to such receivable, class or classes of receivables or the circumstances of the intended grant of the mortgage, charge or other form of security.
5. Notwithstanding paragraphs 1 and 4(a), the licensee may dispose of or relinquish operational control over any relevant asset where:-
  - (a) the Authority has issued directions for the purposes of this condition containing a general consent (whether or not subject to conditions) to:

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- (i) transactions of a specified description; or
- (ii) the disposal of or relinquishment of operational control over relevant assets of a specified description; and

the transaction or the relevant assets are of a description to which such directions apply and the disposal or relinquishment is in accordance with any conditions to which the consent is subject;

or

- (b) the disposal or relinquishment of operational control in question is to another transmission licensee or the ISOP and is required by or under standard condition B12 (System Operator – Transmission Owner Code).

6. Notwithstanding paragraphs 2 and 4(b), the licensee may grant a mortgage, charge, or other form of security over a receivable or class or classes of receivables where:

- (a) the indebtedness of the licensee which is to be secured represents the novation or rollover of existing indebtedness; and
- (b) the proceeds of the indebtedness of the licensee which is to be secured are used to repay the existing indebtedness referred to in sub-paragraph (a).

7. For the purposes of paragraph 6, what is meant in any particular case by:

- (a) “existing indebtedness”; and
- (b) “proceeds of the indebtedness”

is to be treated as a question of fact.

8. Notwithstanding paragraphs 1, 2 and 4, the licensee may dispose of or relinquish operational control over any relevant asset or grant a mortgage, charge, or other form of security over a receivable or class or classes of receivable where the transaction in question is required by or under any enactment, any provision of subordinate legislation within the meaning of the Interpretation Act 1978, or a regulation of the

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Council or Commission of the European Union that has effect in EU law immediately before IP completion day .

9. Notwithstanding paragraphs 1 and 2, the licensee may dispose of or relinquish operational control over any relevant asset or grant a mortgage, charge, or other form of security over a receivable or class or classes of receivable as is specified in any notice given under paragraph 4 where:
- (a) the Authority confirms in writing that it consents to such disposal or relinquishment or grant (which consent may be made subject to acceptance by the licensee or any third party to the transaction in question, of such conditions as the Authority may specify); or
  - (b) the Authority does not inform the licensee in writing of any objection to such disposal, relinquishment or grant within the notice period referred to in paragraph 4.

10. In this condition:

"disposal"

includes

- (a) in relation to disposal of a relevant asset situated in England and Wales any sale, gift, exchange, assignment, lease, licence, loan, mortgage, charge or grant of any other encumbrance or the permitting of any encumbrance to subsist or any other disposition;
- (b) in relation to disposal of a relevant asset situated in Scotland, the grant of any disposition, conveyance, contract of excambion, any lease, assignation, licence, the grant of any right of possession, loan, standard security, floating charge to a third party or the grant of any servitude right, wayleave or any other transaction or event which is capable under any enactment or rule of law of affecting the title to a registered interest in land;

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and "dispose" and cognate expressions shall be construed accordingly.

“receivable” means a contractual right to receive any sum or sums or any other financial asset from another person.

"relevant asset" means any asset for the time being forming part of the national electricity transmission system, any control centre for use in conjunction therewith and any legal or beneficial interest in (or right, title or interest in) land upon which either of the foregoing is situate (which for the purposes of property located in Scotland means any estate, interest, servitude or other heritable or leasehold right in or over land including any leasehold interests or other rights to occupy or use and any contractual or personal rights in favour of the licensee relating to the occupation, use or acquisition of such property).

"relinquishment of operational control" includes, without limitation, entering into any agreement or arrangement whereby operational control of a relevant asset or relevant assets is not or ceases to be under the sole management of the licensee.

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***Condition B12: System Operator – Transmission Owner Code***

1. The licensee shall, in common with those other transmission licensees to which this condition applies and the ISOP, at all times have in force a STC, being a document which:
  - (a) sets out terms as between STC parties whereby the national electricity transmission system and each STC party's transmission system forming part thereof is to be planned, developed or operated and transmission services are to be provided together with any associated arrangements;
  - (b) set outs the terms by which the ISOP~~system operator~~ allocates transmission network revenue, consistent with the principles that the ~~system operator~~ISOP will only allocate invoiced transmission network revenue (net of payments to the agency, the authority, electricity interconnector licensees, offshore transmission owners, the ~~system operator~~ISOP, any other parties as directed by the authority, and payments associated with the NIC Funding Mechanism) to transmission owners. Any difference between invoiced transmission network revenue and maximum revenue will be fully shared between the transmission owners. Each transmission owner's share will be proportionate to their share of maximum revenue as notified to the ~~system operator~~ISOP by the transmission owners. The licensee shall use its reasonable endeavours to ensure terms are in place that facilitate its compliance with the requirements of this condition no later than 1 July 2021, or such other date as directed by the Authority;
  - (c) is designed to facilitate achievement of the objectives set out in paragraph 3;
  - (d) includes the modification procedures required by paragraph 6-6H;
  - (e) provides for mechanisms for the resolution of any disputes arising in relation to any of the matters addressed in the STC; and
  - (f) The licensee shall be taken to comply with this paragraph by:
    - (i) adopting (through entry into the STC Framework Agreement), as the STC in force with effect from the date this condition comes into effect, the document designated by the Secretary of State for the purposes of this condition; and

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- (ii) modifying such document from time to time in accordance with the transition modification provisions and the provisions of paragraphs 6-6H and 7 below.
2. For the purposes of this condition, the terms and arrangements referred to in paragraph 1(a) whereby the national electricity transmission system and each STC party's transmission system forming part thereof are to be planned, developed or operated and transmission services are to be provided are those which:
- (a) are requisite for the enjoyment and discharge of the rights and obligations of transmission licensees, the ISOP, and STC parties arising under any relevant licences codes or other document as may be specified from time to time by the Authority including, but not limited to, rights and obligations which may arise under each of the core industry documents, the BSC and the CUSC; and
- (b) provide for matters which include:
- the provision of transmission services,
  - the operation, including the configuration, of the national electricity transmission system,
  - the co-ordination of the planning of STC parties' transmission systems,
  - the progression of matters necessary to respond to applications for new connections (or modifications of existing connections),
  - planning for, and co-ordination of, transmission outages,
  - procedures for developing, agreeing and implementing party entry processes,
  - the resolution of disputes,
  - the exchange of information between STC parties, which information they are free to disclose and relates to the discharge of their duties under the Act, transmission licences, the electricity system operator licence, and other relevant statutory obligations,

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- procedures to enable the ~~system operator~~ ISOP to obtain relevant information from STC parties to enable it to produce information and analysis about the national electricity transmission system in accordance with ~~standard~~ condition C124 (Production of information about the National electricity Transmission System) and ~~standard~~ condition C2137 (The Network Options Assessment (NOA) process and reporting requirements) of the electricity system operator licence, and
- procedures established in pursuance of paragraphs 6-6H.

Nothing in this condition shall preclude the licensee entering into other terms and arrangements connected with these terms and arrangements, outside of the STC, where such other arrangements are not inconsistent or in conflict with this licence or the STC or other relevant statutory requirements.

3. The objectives of the STC referred to in sub-paragraph 1(c) are the:

- (a) efficient discharge of the obligations imposed upon transmission licensees by transmission licences and the Act;
- (b) efficient discharge of the obligations imposed upon the ISOP by the electricity system operator licence, the Energy Act 2023 and the Act;
- (c) development, maintenance and operation of an efficient, economical and co-ordinated system of electricity transmission;
- (d) facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the distribution of electricity;
- (e) protection of the security and quality of supply and safe operation of the national electricity transmission system insofar as it relates to interactions between transmission licensees and the ISOP;
- (f) promotion of good industry practice and efficiency in the implementation and administration of the arrangements described in the STC;

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- (g) facilitation of access to the national electricity transmission system for generation not yet connected to the national electricity transmission system or distribution system; and
  - (h) compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.
4. The STC shall provide for:
- (a) there to be referred to the Authority for determination such matters arising under the STC as may be specified in the STC;
  - (b) a copy of the STC or any part(s) thereof (which excludes any confidential information contained in the STC, as provided in that document) to be provided to any person requesting the same upon payment of an amount not exceeding the reasonable costs of making and providing such copy;
  - (c) a panel body, as specified in the STC (the “panel”) whose functions shall include the matters required by this condition and as set out in the STC;
  - (d) a secretarial or administrative person or body, as specified in the STC, to perform the role of code administrator (the “code administrator”). In addition to any powers, duties or functions set out in the STC, the code administrator shall:
    - (i) together with other code administrators, publish, review and (where appropriate) amend from time to time the Code of Practice approved by the Authority (any amendments to the Code of Practice are to be approved by the Authority);
    - (ii) facilitate the procedures for making a modification to the STC; and
    - (iii) have regard to, and in particular (to the extent relevant) be consistent with the principles contained in, the Code of Practice;
5. The provisions of paragraphs 1, 2, 4 and 10 shall not limit the matters which may be provided for in the STC.
6. The STC shall include procedures for its own modification (including procedures for the modification of the modification procedures themselves), so as better to facilitate achievement of the applicable STC objectives, which procedures shall provide:

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- (a) for proposals for modification of the STC to be made by any of the STC parties, the Authority (in relation only to modifications which fall within the scope of paragraph 6GE), the licensee or such other persons or bodies as the STC may provide;
- (aa) for modification proposals made by the Authority or the licensee under 6(a) and 6(ab)(i) respectively which fall within the scope of paragraph 6GE:
  - (i) to be accepted into the STC modification procedures by the panel;
  - (ii) where they are raised by the licensee, not to be withdrawn without the Authority's prior consent; and
  - (iii) to proceed in accordance with any timetable(s) directed by the Authority in accordance with paragraph 6(ab);
- (ab) for compliance by the licensee and (where applicable) the panel with any direction(s) issued by the Authority under this paragraph setting and/or amending a timetable (in relation only to modifications fall within the scope of paragraph 6GE) for:
  - (i) the licensee to raise a modification proposal(s); and/or
  - (ii) the completion of each of the procedural steps outlined in paragraph 6 or 6GC, to the extent that they are relevant; and/or
  - (iii) the implementation of a modification.
- (b) except for modifications made pursuant to paragraph 6D or 6GB, where a modification proposal is made:
  - (i) for bringing the proposal to the attention of the STC parties and such other persons as may properly be considered to have an appropriate interest in it;
    - (ia) for the proper evaluation of the suitability of the self-governance route (in accordance with paragraph 6A) for a particular modification proposal;

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- (ib) during a significant code review phase, for the proper evaluation of the relevance of the significant code review to a particular modification proposal
- (ii) for proper consideration of any representations on the proposal itself or on the likely effect of the proposal on the core industry documents;
- (iii) for the preparation by the panel of an assessment of the likely impact of the proposal on each STC party's transmission system and its other systems, provided that, so far as any such assessment requires information which is not generally available concerning any STC party or STC party's transmission system, such assessment shall be made on the basis of the panel's proper assessment (which the panel shall make available for these purposes) of the impact of the proposal on each STC party's transmission system;
- (iv) for properly evaluating whether the proposed modification would better facilitate achieving the applicable STC objectives, provided that so far as any such evaluation by the panel requires information which is not generally available concerning any STC party or STC party's transmission system or the national electricity transmission system, such evaluation shall be made on the basis of the panel's proper assessment (which the licensee shall make available for these purposes) of the effect of the proposed modification on the matters referred to in paragraph 3;
- (v) for development of any alternative modification which may, as compared with the proposed modification, better facilitate achieving the applicable STC objectives;
- (vA) for the evaluation required under paragraph 6(b)(iv) (and, if applicable, paragraph 6(b)(v)) in respect of the applicable STC objective(s) to include, where the impact is likely to be material, an assessment of the quantifiable impact of the proposal on greenhouse gas emissions, to be conducted in accordance with any such guidance (on the treatment of carbon costs and evaluation of greenhouse gas emissions) as may be issued by the Authority from time to time;

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- (vi) for the preparation of a report on behalf of the panel which includes the following:
- the proposed modification and any alternative;
  - an evaluation of the proposed modification and any alternative;
  - an assessment of the extent to which the proposed modification or any alternative would better facilitate achieving the applicable STC objectives and a detailed explanation of the reasons for that assessment (such assessment to include, where applicable, an assessment of the quantifiable impact of greenhouse gas emissions in accordance with paragraph 6(b)(vA));
  - to the extent practicable, an assessment of the likely impact on each STC party's transmission system and any other systems of that STC party and an assessment of the likely impact on the national electricity transmission system, of the proposed modification;
  - an assessment of the impact of the modification on the core industry documents and the changes expected to be required to such documents as a consequence of the modification;
  - a recommendation by the panel (or in the case of a proposal falling within the scope of paragraph 6A, a determination), by reference to the panel's assessment against the applicable STC objectives, as to whether the proposed modification or any alternative should be made;
  - to the extent practicable, the inclusion in the report of the combined views of the STC parties concerning the modification and any alternative or, where a combined view is not practicable, the views of each STC party;

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- a timetable for implementation of the modification and any alternative, including the date with effect from which such modification (if made) is to take effect; and
- (vii) for the submission of the report to the Authority as soon after the proposal is made as is appropriate (taking into account the complexity, importance and urgency of the modification) for the proper execution and completion of the steps in sub-paragraphs (i) to (vi);
- (c) for the timetable (referred to in sub-paragraph (b)(vi)) for implementation of any modification to be either:
- (i) in accordance with any direction(s) issued by the Authority under paragraph 6(ab); or
  - (ii) where no direction has been issued by the Authority under paragraph 6(ab), such as will enable the modification to take effect as soon as practicable after the Authority has directed such modification to be made (or after a determination by the panel in accordance with paragraph 6A), account being taken of the complexity, importance and urgency of the modification, and for that timetable to be extended with the consent of or as required by the Authority after those persons likely to be affected by the revision of the timetable have been consulted;
- (d) for the completion of each of the procedural steps outlined in this paragraph 6, to the extent that they are relevant, to be in accordance with any timetable(s) directed by the Authority under paragraph 6(ab);
- (e) for separate processes for the modification of STC Procedures and the schedule listing the STC Procedures in force from time to time and which otherwise forms a part of the STC, to those for the modification of other parts of the STC set out in sub-paragraphs (a) to (d) above and paragraphs 6A-7; and
- (f) for the revision and resubmission of the modification report submitted to the Authority pursuant to sub-paragraphs 6(b)(vi) and 6(b)(vii) upon, and in accordance with, a direction issued to the panel by the Authority where the

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Authority determines that it cannot properly form an opinion on the approval of the modification proposal.

6A. The procedures for the modification of the STC shall provide that modification proposals shall only be implemented without the Authority's approval pursuant to this paragraph 6A (the "self-governance route") where:

(a)

(i) in the view of the panel, the modification proposal meets all of the self-governance criteria, and the panel has submitted to the Authority in respect of the modification proposal and not withdrawn a self-governance statement; or

(ii) if a self-governance statement has not been made, or has been withdrawn, the Authority has determined that the self-governance criteria are satisfied and the modification proposal is suitable for the self-governance route; and

(b) unless otherwise exempted by the Authority, the panel has sent copies of all consultation responses to the Authority at least seven (7) days before the panel intends to make its determination under paragraph 6A(d); and

(c) the Authority has not directed that the Authority's decision is required prior to the panel's determination under paragraph 6A(d); and

(d) the panel has, no earlier than seven (7) days after sending the consultation responses referred to at paragraph 6A(b), determined that the modification proposal or any alternative should be implemented on the basis that it would, as compared with the then existing provisions of the STC and any other modifications proposed in accordance with paragraph 6(b)(v), better facilitate the achievement of the applicable STC objective(s); and

(e)

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- (i) no appeal has been raised up to and including 15 working days after the panel's determination under paragraph 6A(d) in respect of such modification proposal and any alternative; or
- (ii) an appeal has been raised in respect of such a modification proposal and any alternative in accordance with paragraph 6B and the Authority has not quashed the panel's determination referred to at paragraph 6A(d) (and either remitted the relevant modification proposal and any alternative back to the panel for reconsideration or taken the decision on the relevant modification proposal and any alternative itself following the appeal).

6B. The procedures for the modification of the STC shall provide that those persons set out at paragraph 6(a) may appeal to the Authority the approval or rejection by the panel of a modification proposal and any alternative falling under the self-governance route (in accordance with paragraph 6A), provided the appeal has been made up to and including 15 working days after the approval or rejection and in accordance with the procedures specified in the STC and, in the opinion of the Authority:

- (a)
  - (i) the appealing party is likely to be unfairly prejudiced by the implementation or non-implementation of that modification or alternative proposal; or
  - (ii) the appeal is on the grounds that:
    - (1) in the case of implementation, the modification or alternative proposal may not better facilitate the achievement of at least one of the applicable STC objectives; or
    - (2) in the case of non-implementation, the modification or alternative proposal may better facilitate the achievement of at least one of the applicable STC objectives; and
- (b) the appeal is not brought for reasons that are trivial or vexatious, nor does the appeal have no reasonable prospect of success.

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- 6C. The procedures for the modification of the STC shall provide that:
- (a) where an appeal has been raised in respect of a modification proposal and any alternative in accordance with paragraph 6B, that modification proposal and any alternative shall be treated in accordance with any decision and/or direction of the Authority following that appeal; and
  - (b) if the Authority quashes the panel's determination referred to at paragraph 6A(d) of this condition and takes the decision on the relevant modification proposal and any alternative itself following an appeal in accordance with paragraph 6A(d), the panel's determination of that modification shall be treated as a recommendation under sub-paragraph 6(b)(vi).
- 6D. The procedures for the modification of the STC shall provide that modifications shall only be implemented without the Authority's approval pursuant to this paragraph 6D (the "fast track self-governance route") where:
- (a) in the unanimous view of the panel, the proposed modification meets all of the fast track self-governance criteria;
  - (b) the panel unanimously determines that the modification should be made;
  - (c) STC parties and the Authority have been notified of the proposed modification;
  - (d) none of the persons named in sub-paragraph (c) have objected to the proposed modification being made via the fast track self-governance route in the fifteen (15) working days immediately following the day on which notification was sent; and
  - (e) notification under sub-paragraph (c) contains details of the modification proposed, that it is proposed to be made via the fast track self-governance route, how to object to the modification being made via the fast track self-governance route, the proposed legal drafting and the proposed implementation date.
- 6E. Without prejudice to paragraph 6GB, the procedures for the modification of the STC shall provide that proposals for the modification of the STC falling within the scope of

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a significant code review may not be made during the significant code review phase, except:

- (a) where the Authority determines that the modification proposal may be made, having taken into account (among other things) the urgency of the subject matter of the proposal; or
- (b) at the direction of, or by, the Authority.

6F. The procedures for the modification of the STC shall provide that, where a modification proposal is made during a significant code review phase, the panel shall:

- (a) unless exempted by the Authority, notify the Authority as soon as practicable of:
  - i. any representations received in relation to the relevance of the significant code review; and
  - ii. the panel's assessment of whether the proposal falls within the scope of the significant code review and its reasons for that assessment; and
- (b) if the Authority so directs, not proceed with the modification proposal until the significant code review phase has ended.

6G. The procedures for the modification of the STC shall provide that if, within twenty-eight (28) days after the Authority has published its significant code review conclusions:

- (a) the Authority issues directions to the licensee, the licensee shall comply with those directions and shall treat the significant code review phase as ended;
- (b) the Authority issues to the licensee a statement that no directions under subparagraph (a) will be issued in relation to the STC, the licensee shall treat the significant code review phase as ended;
- (ba) the Authority raises a modification proposal in accordance with paragraph 6(a), the licensee shall treat the significant code review phase as ended;

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- (bb) the Authority issues a statement that it will continue work on the significant code review, the licensee shall treat the significant code review phase as continuing until it is brought to an end in accordance with paragraph 6GA;
- (c) neither directions under sub-paragraph (a), nor a statement under sub-paragraph (b) or (bb), have been issued, nor a modification proposal under sub-paragraph (ba), has been made, the significant code review phase will be deemed to have ended.

The Authority's published conclusions and directions to the licensee will not fetter any voting rights of the members of the panel or the recommendation procedures informing the report described at paragraph 6(vi).

6GA. The procedures for the modification of the STC shall provide that, if the Authority issues a statement under paragraph 6G(bb) and/or a direction in accordance with paragraph 6GD, the significant code review phase will be deemed to have ended when:

- (a) the Authority issues a statement that the significant code review phase has ended;
- (b) one of the circumstances in sub-paragraphs 6G(a) or (ba) occurs (irrespective of whether such circumstance occurs within twenty-eight (28) days after the Authority has published its significant code review conclusions); or
- (c) the Authority makes a decision consenting, or otherwise, to the modification of the STC following the panel's submission of its report under sub-paragraph 6GC(b).

6GB. The procedures for the modification of the STC shall provide that, where the Authority has issued a statement in accordance with paragraph 6G(bb) and/or a direction in accordance with paragraph 6GD, the Authority may submit a modification proposal for a modification falling within the scope of paragraph 6GE(b) to the panel.

6GC. The procedures for the modification of the STC shall provide, where the Authority submits a significant code review modification proposal to the panel in accordance with paragraph 6GB:

- (a) for the preparation of a panel report:

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- (i) evaluating the proposed modification;
  - (ii) assessing the extent to which the proposed modification would better facilitate achieving the applicable STC objectives and providing a detailed explanation of the panel's reasons for that assessment (such assessment to include, where the impact is likely to be material, an assessment of the quantifiable impact of the proposal on greenhouse gas emissions, to be conducted in accordance with any such guidance on the treatment of carbon costs and evaluation of greenhouse gas emissions as may be issued by the Authority from time to time);
  - (iii) assessing, to the extent practicable, the likely impact on each STC party's transmission system and any other systems of that STC party and an assessment of the likely impact on the national electricity transmission system, of the proposed modification;
  - (iv) assessing the impact of the modification on the core industry documents and the changes expected to be required to such documents as a consequence of the modification;
  - (v) including a recommendation by the panel, by reference to the panel's assessment against the applicable STC objectives, as to whether the proposed modification should be made;
  - (vi) to the extent practicable, the inclusion in the report of the combined views of the STC parties concerning the modification or, where a combined view is not practicable, the views of each STC party; and
  - (vii) setting out a timetable for implementation of the modification, including the date with effect from which such modification (if made) would take effect;
- (b) for the submission of the report to the Authority as soon after the significant code review modification proposal is submitted for evaluation as is appropriate (taking into account the complexity, importance and urgency of the modification) for the proper execution and completion of the steps in sub-paragraph (a);

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- (c) for the revision and resubmission of the modification report submitted to the Authority pursuant to sub-paragraph (b) upon, and in accordance with, a direction issued to the panel by the Authority where the Authority determines that it cannot properly form an opinion on the approval of the modification proposal; and
- (d) for the timetable (referred to in sub-paragraph (a)(vii)) for implementation of any modification to be either:
  - (i) in accordance with any direction(s) issued by the Authority; or
  - (ii) where no direction has been issued by the Authority, such as will enable the modification to take effect as soon as practicable after the Authority has directed that such modification should be made, account being taken of the complexity, importance and urgency of the modification, and for that timetable to be extended or shortened with the consent of or as directed by the Authority after those persons likely to be affected by the revision of the timetable have been consulted.
- (e) for the completion of each of the procedural steps outlined in this paragraph 6GC, to the extent that they are relevant, to be in accordance with any timetable(s) directed by the Authority under paragraph 6(ab).

The Authority's published conclusions and significant code review modification proposal shall not fetter the voting rights of the members of the panel or the recommendation procedures informing the report described at paragraph 6GC(a).

6GD. The procedures for the modification of the STC shall provide that, where a proposal has been raised in accordance with sub-paragraph 6G(a) or 6(ab), or by the Authority under paragraph 6(a) and it falls within the scope of paragraph 6GE(b), the Authority may issue a direction (a "backstop direction"), which requires such proposal(s) and any alternatives to be withdrawn and which causes the significant code review phase to recommence.

6GE. Modification proposals fall within the scope of this paragraph where:

- (a) the Authority reasonably considers the modifications are necessary to comply with or implement the Electricity Regulation; and/or

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(b) any relevant legally binding decisions of the European Commission and/or the Agency; and/or the modification proposal is in respect of a significant code review.

6H. The procedures for the modification of the STC shall be consistent with the principles set out in the Code of Practice, to the extent that they are relevant.

7. Not used

~~(a) If a report has been submitted to the Authority pursuant to procedures described in paragraph 6(b)(vii), and the Authority is of the opinion that an modification set out in such report would, as compared with the then existing provisions of the STC and any alternative modification set out in such report, better facilitate achieving the applicable STC objectives, the Authority may direct the system operator to make that modification on behalf of the STC parties and the system operator shall provide a copy of the direction to all other STC parties.~~

~~(a) The system operator, on behalf of the STC parties, shall only modify the STC:~~

~~(i) in order to comply with any direction of the Authority pursuant to subparagraph (a); or~~

~~(i) in order to comply with any direction from the Secretary of State to do so, so as to incorporate any changes directed by the Secretary of State pursuant to section 90 of the Energy Act 2004 during or before the offshore transmission implementation period; or~~

~~(i) with the consent of the Authority; or~~

~~(i) in accordance with paragraph 6A (the “self governance route”); or~~

~~(i) in accordance with paragraph 6D (the “fast track self governance route”).~~

~~and it shall not have the power to modify the STC in any other circumstance; and the system operator shall furnish the Authority with a copy of any modification made.~~

~~(a) Only the system operator shall have the power to modify the STC.~~

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- ~~(a) The system operator shall ensure that a copy of any direction of the Authority pursuant to sub-paragraph (a) is made available to each STC party, including by way of publication.~~
- ~~(a) The system operator shall ensure that the other STC parties are furnished with a copy of any modification so made.~~
8. ~~Not used~~The system operator shall prepare and publish a summary of the STC as modified or changed from time to time in such form and manner as the Authority may from time to time direct.
9. The licensee shall be a party to the STC Framework Agreement and shall comply with the STC.
10. The STC Framework Agreement shall contain provisions:
- (a) for admitting as an additional party to the STC Framework Agreement any person who accepts the terms and fulfils the conditions (each as specified in the STC) on which accession to the STC Framework Agreement is offered; and
  - (b) for referring for determination by the Authority any dispute which shall arise as to whether a person seeking to be admitted as a party to the STC Framework Agreement has fulfilled any accession conditions; and if the Authority determines that the person seeking accession has fulfilled all relevant accession conditions, for admitting such person to be a party to the STC Framework Agreement.
11. The licensee shall, in conjunction with the other STC parties, take all reasonable steps to secure and implement (consistently with the procedures applicable under or in relation to such documents), and shall not take any steps to prevent or unduly delay, changes to the core industry documents (other than the Grid Code) to which it is a party (or in relation to which it holds rights in respect of modification), such changes being changes which are appropriate in order to give full and timely effect to and/or in consequence of any modification which has been made to the STC.
12. The licensee shall, in conjunction with the other STC parties, take all reasonable steps to secure and implement (consistently with the procedures for modification set out in the STC and in this condition), and shall not take any steps to prevent or unduly delay,

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changes to the STC which are appropriate in order to give full and timely effect to or in consequence of any change which has been made to the core industry documents (other than the Grid Code).

13. For the avoidance of doubt, paragraphs 11 and 12 are without prejudice to any rights of approval, veto or direction in respect of proposed changes to the documents referred to in those paragraphs, which the Authority may have.
- 13A. Without prejudice to any rights of approval, veto or direction the Authority may have, the licensee shall use its best endeavours to ensure that procedures are in place that facilitate its compliance with the requirements of this condition including, but not limited to, modifying the STC where necessary no later than 31 March 2017.
14. The licensee shall comply with any direction to the licensee made pursuant to this condition.
15. The Authority may (following consultation with all affected STC parties) issue directions relieving the licensee of its obligations to implement or comply with the STC in respect of such parts of the licensee's transmission system or the national electricity transmission system or to such extent as may be specified in the direction.
16. In this condition:

"applicable STC objectives"

means the objectives set in paragraph 3.

Code of Practice"

means the Code Administration Code of Practice approved by the Authority and:

- (a) developed and maintained by the code administrators in existence from time to time; and
- (b) amended subject to the Authority's approval from time to time; and
- (c) re-published from time to time.

"directions"

means, in the context of paragraph 6G(a), direction(s) issued following publication of significant code review conclusions which will contain:

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- (a) instructions to the licensee to make (and not withdraw, without the Authority's prior consent) a modification proposal;
- (b) the timetable for the licensee to comply with the Authority's direction(s); and
- (c) the Authority's reasons for its direction(s).

"fast track self-governance criteria"	means that a proposal, if implemented, <ul style="list-style-type: none"> <li>(a) would meet the self-governance criteria; and</li> <li>(b) is properly a housekeeping modification required as a result of some error or factual change, including but not limited to: <ul style="list-style-type: none"> <li>(i) updating names or addresses listed in the STC;</li> <li>(ii) correcting minor typographical errors;</li> <li>(iii) correcting formatting and consistency errors, such as paragraph numbering; or</li> <li>(iv) updating out of date references to other documents or paragraphs.</li> </ul> </li> </ul>
"maximum revenue"	has the meaning given in <del>Special Condition A11.1</del> <u>Definitions</u> (Interpretation and definitions) of the <del>system operator's transmission licence</del> <u>electricity system operator licence</u> .
"party entry processes"	means the procedures, processes and steps to be followed by a party following accession to the STC Framework Agreement.
"self-governance criteria"	means that a proposal, if implemented: <ul style="list-style-type: none"> <li>(a) is unlikely to have a material effect on: <ul style="list-style-type: none"> <li>(i) existing or future electricity consumers; and</li> <li>(ii) competition in the generation, distribution, or supply of electricity or any commercial activities connected with the generation, distribution, or supply of electricity; and</li> </ul> </li> </ul>

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- (iii) the operation of the national electricity transmission system; and
- (iv) matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; and
- (v) the STC's governance procedures or modification procedures, and

- (b) is unlikely to discriminate between different classes of STC parties.

“self-governance statement”

means a statement made by the panel and submitted to the Authority in accordance with paragraph 6A(a)(i)

- (a) confirming that, in its opinion, the self-governance criteria are met and the modification is suitable for the self-governance route; and
- (b) the panel's reasons for that opinion.

“significant code review”

means a review of one or more matters which the Authority considers likely to:

- (a) relate to the STC (either on its own or in conjunction with any other industry code(s)); and
- (b) be of particular significance in relation to its principal objective and/or general duties (under section 3A of the Electricity Act), statutory functions and/or relevant obligations arising under Retained EU Law; and
- (c) concerning which the Authority has issued a notice to the STC parties (among others, as appropriate) stating:
  - (i) that the review will constitute a significant code review;
  - (ii) the start date of the significant code review;
 and

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- (iii) the matters that will fall within the scope of the review.
- “significant code review phase” means the period
- (a) commencing either:
    - (i) on the start date of a significant code review as stated by the Authority; or,
    - (ii) on the date the Authority makes a direction under paragraph 6GD (a “backstop direction”); and
  - (b) ending either:
    - (i) on the date on which the Authority issues a statement under sub-paragraph 6G(b) that no directions will be issued in relation to the STC; or
    - (ii) if no statement is made under sub-paragraph 6G(b) or (bb), on the date on which the licensee has made a modification proposal in accordance with directions issued by the Authority under sub-paragraph 6G(a), or the Authority makes a modification proposal under paragraph 6G(ba); or
    - (iii) immediately under sub-paragraph 6G(c), if neither a statement, a modification proposal, nor directions are made by the Authority within (and including) twenty-eight (28) days from the Authority’s publication of its significant code review conclusions; or
    - (iv) if a statement has been made under sub-paragraph 6G(bb) or a direction has been made under paragraph 6GD, (a “backstop direction”)

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on the date specified in accordance with  
paragraph 6GA

"STC Procedures"

means the processes and procedures from time to time listed in the STC that the parties to such processes and procedures consider and agree are appropriate to support their compliance with the rest of the STC.

"transition modification provisions"

means the provisions of this condition which apply or applied during the transition period and which enable or enabled the Authority (whether with or without the consent of the Secretary of State) to direct the licensee to modify the STC in certain circumstances.

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## ***Condition B16: Electricity Network Innovation Strategy***

### **Introduction**

1. The purpose of this condition is to oblige on the licensee to work with other parties to develop an Electricity Network Innovation Strategy. This obligation is intended to ensure that Relevant Network Licensees take a joined up approach to innovation, which results in coordinated action on priority areas that offer significant potential benefit, shared learning and the avoidance of unnecessary duplication.
2. This condition does not prevent the licensee from undertaking Innovation Projects that are not specifically outlined within the Electricity Network Innovation Strategy.

### **Part A: Requirement to create and maintain an Electricity Network Innovation Strategy**

3. The licensee must develop and maintain an Electricity Network Innovation Strategy and must use reasonable endeavours to cooperate with all other Relevant Network Licensees in the development of an Electricity Network Innovation Strategy.
4. The licensee must use reasonable endeavours to work with all other Relevant Network Licensees to ensure that the Electricity Network Innovation Strategy is reviewed every two years and where necessary, in the majority view of Relevant Network Licensees, is also updated.

### **Part B: Electricity Network Innovation Strategy**

5. The Electricity Network Innovation Strategy must:
  - (a) set out the procedures for updating it (which must include the requirement to consult with Interested Parties in accordance with Part C below and the biennial review referred to in paragraph 4);
  - (b) be kept up to date in accordance with the procedures referred to in paragraph 5; and
  - (c) be readily accessible to the public from the licensee's website.

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6. The Electricity Network Innovation Strategy must include:
- (a) a description of the challenges and uncertainties which the Relevant Network Licensees consider are pertinent to the electricity network over different time periods which could be addressed through innovative projects;
  - (b) a description of the challenges which are not currently being addressed through innovative projects or plans, including but not limited to projects or plans made by the Relevant Network Licensees and Interested Parties;
  - (c) a description of the innovative projects and plans the Relevant Network Licensees intend to pursue in order to address the challenges referred to in paragraph 6(a) of this condition, with particular regard to how future Innovation Projects which Relevant Network Licensees will seek to initiate over the period of the strategy will help to address those challenges;
  - (d) a description of the innovative projects and plans the Relevant Network Licensees intend to pursue in relation to the gaps identified in paragraph 6(b) of this condition, with particular regard to how future Innovation Projects which Relevant Network Licensees will seek to initiate over the period of the Electricity Network Innovation Strategy will help to address those gaps. Consideration should be given to the suitability of the Relevant Network Licensees to carry out the innovative projects and plans. If the Relevant Network Licensees do not intend to carry out innovative projects and plans relating to a gap identified in paragraph 6(b), a reason should be provided as part of this description;
  - (e) a description of how Relevant Network Licensees will coordinate their activities on Innovation Projects to minimise unnecessary duplication of effort;
  - (f) a description of how Relevant Network Licensees will share the learning that they have gained through Innovation Projects; and
  - (g) any directions related to the Electricity Network Innovation Strategy issued by the Authority.

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## Part C: Consultation

7. The licensee must in cooperation with Relevant Network Licensees, have regard to whole system considerations and use reasonable endeavours to consult with Interested Parties and with stakeholders in other sectors prior to publication, or revision, of the Electricity Network Innovation Strategy. This includes stakeholders in the following sectors:
  - (a) electricity;
  - (b) gas;
  - (c) heat
  - (d) refuse
  - (e) telecoms;
  - (f) transport; and
  - (g) water and wastewater.
8. The licensee and must include in the Electricity Network Innovation Strategy:
  - (a) a description of those Interested Parties and stakeholders referred to in paragraph 7, with whom it has consulted; and
  - (b) its analysis and of any representations relevant to the requirements set out in paragraph 6, received in response to the.

## Part D: Interpretation

9. For the purposes of this condition:

### **Electricity Network Innovation Strategy**

means a document, or suite of documents published by Relevant Network Licensees that complies, or together comply, with the requirements of this condition.

### **Innovation Project**

means a project funded by the:

- (a) RIIO-1 Network Innovation Allowance;
- (b) RIIO-2 Network Innovation Allowance;
- (c) RIIO-1 Network Innovation Competition;

or

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(d) SIF.

**Interested Parties**

include, but are not limited to, the Engineering and Physical Sciences Research Council, the Department of Business, Energy and Industrial Strategy, Innovate UK and their successor bodies and holders of a Transmission Licence or a Distribution Licence that are not RIIO Electricity Distribution Licensees, RIIO Electricity Transmission Licensees or the ~~System Operator~~ ISOP.

**Relevant Network Licensee**

means the holder of an Electricity Transmission Licence with condition B16 in effect in its licence, ~~or~~ an Electricity Distribution Licence with condition 48A in effect in its licence, or the ISOP.

**RIIO Electricity Distribution Licensee**

means Eastern Power Networks plc, Electricity North West Ltd, London Power Networks plc, Northern Powergrid (Northeast) plc, Northern Powergrid (Yorkshire) plc, Scottish Hydro Electric Power Distribution plc, South Eastern Power Networks plc, Southern Electricity Power Distribution plc, SP Distribution plc, SP Manweb plc, Western Power Distribution (East Midlands) plc, Western Power Distribution (South Wales) plc, Western Power Distribution (South West) plc and Western Power Distribution (West Midlands) plc.

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**RIIO Electricity Transmission Licensee**

means National Grid Electricity Transmission Plc, Scottish Hydro Electric Transmission Plc, and SP Transmission Plc.

**RIIO-1 Network Innovation Allowance**

means the network innovation allowance established by Special Condition 3H (The Network Innovation Allowance) of the Transmission Licences held by the RIIO Electricity Transmission Licensees and the System Operator as in force on 31 March 2021 and now governed by Special Condition 5.3 (Carry-over Network Innovation Allowance) of the Transmission Licences held by the RIIO Electricity Transmission Licensees and condition F2 (Innovation funding) of the System Operator the Electricity System Operator Licence and Charge Restriction Condition 2H (The Network Innovation Allowance) of the Distribution Licences held by the RIIO Electricity Distribution Licensees.

**RIIO-1 Network Innovation Competition**

means the network innovation competition established by Special Condition 3I (The Network Innovation Competition) of the Transmission Licences held by the RIIO Electricity Transmission Licensees and the System Operator as in force on 31 March 2021 and now governed by Special Condition 7.11 (RIIO-ET1 network innovation competition) of those licences; ~~Special Condition 4.6~~ condition F2 (Innovation funding) of the Electricity Transmission Licence held by the System Operator Licence and Charge Restriction Condition 5A (The Network

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Innovation Competition) of the Distribution Licences held by the RIIO Electricity Distribution Licensees.

**RIIO-2 Network Innovation Allowance**

means the network innovation allowance established by Special Condition 5.2 (RIIO-2 network innovation allowance) of Transmission Licences held by the RIIO Electricity Transmission Licensees and ~~Special Condition F2.4.6 (The RIIO 2 network innovation allowance~~**Innovation funding**) of the ~~Transmission Licence held by the~~**Electricity System Operator Licence**.

**SIF**

means strategic innovation fund established by Special Condition 9.19 (The strategic innovation fund) of the Transmission Licences held by RIIO Electricity Transmission Licensees and ~~Special Condition F2.3.4 (The strategic innovation fund~~**Innovation funding**) of the ~~Transmission Licence held by the~~**Electricity System Operator Licence**.

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**SECTION C: ~~SYSTEM OPERATOR STANDARD CONDITIONS~~ NOT USED**

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***Condition C1: Interpretation of Section C***

1. ~~In the standard conditions in this Section unless the context otherwise requires:~~

~~"affected STC party" means a STC party where that STC party's transmission system will or may be affected by the implementation of the matters contained in a TO offer or an offer made or to be made by the system operator pursuant to standard condition C8 (Requirement to offer terms) or standard condition C26 (Requirements of a connect and manage connection).~~

~~"ancillary services" means:~~

- ~~(a) such services as any authorised electricity operator may be required to have available as ancillary services pursuant to the Grid Code; and~~
- ~~(b) such services as any authorised electricity operator or person making interconnector transfers may have agreed to have available as being ancillary services pursuant to any agreement made with the system operator and which may be offered for purchase by the system operator for the purpose of securing stability of operation of the national electricity transmission system and the distribution system of any authorised electricity operator or any system linked to the national electricity transmission system by an interconnector.~~

~~"Application Regulations" means regulations in force at the time of application made pursuant to section 6A of the Act.~~

~~"associated TO agreement" means an agreement between the system operator and another STC party which is entered into following the system operator's acceptance of a TO offer from that other STC party and reflects that TO offer.~~

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~~"associated TO offer"~~

~~means a TO offer which relates either (1) to an offer made by the system operator pursuant to standard condition C8 (Requirement to offer terms), standard condition C26 (Requirements of a connect and manage connection) or standard condition C18 (Requirement to offer terms for connection or use of the national electricity transmission system during the transition period) (as appropriate) or (2) to another TO offer which relates to an offer made by the system operator pursuant to standard condition C8 (Requirement to offer terms), standard condition C26 (Requirements of a connect and manage connection) or standard condition C18 (Requirement to offer terms for connection or use of the national electricity transmission system during the transition period) (as appropriate).~~

~~"balancing mechanism"~~

~~means the mechanism for the making and acceptance of offers and bids pursuant to the arrangements contained in the BSC and referred to in paragraph 2(a) of standard condition C3 (Balancing and Settlement Code (BSC)).~~

~~"balancing services"~~

~~means:~~

~~(a) ancillary services;~~

~~(a) offers and bids made in the balancing mechanism;  
and~~

~~(a) restoration services; and~~

~~(a) other services available to the licensee which serve to assist the licensee in co-ordinating and directing the flow of electricity onto and over the national electricity transmission system in accordance with the Act or the standard conditions and/or in doing so efficiently and economically, but shall not~~

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include anything provided by another transmission licensee pursuant to the STC.

"balancing services activity"	means the activity undertaken by the licensee as part of the transmission business including the co-ordination and direction of the flow of electricity onto and over the national electricity transmission system, the procuring and using of balancing services for the purpose of balancing the national electricity transmission system and for which the licensee is remunerated under Special Condition 4C (Balancing Services Activity Revenue Restriction on External Costs) and Special Condition 4A (Restriction of System Operator internal revenue) of the licensee's transmission licence.
"bilateral agreement"	means a bilateral connection agreement and/or a bilateral embedded generation agreement.
"bilateral connection agreement"	means an agreement between the licensee and a CUSC user supplemental to the CUSC relating to a direct connection to the national electricity transmission system identifying the relevant connection site and setting out other site specific details in relation to that connection to the national electricity transmission system, including provisions relating to payment of connection charges.
"bilateral embedded generation agreement"	means an agreement entered into between the licensee and a CUSC user supplemental to the CUSC, relating to a generating station (or other connections provided for in the CUSC) connected to a distribution system and the use of the national electricity transmission system in relation to that generating station (or other connections provided for in the CUSC) identifying the relevant site of connection to the distribution system and setting out other site specific details

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	in relation to that use of the national electricity transmission system.
"BSC"	means the balancing and settlement code provided for in paragraph 1 of standard condition C3 (Balancing and Settlement Code (BSC)), as from time to time modified in accordance with that condition.
"BSC Framework Agreement"	means the agreement of that title, in the form approved by the Secretary of State, by which the BSC is made contractually binding between the parties to that agreement, as from time to time amended with the consent of the Secretary of State.
"BSC party"	means any authorised electricity operator which is a party, and (unless the context otherwise requires) any other person which is a party, to the BSC Framework Agreement, other than the licensee and any person which is such a party for the purposes only of administering and/or facilitating the implementation of the BSC.
"connect and manage derogation"	means a temporary derogation, by reference to the connect and manage derogation criteria, from paragraph 1 of standard condition C17 (Transmission system security standard and quality of service) in respect of Chapter 2 and/or Chapter 4 of the National Electricity Transmission System Security and Quality of Supply Standard (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) which is necessary to make a connect and manage offer where failure to complete wider works before the connection date would otherwise render the national electricity transmission system non-compliant with such planning and operation standards (the connect and manage derogation to be applicable only until

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	completion of the wider works in relation to which the derogation relates);
"connect and manage derogation criteria"	means the criteria defined as such in the CUSC;
"connect and manage derogation report"	means the report prepared by the licensee in respect of a connect and manage derogation;
"connect and manage offer"	means an offer from the licensee to a connect and manage applicant for a connect and manage connection pursuant to this condition;
"connection charges"	means charges made or levied or to be made or levied by the system operator for the carrying out (whether before or after the date on which the licence came into force) of works and provision and installation of electrical plant, electric lines and meters in constructing or modifying entry and exit points on the national electricity transmission system together with charges in respect of maintenance and repair of such items in so far as not otherwise recoverable as use of system charges and in respect of disconnection and the removal of electrical plant, electric lines and ancillary meters following disconnection, all as more fully described in paragraphs 4 and 8 of standard condition C6 (Connection charging methodology), whether or not such charges are annualised.
"connection charging methodology"	means the principles on which, and the methods by which, for the purposes of achieving the objectives referred to in paragraph 11 of standard condition C6 (Connection charging methodology), connection charges are determined.
"construction agreement"	means an agreement between the licensee and a CUSC user in respect of construction works required on the national electricity transmission system and the associated

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	<p><del>construction works of the CUSC user in relation to a connection to the national electricity transmission system or in relation to a generating station connected to a distribution system, whether for the initial connection or a modification of the connection.</del></p>
"CUSC"	<p><del>means the Connection and Use of System Code provided for in paragraph 2 of standard condition C10 (Connection and Use of System Code (CUSC)), as from time to time modified in accordance with that condition.</del></p>
"CUSC Framework Agreement"	<p><del>means the agreement of that title, in the form approved by the Secretary of State, by which the CUSC is made contractually binding between the parties to that agreement, as amended from time to time with the approval of the Secretary of State.</del></p>
"CUSC party"	<p><del>means any person who is a party to the CUSC Framework Agreement.</del></p>
"CUSC user"	<p><del>means a CUSC party other than the licensee</del></p>
" <del>Developer Associated Offshore Wider Works</del> "	<p><del>means Offshore Wider Works:</del></p> <p><del>(a) which are specified by the licensee in an offer, agreement or variation to the contractual terms made under standard condition C8 (Requirement to offer terms); and</del></p> <p><del>(b) for which the person seeking connection will undertake Preliminary Works and/or construction;</del></p>
" <del>enabling works</del> "	<p><del>means the minimum transmission reinforcement works required to be completed on the national electricity transmission system to permit the connect and manage applicant access to the national electricity transmission system or distribution system, where such works are</del></p>

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	defined in the manner provided for in the CUSC and identified in the construction agreement;
"effective time"	means the start of the first period for trading under the BSC as determined by the Secretary of State.
"initial assumptions"	means the assumptions made by the licensee about the works required to extend the national electricity transmission system where the relevant offshore transmission owner has not been identified.
"information"	includes any documents, accounts, estimates (whether relating to the past or the future), returns, records or reports and data in written, verbal or electronic form and information in any form or medium whatsoever (whether or not prepared specifically at the request of the Authority).
"interconnector(s)"	has the meaning given to 'electricity interconnector' in section 4(3E) of the Act.
Interconnector Developer"	means a person who owns and/or operates an entity participating in, or intending to participate in, activities which require a licence under section 6(1)(e) of the Electricity Act 1989.
"interim connect and manage offer"	means an offer for connection from the licensee pursuant to the interim connect and manage framework in place between May 2009 and the connect and manage implementation date;
"Major National Electricity Transmission System Reinforcements"	has the meaning set out in the Network Options Assessment methodology approved by the Authority under paragraph 7(a) of standard condition C27 (The Network options Assessment process and reporting requirements).
"Needs Case"	in the context of Developer Associated Offshore Wider Works means the economic case for such works in the

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	context of the benefit to be obtained or likely in the future to be obtained for users of the national electricity transmission system;
<del>“Non Developer Associated Offshore Wider Works”</del>	<del>means Offshore Wider Works which a person seeking connection under standard condition C8 (Requirement to offer terms) will not be responsible for undertaking as part of the terms of any offer, agreement or variation made pursuant to that condition, including any Preliminary Works;</del>
<del>“Offshore Wider Works”</del>	<del>means works associated with offshore transmission identified by the system operator that are designed to reinforce or extend the national electricity transmission system for the benefit of multiple parties, both onshore and offshore and including generation and demand;</del>
<del>“Preliminary Works”</del>	<del>in the context of Developer Associated Offshore Wider Works and Non Developer Associated Offshore Wider Works has the meaning given to it in regulations made by the Authority under Section 6C of the Act.</del>
<del>“relevant connect and manage derogation report”</del>	<del>means either the connect and manage derogation report produced by the licensee or the connect and manage derogation report produced by a transmission owner.</del>
<del>“restoration services”</del>	<del>Means services procured by the licensee and used to re-energise the National Electricity Transmission System following a Total Shutdown or Partial Shutdown (each as defined in the Grid Code).</del>
<del>“total system”</del>	<del>means the national electricity transmission system and the distribution systems of all authorised electricity operators which are located in the national electricity transmission system operator area.</del>

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<del>“transmission constraint costs”</del>	<del>means those costs resulting from the licensee’s management of transmission constraints, as that term is defined in standard condition C16 (Procurement and use of balancing services);</del>
<del>“transmission network services”</del>	<del>means all services provided by the licensee as part of its transmission business other than excluded services and in relation to any area of the national electricity transmission system operator area the balancing services activity.</del>
<del>“transmission owner activity”</del>	<del>means  the activity of the licensee or any affiliate or related undertaking relating to the medium to long term planning, development, construction, maintenance and commercial management of the licensee’s transmission system or the national electricity transmission system which is remunerated under Special Condition 3A (Restriction of Transmission Network Revenue), and excluded services.</del>
<del>“transmission reinforcement works”</del>	<del>(i) — means those works defined in the construction agreement which are necessary to extend or reinforce the national electricity transmission system to ensure that it would comply with the requirements of standard condition C17 (Transmission System security standard and quality of service) if no connect and manage derogation were in place;</del>
<del>“use of system charges”</del>	<del>means charges made or levied or to be made or levied by the licensee for the provision of transmission network services and/or in relation to any area of the national electricity transmission system operator area in respect of the balancing services activity, in each case as part of the transmission business, to any authorised electricity operator, but shall not include connection charges.</del>

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"use of system charging methodology"	(i) —  means the principles on which, and the methods by which, for the purposes of achieving the objectives referred to in paragraph 5 of standard condition C5 (Use of system charging methodology), use of system charges are determined.
"wider works"	means those transmission reinforcement works which are not required to be completed prior to the connection date but are necessary to reinforce or extend the national electricity transmission system to make it compliant with the terms of the National Electricity Transmission System Security and Quality of Supply Standard (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 in accordance with standard condition C17 (Transmission system security standard and quality of service)), where such works are defined in the manner provided for in the CUSC and identified in the construction agreement;

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***Condition C2: Prohibited activities***

1. ~~The purpose of this condition is to prevent abuse by the licensee of its position as owner or operator of the licensee's transmission system and in carrying out activities in relation to co-ordinating and directing the flow of electricity onto and over the national electricity transmission system.~~
  
1. ~~Except with the written consent of the Authority, the licensee shall not and shall procure that any affiliate or related undertaking of the licensee shall not, on its own account (or that of the licensee or of any affiliate or related undertaking of the licensee as the case may be), purchase or otherwise acquire electricity for the purpose of sale or other disposition to third parties except pursuant to the procurement or use of balancing services in connection with co-ordinating and directing the flow of electricity onto and over the GB transmission system and doing so economically and efficiently.~~
  
1. ~~In paragraph 2, the reference to the purchase or other acquisition of electricity shall include entering into or acquiring the benefit of a contract conferring rights or obligations (including rights or obligations by way of option) in relation to or by reference to the sale, purchase or delivery of electricity at any time or the price at which electricity is sold or purchased at any time.~~

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***Condition C3: ~~Balancing and Settlement Code (BSC)~~***

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;~~
  - ~~(a) designed so that the balancing and settlement arrangements facilitate achievement of the objectives set out in paragraph 3;~~
  - ~~(a) including the modification procedures required by paragraphs 4 to 4G, 13A to 13D;~~
  - ~~(a) including the matters required by paragraph 6;~~
  - ~~(a) 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;~~
    - ~~(i) include facilitating the matters required by paragraphs 4 and 6;~~
    - ~~(i) have regard to and, in particular to the extent that they are relevant, be consistent with the principles contained in, the Code of Practice;~~
  - ~~(a) 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~~
    - ~~(i) a consumer representative (appointed by Citizens Advice or Consumer Scotland, or any successor body) who has a vote as specified in the BSC;~~

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~~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.~~

~~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 BSCCo (as referred to in paragraph 1B) or an affiliate of the BSCCo; and~~

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

~~1B. The licensee shall establish a Balancing and Settlement Code Company (BSCCo) to provide and procure facilities, resources and services required for the proper, effective and efficient implementation of the BSC.~~

~~1C. The BSC shall not include provisions that prevent or restrict the BSCCo or any affiliate of the BSCCo from:~~

~~(a) operating the reconciliation mechanism referred to in paragraph 1A(a); or~~

~~(b) 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.~~

~~1D. The BSC may include provisions allowing the BSCCo or any affiliate of the BSCCo to undertake activities other than those referred to in paragraphs 1, 1A and 1B above, subject to Authority consent.~~

~~1E. As from 1 April 2018, the balancing and settlement arrangements in the BSC shall comply with the Transmission Losses Principle.~~

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~~1F. As from 1 April 2018, the licensee shall ensure that the imbalances referred to in paragraph 2(b)(ii) below are calculated in compliance with Article 4 of The Energy Market Investigation (Electricity Transmission Losses) Order 2016.~~

~~1G. The licensee shall use its best endeavours to ensure that the BSC is modified in accordance with the EMI Modification Proposal and implemented no later than 1 April 2018.~~

~~1H. Notwithstanding paragraph 1G the BSC, including any provisions introduced in accordance with the EMI Modification Proposal, may thereafter be modified from time to time in accordance with the provisions of paragraphs 4 and 5 so as to further the objectives in paragraph 3.~~

~~1I. Paragraph 1F will cease to have effect once the EMI Modification Proposal has been implemented.~~

~~1. The balancing and settlement arrangements are~~

~~(a) arrangements pursuant to which BSC parties may make, and the licensee may accept, offers or bids to increase or decrease the quantities of electricity to be delivered to or taken off the total system at any time or during any period so as to assist the licensee in co-ordinating and directing the flow of electricity onto and over the national electricity transmission system and balancing the national electricity transmission system; and for the settlement of financial obligations (between BSC parties, or between BSC parties and the licensee) arising from the acceptance of such offers or bids; and~~

~~(a) arrangements:~~

~~(i) for the determination and allocation to BSC parties of the quantities of electricity delivered to and taken off the total system, and~~

~~(i) which set, and provide for the determination and financial settlement of, obligations between BSC parties, or (in relation to the system operator's role in co-ordinating and directing the flow of electricity onto and over the national electricity transmission system) between BSC parties and the~~

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licensee, arising by reference to the quantities referred to in sub-paragraph (i), including the imbalances (after taking account of the arrangements referred to in sub-paragraph (a)) between such quantities and the quantities of electricity contracted for sale and purchase between BSC parties.

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

- ~~(a) the efficient discharge by the licensee of obligations imposed upon it by this licence;~~
- ~~(a) the efficient, economic and co-ordinated operation of the national electricity transmission system;~~
- ~~(a) 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;~~
- ~~(a) promoting efficiency in the implementation and administration of the balancing and settlement arrangements described in paragraph 2;~~
- ~~(a) compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency;~~
- ~~(a) implementing and administering the arrangements for the operation of contracts for difference and arrangements that facilitate the operation of a capacity market pursuant to EMR legislation; and~~
- ~~(a) compliance with the Transmission Losses Principle.~~

1. The BSC shall include procedures for its own modification (including procedures for the modification of the modification procedures themselves), which procedures shall provide:

- ~~(a) subject to paragraphs 4A and 4B, for proposals for modification of the BSC to be made by the licensee, BSC parties, the Authority (in relation only to modifications within the scope of paragraph 4H), and such other persons or bodies as the BSC may provide;~~

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- ~~(aa) — for proposals for modification of the BSC to be made by the licensee in accordance with a direction issued by the Authority pursuant to paragraphs 4(ae); 4C (the “significant code review route”) and 10(b);~~
- ~~(ab) for the implementation of modification proposals without the Authority’s approval in accordance with paragraphs 13A (the “self governance route”) and 13C;~~
- ~~(ae) — for the provision by the code administrator of assistance, insofar as is reasonably practicable and on reasonable request, to parties (including, in particular, small participants and consumer representatives) that request the code administrator's assistance in relation to the BSC including, but not limited to, assistance with:
  - ~~(i) — drafting a modification proposal;~~
  - ~~(ii) — understanding the operation of the BSC;~~
  - ~~(iii) — their involvement in, and representation during, the modification procedure processes (including but not limited to panel and/or workgroup meetings) as required by this condition, specified in the BSC, or described in the Code of Practice; and~~
  - ~~(iv) — accessing information relating to modification proposals and/or modifications;~~~~
- ~~(ad) — for modification proposals made by the Authority or the licensee in accordance with paragraphs 4(a), 4(aa) and 4(ae)(i) respectively which fall within the scope of paragraph 4H:
  - ~~(i) — to be accepted into the BSC modification procedures by the panel;~~
  - ~~(i) — where they are raised by the licensee, not to be withdrawn without the Authority’s prior consent; and~~
  - ~~(i) — to proceed in accordance with any timetable(s) directed by the Authority in accordance with paragraph 4(ae);~~~~
- ~~(ae) — for compliance by the licensee and (where applicable) the panel with any directions(s) issued by the Authority under this paragraph setting and/or~~

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~~amending a timetable (in relation to a modification proposal which falls within the scope of paragraph 4H) for the:~~

- ~~(i) licensee to raise a modification proposal; and/or~~
- ~~(i) completion of each of the proposal steps outlined in paragraph 4 or 4F, to the extent that they are relevant; and/or~~
- ~~(i) implementation of a modification.~~
- ~~(af) for the implementation of modification proposals without the Authority's approval in accordance with paragraph 13D (the "fast track self-governance route");~~
- ~~(a) except in the case of a modification falling within the scope of paragraph 4E or 13D, where a proposal is made in accordance with paragraphs 4(a), 4(aa) and, unless otherwise directed by the Authority, 4(ab);~~
  - ~~(i) for bringing the proposal to the attention of BSC parties and such other persons as may have an appropriate interest in it (including consumer representatives);~~
  - ~~(i) for proper consideration of any representations on the proposal including representations made by small participants and/or consumer representatives;~~
  - ~~(iiA) for properly evaluating the suitability of the significant code review or self-governance route for a particular modification proposal~~
  - ~~(i) for properly evaluating whether the proposed modification would better facilitate achieving the applicable BSC objective(s), provided that so far as any such evaluation requires information which is not generally available concerning the licensee or the national electricity transmission system, such evaluation shall be made on the basis of the licensee's proper assessment (which the licensee shall make available for these purposes) of the effect of the proposed modification on the matters referred to in paragraphs 3(a) and (b);~~

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~~(i) for the development and consideration of any alternative modifications which may, as compared with the proposed modification, better facilitate achieving the applicable BSC objective(s), provided that:~~

~~— the alternative proposals are made as described in the Code of Practice and as further specified in the BSC; and~~

~~— unless an extension of time has been approved by the panel and not objected to by the Authority after receiving notice, any workgroup stage shall last for a maximum period (as specified in the BSC) from the date on which the original modification was proposed;~~

~~(ivA) for the evaluation required under paragraph 4(b)(iii) (and, if applicable paragraph 4(b)(iv)) in respect of the applicable BSC objective(s) to include, where the impact is likely to be material, an assessment of the quantifiable impact of the proposal on greenhouse gas emissions, to be conducted in accordance with such guidance (on the treatment of carbon costs and evaluation of the greenhouse gas emissions) as may be issued by the Authority from time to time;~~

~~(i) for the preparation of a panel report:~~

~~— setting out the proposed modification and, separately, any alternatives;~~

~~— evaluating the proposed modification and, separately, any alternatives;~~

~~— assessing the extent to which the proposed modification or any alternative would better facilitate achieving the applicable BSC objective(s) and providing a detailed explanation of the panel's reasons for that assessment (such assessment to include, where applicable, an assessment of the quantifiable impact of the proposal on greenhouse gas emissions in accordance with 4(b)(ivA));~~

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- ~~— assessing the impact of the modification and any alternative on the core industry documents and the changes expected to be required to such documents as a consequence of such modification;~~
- ~~— setting out a timetable for implementation of the modification and any alternative, including the date with effect from which such modification and any alternative (if made) would take effect; and~~
- ~~(i) for the submission of the report to the Authority as soon after the proposal is made as is appropriate (taking into account the complexity, importance and urgency of the modification, and in accordance with the time periods specified in the BSC, which shall not be extended unless approved by the panel and not objected to by the Authority after receiving notice) for the proper execution and completion of the steps in sub-paragraphs (i) to (v);~~
- ~~(i) for the revision and re-submission of the panel report provided under sub-paragraphs (v) and (vi), such re-submission to be made, if required by a direction issued by the Authority under paragraph 5(aa), as soon after the Authority's direction as is appropriate (taking into account the complexity, importance and urgency of the modification);~~
- ~~(a) for the timetable (referred to in sub-paragraph (b)(v)) for implementation of any modification to be either:~~
  - ~~(i) in accordance with any direction(s) issued by the Authority under paragraph 4(ae)(iii); or~~
  - ~~(i) where no direction has been issued by the Authority under paragraph 4(ae)(iii)~~
- ~~such as will enable the modification to take effect as soon as practicable after the Authority has directed or, in the case of a proposal falling under paragraphs 4(ab) and 13A, the panel has determined that such modification should be made, account being taken of the complexity, importance and urgency of the modification, and for that timetable to be extended or shortened with the consent of or as directed by the Authority~~

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~~after those persons likely to be affected by the revision of the timetable have been consulted;~~

~~(a) for empowering the licensee to secure, if so directed by the Authority in circumstances specified in the BSC,~~

~~(i) that the modification procedures are complied with in respect of any particular modification in accordance with the terms of the direction;~~

~~(i) that, where a modification has been made but not implemented in accordance with its terms, all reasonable steps are taken to implement it in accordance with the terms of the direction;~~

~~(i) that the licensee can recover its reasonable costs and expenses properly incurred in complying with the direction, and~~

~~(a) for each of the procedural steps outlined in this paragraph 4, to the extent that they are relevant, to be consistent with the principles contained in the Code of Practice.~~

~~(a) for the completion of each of the procedural steps outlined in this paragraph 4, to the extent that they are relevant, to be in accordance with any timetable(s) directed by the Authority under paragraph 4(ae).~~

~~4A. Without prejudice to paragraph 4E, the procedures for the modification of the BSC shall provide that proposals for modification of the BSC falling within the scope of a significant code review may not be made by the parties listed in paragraph 4(a) during the significant code review phase, except where:~~

~~(a) the Authority determines that the modification proposal may be made, having taken into account (among other things) the urgency of the subject matter of the proposal; or~~

~~(a) the modification proposal is made by the licensee in accordance with paragraphs 4(aa) and 4C or 4(ae)(i); or~~

~~(a) the modification proposal is made by the Authority in accordance with paragraph 4(a).~~

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~~4B. The procedures for the modification of the BSC shall provide that where a modification proposal is made during the significant code review phase, unless otherwise exempted by the Authority, the panel shall:~~

~~— (a) comply with the steps in paragraph 4(b) subject to sub-paragraph (c) of this paragraph; and~~

~~— (b) as soon as practicable notify the Authority of:~~

~~— (i) any representations received in relation to the suitability of the significant code review route; and~~

~~— (ii) the panel's assessment of whether the proposal falls within the scope of a significant code review and the applicability of the exceptions under paragraph 4A(a) or (b), and its reasons for that assessment; and~~

~~— (c) not proceed with the modification proposal at the Authority's direction.~~

~~4C. The procedures for the modification of the BSC shall provide that if within twenty eight (28) days after the Authority has published its significant code review conclusions:~~

~~(a) the Authority issues directions to the licensee, the licensee shall comply with those directions and shall treat the significant code review phase as ended;~~

~~(b) the Authority issues to the licensee a statement that no directions under sub-paragraph (a) will be issued in relation to the BSC, the licensee shall treat the significant code review phase as ended;~~

~~(ba) the Authority makes a modification proposal in accordance with paragraph 4(a), the licensee shall treat the significant code review phase as ended;~~

~~(bb) the Authority issues a statement that it will continue work on the significant code review, the licensee shall treat the significant code review phase as continuing until it is brought to an end in accordance with paragraph 4D;~~

~~(c) neither directions under sub-paragraph (a), nor a statement under sub-paragraphs (b) or (bb), have been issued, nor a modification proposal under sub-paragraph (ba) has been made, the significant code review phase will be deemed to have ended.~~

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~~The Authority's published conclusions and directions to the licensee shall not fetter the voting rights of the members of the panel or the recommendation procedures informing the report described at paragraph 4(b)(v).~~

~~4D. The procedures for modification of the BSC shall provide that, if the Authority issues a statement under paragraph 4C(bb) and/or a direction in accordance with paragraph 4G, the significant code review phase will be deemed to have ended when:~~

~~(a) the Authority issues a statement that the significant code review phase has ended;~~

~~(a) one of the circumstances in paragraphs 4C(a) or (ba) occurs (irrespective of whether such circumstance occurs within twenty eight (28) days after the Authority has published its significant code review conclusions); or~~

~~(a) the Authority makes a decision consenting or otherwise to the modification of the BSC following the panel's submission of its report under paragraph 4F(b).~~

~~4E. The procedures for the modification of the BSC shall provide that, where the Authority has issued a statement in accordance with paragraph 4C(bb) and/or a direction in accordance with paragraph 4G, the Authority may submit a modification proposal for a modification falling within the scope of paragraph 4H(b) to the panel.~~

~~4F. The procedures for the modification of the BSC shall provide, where the Authority submits a significant code review modification proposal to the panel in accordance with paragraph 4E:~~

~~(a) for the preparation of a panel report:~~

~~(i) evaluating the proposed modification;~~

~~(i) assessing the extent to which the proposed modification would better facilitate achieving the applicable BSC objective(s) and providing a detailed explanation of the panel's reasons for that assessment (such assessment to include, where the impact is likely to be material, an assessment of the quantifiable impact of the proposal on greenhouse gas emissions, to be conducted in accordance with such guidance on the treatment of carbon costs~~

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~~and evaluation of the greenhouse gas emissions as may be issued by the Authority from time to time); and~~

~~(i) setting out a timetable for implementation of the modification, including the date with effect from which such modification (if made) would take effect;~~

~~(a) for the submission of the report to the Authority as soon after the significant code review modification proposal is submitted for evaluation as is appropriate (taking into account the complexity, importance and urgency of the modification, and in accordance with the time periods specified in the BSC, which shall not be extended unless approved by the panel and not objected to by the Authority after receiving notice) for the proper execution and completion of the steps in sub paragraph (a);~~

~~(a) for the revision and re-submission of the panel report provided under paragraphs (a) and (b), such re-submission to be made, if required by a direction issued by the Authority under paragraph 5(aa), as soon after the Authority's direction as is appropriate (taking into account the complexity, importance and urgency of the modification);~~

~~(a) for the timetable (referred to in sub paragraph (a)(iii)) for implementation of any modification to be either:~~

~~(i) in accordance with any direction(s) issued by the Authority under paragraph 4(ae)(iii); or~~

~~(i) where no direction has been issued by the Authority under paragraph 4(ae)(iii), such as will enable the modification to take effect as soon as practicable after the Authority has directed that such modification should be made, account being taken of the complexity, importance and urgency of the modification, and for that timetable to be extended or shortened with the consent of or as directed by the Authority after those persons likely to be affected by the revision of the timetable have been consulted; and~~

~~(a) for the completion of each of the procedural steps outlined in this paragraph 4F, to the extent that they are relevant, to be in accordance with any timetable(s) directed by the Authority under paragraph 4(ae).~~

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~~The Authority's published conclusions and significant code review modification proposal shall not fetter the voting rights of the members of the panel or the recommendation procedures informing the report described at paragraph 4F(a).~~

~~4G.— The procedures for the modification of the BSC shall provide that, where a proposal has been made in accordance with paragraph 4C(a) or 4(ae)(i), or by the Authority under paragraph 4C(ba) and it falls within the scope of paragraph 4H(b), the Authority may issue a direction (a “backstop direction”), which requires such proposal(s) and any alternatives to be withdrawn and which causes the significant code review phase to recommence.~~

~~4H.— Modification proposals fall within the scope of this paragraph where:~~

~~(a) the Authority reasonably considers the modifications are necessary to comply with or implement the Electricity Regulation and/or any relevant legally binding decisions of the European Commission and/or the Agency; and/or~~

~~(a) the modification proposal is in respect of a significant code review.~~

~~5.~~

~~(a) Without prejudice to paragraph 13A, if a report has been submitted to the Authority pursuant to the procedures described in paragraph 4(b)(vi) or 4F(b), and the Authority is of the opinion that a modification set out in such report would, as compared with the then existing provisions of the BSC and any other modifications set out in such report, better facilitate achieving the applicable BSC objective(s), the Authority may direct the licensee to make that modification~~

~~— (aa) If a report has been submitted to the Authority pursuant to the procedures described in paragraph 4(b)(vi) or 4F(b) and if the Authority determines that the report prepared in accordance with paragraph 4(b)(v) or 4F(a) is such that the Authority cannot properly form an opinion in accordance with paragraph 5(a), the Authority may issue a direction to the panel:~~

~~(i) specifying the additional steps (including drafting or amending existing drafting of the modification to the BSC), revision (including revision to~~

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~~the timetable), analysis and/or information that it requires in order to form such an opinion; and~~

~~(i) requiring the report to be revised and be re-submitted in accordance with paragraph 4(b)(vii) or 4F(c).~~

~~(b) The licensee shall, upon receipt of a direction from the Secretary of State to do so, modify the BSC so as to incorporate any changes directed by the Secretary of State pursuant to section 90 of the Energy Act 2004 during or before the offshore transmission implementation period.~~

~~(a) [Not used]~~

~~(a) [Not used]~~

~~(a) Without prejudice to paragraph 4A or 4E, only the licensee shall have power to modify the BSC.~~

~~6. The BSC shall provide for:~~

~~(a) a copy of the BSC to be provided to any person requesting the same upon payment of an amount not exceeding the reasonable costs of making and providing such copy;~~

~~(a) the licensee to refer to the Authority for determination, whether of its own motion or as provided in the BSC, such matters arising under the BSC as may be specified in the BSC;~~

~~(a) information about the operation of the BSC and the balancing and settlement arrangements~~

~~(i) to be provided to the Authority and/or~~

~~(i) to be published,~~

~~and for the licensee to be empowered to secure compliance with these requirements if so directed by the Authority.~~

~~7. [Not used]~~

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~~(a) — [Not used]~~

~~(a) — [Not used]~~

~~8. — The provisions of paragraphs 6 and 11 shall not limit the matters which may be provided for in the BSC.~~

~~8. — The Authority may direct the licensee to procure the provision to the Authority of, or the publication of, such information about the operation of the BSC and/or the balancing and settlement arrangements as is referred to in paragraph 6(c) and specified in the direction.~~

~~8. — The licensee shall comply with:~~

~~(a) — the BSC; and~~

~~(a) — any direction to the licensee made pursuant to this condition.~~

~~8. —~~

~~(a) — The licensee shall be a party to the BSC Framework Agreement.~~

~~(a) — The BSC and/or the BSC Framework Agreement shall contain provisions:~~

~~(i) — for admitting as an additional party to the BSC Framework Agreement any person who accepts the terms and fulfils the conditions (each as specified in the BSC) on which accession to the BSC Framework Agreement is offered;~~

~~(i) — for the licensee to refer to the Authority for determination, whether of its own motion or as provided in the BSC any dispute which shall arise as to whether a person seeking to be admitted as a party to the BSC Framework Agreement has fulfilled any accession conditions; and if the Authority determines that the person seeking admission has fulfilled all relevant accession conditions, for admitting such person as a party to the BSC Framework Agreement;~~

~~(i) — for persons to be admitted as additional parties to the BSC Framework Agreement by either~~

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~~—— a representative (who need not be a BSC party) appointed thereunder to act on behalf of all parties to it, or~~

~~—— if there is no such representative or if the representative fails to act, the licensee acting on behalf of all parties to it.~~

~~(c) If, following a determination of the Authority as referred to in sub-paragraph (b)(ii), the representative referred to in sub-paragraph (b)(iii) fails to act on behalf of all parties to admit such person, the licensee shall act on behalf of all parties to admit such person if directed to do so by the Authority.~~

~~8. The licensee shall take all reasonable measures to secure and implement (consistently with the procedures applicable under or in relation to the core industry documents and/or industry codes to which it is party (or in relation to which it holds rights in respect of amendment)), and shall not take any steps to prevent or unduly delay, changes to those documents, such changes being changes which are appropriate in order to give full and timely effect to and/or in consequence of any modification which has been made to the BSC, including, but not limited to, changes that are appropriate in order to avoid conflict or inconsistency as between the BSC and any core industry document or industry code.~~

~~8. For the avoidance of doubt, paragraph 12 is without prejudice to any rights of approval, veto or direction in respect of proposed changes to the documents referred to in paragraph 12 which the Authority may have.~~

~~13A. The procedures for the modification of the BSC shall provide that modification proposals shall only be implemented without the Authority's approval pursuant to this paragraph 13A where:~~

~~(a)——~~

~~(i) in the view of the panel, the modification proposal meets, all of the self-governance criteria, and the panel has submitted to the Authority in respect of the modification proposal and not withdrawn a self-governance statement; or~~

~~(ii) if a self-governance statement has not been made, or has been withdrawn, the Authority has determined that the self-governance~~

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~~criteria are satisfied and the modification proposal is suitable for the self-governance route; and~~

~~(b) — unless otherwise exempted by the Authority, the panel has sent copies of all consultation responses to the Authority at least seven (7) days before the panel intends to make its determination under paragraph 13A(d); and~~

~~(c) — the Authority has not directed that the Authority's decision is required prior to the panel's determination under paragraph 13A(d); and~~

~~(d) — the panel has, no earlier than seven (7) days after sending the consultation responses referred to at paragraph 13A(b), determined, in accordance with paragraphs 4(b)(i) to (v) of this condition as applicable, that the modification proposal or any alternative should be implemented on the basis that it would, as compared with the then-existing provisions of the BSC and any other modifications proposed in accordance with paragraph 4(b)(iv), better facilitate the achievement of the applicable BSC objective(s); and~~

~~(e) —~~

~~(i) — no appeal has been raised up to and including 15 working days after the panel's determination under paragraph 13A(d) in respect of such modification proposal and any alternative in accordance with paragraph 13B; or~~

~~(ii) — an appeal has been raised in respect of such a modification proposal and any alternative in accordance with paragraph 13B and the Authority has not quashed the panel's determination referred to at paragraph 13A(d) of this condition and either remitted the relevant modification proposal and any alternative back to the panel for reconsideration or taken the decision on the relevant modification proposal and any alternative itself following the appeal.~~

~~13AA. In no circumstances can the self-governance procedure set out in paragraph 13A be used to amend the BSC to expand the range of activities that can be undertaken by the BSCCo as contemplated by paragraph 1D above.~~

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~~13B. The procedures for the modification of the BSC shall provide that those persons set out at paragraph 4(a) may appeal to the Authority the approval or rejection by the panel of a modification proposal and any alternative falling under the self-governance route, provided the appeal has been made up to and including 15 working days after the approval or rejection and in accordance with the procedures specified in the BSC and, in the opinion of the Authority:~~

~~(a)~~

~~(i) the appealing party is, or is likely to be, unfairly prejudiced by the implementation or non-implementation of that modification or alternative proposal; or~~

~~(ii) the appeal is on the grounds that:~~

~~(1) in the case of implementation, the modification or alternative proposal may not better facilitate the achievement of at least one of the applicable BSC objectives; or~~

~~(2) in the case of non-implementation, the modification or alternative proposal may better facilitate the achievement of at least one of the applicable BSC objectives; and~~

~~(b) it is not brought for reasons that are trivial, vexatious or have no reasonable prospect of success.~~

~~13C. The procedures for the modification of the BSC shall provide that:~~

~~(a) where an appeal has been raised in respect of a modification proposal and any alternative in accordance with paragraph 13B that modification proposal and any alternative shall be treated in accordance with any decision and/or direction of the Authority following that appeal;~~

~~(a) if the Authority quashes the panel's determination referred to at paragraph 13A(d) of this condition and takes the decision on the relevant modification proposal and any alternative itself following an appeal in accordance with paragraph 13B, the panel's determination of that modification proposal and~~

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~~any alternative referred to in paragraph 13A(d) of this condition shall be treated as a report submitted to the Authority in accordance with the procedures specified in paragraph 4(b)(vi) of this condition and paragraph 5(a) of this condition and the panel's determination shall be treated as its recommendation.~~

~~13D.—The procedures for the modification of the BSC shall provide that modifications shall only be implemented without the Authority's approval pursuant to this paragraph 13D (the "fast track self governance route") where:~~

~~(a) in the unanimous view of the panel, the proposed modification meets all of the fast track self governance criteria;~~

~~(a) the panel unanimously determines that the modification should be made;~~

~~(a) BSC parties, the licensee and the Authority have been notified of the proposed modification;~~

~~(a) none of the persons named in sub paragraph (c) have objected to the proposed modification being made via the fast track self governance route in the fifteen (15) working days immediately following the day on which notification was sent; and~~

~~(a) notification under sub paragraph (c) contains details of the modification proposed, that it is proposed to be made via the fast track self governance route, how to object to the modification being made via the fast track self governance route, the proposed legal drafting and the proposed implementation date.~~

~~13E.—Without prejudice to any rights of approval, veto or direction the Authority may have, the licensee shall use its best endeavours to ensure that procedures are in place that facilitate its compliance with the requirements of this condition and create or modify industry documents including but not limited to the BSC, core industry documents and industry codes where necessary no later than 31 March 2017.~~

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8. ~~In this condition in the expression "sale and purchase of electricity", sale excludes sale by way of assumption of an imbalance under the BSC and sale by way of supply to premises, and purchase shall be construed accordingly; and~~

~~"applicable BSC objective(s)"~~

~~means the objectives set out in paragraph 3.~~

~~"affiliate of the BSCCo"~~

~~means any holding company or subsidiary of the BSCCo or any subsidiary of a holding company of the BSCCo, in each case within the meaning of section 1159(1) of the Companies Act 2006.~~

~~means the Code Administration Code of Practice~~

~~"Code of Practice"~~

~~approved by the Authority and:~~

~~(a) — developed and maintained by the code administrators in existence from time to time; and~~

~~(a) — amended subject to the Authority's approval from time to time; and~~

~~(a) — re-published from time to time.~~

~~(a) —~~

~~"directions"~~

~~means, in the context paragraph 4C, direction(s) issued following publication of significant code review conclusions which shall contain:~~

~~(i) — instructions to the licensee to make (and not withdraw, without the Authority's prior consent) a modification proposal;~~

~~(i) — the timetable for the licensee to comply with the Authority's direction(s); and~~

~~(i) — the Authority's reasons for its direction(s).~~

~~"EMI Modification Proposal"~~

~~means a modification proposal reflecting the terms set out in Schedule 1 and Schedule 2 to The Energy Market Investigation (Electricity Transmission Losses) Order 2016;~~

~~means that a proposal, if implemented,~~

~~"fast track self-governance criteria"~~

~~(a) — would meet the self-governance criteria; and~~

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- (a) ~~is properly a housekeeping modification required as a result of some error or factual change, including but not limited to:~~
  - ~~(i) updating names or addresses listed in the BSC;~~
  - ~~(ii) correcting minor typographical errors;~~
  - ~~(iii) correcting formatting and consistency errors, such as paragraph numbering; or~~
  - ~~(iv) updating out of date references to other documents or paragraphs.~~

~~“industry code”~~

~~means a multilateral code or agreement created and maintained pursuant to a licence granted by the Authority under section 6 of the Act or under sections 7, 7ZA or 7A of the Gas Act 1986.~~

~~“self governance criteria”~~

~~means, a proposal that, if implemented:~~

- ~~(a) is unlikely to have a material effect on:~~
  - ~~(i) existing or future electricity consumers; and~~
  - ~~(i) competition in the generation, distribution, or supply of electricity or any commercial activities connected with the generation, distribution, or supply of electricity; and~~
  - ~~(i) the operation of the national electricity transmission system; and~~
  - ~~(i) matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; and~~
  - ~~(i) the BSC’s governance procedures or modification procedures, and~~
- ~~(a) is unlikely to discriminate between different classes of BSC parties.~~

~~“self governance statement”~~

~~means a statement made by the panel and submitted to the Authority in accordance with paragraph 13A(a)(i):~~

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~~(a) confirming that, in its opinion, the self-governance criteria are met and the modification is suitable for the self-governance route; and~~

~~(a) providing a detailed explanation of the panel's reasons for that opinion.~~

~~“significant code review”~~

~~means a review of one or more matters which the Authority considers likely to;~~

~~(a) relate to the BSC (either on its own or in conjunction with other industry code(s)); and~~

~~(a) be of particular significance in relation to its principal objective and/or general duties (under section 3A of the Act), statutory functions and/or relevant obligations arising under Retained EU law; and concerning which the Authority has issued a notice to the BSC parties (among others, as appropriate) stating:~~

~~(i) that the review will constitute a significant code review;~~

~~(i) the start date of the significant code review; and~~

~~(i) the matters that will fall within the scope of the review.~~

~~“significant code review phase”~~

~~means the period~~

~~(a) commencing either:~~

~~(i) on the start date of a significant code review as stated by the Authority; or~~

~~(ii) on the date the Authority makes a direction under paragraph 4G (a “backstop direction”), and~~

~~(b) ending either:~~

~~(i) on the date on which the Authority issues a statement under paragraph 4C(b) (that no directions will be issued in relation to the BSC); or~~

~~(ii) if no statement is made under paragraph 4C(b) or (bb), on the date on which the licensee has made a~~

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~~modification proposal in accordance with paragraphs 4(aa), 4C(a) and 10(b), or the Authority makes a modification proposal under paragraph 4C(ba); or (iii) immediately under paragraph 4C(e), if neither a statement, a modification proposal or directions are made by the Authority up to and including twenty-eight (28) days from the Authority's publication of its significant code review conclusions; or~~

- ~~(i) if a statement has been made under paragraph 4C(bb) or a direction has been made under paragraph 4G (a "backstop direction"), on the date specified in accordance with paragraph 4D.~~

~~"small participant"~~

~~means~~

- ~~(a) a generator, supplier, distributor, or new entrant to the electricity market in Great Britain that can demonstrate to the code administrator that it is resource constrained and, therefore, in particular need of assistance;~~
- ~~(a) any other participant or class of participant that the code administrator considers to be in particular need of assistance; and~~
- ~~(a) a participant or class of participant that the Authority has notified the code administrator as being in particular need of assistance.~~

~~"transition modification provisions"~~

~~means the provisions of this condition which apply or applied during the transition period and which enable or enabled the Authority (whether with or without the consent of the Secretary of State) to direct the licensee to modify the BSC in certain circumstances.~~

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~~“Transmission Losses”~~

~~means the units of electricity unaccounted for on the national electricity transmission system as allocated in accordance with the BSC and The Energy Market Investigation (Electricity Transmission Losses) Order 2016;~~

~~“Transmission Losses Principle”~~

~~means the principle that the licensee shall ensure at all times that the costs of Transmission Losses are recovered from users of the national electricity transmission system in a manner which is sensitive to the relative impact on Transmission Losses of changes to each user’s power flow as a result of their location on the national electricity transmission system;~~

~~"transition modification provisions"~~

~~means the provisions of this condition which apply or applied during the transition period and which enable or enabled the Authority (whether with or without the consent of the Secretary of State) to direct the licensee to modify the BSC in certain circumstances.~~

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***Condition C4: Charges for use of system***

1. The licensee shall:

(a) as soon as practicable after the date this condition comes into effect determine a use of system charging methodology approved by the Authority; and

(a) conform to the use of system charging methodology as modified in accordance with standard condition C5 (Use of system charging methodology) and standard condition C10 (Connection and Use of System Code (CUSC)), and subject to standard condition C13 (Adjustments to use of system charges (small generators)).

1. The licensee shall as soon as practicable after the date this condition comes into effect:

(a) prepare a statement approved by the Authority of the use of system charging methodology;

(a) prepare, other than in respect of a charge which the Authority has consented need not so appear, a statement, in a form approved by the Authority, of use of system charges determined in accordance with the use of system charging methodology and in such form and in such detail as shall be necessary to enable any person to make (other than in relation to charges to be made or levied in respect of the balancing services activity) a reasonable estimate of the charges to which he would become liable for the provision of such services; and

(a) without prejudice to paragraph 5 of this condition or standard condition C10 (Connection and Use of System Code (CUSC)), if any change is made in the use of system charges to be so made other than in relation to charges to be made in respect of the balancing services activity, or the use of system charging methodology, the licensee shall, before the changes take effect, furnish the Authority with a revision of the statement of use of system charges (or if the Authority so accepts, with amendments to the previous such statement) and/or (as the case may be) with a revision of the statement of the use of system charging methodology, which reflect the changes.

1. Approvals by the Authority pursuant to paragraphs 1(a) and 2(a) may be granted subject to such conditions relating to further action to be undertaken by the licensee in relation

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~~to the use of system charging methodology better meeting the relevant objectives including, but not limited to, matters identified in any initial consultation by the Authority, as the Authority deems appropriate. Such conditions may include (but are not limited to) elements relating to the time by which action under the conditions must be completed.~~

~~1. With the exception of the requirement to comply with standard condition C13 (Adjustments to use of system charges (small generators)) provided for in paragraph 1(b), nothing in this condition shall affect the ability of the licensee to charge according to the statement issued pursuant to paragraph 2(b).~~

~~1. The licensee:~~

~~(a) shall give, except where the Authority consents to a shorter period, 150 days notice to the Authority of any proposals to change use of system charges other than in relation to charges to be made in respect of the balancing services activity, together with a reasonable assessment of the effect of the proposals (if implemented) on those charges;~~

~~(a) except in so far as the Authority otherwise directs or consents, shall not make any changes to use of system charges more frequently than once in each financial year such that any such change shall take effect on 1 April in a financial year; and~~

~~(a) where it has decided to implement any proposals to change use of system charges other than in relation to charges to be made in respect of the balancing services activity, shall give the Authority notice of its decision and the date on which the proposals will be implemented which shall not, without the consent of the Authority, be less than a month after the date on which the notice required by this sub paragraph was given.~~

~~1. Unless otherwise determined by the Authority, the licensee shall only enter arrangements for use of system which secure that use of system charges will conform with the statement last furnished under paragraph 2(b) either:~~

~~(a) before it enters into the arrangements; or~~

~~(a) before the charges in question from time to time fall to be made,~~

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~~and, for the purposes of this paragraph, the reference to the statement last furnished under paragraph 2(b) shall be construed, where that statement is subject to amendments so furnished before the relevant time, as a reference to that statement as so amended.~~

- ~~1. References in paragraphs 1, 2, 5 and 6 to charges do not include references to:
  - ~~(a) connection charges; or~~
  - ~~(a) to the extent, if any, to which the Authority has accepted they would, as respects certain matters, be so determined, charges determined by reference to the provisions of the CUSC.~~~~
- ~~1. The licensee may periodically revise the information set out in and, with the approval of the Authority, alter the form of the statements prepared in accordance with paragraph 2 and shall, at least once in every year that this licence is in force, make such revisions as may be necessary to such statements in order that the information set out in the statements shall continue to be accurate in all material respects.~~
- ~~1. The licensee shall send a copy of any such statement, revision, amendment or notice given under paragraphs 2 or 5 to any person who asks for any such statement, revision, amendment or notice.~~
- ~~1. The licensee may make a charge for any statement, revision, or amendment of a statement, furnished, or notice sent pursuant to paragraph 9 of an amount reflecting the licensee's reasonable costs of providing such statement, revision, amendment or notice which costs shall not exceed the maximum amount specified in directions issued by the Authority for the purposes of this condition.~~

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~~*Condition C5: Use of system charging methodology*~~

~~1. The licensee shall, for the purpose of ensuring that the use of system charging methodology achieves the relevant objectives, keep the use of system charging methodology at all times under review.~~

~~1. The licensee shall, subject to standard condition C10 (Connection and Use of System Code (CUSC)) and in accordance with the relevant provisions of the CUSC, make such modifications of the use of system charging methodology as may be requisite for the purpose of better achieving the relevant objectives.~~

~~2A. [Not used].~~

~~1. [Not used].~~

~~1. [Not used].~~

~~1. In paragraphs 1 and 2 "the relevant objectives" shall mean the following objectives:~~

~~(a) that compliance with the use of system charging methodology facilitates effective competition in the generation and supply of electricity and (so far as is consistent therewith) facilitates competition in the sale, distribution and purchase of electricity;~~

~~(a) that compliance with the use of system charging methodology results in charges which reflect, as far as is reasonably practicable, the costs (excluding any payments between transmission licensees which are made under and in accordance with the STC) incurred by transmission licensees in their transmission businesses and which are compatible with standard condition C26 (Requirements of a connect and manage connection);~~

~~(a) that, so far as is consistent with sub paragraphs (a) and (b), the use of system charging methodology, as far as is reasonably practicable, properly takes account of the developments in transmission licensees' transmission businesses;~~

~~(a) compliance with the Electricity Regulation and any relevant legally binding decisions of the European Commission and/or the Agency; and~~

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~~(a) promoting efficiency in the implementation and administration of the system charging methodology.~~

~~1. [Not used].~~

~~1. [Not used].~~

~~1. Nothing in this condition shall impact on the application of Special Condition 4C (Balancing Services Activity Revenue Restriction on External Costs).~~

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***Condition C5A: Use of system charging requirements under the Electricity Directive***

1. ~~To the extent not already required under this licence, and for the avoidance of doubt:~~

~~(a) the licensee shall, as soon as reasonably practicable, publish:~~

~~(i) the statement of the use of system charging methodology prepared under paragraph 2(a) of condition C4 (Charges for use of system); and~~

~~(i) a statement of use of system charges under paragraph 2(b) of condition C4 (Charges for use of system),(collectively “the UoS charging statements”);~~

~~(a) the licensee shall obtain the Authority’s approval to the UoS charging statements before publication;~~

~~(a) (a) the licensee shall conform to the published and approved UoS charging statements.~~

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~~Condition C6: Connection charging methodology~~

~~(a)~~

~~1. (a) — The licensee shall:~~

~~(a) (a) — as soon as practicable after the date this condition comes into effect determine a connection charging methodology approved by the Authority; and~~

~~(b) (a) — conform to the connection charging methodology as modified in accordance with standard condition C10 (Connection and Use of System Code (CUSC)) and in accordance with the relevant provisions of the CUSC.~~

~~2. (a) — The licensee shall, for the purpose of ensuring that the connection charging methodology achieves the relevant objectives, keep the connection charging methodology at all times under review.~~

~~3. (a) — The licensee shall, subject to standard condition C10 (Connection and Use of System Code (CUSC)) and in accordance with the relevant provisions of the CUSC, make such modifications to the connection charging methodology as may be requisite for the purpose of better achieving the relevant objectives.~~

~~4. (a) — The licensee shall as soon as practicable after the date this condition comes into effect prepare a statement approved by the Authority of the connection charging methodology in relation to charges, including charges:~~

~~(a) (a) — for the carrying out of works and the provision and installation of electrical lines or electrical plant or meters for the purposes of connection (at entry or exit points) to the national electricity transmission system;~~

~~(b) (a) — in respect of extension or reinforcement of the national electricity transmission system rendered (at the discretion of a transmission licensee where the extension or reinforcement is of that licensee's transmission system) necessary or appropriate by virtue of the licensee providing connection to or use of system to any person seeking connection;~~

~~(c) (a) — in circumstances where the electrical lines or electrical plant to be installed are (at the discretion of a transmission licensee where the electrical lines or electrical plant~~

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~~which are to be installed will form part of that licensee's transmission system) of greater size than that required for use of system by the person seeking connection;~~

~~(d) (a) — for maintenance and repair (including any capitalised charge) required of electrical lines or electrical plant or meters provided or installed for making a connection to the national electricity transmission system; and~~

~~(e) (a) — for disconnection from the national electricity transmission system and the removal of electrical plant, electrical lines and meters following disconnection,~~

~~(a) and the statement referred to in this paragraph shall be in such form and in such detail as shall be necessary to enable any person to determine that the charges to which he would become liable for the provision of such services are in accordance with such statement.~~

~~5. (a) — An approval by the Authority pursuant to paragraph 1(a) and 4 may be granted subject to such conditions relating to further action to be undertaken by the licensee in relation to the connection charging methodology better meeting the relevant objectives as identified in any initial consultation by the Authority as the Authority deems appropriate. Such conditions may include (but are not limited to) elements relating to the time by which actions under this condition need to be completed.~~

~~6. (a) — Nothing in this condition shall affect the ability of the licensee to charge according to the statement issued pursuant to paragraph 4.~~

~~7. (a) — Unless otherwise determined by the Authority, the licensee shall only enter into a bilateral agreement or a construction agreement which secures that the connection charges will conform with the statement of the connection charging methodology last furnished under paragraphs 4 or 10 either:~~

~~(a) (a) — before it enters into the arrangements; or~~

~~(b) (a) — before the charges in question from time to time fall to be made.~~

~~8. (a) — The connection charging methodology shall make provision for connection charges for those items referred to in paragraph 4 to be set at a level for connections made after 30 March 1990 which will enable the licensee to recover:~~

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~~(a) (a) — the appropriate proportion of the costs directly or indirectly incurred in carrying out any works, the extension or reinforcement of the national electricity transmission system or the provision and installation, maintenance and repair or (as the case may be) removal following disconnection of any electric lines, electric plant or meters; and~~

~~(b) (a) — a reasonable rate of return on the capital represented by such costs,~~

~~(a) and for connections made before 30 March 1990 to the licensee's transmission system, the connection charging methodology for those items referred to in paragraph 4 shall as far as is reasonably practicable reflect the principles of sub-paragraphs (a) and (b).~~

~~9. (a) — [Not used].~~

~~10. (a) — (a) — [Not used].~~

~~(a) (b) — Where changes to the connection charging methodology, are made in accordance with standard condition C10 (CUSC) and the relevant provisions of the CUSC the licensee shall furnish the Authority with a revised statement showing the changed connection charging methodology and such revised statement of the connection charging methodology shall supersede previous statements of the connection charging methodology furnished under paragraph 4 or this paragraph 10 from the date specified therein.~~

~~11. (a) — In paragraphs 2 and 3 "the relevant objectives" shall mean:~~

~~(a) (a) — the objectives referred to in paragraph 5 of standard condition C5 (Use of system charging methodology), as if references therein to the use of system charging methodology were to the connection charging methodology; and~~

~~(b) (a) — in addition, the objective, in so far as consistent with sub-paragraph (a), of facilitating competition in the carrying out of works for connection to the national electricity transmission system.~~

~~12. (a) — A statement furnished under paragraphs 4 or 10 shall, where practicable, include examples of the connection charges likely to be made in different cases as determined in accordance with the methods and principles shown in the statement.~~

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~~13. (a) — The licensee shall send a copy of any statement or revision of a statement or report furnished under paragraphs 4 or 10 to any person who asks for any such statement or revision thereof or report.~~

~~14. (a) — The licensee may make a charge for any statement or revision of a statement or report, furnished or sent pursuant to paragraph 13 of an amount reflecting the licensee's reasonable costs of providing such which costs shall not exceed the maximum amount specified in directions issued by the Authority for the purposes of this condition.~~

~~(a) —~~

~~15. (a) — Nothing in this condition shall impact on the application of Special Condition 4C (Balancing Services Activity Revenue Restriction on External Costs).~~

~~(a) 15A — [Not used].~~

~~(a) 15B — [Not used].~~

~~(a) —~~

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~~(a) Condition C6A: Connection charging requirements under the Electricity Directive~~

~~(a)~~

~~1. (a) To the extent not already required under this licence, and for the avoidance of doubt:~~

~~(a) (a) the licensee shall, as soon as reasonably practicable, publish the most recent statement of the connection charging methodology prepared under paragraph 4 or paragraph 10 of condition C6 (Connection charging methodology) (“the connection charging statement”);~~

~~(b) (a) the licensee shall obtain the Authority’s approval to the connection charging statement before publication;~~

~~(c) (a) the licensee shall conform to the published and approved connection charging statement.~~

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~~(a) Condition C7: Prohibition on discriminating between users~~

~~(a)~~

~~1. (a) — In the provision of use of system or in the carrying out of works for the purpose of connection to the national electricity transmission system, the licensee shall not discriminate as between any persons or class or classes of persons.~~

~~2. (a) — Without prejudice to paragraph 1 and subject to paragraphs 3 and 5, the licensee shall apply charges objectively and without discrimination. The licensee shall not make charges for provision of use of system to any authorised electricity operator or class or classes of authorised electricity operator which differ in respect of any item separately identified in the statement referred to at paragraph 2(b) of standard condition C4 (Charges for use of system) from those for provision of similar items under use of system to any other authorised electricity operator or class or classes of authorised electricity operator except in so far as such differences reasonably reflect differences in the costs associated with such provision.~~

~~3. (a) — Notwithstanding paragraph 2, the licensee shall not make use of system charges in respect of any item of charge separately identified in the statement referred to at paragraph 2(b) of standard condition C4 (Charges for use of system) on any authorised electricity operator whose contract does not provide for him to receive the service to which such item of charge refers.~~

~~4. (a) — The licensee shall not in setting use of system charges restrict, distort or prevent competition in the generation, transmission, supply or distribution of electricity or in the participation of the operation of an interconnector.~~

~~5. (a) — For the avoidance of doubt the adjustment of use of system charges made in accordance with standard condition C13 (Adjustments to use of system charges (small generators)) shall not place the licensee in breach of this condition.~~

~~(a)~~

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~~Condition C8: Requirement to offer terms~~

~~(a)~~

~~1. (a) — Unless otherwise determined by the Authority under standard condition C9 (Functions of the Authority), on application made on or after the BETTA go live date by:~~

~~(a) (a) — any authorised electricity operator in the case of an application for use of system; and~~

~~(b) (a) — any person in the case of an application for connection,~~

~~(a) the licensee shall (subject to paragraph 6) offer to enter into the CUSC Framework Agreement.~~

~~2. (a) — On application made on or after the BETTA go live date by any person or any authorised electricity operator in accordance with paragraph 1, the licensee shall, where required by the STC, notify other STC parties in accordance with the STC and, for the purpose of making an offer for connection or modification to an existing connection or for use of system, shall co-operate and co-ordinate its activities with any other STC parties in accordance with the STC.~~

~~3. (a) — On application made on or after the BETTA go live date by any person the licensee shall (subject to paragraph 6) offer to enter into a bilateral agreement and/or a construction agreement relating to connection or modification to an existing connection and such offer shall reflect any associated TO offer which relates to that offer and shall make detailed provision regarding:~~

~~(a) (a) — the carrying out of work (if any) required to connect the national electricity transmission system to any other system for the transmission or distribution of electricity and for the obtaining of any consents necessary for such purpose;~~

~~(b) (a) — the carrying out of works (if any) in connection with the extension or reinforcement of the national electricity transmission system rendered (at the discretion of an STC party where the works are to be carried out on that STC party's transmission system) appropriate or necessary by reason of making the connection or modification~~

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~~to an existing connection and for the obtaining of any consents necessary for such purpose;~~

~~(c) (a) — where there is a need for the Authority to identify an offshore transmission owner, the initial assumptions made by the licensee regarding the carrying out of works in connection with the extension or reinforcement of the national electricity transmission system, including initial assumptions regarding any Developer-Associated Offshore Wider Works, where relevant, rendered appropriate or necessary by reason of making the connection or modification to an existing connection and for the obtaining of any consents necessary for such purpose;~~

~~(d) (a) — the installation of appropriate meters (if any) required to enable the licensee to measure electricity being accepted into the national electricity transmission system at the specified entry point or points or leaving such system at the specified exit point or points;~~

~~(e) (a) — the date by which any works required to permit access to the national electricity transmission system (including for this purpose any works to reinforce or extend the national electricity transmission system) shall be completed (time being of the essence unless otherwise agreed by the person seeking connection);~~

~~(f) (a) — the connection charges to be paid to the licensee, such charges:~~

~~(i) (a) — to be presented in such a way as to be referable to the connection charging methodology or any revision thereof; and~~

~~(ii) (a) — to be set in conformity with the requirements of paragraph 8 of standard condition C6 (Connection charging methodology) and (where relevant) paragraph 4; and~~

~~(g) (a) — such further terms as are or may be appropriate for the purpose of the agreement.~~

~~4. (a) — For the purpose of determining an appropriate proportion of the costs directly or indirectly incurred in carrying out works under a bilateral agreement and/or construction agreement, the licensee will have regard to:~~

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- ~~(a) (a) — the benefit (if any) to be obtained or likely in the future to be obtained by any transmission licensee or any other person as a result of carrying out such works whether by reason of the reinforcement or extension of the national electricity transmission system or the provision of additional entry or exit points on such system or otherwise; and~~
- ~~(b) (a) — the ability or likely future ability of any transmission licensee to recoup a proportion of such costs from third parties.~~
- ~~5. (a) — The licensee shall offer terms in accordance with paragraphs 1 and 3 above as soon as practicable and (except where the Authority consents to a longer period) in any event not more than the period specified in paragraph 7 below after receipt by the licensee of an application containing all such information as the licensee may reasonably require for the purpose of formulating the terms of the offer.~~
- ~~(a) 5A. The licensee must have in place and publish governance arrangements for the processes it undertakes when identifying (and keeping under review) the overall efficient, co-ordinated and economical solution to be included in the offer to enter into a bilateral agreement and/or construction agreement under this condition.~~
- ~~6. (a) — The licensee shall not be obliged pursuant to this condition to offer to enter or to enter into any agreement if:~~
- ~~(a) (a) — to do so would be likely to involve the licensee:~~
- ~~(i) (a) — in breach of its duties under section 9 of the Act;~~
- ~~(ii) (a) — in breach of any regulations made under section 29 of the Act or of any other enactment relating to safety or standards applicable in respect of the transmission business;~~
- ~~(iii) (a) — in breach of the Grid Code; or~~
- ~~(iv) (a) — in breach of the conditions; or~~
- ~~(b) (a) — the person making the application does not undertake to be bound insofar as applicable by the terms of the Grid Code and/or the CUSC from time to time in force;~~
- ~~or~~

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- ~~(c) (a) — in the case of persons making application for use of system under paragraph 1, such person ceases to be an authorised electricity operator; or~~
- ~~(d) (a) — it is unable to do so due to another transmission licensee having notified the licensee that, for one or more of the reasons set out in paragraph 4 of standard condition D4A and E17 (Obligations in relation to offers for connection etc), it is not obliged to offer to enter or to enter into any agreement with the licensee in accordance with paragraph 1 or paragraph 3 of standard condition D4A or E17 (Obligations in relation to offers for connection etc) and that it does not intend to offer to enter or to enter into any such agreement; or~~
- ~~(e) (a) — it is unable to do so due to another STC party having notified the licensee in accordance with the STC that it is not obliged to offer to enter or to enter into any agreement with the licensee; or~~
- ~~(f) (a) — if to do so would extend the national electricity transmission system beyond the transmission area defined in special condition 1B of the licensee's or any other transmission licensee's licence and the required works could not be undertaken by an offshore transmission owner.~~
- ~~(a) 6A. In any such case the licensee shall give duly substantiated reasons for not offering to enter or not entering into any agreement.~~
- ~~7. (a) — For the purposes of paragraph 5, the period specified shall be:~~
- ~~(a) (a) — in the case of persons seeking use of system only and seeking to become a party to the CUSC Framework Agreement if not already a party, in connection with such use, 28 days; and~~
- ~~(b) (a) — in the case of persons seeking a bilateral connection agreement or a construction agreement (and seeking to become a party to the CUSC Framework Agreement if not already a party, in connection with such agreements), 3 months; and~~
- ~~(c) (a) — in any other case, 28 days.~~
- ~~8. (a) — The licensee shall within 28 days following receipt of a request from any person, give or send to such person such information in the possession of the licensee~~

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~~as may be reasonably required by such person for the purpose of completing an application under the Application Regulations or such provisions of similar effect contained in any further regulations.~~

~~9. (a) — On receipt of notice from the Authority that an offshore transmission owner has been identified, the licensee shall propose to vary the contractual terms of a bilateral connection agreement and/or construction agreement entered into pursuant to paragraph 3, within 3 months to reflect any changes needed as a consequence of a TO offer from an offshore transmission owner being different from the initial assumptions made by the licensee under paragraph 3(c).~~

~~(a) 9A. Within 28 days following receipt of a notice from the Authority regarding:~~

~~(a) (a) — a decision pursuant to paragraph 14 of standard condition C25 (Provision of information and assistance to the Authority in relation to applications requiring the appointment of an offshore transmission owner) on the rationale for the inclusion of Developer Associated Offshore Wider Works in the scope of an agreement entered into in accordance with paragraph 3; or~~

~~(b) (a) — a decision pursuant to paragraph 17 of standard condition C25 (Provision of information and assistance to the Authority in relation to applications requiring the appointment of an offshore transmission owner) on the continuing rationale for the inclusion of Developer Associated Offshore Wider Works in the scope of an agreement entered into in accordance with paragraph 3~~

~~(a) the licensee must, if necessary, propose to vary the contractual terms of a bilateral connection agreement and/or construction agreement entered into pursuant to paragraph 3 to reflect any changes needed as a consequence of paragraphs 9A(a) or (b).~~

~~(a) —~~

~~10. (a) — For the period between offshore transmission go active and offshore transmission go live, the licensee shall for the purposes of paragraph 3 of this condition:~~

~~(a) (a) — treat a notification made by a distribution licensee in respect of a relevant offshore agreement between the distribution licensee and an existing offshore~~

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~~generator, as an application on behalf of that existing offshore generator for connection to and use of the national electricity transmission system; and~~

~~(b) (a) — treat a notice issued by the licensee in accordance with the CUSC, to an existing offshore generator in respect of a relevant offshore agreement as an application on behalf of that existing offshore generator for modification to an existing connection to the national electricity transmission system.~~

~~11. (a) — In making an offer to an existing offshore generator in accordance with paragraph 3 of this condition, the licensee shall offer to enter into an agreement that reflects the terms of any relevant offshore agreement that:~~

~~(a) (a) — the licensee has with the existing offshore generator;~~

~~(b) (a) — that a distribution licensee has with the existing offshore generator that has been notified to the licensee in accordance with the CUSC.~~

~~12. (a) — The Licensee shall within 28 days after the end of the following six monthly periods:~~

~~(a) (a) — 1 April until 30 September; and~~

~~(b) (a) — 1 October until 31 March~~

~~(a) Submit to the Authority a report in relation to all offers made under paragraph 3 of this condition during that six month period setting out the factors which have influenced the date identified in each offer in accordance with paragraph 3(e) of this condition including the following:~~

~~(i) (a) — Information on the timescales for connection, and how this may vary by location, type and size of connection~~

~~(ii) (a) — Key issues that have an impact or have had an impact on the timetable for delivery of the connection; and~~

~~(iii) (a) — Any issues likely to impact timing of connections going forward.~~

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~~13. (a) — A non confidential, combined version of this report and the reports provided to the licensee under standard condition D4A (Obligations in relation to offers for connection etc) must also be published by the licensee within 10 days after the later of:~~

~~(i) (a) — the receipt by the licensee of the last of the reports under standard Condition D4A~~

~~(ii) (a) — the date by which the licensee is required to submit its report to the Authority pursuant to paragraph 12.~~

~~14. (a) — In this condition:~~

~~(a) “existing offshore generator” (a) means a generator with a generating station located in offshore waters that has a relevant offshore agreement for connection via lines of 132kV or above that are wholly or partly in offshore waters.~~

~~(a) “offshore waters” (a) has the meaning given in the Act.~~

~~(a) “relevant offshore agreement” (a) means an agreement between an existing offshore generator and the licensee for connection to and/or use of the national electricity transmission system or an agreement between an existing offshore generator and a distribution licensee for connection to its distribution system.~~

~~(a) —~~

~~(a) —~~

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## Condition C9: Functions of the Authority

~~(a)~~

~~1. (a) — If, after a period which appears to the Authority to be reasonable for the purpose, the licensee has failed to enter into an agreement with (as the case may be) any authorised electricity operator or any person entitled or claiming to be entitled thereto pursuant to a request under standard condition C8 (Requirement to offer terms), the Authority may, pursuant to section 7(3)(c) of the Act and on application of such authorised electricity operator or such person or the licensee, settle any terms in dispute of the agreement to be entered into between the licensee and that authorised electricity operator or that person in such manner as appears to the Authority to be reasonable having (in so far as relevant) regard in particular to the following considerations:~~

~~(a) (a) — that such authorised electricity operator or such person should pay to the licensee:~~

~~(i) (a) — in the case of use of system, use of system charges in accordance with paragraphs 1 and 6 of standard condition C4 (Charges for use of system); or~~

~~(ii) (a) — in the case of connection charges in accordance with paragraphs 1 and 7 of standard condition C6 (Connection charging methodology);~~

~~(b) (a) — that the performance by the licensee of its obligations under the agreement should not cause it to be in breach of those provisions referred to at paragraph 6 of standard condition C8 (Requirement to offer terms);~~

~~(c) (a) — that the performance by another transmission licensee of its obligations under any associated TO agreement should not cause another transmission licensee to be in breach of those provisions referred to at paragraph 4 of standard condition D4A or E17 (Obligations in relation to offers for connection etc);~~

~~(d) (a) — that the performance by another STC party of its obligations under any associated TO agreement should not cause another STC party to be in breach of the STC;~~

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- ~~(e) (a) — that any methods by which the national electricity transmission system is connected to any other system for the transmission or distribution of electricity accord (insofar as applicable to the licensee) with the Grid Code, the STC and the Distribution Code;~~
- ~~(f) (a) — that the initial assumptions made (if any) by the licensee in accordance with paragraph 3(c) of standard condition C8 (Requirement to offer terms) were reasonable; and~~
- ~~(g) (a) — that the terms and conditions of the agreement so settled by the Authority and of any other agreements entered into by the licensee pursuant to a request under standard condition C8 (Requirement to offer terms) should be in as similar a form as is practicable.~~
- ~~2. (a) — If an application is made in accordance with paragraph 1 above, the licensee shall:~~
- ~~(a) (a) — notify the Authority of:~~
- ~~(i) (a) — any associated TO offer which relates to the agreement to be entered into which is the subject of that application;~~
- ~~(ii) (a) — any need for an offshore transmission owner to be identified which relates to the agreement to be entered into which is subject of that application;~~
- ~~(iii) (a) — any STC party (other than a transmission licensee who has made a TO offer) which the licensee knows or reasonably considers is or may be an affected STC party for the purposes of the agreement to be entered into which is the subject of that application or any associated TO offer which relates to the agreement to be entered into;~~
- ~~(b) (a) — notify each transmission licensee who has made an associated TO offer which relates to the agreement to be entered into and any other STC party which the licensee knows or reasonably considers is or may be an affected STC party for the purposes of the agreement to be entered into which is the subject of that application or any associated TO offer which relates to the agreement to be entered into, of such application; and~~

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- ~~(e) (a) — request that the Authority exercise its powers under section 7(3)(c) of the Act to:~~
- ~~(i) (a) — settle the terms of each associated TO offer which is affected by the Authority’s determination made pursuant to paragraph 1 above or this paragraph 2(c); and~~
- ~~(ii) (a) — determine whether any TO offer (other than those TO offers (if any) which the licensee shall have notified to the Authority in accordance with paragraph 2(a) above) is required in connection with the Authority’s determination made pursuant to paragraph 1 above or this paragraph 2(c).~~
- ~~3. (a) — Insofar as any person entitled or claiming to be entitled to an offer under standard condition C8 (Requirement to offer terms) wishes to proceed on the basis of an agreement as settled by the Authority pursuant to paragraph 1, the licensee shall forthwith enter into such agreement.~~
- ~~4. (a) — If in respect of any bilateral agreement or construction agreement entered into pursuant to standard condition C8 (Requirement to offer terms) or standard condition C18 (Requirement to offer terms for connection or use of the national electricity transmission system during the transition period) or this condition either the licensee or other party to such agreement proposes to vary the contractual terms of such agreement in any manner provided for under such agreement, the Authority may, at the request of the licensee or other party to such agreement, settle any dispute relating to such variation in such manner as appears to the Authority to be reasonable.~~
- ~~5. (a) — If a request is made in accordance with paragraph 4 above, the licensee shall:~~
- ~~(a) (a) — notify the Authority of any associated TO agreement which relates to the agreement which is the subject of that request;~~
- ~~(b) (a) — notify each transmission licensee who is a party to an associated TO agreement notified to the Authority pursuant to paragraph (a); and~~
- ~~(c) (a) — request that the Authority exercise its powers under section 7(3)(c) of the Act to settle the terms of each associated TO agreement which is affected by the Authority’s determination made pursuant to paragraph 4 above.~~

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- ~~6. (a) — Where the licensee is party to a relevant agreement for connection and/or use of system which is other than in conformity with the CUSC, if either the licensee or other party to such agreement for connection and/or use of system proposes to vary the contractual terms of such agreement in any manner provided for under such relevant agreement, the Authority may, at the request of the licensee or other party to such agreement, settle any dispute relating to such variation in such manner as appears to the Authority to be reasonable having (in so far as relevant) regard to the consideration that the terms so settled are, in so far as circumstances allow, similar to the equivalent terms in the CUSC.~~
- ~~7. (a) — If a request is made in accordance with paragraph 6 above, the licensee shall:~~
- ~~(a) (a) — notify the Authority of any associated TO agreement which relates to the agreement which is the subject of that request;~~
- ~~(b) (a) — notify each STC party who is a party to an associated TO agreement notified to the Authority pursuant to paragraph (a); and~~
- ~~(c) (a) — request that the Authority exercise its powers under section 7(3)(c) of the Act to settle the terms of each associated TO agreement which is affected by the Authority's determination made pursuant to paragraph 6 above.~~
- ~~8. (a) — If the licensee and a CUSC user or other person or party to a relevant agreement are in dispute as to whether:~~
- ~~(a) (a) — use of system charges made, or to be made, conform with the statement of the use of system charges furnished under paragraphs 2(b) or 8 of standard condition C4 (Charges for use of system), standard condition C4A (Charges for use of the licensee's transmission system) or standard condition C7 (Charges for Use of System) (as appropriate) which applied or applies in relation to the period in respect of which the dispute arises;~~
- ~~(b) (a) — connection charges made, or to be made, conform with the statement of the connection charging methodology furnished under paragraphs 4 or 10 of standard condition C6 (Connection charging methodology), standard condition C6A (E&W connection charging methodology) or standard condition C7B (Connection Charging~~

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Methodology) (as appropriate) which applied or applies in relation to the period in respect of which the dispute arises;

~~(a) such dispute may be referred to the Authority for him to determine whether, in the case of sub-paragraph (a), the charges made, or to be made, conformed with the relevant statement(s) furnished under standard condition C4 (Charges for use of system), standard condition C4A (Charges for use of the licensee's transmission system) or standard condition C7 (Charges for Use of System) (as appropriate), or whether, in the case of sub-paragraph (b), the charges conformed with the relevant methodology.~~

~~9. (a) — For the purposes of this condition:~~

~~(a) "relevant agreement" (a) means an agreement in respect of which paragraph 3 of standard condition 10C of the licensee's transmission licence, as such applied immediately prior to 18 September 2001 had effect.~~

~~(a) —~~

~~10. (a) — For the purposes of paragraph 8 of this condition only, the following words shall, unless the context otherwise requires, have the meaning ascribed to that term in the electricity transmission licence standard conditions which applied or applies in relation to the period in respect of which the dispute arises:~~

~~(a) (a) — connection charges;~~

~~(b) (a) — connection charging methodology; and~~

~~(c) (a) — use of system charges.~~

~~(a) —~~

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~~Condition C10: Connection and Use of System Code (CUSC)~~

~~(a)~~

~~1. (a) — The licensee shall establish arrangements for connection and use of system in respect of matters which, other than those to which standard conditions C14 (Grid Code) and C5 (Use of system charging methodology) to C9 (Functions of the Authority) relate are calculated to facilitate the achievement of the following objectives:~~

~~(a) (a) — the efficient discharge by the licensee of the obligations imposed upon it under the Act and by this licence;~~

~~(b) (a) — facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity;~~

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

~~(d) (a) — promoting efficiency in the implementation and administration of the CUSC arrangements;~~

~~(a) and the licensee shall be taken to comply with this paragraph by modifying from time to time in accordance with the provisions of paragraphs 6 and 7 and the transition modification provisions, the document setting out the arrangements for connection and use of system which existed and which the licensee maintained pursuant to this licence immediately prior to the start of the transition period.~~

~~2. (a) — The licensee shall prepare a connection and use of system code ("CUSC") setting out:~~

~~(a) (a) — the terms of the arrangements made in pursuance of paragraph 1;~~

~~(b) (a) — the procedures established in pursuance of paragraphs 6 to 6G, and 13A to 13D;~~

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- ~~(e) (a) — such other terms as are or may be appropriate for the purposes of the CUSC;  
and~~
- ~~(d) (a) — the charging methodologies,  
(a) and establishing:~~
- ~~(e) (a) — a secretarial or administrative person or body, as specified in the CUSC, (the  
"code administrator") and setting out the code administrator's powers, duties and  
functions, which shall:~~
- ~~(a) (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;~~
- ~~(a) (ii) — include facilitating the matters required by paragraph 6; and~~
- ~~(a) (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;~~
- ~~(f) (a) — a panel body, as specified in the CUSC (the "panel"), whose functions shall  
include matters required by this condition, and whose composition shall include:~~
- ~~(a) (i) — an independent chairperson approved by the Authority; and~~
- ~~(a) (ii) — a consumer representative (appointed by Citizens Advice or Consumer  
Scotland, or any successor body) who has a vote as specified in the CUSC.~~
- ~~3. (a) — The licensee shall only enter into arrangements for connection and use of  
system which are in conformity with any relevant provisions of the CUSC.~~
- ~~4. (a) — The CUSC shall provide for:~~
- ~~(a) (a) — the licensee and each CUSC user to be contractually bound insofar as is  
applicable by the terms of the Grid Code from time to time in force;~~
- ~~(b) (a) — (i) — the licensee and each CUSC user, where appropriate, to enter into an  
agreement or agreements, supplemental to and in a form prescribed by the CUSC,~~

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setting out site specific details in respect of each site at which the CUSC user's electrical lines or electrical plant is connected to the national electricity transmission system;

~~(ii) (a) — each CUSC user, where appropriate, to enter into an agreement or agreements with a transmission licensee (other than the licensee) supplemental to and in a form prescribed by the CUSC setting out site specific details in respect of each site at which the CUSC user's electrical lines or electrical plant is connected to the national electricity transmission system;~~

~~(e) (a) — there to be referred to the Authority for determination such matters arising under the CUSC as may be specified in the CUSC; and~~

~~(d) (a) — a copy of the CUSC to be provided to any person requesting the same upon payment of an amount not exceeding the reasonable costs of making and providing such copy.~~

~~5. (a) — The provisions of paragraphs 4 and 10 shall not limit the matters which may be provided for in the CUSC.~~

~~6. (a) — The licensee shall establish and operate procedures for the modification of the CUSC (including procedures for modification of the modification procedures themselves), so as to better facilitate achievement of the applicable CUSC objectives, which procedures shall provide (without prejudice to the transition modification provisions and the procedures for modification provided for at paragraph 7 below):~~

~~(a) (a) — subject to paragraphs 6A and 6B, for proposals for modification of:~~

~~(i) (a) — the CUSC (other than in respect of proposals for modification of the charging methodologies) to be made by the licensee, CUSC users the Authority (in relation only to modifications within the scope of paragraph 6H), and such other persons and bodies as the CUSC may provide; and~~

~~(ii) (a) — the charging methodologies to be made by the licensee and/or CUSC users, the Authority (in relation only to modifications within the scope of paragraph 6H), Citizens Advice, Consumer Scotland, BSC parties and/or a materially affected party and in accordance with the provisions of the CUSC unless otherwise permitted by the Authority;~~

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- ~~(a) (aa) — for proposals for modification of the CUSC to be made by the licensee in accordance with a direction issued by the Authority pursuant to paragraphs 6(af), 6C (the “significant code review route”) and 14;~~
- ~~(a) (ab) — for the implementation of modification proposals without the Authority’s approval in accordance with paragraph 13A (the “self-governance route”) and 13C;~~
- ~~(a) (ac) — for the provision by the code administrator of assistance insofar as is reasonably practicable and on reasonable request to parties, (including, in particular, small participants and consumer representatives) that request the code administrator’s assistance in relation to the CUSC including, but not limited to, assistance with:~~
  - ~~(a) (i) — drafting a modification proposal;~~
  - ~~(a) (ii) — understanding the operation of the CUSC;~~
  - ~~(a) (iii) — their involvement in, and representation during, the modification procedure processes (including but not limited to panel, and/or workgroup meetings) as required by this condition, specified in the CUSC, or described in the Code of Practice; and~~
  - ~~(a) (iv) — accessing information relating to modification proposals and/or modifications;~~
- ~~(a) (ad) — for:~~
  - ~~(a) (i) — the regular convening of the charging methodology forum for the purposes of discussing further development of the charging methodologies;~~
  - ~~(a) (ii) — for the provision of information by the licensee in accordance with paragraphs 9 and 10 of standard condition C4 (Charges for use of system) and paragraphs 13 and 14 of standard condition C6 (Connection charging methodology); and~~
  - ~~(iii)(a) — insofar as reasonably practicable, the provision by the licensee of such other information or assistance as a materially affected party may reasonably request for the purposes of preparing a proposal to modify a charging methodology;~~
- ~~(a) (ae) for modification proposals made by the Authority or the licensee in accordance with paragraphs 6(a), 6(aa) and 6(af)(i) respectively which fall within the scope of paragraph 6H:~~

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- ~~(i) (a) — to be accepted into the CUSC modification procedures by the panel;~~
- ~~(ii) (a) — where they are raised by the licensee, not to be withdrawn without the Authority’s prior consent; and~~
- ~~(iii)(a) — to proceed in accordance with any timetable(s) directed by the Authority in accordance with paragraph 6(af);~~
- ~~(a) (af) for compliance by the licensee and (where applicable) the panel with any direction(s) issued by the Authority under this paragraph setting and/or amending a timetable (in relation to a modification proposal which falls within the scope of paragraph 6H) for the:~~
  - ~~(i) (a) — licensee to raise a modification proposal; and/or~~
  - ~~(ii) (a) — completion of each of the procedural steps outlined in paragraph 6 or 6F, to the extent that they are relevant; and/or~~
  - ~~(iii)(a) — implementation of a modification.~~
- ~~(a) (ag) — for the implementation of modification proposals without the ——— Authority’s approval in accordance with paragraph 13 D (the “fast ——— track self governance route”); —~~
- ~~(b) (a) — except in the case of a modification falling within the scope of paragraph 6E or 13D, where a proposal is made in accordance with paragraphs 6(a), 6(aa) and, unless otherwise directed by the Authority, 6(ab);~~
- ~~(i) (a) — for bringing the proposal to the attention of CUSC parties and such other persons as may properly be considered to have an appropriate interest in it (including consumer representatives);~~
- ~~(ii) (a) — for proper consideration of any representations on the proposal (including representations made by small participants and consumer representatives);~~
- ~~(a) (iiA) — for properly evaluating the suitability of the significant code review or self-governance route for a particular modification proposal;~~

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- ~~(iii)(a) — for properly evaluating whether the proposed modification would better facilitate achieving the applicable CUSC objectives, provided that so far as any such evaluation requires information which is not generally available concerning the licensee or the national electricity transmission system, such evaluation shall be made on the basis of the licensee's proper assessment (which the licensee shall make available for these purposes) of the effect of the proposed modification on the matters referred to in paragraph 1(a) and (b);~~
- ~~(iv)(a) — for the development and consideration of any alternative modification which may, as compared with the proposed modification, better facilitate achieving the applicable CUSC objective(s) provided that:~~
- ~~(a) — the alternative proposal is made as described in the Code of Practice and as further specified in the CUSC; and~~
- ~~(a) — unless an extension of time has been approved by the panel and not objected to by the Authority after receiving notice, any workgroup stage shall last for a maximum period (as specified in the CUSC) from the date on which the original modification was proposed;~~
- ~~(a) (ivA) — in relation to proposals for the modification of charging methodologies, for compliance (as applicable) with:~~
- ~~— (a) — paragraph 5 of standard condition C4 (Charges for use of system); and~~
- ~~— (a) — paragraphs 4 and 10(b) of standard condition C6 (Connection charging methodology).~~
- ~~(a) (ivB) — for the evaluation required under paragraph 6(b)(iii) (and, if applicable, paragraph 6(b)(iv)) in respect of the applicable CUSC objective(s) to include, where that impact is likely to be material, an assessment of the quantifiable impact of the proposal on greenhouse gas emissions to be conducted in accordance with such guidance (on the treatment of carbon costs and evaluation of the greenhouse gas emissions) as may be issued by the Authority from time to time;~~
- ~~(v) (a) — for the preparation of a panel report:~~

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- ~~— (a) — setting out the proposed modification and, separately, any alternatives;~~
- ~~— (a) — evaluating the proposed modification and, separately, any alternatives;~~
- ~~— (a) — assessing the extent to which the proposed modification or any alternative would better facilitate achieving the applicable CUSC objectives and providing a detailed explanation of the panel’s reasons for that assessment (such assessment to include, where applicable, an assessment of the quantifiable impact of the proposal on greenhouse gas emissions in accordance with paragraph 6(b)(ivB));~~
- ~~— (a) — assessing the impact of the modification and any alternative on the core industry documents and the changes expected to be required to such documents as a consequence of such modification;~~
- ~~— (a) — setting out a timetable for implementation of the modification and any alternative, including the date with effect from which such modification and any alternative (if made) would take effect; and~~
- ~~(vi) (a) — subject to paragraph 6(b)(ivA), for the submission of the report to the Authority as soon after the proposal is made as is appropriate (taking into account the complexity, importance and urgency of the modification and in accordance with the time periods specified in the CUSC, which shall not be extended unless approved by the panel and not objected to by the Authority after receiving notice) for the proper execution and completion of the steps in sub-paragraphs (i) to (v); and~~
- ~~(vii) — (a) — subject to paragraph 6(b)(ivA), for the revision and re-submission of the panel report provided under sub-paragraphs (v) and (vi), such re-submission to be made, if required by a direction issued by the Authority under paragraph 7(aa), as soon after the Authority’s direction as is appropriate (taking into account the complexity, importance and urgency of the modification);~~
- ~~(e) (a) — subject to paragraph 6(b)(ivA) and without prejudice to paragraph 3 of standard condition C4 (Charges for use of system), for the timetable (referred to in sub-paragraph (b)(v)) for implementation of any modification to be either:~~
  - ~~(i) (a) — in accordance with any direction(s) issued by the Authority under paragraph 6(af)(iii); or~~

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- ~~(ii) (a) — where no direction is issued by the Authority under paragraph 6(af)(iii),~~
- ~~(a) such as will enable the modification to take effect as soon as practicable after the Authority has directed or, in the case of a proposal falling under paragraphs 6(ab) and 13A, the panel, has determined that such modification should be made, account being taken of the complexity, importance and urgency of the modification, and for that timetable to be extended with the consent of or as required by the Authority;~~
- ~~(d) (a) — for each of the procedural steps outlined in this paragraph 6, to the extent that they are relevant, to be consistent with the principles contained in the Code of Practice; and~~
- ~~(e) (a) — for the completion of each of the procedural steps outlined in this paragraph 6, to the extent that they are relevant, to be in accordance with any timetable(s) directed by the Authority under paragraph 4(af).~~
- ~~(a) 6A. — Without prejudice to paragraph 6E, the procedures for the modification of the CUSC shall provide that proposals for modification of the CUSC falling within the scope of a significant code review may not be made by the parties listed in paragraph 6(a) during the significant code review phase, except where:~~
- ~~(a) (a) — the Authority determines that the modification proposal may be made, having taken into account (among other things) the urgency of the subject matter of the proposal; or~~
- ~~(a) (b) — the modification proposal is made by the licensee in accordance with paragraphs 6(aa) and 6C or 6(af)(i); or~~
- ~~(c) (a) — the modification proposal is made by the Authority in accordance with paragraph 6(a).~~
- ~~(a) 6B. — The procedures for the modification of the CUSC shall provide that where a modification proposal is made during the significant code review phase, unless otherwise exempted by the Authority, the panel shall:~~
- ~~(a) (a) — comply with the steps in paragraph 6(b) subject to sub-paragraph (c) of this paragraph; and~~

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- ~~(a) (b) — as soon as practicable notify the Authority of:~~
- ~~(a) (i) — any representations received in relation to the suitability of the significant code review route; and~~
- ~~(a) (ii) — the panel's assessment of whether the proposal falls within the scope of a significant code review and the applicability of the exceptions under paragraph 6A(a) or (b), and its reasons for that assessment; and~~
- ~~(a) (c) — not proceed with the modification proposal at the Authority's direction.~~
- ~~(a) 6C. — The procedures for the modification of the CUSC shall provide that if within twenty eight (28) days after the Authority has published its significant code review conclusions:~~
- ~~(a) (a) — the Authority issues directions to the licensee, the licensee shall comply with those directions and shall treat the significant code review phase as ended;~~
- ~~(a) (b) — the Authority issues to the licensee a statement that no directions under sub-paragraph (a) will be issued in relation to the CUSC, the licensee shall treat the significant code review phase as ended;~~
- ~~(a) (ba) — the Authority raises a modification proposal in accordance with paragraph 6(a); the licensee shall treat the significant code review phase as ended;~~
- ~~(a) (bb) — the Authority issues a statement that it will continue work on the significant code review, the licensee shall treat the significant code review phase as continuing until it is brought to an end in accordance with paragraph 6D;~~
- ~~(a) (c) — neither directions under sub-paragraph (a), nor a statement under sub-paragraphs (b) or (bb) have been issued, nor a modification proposal under sub-paragraph (ba), has been made, the significant code review phase will be deemed to have ended.~~
- ~~(a) The Authority's published conclusions and directions to the licensee shall not fetter the voting rights of the members of the panel or the recommendation procedures informing the report described at paragraph 6(b)(v).~~

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~~(a) 6D. — The procedures for the modification of the CUSC shall provide that, if the Authority issues a statement under paragraph 6C(bb) and/or a direction in accordance with paragraph 6G, the significant code review phase will be deemed to have ended when:~~

~~(a) (a) — the Authority issues a statement that the significant code review phase has ended;~~

~~(b) (a) — one of the circumstances in sub-paragraphs 6C(a) or (ba) occurs (irrespective of whether such circumstance occurs within twenty eight (28) days after the Authority has published its significant code review conclusions); or~~

~~(c) (a) — the Authority makes a decision consenting, or otherwise, to the modification of the CUSC following the panel's submission of its report under paragraph 6F(b).~~

~~(a) 6E. — The procedures for the modification of the CUSC shall provide that, where the Authority has issued a statement in accordance with paragraph 6C(bb) and/or a direction in accordance with paragraph 6G, the Authority may submit a modification proposal for a modification falling within the scope of paragraph 6H(b) to the panel.~~

~~(a) 6F. — The procedures for the modification of the CUSC shall provide, where the Authority submits a significant code review modification proposal to the panel in accordance with paragraph 6E:~~

~~(a) (a) — for the preparation of a panel report:~~

~~(i) (a) — evaluating the proposed modification;~~

~~(ii) (a) — assessing the extent to which the proposed modification would better facilitate achieving the applicable CUSC objective(s) and providing a detailed explanation of the panel's reasons for that assessment (such assessment to include, where that impact is likely to be material, an assessment of the quantifiable impact of the proposal on greenhouse gas emissions, to be conducted in accordance with such guidance (on the treatment of carbon costs and evaluation of the greenhouse gas emissions) as may be issued by the Authority from time to time); and~~

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- ~~(iii)(a) — setting out a timetable for implementation of the modification, including the date with effect from which such modification (if made) would take effect;~~
- ~~(b) (a) — for the submission of the report to the Authority as soon after the significant code review modification proposal is submitted for evaluation as is appropriate (taking into account the complexity, importance and urgency of the modification, and in accordance with the time periods specified in the CUSC, which shall not be extended unless approved by the panel and not objected to by the Authority after receiving notice) for the proper execution and completion of the steps in sub-paragraph (a);~~
- ~~(c) (a) — for the revision and re-submission of the panel report provided under sub-paragraphs (a) and (b), such re-submission to be made, if required by a direction issued by the Authority under paragraph 7(aa), as soon after the Authority's direction as is appropriate (taking into account the complexity, importance and urgency of the modification); and~~
- ~~(d) (a) — for the timetable (referred to in sub-paragraph (a)(iii)) for implementation of any modification to be either:~~
- ~~(i) (a) — in accordance with any direction(s) issued by the Authority under paragraph 6(af)(iii); or~~
- ~~(ii) (a) — where no direction has been issued by the Authority under paragraph 6(af)(iii), such as will enable the modification to take effect as soon as practicable after the Authority has directed that such modification should be made, account being taken of the complexity, importance and urgency of the modification, and for that timetable to be extended or shortened with the consent of or as required by the Authority.~~
- ~~(e) (a) — for the completion of each of the procedural steps outlined in this paragraph 6F, to the extent that they are relevant, to be in accordance with any timetable(s) directed by the Authority under paragraph 6(af).~~
- ~~(a) The Authority's published conclusions and significant code review modification proposal shall not fetter the voting rights of the members of the panel or the recommendation procedures informing the report described at paragraph 6F(a).~~

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~~(a) 6G. — The procedures for the modification of the CUSC shall provide that, where a proposal has been raised in accordance with paragraph 6C(a) or 6C(f)(i), or by the Authority under paragraph 6C(ba) and it falls within the scope of paragraph 6H(b), the Authority may issue a direction (a “backstop direction”), which requires such proposal(s) and any alternatives to be withdrawn and which causes the significant code review phase to recommence.~~

~~(a) 6H. — Modification proposals fall within the scope of this paragraph where:~~

~~(a) (a) — the Authority reasonably considers the modifications are necessary to comply with or implement the Electricity Regulation and/or any relevant legally binding decisions of the European Commission and/or the Agency; and/or~~

~~(b) (a) — the modification proposal is in respect of a significant code review.~~

~~(a) —~~

~~7. (a) — (a) — Without prejudice to paragraph 13A, if a report has been submitted to the Authority pursuant to procedures described in paragraph 6(b)(vi) or 6F(b), and the Authority is of the opinion that a modification set out in such report would, as compared with the then existing provisions of the CUSC and any alternative modifications set out in such report, better facilitate achieving the applicable CUSC objectives the Authority may direct the licensee to make that modification.~~

~~(a) (aa) — If a report has been submitted to the Authority pursuant to the procedures described in paragraph 6(b)(vi) or 6F(b) and if the Authority determines that the report prepared in accordance with paragraph 6(b)(v) or 6F(a) is such that the Authority cannot properly form an opinion in accordance with paragraph 7(a), the Authority may issue a direction to the panel:~~

~~(a) (i) — specifying the additional steps (including drafting or amending existing drafting of the amendment to the CUSC), revision (including revision to the timetable), analysis or information that it requires in order to form such an opinion; and~~

~~(a) (ii) — requiring the report to be revised and be re-submitted in accordance with paragraph 6(b)(vii) or 6F(e).~~

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~~(b) (a) — The licensee shall, upon receipt of a direction from the Secretary of State to do so, modify the CUSC so as to incorporate any changes directed by the Secretary of State pursuant to section 90 of the Energy Act 2004 during or before the offshore transmission implementation period.~~

~~(c) (a) — [Not used].~~

~~(d) (a) — The licensee shall only modify the CUSC:~~

~~(i) (a) — in order to comply with any direction of the Secretary of State pursuant to sub-paragraph (b) or any direction of the Authority pursuant to sub-paragraph (a); or~~

~~(ii) (a) — with the consent of the Authority; or~~

~~(iii) (a) — in accordance with paragraphs 6 (ab) and 13A, or~~

~~(iv) (a) — in accordance with paragraphs 6 (ag) and 13D~~

~~(a) and it shall not have the power to modify the CUSC in any other circumstance; and the licensee shall furnish the Authority with a copy of any modification made.~~

~~(e) (a) — Without prejudice to paragraph 6A or 6E, only the licensee shall have the power to modify the CUSC.~~

~~8. (a) — The licensee shall prepare and publish a summary of the CUSC as modified or changed from time to time in such form and manner as the Authority may from time to time direct.~~

~~9. (a) — The licensee shall be a party to the CUSC Framework Agreement and shall comply with the CUSC.~~

~~10. (a) — The CUSC Framework Agreement shall contain provisions:~~

~~(a) (a) — for admitting as an additional party to the CUSC Framework Agreement any person who accepts the terms and fulfils the conditions (each as specified in the CUSC) on which accession to the CUSC Framework Agreement is offered; and~~

~~(b) (a) — for referring for determination by the Authority any dispute which shall arise as to whether a person seeking to be admitted as a party to the CUSC Framework~~

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~~Agreement has fulfilled any accession conditions; and if the Authority determines that the person seeking accession had fulfilled all relevant standard conditions, for admitting such person to be a party to the CUSC Framework Agreement.~~

~~11. (a) — [Not used].~~

~~12. (a) — The licensee shall take all reasonable steps to secure and implement (consistently with the procedures applicable under or in relation to such documents), and shall not take any steps to prevent or unduly delay, changes to the core industry documents and/or industry codes to which it is a party (or in relation to which it holds rights in respect of amendment), such changes being changes which are appropriate in order to give full and timely effect to and/or in consequence of any modification which has been made to the CUSC, including, but not limited to, changes that are appropriate in order to avoid conflict or inconsistency as between the CUSC and any core industry document or industry code.~~

~~13. (a) — For the avoidance of doubt, paragraph 12 is without prejudice to any rights of approval, veto or direction in respect of proposed changes to the documents referred to in paragraph 12 which the Authority may have.~~

~~(a) 13A. The procedures for the modification of the CUSC shall provide that modification proposals shall only be implemented without the Authority's approval pursuant to this paragraph 13A where:~~

~~(a) (a) —~~

~~(a) (i) — in the view of the panel, the modification proposal meets all of the self-governance criteria and the panel has submitted to the Authority in respect of the modification proposal and not withdrawn a self-governance statement; or~~

~~(a) (ii) — if a self-governance statement has not been made, or has been withdrawn, the Authority has determined that the self-governance criteria are satisfied and the modification proposal is suitable for the self-governance route; and~~

~~(a) (b) — unless otherwise exempted by the Authority, the panel has sent copies of all consultation responses to the Authority at least seven (7) days before the panel intends to make its determination under paragraph 13A(d); and~~

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~~(a) (e) — the Authority has not directed that the Authority’s decision is required prior to the panel’s determination under paragraph 13A(d); and~~

~~(a) (d) — the panel has, no earlier than seven (7) days after sending the consultation responses referred to at paragraph 13A(b), determined, in accordance with paragraphs 6(b)(i) to (v) of this condition as applicable, that the modification proposal or any alternative should be implemented on the basis that it would, as compared with the then existing provisions of the CUSC and any other modifications proposed in accordance with paragraph 6(b)(iv), better facilitate the achievement of the applicable CUSC objective(s); and~~

~~(a) (e) —~~

~~(a) (i) — no appeal has been raised up to and including 15 working days after the panel’s determination under paragraph 13A(d) in respect of such modification proposal and any alternative in accordance with paragraph 13B; or~~

~~(a) (ii) — an appeal has been raised in respect of such a modification proposal and any alternative in accordance with paragraph 13B and the Authority has not quashed the panel’s determination referred to at paragraph 13A(d) of this condition and either remitted the relevant modification proposal and any alternative back to the panel for reconsideration or taken the decision on the relevant modification proposal and any alternative itself following the appeal.~~

~~(a) 13B. — The procedures for the modification of the CUSC shall provide that those persons set out at paragraph 6(a) may appeal to the Authority the approval or rejection by the panel of a modification proposal and any alternative falling under the self-governance route, provided the appeal has been made up to and including 15 days after the approval or rejection and in accordance with the procedures specified in the CUSC and, in the opinion of the Authority:~~

~~(a) (a)~~

~~(a) (i) — the appealing party is, or is likely to be, unfairly prejudiced by the implementation or non-implementation of that modification or alternative proposal; or~~

~~(a) (ii) — the appeal is on the grounds that:~~

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- ~~(a) (1) — in the case of implementation, the modification or alternative proposal may not better facilitate the achievement of at least one of the applicable CUSC objectives; or~~
- ~~(a) (2) — in the case of non implementation, the modification or alternative proposal may better facilitate the achievement of at least one of the applicable CUSC objectives; and~~
- ~~(a) (b) — it is not brought for reasons that are trivial, vexatious or have no reasonable prospect of success.~~
- ~~(a) 13C. — The procedures for the modification of the CUSC shall provide that:~~
- ~~(a) (a) — where an appeal has been raised in respect of a modification proposal and any alternative in accordance with paragraph 13B that modification proposal and any alternative shall be treated in accordance with any decision and/or direction of the Authority following that appeal;~~
- ~~(b) (a) — if the Authority quashes the panel’s determination referred to at paragraph 13A(d) of this condition and takes the decision on the relevant modification proposal and any alternative itself following an appeal in accordance with paragraph 13B, the panel’s determination of that modification proposal and any alternative referred to in paragraph 13A(d) of this condition shall be treated as a report submitted to the Authority in accordance with the procedures specified in paragraph 6(b)(vi) of this condition and paragraph 7(a) of this condition and the panel’s determination shall be treated as its recommendation.~~
- ~~(a) 13D. — The procedures for the modification of the CUSC shall provide that~~  
~~— modifications shall only be implemented without the Authority’s approval~~  
~~— pursuant to this paragraph 13D (the “fast track self governance route”)~~  
~~— where:~~
- ~~(a) (a) — in the unanimous view of the panel, the proposed modification meets all of the fast track self governance criteria;~~
- ~~(b) (a) — the panel unanimously determines that the modification should be made;~~

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~~(e) (a) — CUSC parties and the Authority have been notified of the proposed modification;~~

~~(d) (a) — none of the persons named in sub-paragraph (c) have objected to the proposed modification being made via the fast track self-governance route in the fifteen (15) working days immediately following the day on which notification was sent; and~~

~~(e) (a) — notification under sub-paragraph (c) contains details of the modification proposed, that it is proposed to be made via the fast track self-governance route, how to object to the modification being made via the fast track self-governance route, the proposed legal drafting and the proposed implementation date.~~

~~14. (a) — The licensee shall comply with any direction to the licensee made pursuant to this condition.~~

~~(a) 14A. Without prejudice to any rights of approval, veto or direction the Authority may have, the licensee shall use its best endeavours to ensure that procedures are in place that facilitate its compliance with the requirements of this condition, and shall create or modify industry documents including, but not limited to, the CUSC, core industry documents and industry codes where necessary no later than 31 March 2017.~~

~~15. (a) — In this condition:~~

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~~(a) "applicable CUSC objectives"~~

~~(a) means:~~

~~(a) (a) [not used]~~

~~(a) (aa) in relation to a proposed modification of the charging methodologies only, the objectives (as applicable) set out at:~~

~~(i) (a) paragraph 5 of standard condition C5 in relation to the use of system charging methodology; and~~

~~(ii) (a) paragraph 11 of standard condition C6 in relation to the connection charging methodology, and~~

~~(a) (b) in relation to any other proposed modification, the objectives set out in paragraph 1.~~

~~(a) "charging methodologies"~~

~~(a) means—~~

~~(a) (a) the use of system charging methodology established in accordance with standard condition C4 (Charges for use of system); and/or~~

~~(a) (b) the connection charging methodology established in accordance with standard condition C6 (Connection charging methodology);~~

~~(a) as applicable.~~

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~~(a) "charging methodology forum"~~

~~(a) means the forum (and related arrangements) established in the manner specified in the CUSC to facilitate meetings between the licensee and any other persons whose interests are materially affected by the applicable charging methodologies for the purpose of discussing the further development of the applicable charging methodologies, as shall be specified in the CUSC;~~

~~(a) "Code of Practice"~~

~~(a) means the Code Administration Code of Practice approved by the Authority and:~~

~~(a)(a) developed and maintained by the code administrators in existence from time to time; and~~

~~(b)(a) amended subject to the Authority's approval from time to time; and~~

~~(c)(a) re-published from time to time.~~

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~~(a) "directions"~~

~~(a)~~ ~~(a) means, in the context of paragraph 6C, direction(s) issued following publication of significant code review conclusions which shall contain:~~

~~(a)~~ ~~(a) (i) instructions to the licensee to make (and not withdraw, without the Authority's prior consent) a modification proposal;~~

~~(a)~~ ~~(a) (ii) the timetable for the licensee to comply with the Authority's direction(s); and~~

~~(a)~~ ~~(a) (iii) the Authority's reasons for its direction(s).~~

~~(a)~~ ~~(a)~~

~~(a)~~ ~~(a) means that a proposal, if implemented,~~

~~(a)~~ ~~(a) (a) would meet the self-governance criteria; and~~

~~(a)~~ ~~(a)~~

~~(a)~~ ~~(b) (a) is properly a housekeeping modification required as a result of some error or factual change, including but not limited to:~~

~~(a)~~ ~~(a) (i) updating names or addresses listed in the CUSC;~~

~~(a)~~ ~~(a) (ii) correcting minor typographical errors;~~

~~(a)~~ ~~(a) (iii) correcting formatting and consistency errors, such as paragraph numbering; or~~

~~(a)~~ ~~(a) (iv) updating out of date references to other documents or paragraphs.~~

~~(a) "fast track self-governance criteria"~~

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~~(a)~~

~~(a) "industry code"~~

~~(a) means a multilateral code or agreement created and maintained pursuant to a licence granted by the Authority under section 6 of the Act or under sections 7, 7ZA or 7A the Gas Act 1986.~~

~~(a) "materially affected party"~~

~~(a) any person or class of persons designated by the Authority for this purpose.~~

~~(a) "self governance criteria"~~

~~(a) means a proposal that, if implemented,~~

~~(a) (a) is unlikely to have a material effect on:~~

~~(a) (i) existing or future electricity consumers; and~~

~~(a) (ii) competition in the generation, distribution, or supply of electricity or any commercial activities connected with the generation, distribution, or supply of electricity; and~~

~~(a) (iii) the operation of the national electricity transmission system; and~~

~~(a) (iv) matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; and~~

~~(a) (v) the CUSC's governance procedures or the CUSC's modification procedures, and~~

~~(a) (b) is unlikely to discriminate between different classes of CUSC parties.~~

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~~(a) “self governance statement”~~

~~(a) means the statement made by the panel and submitted to the Authority in accordance with paragraph 13A(a)(i):~~

~~(a) (a) — confirming that, in its opinion, the self-governance criteria are met and the modification is suitable for the self-governance route; and~~

~~(a) (b) — providing a detailed explanation of the panel’s reasons for that opinion.~~

~~(a) “significant code review”~~

~~(a) means a review of one or more matters which the Authority considers is likely to:~~

~~(a) (a) — relate to the CUSC (either on its own or in conjunction with other industry codes); and~~

~~(a) (b) — be of particular significance in relation to its principal objective and/or general duties (under section 3A of the Act), statutory functions and/or relevant obligations arising under Retained EU law, and~~

~~(a) concerning which the Authority has issued a notice to the CUSC parties (among others, as appropriate) stating:~~

~~(a) (i) — that the review will constitute a significant code review;~~

~~(a) (ii) — the start date of the significant code review; and~~

~~(a) (iii) — the matters that will fall within the scope of the review.~~

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~~(a) “significant code review phase”~~

~~(a) means the period~~

~~(a)(a) — commencing either:~~

~~(i) (a) — on the start date of a significant code review as stated by the Authority; or~~

~~(ii) (a) — on the date the Authority makes a direction under paragraph 6G (a “backstop direction”);~~

~~(a) and~~

~~(b)(a) — ending either:~~

~~(i) (a) — on the date on which the Authority issues a statement under paragraph 6C(b) (that no directions will be issued in relation to the CUSC); or~~

~~(ii) (a) — if no statement is made under paragraph 6C(b) or (bb), on the date on which the licensee has made a modification proposal in accordance with paragraphs 6(aa), 6C(a) and 7(d)(i), or the Authority makes a modification proposal under paragraph 6C(ba); or~~

~~(iii)(a) — immediately under paragraph 6C(c), if neither a statement, a modification proposal or directions are made by the Authority up to and including twenty eight (28) days from the Authority’s publication of its significant code review conclusions; or~~

~~(iv)(a) — if a statement has been made under paragraph 6C(bb) or a direction has been made under paragraph 6G (a “backstop direction”), on the date specified in accordance with paragraph 6D.~~

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~~(a)~~

~~(a)~~

~~(a) "small participant"~~

~~(a) means~~

~~(a) (a) — a generator, supplier, distributor, or new entrant to the electricity market in Great Britain that can demonstrate to the code administrator that it is resource constrained and, therefore, in particular need of assistance;~~

~~(a) (b) — any other participant class of participant that the code administrator considers to be in particular need of assistance; and~~

~~(a) (c) — a participant or class of participant that the Authority has notified to the code administrator as being in particular need of assistance.~~

~~(a) "transition — modification provisions"~~

~~(a) means the provisions of this condition which apply or applied during the transition period and which enable or enabled the Authority (whether with or without the consent of the Secretary of State) to direct the licensee to modify the CUSC in certain circumstances.~~

~~(a)~~

~~(a)~~

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~~Condition C11: Production of information about the national electricity transmission system~~

~~(a)~~

~~(a) 1. — The licensee shall by 30 November 2014 (or such later date as the Authority may direct) for the financial year commencing 1 April 2014 and by 30 November (or such later date as the Authority may direct) in each financial year thereafter, use reasonable endeavours to prepare and publish a statement of network development information (“the electricity ten year statement”) in a form approved by the Authority pursuant to paragraph 8. The electricity ten year statement shall set out in respect of the current financial year and each of the nine succeeding financial years: circuit capacity; forecast power flows and loading on each part of the national electricity transmission system and fault levels for each transmission node, together with:~~

~~(a) (a) — such further information as shall be reasonably necessary to enable any person seeking use of the national electricity transmission system to identify and evaluate the opportunities available when connecting to and making use of such system;~~

~~(b) (a) — a commentary prepared by the licensee indicating those parts of the national electricity transmission system most suited to new connections and transport of further quantities of electricity;~~

~~(a) (bb) — a commentary prepared by the licensee indicating where Major National Electricity Transmission System Reinforcements are likely to be required;~~

~~(c) (a) — such further information as may be necessary for: authorised electricity operators, interconnected system operators, or any other transmission system operator or distribution system operator (as defined in the Electricity Directive) with whose system the licensee’s transmission system is connected or with whom the licensee interfaces, to ensure the secure and efficient operation, coordination development and interoperability of the interconnected system;~~

~~(d) (a) — a reasonable number of future scenarios prepared pursuant to paragraph 12;~~

~~(e) (a) — [Not Used]; and~~

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~~(f) (a) — such other matters as shall be specified in directions issued by the Authority from time to time for the purposes of this condition.~~

~~(a) —~~

~~(a) 2. — The licensee shall prepare the electricity ten year statement in such a form and manner as is necessary to facilitate the development of an efficient, co-ordinated and economical system of electricity transmission (“the co-ordinated development objective”) and in accordance with the further development information objectives as set out in paragraph 3.~~

~~(a) 3. — In preparing the electricity ten year statement, the licensee shall use the future scenarios developed pursuant to paragraph 12, in such a form that provides:~~

~~(a) (a) — the licensee’s best view of the design and technical characteristics of the development of the national electricity transmission system, considering:~~

~~(a) —~~

~~(i) (a) — the likely development of the national electricity transmission system;~~

~~(ii) (a) — the likely capacity, location and timing of the development of onshore and offshore generating stations and interconnector(s);~~

~~(iii) (a) — the likely location of feasible connection points for new offshore transmission systems to the national electricity transmission system;~~

~~(iv) (a) — to the extent that information is available to the licensee, possible routing options for new transmission circuits that might be used to connect generating stations and interconnector(s) in offshore waters to the national electricity transmission system;~~

~~(a) —~~

~~(b) (a) — the licensee’s best view of the potential reinforcements to the national electricity transmission system that may be required to connect onshore and offshore generating stations and interconnector(s);~~

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~~(c) (a) — the licensee’s best estimates of the costs associated with connecting onshore and offshore generating stations and interconnector(s);~~

~~(a) —~~

~~(d) (a) — the licensee’s best view of other economic and technical factors, to help planning of onshore and offshore generating stations and interconnector(s); and~~

~~(a) —~~

~~(e) (a) — the licensee’s best view of the capacity, location and timing of the connection of new interconnectors that would facilitate an efficient economical and coordinated system of electricity. This should take into account the impact on GB wholesale prices, the provision of ancillary services, constraint management and other operational considerations;~~

~~(a) collectively, “the development information objectives”.~~

~~(a) —~~

~~(a) 4. — The licensee shall include in every statement prepared pursuant to paragraph 1 above the information required by that paragraph except that the licensee may, with the prior consent of the Authority, omit from such statement any details as to circuit capacity, power flows, loading or other information, disclosure of which would, in the view of the Authority, seriously and prejudicially affect the commercial interests of the licensee or any other transmission licensee or any third party.~~

~~(a) 5. — The licensee shall not less than once in each financial year (and at such other times as the Authority may direct), in consultation with interested parties, review the most recent electricity ten year statement prepared and published pursuant to paragraph 1. The consultation shall be of such a form and duration to reasonably allow all interested parties to contribute to the preparation of the electricity ten year statement. The licensee shall provide to the Authority, no later than 14 days after it has completed its consultation, copies of all of the responses that it has received to any consultation undertaken pursuant to this paragraph.~~

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- ~~(a) 6. — Following a review of the electricity ten year statement pursuant to paragraph 5, the licensee shall propose to the Authority any suggested revisions to the ten year electricity statement that it considers would better facilitate the co-ordinated development objective and the development information objectives. Any such revisions shall, as appropriate, be included in the licensee's submissions to the Authority pursuant to paragraphs 8 and 15.~~
- ~~(a) 7. — The licensee shall periodically revise (at least once every 6 months) the information set out in the statement prepared pursuant to paragraph 1 to ensure that the information set out in the statement remains accurate in all material respects.~~
- ~~(a) —~~
- ~~(a) 8. — The licensee shall submit to the Authority for approval the proposed form of the electricity ten year statement to be published in the financial year commencing 1 April 2014 by no later than 1 June 2014 and submit to the Authority for approval any proposed revisions to the form of the electricity ten year statement by no later than by 1 June in each subsequent financial year thereafter or at such other date as directed by the Authority.~~
- ~~(a) 9. — The Authority may:~~
- ~~(a) (a) — within 28 days of receipt of the licensee's proposals pursuant to paragraph 8, give a direction to the licensee that the proposed form of the electricity ten year statement or the proposed revisions to the form of the electricity ten year statement requires further development; and~~
- ~~(b) (a) — subsequently, following consultation with the licensee and other interested parties, direct the areas in which the licensee shall be required to make revisions to the proposed form of the electricity ten year statement and the date by which the licensee shall be required to submit a revised form of the electricity ten year statement to the Authority for approval.~~
- ~~(a) 10. — If, within 28 days of receipt of the licensee's proposals pursuant to paragraph 8, the Authority has not given a direction to the licensee pursuant to paragraph 9, the form of the electricity ten year statement proposed by the licensee will be deemed to have been approved by the Authority.~~

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~~(a) 11. — The licensee shall publish the electricity ten year statement on its website in such readily accessible form and manner that it considers will facilitate the achievement of the co-ordinated development objective and the development information objectives, and must give a copy of the statement on request and free of charge to any person who asks for one.~~

~~(a) —~~

~~(a) 12. — The licensee shall, in consultation with interested parties, prepare a reasonable number of future scenarios that it proposes to include within the electricity ten year statement. The consultation shall be of such a form and duration as to reasonably allow all interested parties to contribute to the preparation of the future scenarios. The future scenarios shall be reasonable, reflect uncertainties and shall, as far as practicable, be consistent with scenarios that the licensee uses in other relevant areas of work.~~

~~(a) —~~

~~(a) 13. — Each future scenario prepared pursuant to paragraph 12 shall include a description of the key assumptions made by the licensee in developing that future scenario, including, but not limited to:~~

~~(a)(a) — the capacity, location and timing of the connection of generating stations, having regard to information generally available in the public domain as well as such information, if any, made available to the licensee for use in the electricity ten year statement by interested parties with respect to generating stations planned to be developed;~~

~~(a)(aa) — the capacity, location and timing of the connection of new interconnectors, having regard to the overall level of interconnector capacity between the national electricity transmission system and transmission systems in other jurisdictions that the licensee reasonably considers likely;~~

~~(b)(a) — the wider development of the national electricity transmission system, having regard to the licensee's investment plans and investment plan information provided by other authorised electricity operators; and~~

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~~(c) (a) — the plant and equipment that the licensee considers would reasonably be available to transmission owners and interconnectors;~~

~~(a) —~~

~~(a) together with a description of the data used by the licensee to model each of the future scenarios.~~

~~(a) —~~

~~(a) 14. — The licensee shall finalise the future scenarios that it proposes to use in the preparation of the electricity ten year statement it prepares pursuant to paragraph 1, taking account of the views expressed by interested parties in response to the consultation undertaken by the licensee pursuant to paragraph 12.~~

~~(a) 15. — The licensee shall submit the following information to the Authority by no later than 31 January 2015 and by no later than 31 January in each subsequent financial year (or such other date as the Authority may direct):~~

~~(a) —~~

~~(a) (a) — the future scenarios, or any revisions to the future scenarios, that it proposes to include in the electricity ten year statement;~~

~~(b) (a) — a detailed explanation of the consultation process undertaken in the development of the future scenarios; and~~

~~(c) (a) — a summary of views from interested parties on the future scenarios and an explanation of how these responses were taken into account in the design of the future scenarios.~~

~~(a) —~~

~~(a) 16. — If the Authority is not satisfied that the future scenarios proposed by the licensee would facilitate the achievement of the coordinated development objective and the development information objectives, the Authority may, within 28 days of receipt of the future scenarios pursuant to paragraph 15, issue a direction to the licensee that the future scenarios proposed by the licensee require further development.~~

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~~(a) 17. — The Authority may subsequently, following consultation with the licensee and other interested parties, direct the areas in which the licensee shall be required to make revisions to the future scenarios and any further consultation with interested parties that the licensee shall be required to undertake together with the date by which the licensee shall be required to submit those further revisions to the future scenarios to the Authority.~~

~~(a) 18. — The licensee shall also include in the electricity ten year statement an explanation of how responses from interested parties on the future scenarios were taken into account in further revisions of the future scenarios.~~

~~(a) 19. — In this condition:~~

~~(a) —~~

~~(a) “**interested parties**” — includes authorised electricity operators, potential offshore transmission owners, the Crown Estate, Government bodies and institutions with an interest in the development of the national electricity transmission system.~~

~~(a) —~~

~~(a) —~~

~~(a) —~~

~~(a) “**interconnected system operator**” — means any authorised electricity operator, or any other transmission system operator or distribution system operator (having the meaning given by the Electricity Directive) with whose system the licensee’s transmission system is connected or with whom the licensee interfaces.~~

~~(a) —~~

~~(a) —~~

~~(a) —~~

~~(a) —~~

~~(a) —~~

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~~(a) Condition C12: Limits on the level to which transmission services are provided~~

~~(a)~~

~~1. (a) In co-ordinating and directing the flow of electricity onto and over the national electricity transmission system, the licensee shall, in accordance with the STC, ensure that any of the technical levels that apply to the provision to the licensee of any transmission services are not exceeded.~~

~~2. (a) The technical levels referred to in paragraph 1 above are those set out in the STC.~~

~~(a)~~

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~~Condition C13: Adjustments to use of system charges (small generators)~~

~~(a)~~

- ~~1. (a) — When calculating use of system charges (other than charges relating to the provision of balancing services) to eligible generators the licensee shall set a charge in conformance with the use of system charging methodology in accordance with standard condition C4 (Charges for use of system) less a designated sum.~~
- ~~2. (a) — When calculating use of system charges (other than charges relating to the provision of balancing services) to customers who are taking demand from the national electricity transmission system the licensee shall set charges in conformance with the use of system charging methodology in accordance with standard condition C4 (Charges for use of system) plus a unit amount (to be added to all such charges on a non-discriminatory and non locational basis) such that the net effect of this condition on total sums charged for and recovered by the licensee in respect of the period in which this condition is in effect is zero. The licensee shall ensure that the net sums recovered for any given year are as far as practicable zero.~~
- ~~3. (a) — The licensee shall publish sufficient information in a timely manner such that all parties whose use of system charges are or may be adjusted in accordance with this condition are able to make a reasonable estimate of how use of system charges have been affected by the provision contained within this condition. To the extent that net sums recovered for any given year might not be equal to zero, the licensee shall also publish sufficient information to enable affected parties to make a reasonable estimate of how any over or under recovery in respect of that year made pursuant to this condition will affect adjustments to charges for the following year.~~
- ~~4. (a) — The Authority shall be entitled to issue a direction pursuant to this condition at any time stating that, with effect from 1 April immediately following the issuing by the Authority of such a direction, the designated sum shall be equal to zero.~~
- ~~5. (a) — This condition shall have effect for the Licensee's charges for the period ending on 31 March 2021.~~
- ~~6. (a) — For the purposes of this condition:~~

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~~(a) “eligible generator”~~

~~(a) means a generating station which:~~

~~(a) (a) — is liable for generation transmission network use of system charges (or its equivalent) under the use of system charging methodology approved by the Authority in accordance with standard condition C4 (Charges for use of system); and~~

~~(a) (b) — is connected to the national electricity transmission system at a voltage of 132 kilovolts; and~~

~~(a) (c) — would not, on the basis of its maximum generating capacity, be liable for generation transmission network use of system charges (or its equivalent) if it were connected to the distribution system of a licensed distributor rather than to the national electricity transmission system.~~

~~(a) “designated sum”~~

~~(a) means such sum as shall be directed by the Authority as soon as practicable after the determination of an approved use of system charging methodology in accordance with standard condition C4 (Charges for use of system).~~

~~(a)~~

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~~Condition C14: Grid Code~~

~~(a)~~

~~1. (a) — 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) (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) (a) — which is designed so as to facilitate the achievement of the following objectives:~~

~~(i) (a) — to permit the development, maintenance and operation of an efficient, co-ordinated and economical system for the transmission of electricity;~~

~~(ii) (a) — 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) (a) — 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;~~

~~(iv) (a) — to efficiently discharge the obligations imposed upon the licensee by this licence and to comply with the Electricity Regulation and any relevant legally binding decisions of the European Commission and/or the Agency; and~~

~~(v) (a) — to promote efficiency in the implementation and administration of the Grid Code arrangements.~~

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- ~~(a) 1A. The Grid Code shall provide for:~~
- ~~(a) (aa) the procedures established in pursuance of paragraphs 2A and 4A to 4J;~~
- ~~(a) (a) a panel body, as specified in the Grid Code (the “panel”) whose functions shall include the matters required by this condition and as set out in the Grid Code and any ancillary documents and whose composition shall include:~~
- ~~(a) (i) a chairperson; and,~~
- ~~(a) (ii) a consumer representative (appointed by Citizens Advice or Consumer Scotland, or any successor body) who has a vote as specified in the Grid Code;~~
- ~~(a) (b) a secretarial or administrative person or body, as specified in the Grid Code, to perform the role of code administrator (the “code administrator”). In addition to any powers, duties or functions set out in the Grid Code and any ancillary documents, the code administrator shall:~~
- ~~(i) (a) together with other code administrators, maintain, publish, review and (where appropriate) amend from time to time the Code of Practice approved by the Authority (any amendments to the Code of Practice are to be approved by the Authority);~~
- ~~(ii) (a) facilitate the procedures for making a modification to the Grid Code;~~
- ~~(iii) (a) have regard to, and in particular (to the extent relevant) be consistent with the principles contained in, the Code of Practice; and~~
- ~~(iv) (a) provide assistance, insofar as is reasonably practicable and on reasonable request, to Authorised Electricity Operators (including, in particular, small participants) and, to the extent relevant, consumer representatives that request the code administrator’s assistance in relation to the Grid Code including, but not limited to, assistance with:~~
- ~~(a) drafting a modification proposal;~~
- ~~(a) understanding the operation of the Grid Code;~~

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- ~~(a) their involvement in, and representation during, the modification procedure processes (including but not limited to panel and/or workgroup meetings) as required by this condition, specified in the Grid Code, or described in the Code of Practice; and~~
- ~~(a) accessing information relating to modification proposals and/or modifications~~
2. ~~(a) The Grid Code shall be the code which existed and which the licensee maintained pursuant to its licence immediately prior to the start of the transition period, modified from time to time in accordance with the transition modification provisions and the provisions of this condition.~~
- ~~(a) 2A. The licensee shall establish and operate procedures for the modification of the Grid Code (including procedures for modification of the modification procedures themselves), so as to better facilitate achievement of the applicable Grid Code objectives, which procedures shall provide:~~
- ~~(a) (a) subject to paragraphs 4A(b) and (c), for proposals for modification of the Grid Code to be made by the licensee, Grid Code users, Authorised Electricity Operators liable to be materially affected thereby, the Authority (in relation only to modifications within the scope of paragraph 4K), Citizens Advice, Consumer Scotland, and such other persons and bodies as the Grid Code may provide; and~~
- ~~(b) (a) for proposals for modification of the Grid Code to be made by the licensee in accordance with a direction issued by the Authority pursuant to paragraphs 2A(f) and 4B (the “significant code review route”);~~
- ~~(c) (a) for the implementation of modification proposals without the Authority’s approval in accordance with paragraphs 4G (the “self-governance route”) and 4I;~~
- ~~(d) (a) for the implementation of modification proposals without the Authority’s approval in accordance with paragraph 4J (the “fast track self-governance route”);~~
- ~~(e) (a) for modification proposals made following a direction by the Authority:~~
- ~~(i) (a) to be accepted into the Grid Code modification procedures by the panel;~~

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- ~~(ii) (a) — where they are raised by the licensee, not to be withdrawn without the Authority's prior consent; and~~
- ~~(iii)(a) — to proceed in accordance with any timetable(s) directed by the Authority in accordance with paragraph 2A(f);~~
- ~~(f) (a) — for compliance by the licensee and (where applicable) the panel with any direction(s) issued by the Authority under this paragraph setting and/or amending a timetable (in relation to a modification proposal which falls within the scope of paragraph 4K) for the:~~
  - ~~(i) (a) — licensee to raise a modification proposal; and/or~~
  - ~~(ii) (a) — completion of each of the procedural steps outlined in paragraph 2A or 4E, to the extent that they are relevant; and/or~~
  - ~~(iii)(a) — implementation of a modification.~~
- ~~(g) (a) — except in the case of a modification falling within the scope of paragraph 4D or 4J, where a proposal is made in accordance with paragraph 2A(a),~~
  - ~~(i) (a) — for bringing the proposal to the attention of Grid Code parties and such other persons as may properly be considered to have an appropriate interest in it (including consumer representatives);~~
  - ~~(ii) (a) — for proper consideration of any representations on the proposal (including representations made by small participants and consumer representatives);~~
  - ~~(iii)(a) — for properly evaluating the suitability of the significant code review or self-governance route for a particular modification proposal;~~
  - ~~(iv)(a) — for properly evaluating whether the proposed modification would better facilitate achieving the applicable Grid Code objectives, provided that so far as any such evaluation requires information which is not generally available concerning the licensee or the national electricity transmission system, such evaluation shall be made on the basis of the licensee's proper assessment (which the licensee shall make available for these purposes) of the effect of the proposed modification on the matters referred to in paragraphs 1(a) and (b);~~

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- ~~(v) (a) — for the development and consideration of any alternative modification which may, as compared with the proposed modification, better facilitate achieving the applicable Grid Code objective(s) provided that:~~
- ~~(a) — the alternative proposal is made as described in the Code of Practice and as further specified in the Grid Code; and~~
- ~~(a) — unless an extension of time has been approved by the panel and not objected to by the Authority after receiving notice, any workgroup stage shall last for a maximum period (as specified in the Grid Code) from the date on which the original modification was proposed;~~
- ~~(vi)(a) — for the evaluation required under sub paragraph (iv) (and, if applicable, sub paragraph (v)) in respect of the applicable Grid Code objective(s) to include, where that impact is likely to be material, an assessment of the quantifiable impact of the proposal on greenhouse gas emissions to be conducted in accordance with such guidance (on the treatment of carbon costs and evaluation of the greenhouse gas emissions) as may be issued by the Authority from time to time;~~
- ~~(vii) (a) — for the preparation of a panel report:~~
- ~~— (a) — setting out the proposed modification and, separately, any alternatives;~~
- ~~— (a) — evaluating the proposed modification and, separately, any alternatives;~~
- ~~— (a) — assessing the extent to which the proposed modification or any alternative would better facilitate achieving the applicable Grid Code objectives and providing a detailed explanation of the panel's reasons for that assessment (such assessment to include, where applicable, an assessment of the quantifiable impact of the proposal on greenhouse gas emissions in accordance with sub paragraph (vi));~~
- ~~— (a) — assessing the impact of the modification and any alternative on the core industry documents and the changes expected to be required to such documents as a consequence of such modification;~~

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- ~~— (a) — setting out a timetable for implementation of the modification and any alternative, including the date with effect from which such modification and any alternative (if made) would take effect; and~~
- ~~(viii) — (a) — for the submission of the report to the Authority as soon after the proposal is made as is appropriate (taking into account the complexity, importance and urgency of the modification and in accordance with the time periods specified in the Grid Code, which shall not be extended unless approved by the panel and not objected to by the Authority after receiving notice) for the proper execution and completion of the steps in sub-paragraphs (i) to (vii); and~~
- ~~(ix) (a) — for each of the procedural steps outlined in this paragraph 2A, to the extent that they are relevant, to be consistent with the principles contained in the Code of Practice; and~~
- ~~(x) (a) — for the completion of each of the procedural steps outlined in this paragraph 2A, to the extent that they are relevant, to be in accordance with any timetable(s) directed by the Authority under paragraph 2A(f).~~
- ~~(a) 2B. — [Not used]~~
- ~~(a) 2C. — [Not used]~~
- ~~3. (a) — The licensee shall only modify the Grid Code:~~
- ~~(a) (a) — in order to comply with any direction of the Secretary of State pursuant to paragraph 6; or~~
- ~~(b) (a) — with the consent of the Authority; or~~
- ~~(c) (a) — in accordance with paragraphs 4G or 4J;~~
- ~~(a) and it shall not have the power to modify the Grid Code in any other circumstance; and the licensee shall furnish the Authority with a copy of any modification made.~~
- ~~(a) 3A. — Without prejudice to paragraph 4D, only the licensee shall have the power to modify the Grid Code.~~

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~~(a)~~

~~4. (a) — Without prejudice to paragraph 4G, if a report has been submitted to the Authority pursuant to the procedures described in paragraph 2A(g)(viii) or 4E(b), and the Authority is of the opinion that a modification set out in such report would, as compared with the then existing provisions of the Grid Code and any alternative modifications set out in such report, better facilitate achieving the applicable Grid Code objectives, the Authority may issue directions requiring the licensee to modify the Grid Code in such manner as may be specified in the directions, and the licensee shall forthwith comply with any such directions.~~

~~(a) 4A. — The procedures for modifying the Grid Code shall provide:~~

~~(a) (a) — for the revision and resubmission of the report provided for under paragraph 2A(g)(viii) or 4E(b) upon, and in accordance with, a direction issued to the licensee by the Authority where the Authority determines that it cannot properly form an opinion on the approval of the modification proposal in accordance with paragraph 4;~~

~~(a) without prejudice to paragraph 4D, that proposals for the modification of the Grid Code falling within the scope of a significant code review may not be made during the significant code review phase, except:~~

~~(a)~~

~~(i) (a) — where the Authority determines that the modification proposal may be made, having taken into account (among other things) the urgency of the subject matter of the proposal; or~~

~~(a)~~

~~(ii) (a) — at the direction of the Authority; or~~

~~(a)~~

~~(iii) (a) — where the modification proposal is made by the Authority in accordance with paragraph 2A(a).~~

~~(a)~~

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- ~~(b) (a) — that, where a modification proposal is made during a significant code review phase, the panel shall:~~
- ~~(i) (a) — unless exempted by the Authority, notify the Authority as soon as practicable of:~~
- ~~1. (a) — any representations received in relation to the relevance of the significant code review; and~~
  - ~~2. (a) — the panel's assessment of whether the proposal falls within the scope of the significant code review and its reasons for that assessment; and~~
- ~~(ii) (a) — if the Authority so directs, not proceed with the modification proposal until the significant code review phase has ended.~~
- ~~(a) 4B. — If, within twenty eight (28) days after the Authority has published its significant code review conclusions:~~
- ~~(a) —~~
- ~~(a) (a) — the Authority issues directions to the licensee, the licensee shall comply with those directions and shall treat the significant code review phase as ended;~~
- ~~(b) (a) — the Authority issues to the licensee a statement that no directions under sub-paragraph (a) will be issued in relation to the Grid Code, the licensee shall treat the significant code review phase as ended;~~
- ~~(a) (ba) — the Authority raises a modification proposal in accordance with paragraph 2A(a), the licensee shall treat the significant code review phase as ended;~~
- ~~(a) (bb) — the Authority issues a statement that it will continue work on the significant code review, the licensee shall treat the significant code review phase as continuing until it is brought to an end in accordance with paragraph 4C;~~
- ~~(c) (a) — neither directions under sub paragraph (a) nor a statement under sub-paragraphs (b) or (bb) have been issued, nor a modification proposal under sub-paragraph (ba) has been made, the significant code review phase will be deemed to have ended.~~

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~~(a) — The Authority's published conclusions and directions to the licensee will not fetter any voting rights of the members of the panel or the procedures informing the report described at sub-paragraph 2A(g)(vii) of this condition.~~

~~(a) —~~

~~(a) 4C. — The procedures for the modification of the Grid Code shall provide that, if the Authority issues a statement under paragraph 4B(bb) and/or a direction in accordance with paragraph 4F, the significant code review phase will be deemed to have ended when:~~

~~(d) (a) — the Authority issues a statement that the significant code review phase has ended;~~

~~(e) (a) — one of the circumstances in sub-paragraphs 4B(a) or (ba) occurs (irrespective of whether such circumstance occurs within twenty-eight (28) days after the Authority has published its significant code review conclusions); or~~

~~(f) (a) — the Authority makes a decision consenting, or otherwise, to the modification of the Grid Code following the panel's submission of its report under paragraph 4E(b).~~

~~(a) 4D. — The procedures for the modification of the Grid Code shall provide that, where the Authority has issued a statement in accordance with paragraph 4B(bb) and/or a direction in accordance with paragraph 4F, the Authority may submit a modification proposal for a modification falling within the scope of paragraph 4K(b) to the panel.~~

~~(a) 4E. — The procedures for the modification of the Grid Code shall provide, where the Authority submits a significant code review modification proposal to the panel in accordance with paragraph 4D:~~

~~(a) (a) — for the preparation of a panel report:~~

~~(i) (a) — evaluating the proposed modification;~~

~~(ii) (a) — assessing the extent to which the proposed modification would better facilitate achieving the applicable Grid Code objective(s) and providing a detailed explanation of the panel's reasons for that assessment (such assessment to include, where that impact is likely to be material, an assessment of the quantifiable impact of the proposal~~

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~~on greenhouse gas emissions, to be conducted in accordance with such guidance (on the treatment of carbon costs and evaluation of the greenhouse gas emissions) as may be issued by the Authority from time to time); and~~

~~(iii)(a) — setting out a timetable for implementation of the modification, including the date with effect from which such modification (if made) would take effect;~~

~~(b)(a) — for the submission of the report to the Authority as soon after the significant code review modification proposal is submitted for evaluation as is appropriate (taking into account the complexity, importance and urgency of the modification, and in accordance with the time periods specified in the Grid Code, which shall not be extended unless approved by the panel and not objected to by the Authority after receiving notice) for the proper execution and completion of the steps in sub-paragraph (a);~~

~~(c)(a) — for the completion of each of the procedural steps outlined in this paragraph 4E, to the extent that they are relevant, to be in accordance with any timetable(s) directed by the Authority under paragraph 2A(f).~~

~~(a) The Authority's published conclusions and significant code review modification proposal shall not fetter the voting rights of the members of the panel or the recommendation procedures informing the report described at paragraph 4E(a).~~

~~(a) 4F. — The procedures for the modification of the Grid Code shall provide that, where a proposal has been raised in accordance with paragraph 4B(a) or 2A(f)(i), or by the Authority under paragraph 4B(ba) and it falls within the scope of paragraph 4K(b), the Authority may issue a direction (a "backstop direction"), which requires such proposal(s) and any alternatives to be withdrawn and which causes the significant code review phase to recommence.~~

~~(a) 4G. The procedures for the modification of the Grid Code shall provide that modification proposals shall only be implemented without the Authority's approval pursuant to this paragraph where:~~

~~(a) (a) —~~

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- ~~(i) (a) — in the view of the panel, the modification proposal meets all of the self-governance criteria and the panel has submitted to the Authority in respect of the modification proposal and not withdrawn a self-governance statement; or~~
- ~~(ii) (a) — if a self-governance statement has not been made, or has been withdrawn, the Authority has determined that the self-governance criteria are satisfied and the modification proposal is suitable for the self-governance route; and~~
- ~~(b) (a) — unless otherwise exempted by the Authority, the panel has sent copies of all consultation responses to the Authority at least seven (7) days before the panel intends to make its determination under sub-paragraph (d); and~~
- ~~(c) (a) — the Authority has not directed that the Authority's decision is required prior to the panel's determination under sub-paragraph (d); and~~
- ~~(d) (a) — the panel has, no earlier than seven (7) days after sending the consultation responses referred to at sub-paragraph (b), determined that the modification proposal or any alternative should be implemented on the basis that it would, as compared with the then-existing provisions of the Grid Code and any other modifications proposed in accordance with paragraph 2A(g)(v), better facilitate the achievement of the applicable Grid Code objective(s); and~~
- ~~(e) (a) —~~
- ~~(i) (a) — no appeal has been raised up to and including 15 working days after the panel's determination under sub-paragraph (d) in respect of such modification proposal and any alternative in accordance with paragraph 4H; or~~
- ~~(ii) (a) — an appeal has been raised in respect of such a modification proposal and any alternative in accordance with paragraph 4H and the Authority has not quashed the panel's determination referred to at sub-paragraph (d) and either remitted the relevant modification proposal and any alternative back to the panel for reconsideration or taken the decision on the relevant modification proposal and any alternative itself following the appeal.~~
- ~~(a) 4H. — The procedures for the modification of the Grid Code shall provide that those persons set out at sub-paragraph 2A(a) may appeal to the Authority the approval or~~

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~~rejection by the panel of a modification proposal and any alternative falling under the self-governance route, provided the appeal has been made up to and including 15 days after the approval or rejection and in accordance with the procedures specified in the Grid Code and, in the opinion of the Authority:~~

~~(a) (a) —~~

~~(i) (a) — the appealing party is, or is likely to be, unfairly prejudiced by the implementation or non-implementation of that modification or alternative proposal; or~~

~~(ii) (a) — the appeal is on the grounds that:~~

~~(a) (1) — in the case of implementation, the modification or alternative proposal may not better facilitate the achievement of at least one of the applicable Grid Code objectives; or~~

~~(a) (2) — in the case of non-implementation, the modification or alternative proposal may better facilitate the achievement of at least one of the applicable Grid Code objectives; and~~

~~(a) (b) — it is not brought for reasons that are trivial, vexatious or have no reasonable prospect of success.~~

~~(a) 4I. The procedures for the modification of the Grid Code shall provide that:~~

~~(a) (a) — where an appeal has been raised in respect of a modification proposal and any alternative in accordance with paragraph 4H that modification proposal and any alternative shall be treated in accordance with any decision and/or direction of the Authority following that appeal;~~

~~(b) (a) — if the Authority quashes the panel's determination referred to at paragraph 4G(d) of this condition and takes the decision on the relevant modification proposal and any alternative itself following an appeal in accordance with paragraph 4H, the panel's determination of that modification proposal and any alternative referred to in paragraph 4G(d) of this condition shall be treated as a report submitted to the Authority in accordance with the procedures specified in paragraph 2A(g)(viii) of this condition and the panel's determination shall be treated as its recommendation.~~

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~~(a) 4J. — The procedures for the modification of the Grid Code shall provide that modifications shall only be implemented without the Authority’s approval pursuant to this paragraph (the “fast track self governance route”) where:~~

~~(a) (a) — in the unanimous view of the panel, the proposed modification meets all of the fast track self governance criteria;~~

~~(b) (a) — the panel unanimously determines that the modification should be made;~~

~~(c) (a) — Grid Code parties and the Authority have been notified of the proposed modification;~~

~~(d) (a) — none of the persons named in sub paragraph (c) has objected to the proposed modification being made via the fast track self governance route in the fifteen (15) working days immediately following the day on which notification was sent; and~~

~~(e) (a) — notification under sub paragraph (c) contains details of the modification proposed, that it is proposed to be made via the fast track self governance route, how to object to the modification being made via the fast track self governance route, the proposed legal drafting and the proposed implementation date.~~

~~(a) 4K. — Modification proposals fall within the scope of this paragraph where:~~

~~(a) (a) — the Authority reasonably considers the modifications are necessary to comply with or implement the Electricity Regulation and/or any relevant legally binding decisions of the European Commission and/or the Agency; and/or~~

~~(b) (a) — the modification proposal is in respect of a significant code review.~~

~~(a) —~~

~~5. (a) — The Grid Code shall include codes relating to the technical operation of the national electricity transmission system, including:~~

~~(a) (a) — connection conditions specifying the technical, design and operational criteria to be complied with by the licensee and by any person connected or seeking connection with the national electricity transmission system or by any person authorised to generate who is connected with or seeks connection with the national electricity~~

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~~transmission system or any distribution system of any third party which is located in the national electricity transmission system operator area;~~

~~(b) (a) — an operating code specifying the conditions under which the licensee shall operate the national electricity transmission system and under which persons shall operate their plant and/or distribution systems in relation to the national electricity transmission system, in so far as necessary to protect the security and quality of supply and safe operation of the national electricity transmission system under both normal and abnormal operating conditions;~~

~~(c) (a) — a planning code specifying the technical and design criteria and procedures to be applied in the planning and development of the national electricity transmission system and to be taken into account by persons connected or seeking connection with the national electricity transmission system in the planning and development of their own plant and systems; and~~

~~(d) (a) — procedures relating to the outage of generation sets and a balancing code specifying, among other matters, information to be submitted by authorised electricity operators to the licensee for the purposes of, and the making of offers and bids in, the balancing mechanism, and the issuing by the licensee of instructions by reference to such offers and bids.~~

~~6. (a) — The licensee shall, upon receipt of a direction from the Secretary of State to do so, modify the Grid Code so as to incorporate any changes directed by the Secretary of State pursuant to section 90 of the Energy Act 2004 during or before the offshore transmission implementation period.~~

~~7. (a) — [Not used].~~

~~8. (a) — The licensee shall give or send a copy of the Grid Code (as from time to time modified) to the Authority.~~

~~9. (a) — The licensee shall (subject to paragraph 10) give or send a copy of the Grid Code (as from time to time modified) to any person requesting the same.~~

~~10. (a) — The licensee may make a charge for any copy of the Grid Code (as from time to time modified) given or sent pursuant to paragraph 8 of an~~

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~~amount which will not exceed any amount specified for the time being for the purposes of this condition in directions issued by the Authority.~~

~~11. (a) In preparing, implementing and complying with the Grid Code (including in respect of the scheduling of maintenance of the national electricity transmission system), the licensee shall not unduly discriminate in favour of or against, or unduly prefer, any person or class (or classes) of person.~~

~~12. (a) The Authority may (following consultation with the licensee) issue directions relieving the licensee of its obligations to implement or comply with the Grid Code in respect of such parts of the national electricity transmission system and/or to such extent as may be specified in the directions.~~

~~(a) 12A. Without prejudice to any rights of approval, veto or direction the Authority may have, the licensee shall use its best endeavours to ensure that procedures are in place that facilitate its compliance with the requirements of this condition including, but not limited to, modifying the Grid Code and any ancillary documents where necessary no later than 31 March 2017.~~

~~13. (a) In this condition, authorised electricity operator includes any person transferring electricity to or from the national electricity transmission system operator area across an interconnector; and~~

~~(a) "applicable Grid Code objectives" (a) means the objectives referred to in paragraph 1(b) of this condition; and~~

~~(a) "transition modification provisions" (a) means the provisions of this condition which apply or applied during the transition period and which enable or enabled the Authority (whether with or without the consent of the Secretary of State) to direct the licensee to modify the Grid Code in certain circumstances.~~

~~(a) "Code of Practice" means the Code Administration Code of Practice approved by the Authority and:~~

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~~(a) (a) — developed and maintained by the code administrators in existence from time to time; and~~

~~(a) (b) — amended subject to the Authority’s approval from time to time; and~~

~~(a) (c) — re-published from time to time.~~

~~(a) —~~

~~(a) “directions” — means, in the context of paragraph 4B(a), direction(s) issued following publication of significant code review conclusions which will contain:~~

~~(a) (a) — instructions to the licensee to make (and not withdraw, without the Authority’s prior consent) a modification proposal;~~

~~(a) —~~

~~(b) (a) — the timetable for the licensee to comply with the Authority’s direction(s); and~~

~~(a) —~~

~~(c) (a) — the Authority’s reasons for its direction(s).~~

~~(a) “fast track self governance criteria”~~

~~(a) means that a proposal, if implemented,~~

~~(a) —~~

~~(a) (a) — would meet the self governance criteria; and~~

~~(a) —~~

~~(a) (b) — is properly a housekeeping modification required as a result of some error or factual change, including but not limited to:~~

~~(a) —~~

~~(a) (i) updating names or addresses listed in the Grid Code;~~

~~(a) —~~

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~~(a) (ii) correcting minor typographical errors;~~

~~(a)–~~

~~(a) (iii) correcting formatting and consistency errors, such as paragraph numbering; or~~

~~(a)–~~

~~(a) (iv) updating out of date references to other documents or paragraphs.~~

~~(a)–~~

~~(a) “materially affected party” — any person or class of persons designated by the Authority for this purpose.~~

~~(a)–~~

~~(a) "self governance criteria" — means a proposal that, if implemented,~~

~~(a)–~~

~~(a) (a) — is unlikely to have a material effect on:~~

~~(a)–~~

~~(i) (a) — existing or future electricity consumers; and~~

~~(a)–~~

~~(ii) (a) — competition in the generation, distribution, or supply of electricity or any commercial activities connected with the generation, distribution, or supply of electricity; and~~

~~(a)–~~

~~(iii)(a) — the operation of the national electricity transmission system; and~~

~~(a)–~~

~~(iv)(a) — matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; and~~

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~~(a)~~

~~(v) (a) — the Grid Code’s governance procedures or the Grid Code’s modification procedures, and~~

~~(a)~~

~~(a) (b) — is unlikely to discriminate between different classes of Grid Code parties.~~

~~(a)~~

~~(a)~~

~~(a)~~

~~(a)~~

~~(a) “self governance~~

~~(a) statement” — means the statement made by the panel and submitted to the Authority in accordance with paragraph 4G(a)(i):~~

~~(a)~~

~~(a) (a) — confirming that, in its opinion, the self governance criteria are met and the modification is suitable for the self governance route; and~~

~~(a)~~

~~(a) (b) — providing a detailed explanation of the panel’s reasons for that opinion.~~

~~(a)~~

~~(a)~~

~~(a) “significant code review” — means a review of one or more matters which the Authority considers likely to:~~

~~(a) (a) — relate to the Grid Code (either on its own or in conjunction with any other industry code(s)); and~~

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~~(a)~~

~~(a) (b) — be of particular significance in relation to its principal objective and/or general duties (under section 3A of the Electricity Act), statutory functions and/or relevant obligations arising under EU law; and~~

~~(a) —~~

~~(a) — concerning which the Authority has issued a notice to the licensee (among others, as appropriate) stating:~~

~~(a) (i) — that the review will constitute a significant code review;~~

~~(a) (ii) — the start date of the significant code review; and~~

~~(a) (iii) — the matters that will fall within the scope of the review.~~

~~(a)~~

~~(a)~~

~~(a) significant code review phase” means the period~~

~~(a) (a) — commencing either:~~

~~(a) (i) — on the start date of a significant code review as stated by the Authority; or~~

~~(a) (ii) — on the date the Authority makes a direction under paragraph 4F (a “backstop direction”); and~~

~~(a) (b) ending either:~~

~~(a) (i) — on the date on which the Authority issues a statement that no directions will be issued in relation to the Grid Code; or~~

~~(a) (ii) — if no statement is made under paragraph 4B(b) or (bb), on the date on which the licensee has made a modification proposal in accordance with directions issued by the Authority, or the Authority makes a modification proposal under paragraph 4B(ba);  
or~~

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~~(a) (iii) — immediately under paragraph 4B(c), if neither a statement, a modification proposal nor directions are made by the Authority within (and including) twenty eight (28) days from the Authority’s publication of its significant code review conclusions; or~~

~~(a) (iv) — if a statement has been made under paragraph 4B(bb) or a direction has been made under paragraph 4F (a “backstop direction”), on the date specified in accordance with paragraph 4C.~~

~~(a) —~~

~~(a) “small participant” — means —~~

~~(a) (a) — a generator, supplier, distributor, or new entrant to the electricity market in Great Britain that can demonstrate to the code administrator that it is resource-constrained and, therefore, in particular need of assistance;~~

~~(a) (b) — any other participant or class of participant that the code administrator considers to be in particular need of assistance; and~~

~~(a) (c) — a participant or class of participant that the Authority has notified the code administrator as being in particular need of assistance.~~

~~(a) —~~

~~(a) —~~

~~(a) —~~

~~(a) —~~

~~(a) —~~

~~(a) —~~

~~(a) —~~

~~(a) —~~

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~~(a)~~

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~~(a)~~

~~(a)~~

~~(a)~~

~~(a) Condition C15: Compliance with Distribution Codes~~

~~(a)~~

~~1. (a) — The licensee shall comply with the provisions of every Distribution Code in so far as applicable to it.~~

~~2. (a) — The Authority may, following consultation with the licensed distributor responsible for the relevant Distribution Code and any other authorised electricity operators directly affected thereby, issue directions relieving the licensee of its obligation under paragraph 1 in respect of such parts of such Distribution Code and to such extent and subject to such conditions as may be specified in those directions.~~

~~3. (a) — The licensee shall be a party to and comply with the Distribution Connection and Use of System Agreement in so far as applicable to it.~~

~~(a)~~

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Condition C16: Procurement and use of balancing services

~~(a)~~

~~(a) **Introduction**~~

~~(a)~~

~~(a)~~

~~1. (a) — This condition sets out the processes and activities the licensee must undertake for the procurement of balancing services, used to assist in co-ordinating and directing the flow of electricity onto and over the national electricity transmission system in an efficient, economic and co-ordinated manner.~~

~~(a)~~

~~(a) **Part A: Licensee's obligations under this condition**~~

~~(a)~~

~~2. (a) — Having taken into account relevant price and technical differences, the licensee must not discriminate as between any persons or classes of persons in its procurement or use of balancing services.~~

~~(a)~~

~~3. (a) — The licensee must prepare the following:~~

~~(a) (a) — Procurement guidelines statement described in Part B of this condition;~~

~~(b) (a) — Balancing principles statement described in Part C of this condition;~~

~~(c) (a) — Balancing services adjustment data methodology statement described in Part D of this condition;~~

~~(d) (a) — System management action flagging methodology statement described in Part E of this condition;~~

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~~(e) (a) — Applicable balancing services volume data methodology statement described in Part F of this condition; and~~

~~(f) (a) — An annual report in accordance with Part G of this condition.~~

~~(a) —~~

~~(a) **Part B: Procurement guidelines statement**~~

~~(a) —~~

~~4. (a) — (a) The licensee must before the effective time and thereafter at 12 monthly intervals (or such longer period as the Authority may approve) prepare a statement in a form approved by the Authority setting out the kinds of balancing services which it may be interested in purchasing in the period until the next statement is due and the mechanisms by which it would envisage purchasing them.~~

~~(a) —~~

~~(b) (a) — Where during the term of the statement referred to in sub paragraph (a) the licensee's intentions change regarding the types of services it wishes to purchase, the licensee must review the statement and consider whether any revision to the statement is necessary and promptly seek to establish a revised statement in accordance with the terms of paragraph 10 of this condition.~~

~~(a) —~~

~~(a) —~~

~~(a) **Part C: Balancing principles statement**~~

~~(a) —~~

~~5. (a) —~~

~~(a) (a) — The licensee must before the effective time prepare a statement approved by the Authority setting out (consistently with the licensee's duty under paragraph 2 and consistently with its other duties under the Act and the conditions of its transmission~~

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~~licence) the principles and criteria by which the licensee will determine, at different times and in different circumstances, which balancing services the licensee will use to assist in co-ordinating and directing the flow of electricity onto and over the national electricity transmission system (and/or to assist in doing so efficiently and economically), and when the licensee would resort to measures not involving the use of balancing services.~~

~~(a)~~

~~(b) (a) — The licensee must if so directed by the Authority or when any modification should be made to the statement referred to in paragraph 5(a) to more closely reflect the intentions of the licensee but in any event at least once a year, review the statement prepared pursuant to sub-paragraph (a) and promptly seek to establish a revised statement approved by the Authority, such revisions to be made in accordance with the terms of paragraph 9 of this condition.~~

~~(a)~~

~~(a)~~

~~(a) **Part D: Balancing services adjustment data methodology statement**~~

~~6. (a) —~~

~~(a) (a) — This paragraph applies where the BSC provides that any imbalance price is to be determined (in whole or in part) by reference to the costs and volumes of relevant balancing services.~~

~~(b) (a) — Where this paragraph applies the licensee must:~~

~~(a)~~

~~(i) (a) — before the effective time, establish a balancing services adjustment data methodology approved by the Authority;~~

~~(ii) (a) — from time to time thereafter, when the licensee first buys, sells or acquires any relevant balancing services of a kind or under a mechanism which is not covered by the prevailing balancing services adjustment data methodology, promptly seek to~~

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~~establish a revised balancing services adjustment data methodology approved by the Authority which covers that kind of balancing services or mechanisms for buying, selling or acquiring them;~~

~~(iii)(a) — prepare a statement of the prevailing balancing services adjustment data methodology as approved by the Authority; and~~

~~(iv)(a) — at all times determine and provide (for use under the relevant provisions of the BSC) the costs and volumes of the relevant balancing services in compliance with the prevailing balancing services adjustment data methodology, which are to be taken into account in determining imbalance price(s) under the BSC.~~

~~(a) The licensee must when any modification should be made to the statement referred to in sub paragraph 6(b)(iii) to more closely reflect the intentions of the licensee review the statement prepared pursuant to sub paragraph 6(b)(iii) and promptly seek to establish a revised statement approved by the Authority made in accordance with terms of paragraph 9 of this condition.~~

~~(a) —~~

~~(a) **Part E: System management action flagging methodology statement**~~

~~(a) —~~

~~(a) 6A.~~

~~(a)(a) — This paragraph applies to the extent that the BSC provides that the licensee is required to identify balancing services which relate to system management.~~

~~(b)(a) — Where this paragraph applies, the licensee must, before 5 November 2009, in writing:~~

~~(i)(a) — establish a system management action flagging methodology approved by the Authority; and~~

~~(ii)(a) — prepare a statement of the prevailing system management action flagging methodology as approved by the Authority, and at all times thereafter use its reasonable endeavours to identify the balancing services which the BSC requires it to identify as~~

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~~relating to system management in accordance with the prevailing system management action flagging methodology and provide records (for use under the relevant provisions of the BSC) of those balancing services which the BSC requires must be taken into account in determining imbalance price(s).~~

~~(c) (a) — The licensee must, if so directed by the Authority or when it considers that any modification should be made to the statement referred to in sub-paragraph 6A(b)(ii) more accurately to identify the balancing services which relate to system management, review the statement prepared pursuant to sub-paragraph 6A(b)(ii) and promptly seek to establish a revised statement approved by the Authority, such revisions to be made in accordance with the terms of paragraph 9 of this condition.~~

~~(a) —~~

~~(a) —~~

~~(a) **Part F: Applicable balancing services volume data methodology statement**~~

~~7. (a) —~~

~~(a) (a) — This paragraph applies where the BSC provides that any applicable balancing services volume data is to be determined (in whole or in part) by reference to the volumes of energy associated with the provision of applicable balancing services.~~

~~(a) —~~

~~(b) (a) — Where this paragraph applies the licensee must:~~

~~(i) (a) — before the date this paragraph comes into effect, establish an applicable balancing services volume data methodology approved by the Authority;~~

~~(ii) (a) — Not used;~~

~~(iii) (a) — prepare a statement of the prevailing applicable balancing services volume data methodology as approved by the Authority; and~~

~~(iv) (a) — at all times determine and provide (for use under the relevant provisions of the BSC) the volumes of applicable balancing services in compliance with the prevailing~~

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~~applicable balancing services volume data methodology, which are to be taken into account in determining applicable balancing services volume data under the BSC.~~

~~(a)~~

~~(c) (a) — The licensee must when any modification should be made to the statement referred to in sub paragraph 7(b)(iii) to more closely reflect the intentions of the licensee review the statement prepared pursuant to sub paragraph 7(b)(iii) and promptly seek to establish a revised statement approved by the Authority made in accordance with terms of paragraph 9 of this condition.~~

~~(a)~~

~~(a) **Part C: Preparation and publication of an annual report**~~

~~8. (a) —~~

~~(a) (a) — At the end of each regulatory year, the licensee must prepare an annual report in a form approved by the Authority in respect of the total costs the licensee has incurred in that regulatory year in relation to balancing services.~~

~~(b) (a) — Within two months, beginning with the end of each regulatory year, the licensee must submit the annual report prepared in accordance with paragraph 8(a) to the Authority and publish the annual report on its website as soon as is reasonably practicable.~~

~~(c) (a) — Where the licensee considers that there are legitimate reasons for not publishing certain information or data on its website in accordance with paragraph 8(b), it must seek the Authority's approval to publish a redacted version.~~

~~(d) (a) — The report provided to the Authority under paragraph 8(b) must give particulars of:~~

~~(i) (a) — the total costs incurred for that regulatory year, and how the total costs have been calculated in respect of the balancing services which the licensee has bought or acquired (other than balancing services which the licensee has acquired through the mere acceptance of an offer or bid in the balancing mechanism, provided such offer or bid was not made pursuant to any prior agreement);~~

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~~(ii) (a) — how the total costs have been incurred in accordance with the balancing services statements prepared pursuant to paragraphs 4(a) and 5(a); and~~

~~(iii) (a) — any other analysis or information which the licensee considers to be required to enable the Authority fully to assess the particulars to which the report relates.~~

~~(e) (a) — The report prepared pursuant to paragraph 8(a) must be accompanied by a statement from an independent auditor of internationally recognised standing appointed by the licensee:~~

~~(i) (a) — confirming that the report is accurate; and~~

~~(ii) (a) — detailing the auditor's independent assessment of the extent to which the licensee has complied with the relevant approved balancing services statements prepared pursuant to paragraphs 4(a) and 5(a) together with any revision made in accordance with paragraph 9(a) of this condition.~~

~~(a) —~~

~~(a) **Part H: Governance**~~

~~9. (a) —~~

~~(a) (a) — Except where the Authority directs otherwise, before revising the statements prepared pursuant to paragraphs 4(a), 5(a), 6(b)(iii), 6A(b)(ii) and 7(b)(iii) and each revision thereof the licensee must:~~

~~(i) (a) — send a copy of the proposed revisions to the Authority and to any person who asks for one;~~

~~(ii) (a) — consult BSC parties on the proposed revisions and allow them a period of not less than 28 days in which to make representations;~~

~~(iii) (a) — submit to the Authority within seven (7) days of the close of the consultation period referred to in sub paragraph 9(a)(ii) above a report setting out~~

~~(a) — the revisions originally proposed;~~

~~(a) — the representations (if any) made to the licensee;~~

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- ~~(a) — any changes to the revisions, and~~
- ~~(iv)(a) — where the Authority directs that sub-paragraphs (i), (ii) and (iii) or any of them must not apply, comply with such other requirements as are specified in the direction.~~
- ~~(b)(a) — The licensee must not revise the statements referred to in paragraphs 4(a), 5(a), 6(b)(iii), 6A(b)(ii) and 7(b)(iii) and each revision thereof until the expiry of 28 days from the date on which the Authority receives the report referred to in sub-paragraph (a)(iii) unless prior to such date the Authority either:~~
- ~~(v)(a) — directs the licensee to make the revisions on an earlier date; or~~
- ~~(vi)(a) — directs the licensee not to make the revision.~~
- ~~(a) —~~
- ~~10.(a) — The licensee must take all reasonable steps to comply with the statement for the time being in force pursuant to paragraph 5(a).~~
- ~~(a) —~~
- ~~11.(a) — The licensee must send to the Authority a copy of each of the statements and reports prepared pursuant to paragraphs 4, 5, 6, 6A, 7, and 8 and of all revisions to any such statements made in accordance with the terms of paragraph 9 of this condition.~~
- ~~(a) —~~
- ~~12.(a) — The licensee must:~~
- ~~(a)(a) — publish (in such manner as the Authority may approve from time to time) the statements prepared pursuant to paragraphs 4(a), 5(a), 6(b)(iii), 6A(b)(ii) and 7(b)(iii) and each revision thereof, and~~
- ~~(b)(a) — send a copy of each statement and report prepared pursuant to paragraphs 4, 5, 6, 6A, 7, and 8 or the latest revision of any such statements to any person who requests the same, provided that the licensee must exclude therefrom, so far as is practicable, any matter which relates to the affairs of any person where the publication of that matter would or might seriously and prejudicially affect his interests,~~

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~~(a) and, for the purposes of paragraph (b), the licensee must refer for determination by the Authority any question as to whether any matter would or might seriously and prejudicially affect the interests of any person (unless the Authority consents to the licensee not doing so).~~

~~(a)~~

~~13.(a) — The licensee may make a charge for any copy of a statement, report or revision sent pursuant to paragraph 12(b) of any amount reasonably reflecting the licensee's reasonable costs of providing such a copy which must not exceed the maximum amount specified in directions issued by the Authority for the purpose of this condition.~~

~~(a)~~

~~14.(a) — The licensee must, unless the Authority otherwise consents, maintain for a period of six years:~~

~~(a)(a) — particulars of all balancing services offered to it;~~

~~(b)(a) — particulars of all contracts (other than those in the balancing mechanism) for balancing services which it entered into;~~

~~(c)(a) — particulars of all contracts for balancing services entered into by way of the acceptance of a bid or offer in the balancing mechanism where the bid or offer was made pursuant to a prior agreement;~~

~~(d)(a) — records of all balancing services called for and provided; and~~

~~(e)(a) — records of quantities of electricity imported and exported across each interconnector(s).~~

~~15.(a) — The licensee must provide to the Authority such information as the Authority shall request concerning the procurement and use of balancing services.~~

~~(a)~~

~~(a)~~

~~(a) **Part H: Interpretation**~~

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~~(a)~~

16. (a) — In this condition:

~~(a) active power~~ (a) ~~must have the same meaning as that given to that term in the Grid Code.~~

~~(a)~~

~~(a) "annual report"~~ (a) ~~means a report of that name published by the licensee under Standard Licence Condition C16;~~

~~(a) "adverse effects"~~ (a) ~~means any impact on the continued stability of operation of the national electricity transmission system including, but not limited to, any effect on the frequency or voltage of the electricity transmitted on all or any part of the national electricity transmission system.~~

~~(a)~~

~~(a) "applicable balancing services"~~ (a) ~~means those services that the Authority directs the licensee to treat as applicable balancing services.~~

~~(a)~~

~~(a) "applicable balancing services volume data"~~ (a) ~~means the amount of energy deemed by virtue of the applicable balancing services volume methodology to have been produced or consumed as a result of delivering applicable balancing services.~~

~~(a) "applicable balancing services volume data methodology"~~ (a) ~~means a methodology to be used by the licensee to determine what volumes of applicable balancing services are to be taken into account under the BSC for the purposes of determining in whole or in part the applicable balancing services volume data in any period, which methodology shall cover each of the applicable balancing services which the licensee buys, sells or~~

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	<del>acquires at the time at which the methodology is established;</del>
	<del>(a)–</del>
<del>(a) balancing costs;</del>	<del>(a) means the costs incurred by the licensee to balance the national electricity transmission system.</del>
	<del>(a)–</del>
<del>(a) "balancing services adjustment data methodology"</del>	<del>(a) means a methodology to be used by the licensee to determine what costs and volumes of relevant balancing services are to be taken into account under the BSC for the purposes of determining in whole or in part the imbalance price(s) in any period, which methodology must cover each of the kinds of balancing services which the licensee buys, sells or acquires, and the mechanisms by which the licensee buys, sells or acquires them, at the time at which the methodology is established.</del>
	<del>(a)–</del>
<del>(a) demand;</del>	<del>(a) means taking, or being able to take, megawatts (MW) of electricity (active power) from the total system</del>
	<del>(a)–</del>
<del>(a) "feasibility studies"</del>	<del>(a) means work undertaken by the licensee and any potential new provider in order to assess the ability of the potential new provider to provide restoration services.</del>
	<del>(a)–</del>
<del>(a) "imbalance price"</del>	<del>(a) means a price, in the BSC, for charging for imbalances as referred to in paragraph 2(b)(ii) of standard condition</del>
<del>(a)–</del>	<del>€3 (Balancing and Settlement Code (BSC)).</del>

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<del>(a)</del>	<del>(a)</del>
(a) indicated margin	(a) shall have the same meaning as that given to that term in the Grid Code
<del>(a)</del>	<del>(a)</del>
(a) "interconnected TSO"	(a) means the operator of any transmission system outside of the national electricity transmission system operator area whose transmission system is connected to the national electricity transmission system by one or more interconnectors (irrespective of the ownership of those interconnectors).
<del>(a)</del>	<del>(a)</del>
(a) "new provider"	(a) means an authorised electricity or other provider in respect of a generation set or other asset in respect of which the licensee has not entered into any agreement to provide restoration services prior to the date on which this condition takes effect in this licence.
(a) "relevant balancing services"	(a) means balancing services other than
<del>(a)</del>	(a) (a) those which the licensee has acquired through the mere acceptance of an offer or bid in the balancing mechanism, provided that such offer or bid was not made pursuant to any prior agreement, and
	(a) (b) those which the Authority directs the licensee not to treat as relevant balancing services.
(a) "system management"	(a) means:
	<del>(a)</del>
	(a) (a) the licensee's management of

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~~(a) transmission constraints;~~

~~(a)–~~

~~(b) (a) — the licensee’s management of adverse~~

~~(a) effects on the national electricity~~

~~(a) transmission system arising from changes~~

~~(a) in electrical flows over any interconnector which are not  
the result of actions taken by an interconnected TSO; and~~

~~(a)–~~

~~(c) (a) — actions by any interconnected TSO which~~

~~(a) have an effect on the national electricity~~

~~(a) transmission system.~~

~~(a)–~~

~~(a) “system management  
action — flagging  
methodology”~~

~~(a) means a methodology to be used by the licensee which,  
in the licensee’s opinion, will enable it to use reasonable  
endeavours to identify those balancing services which  
the BSC requires it to identify as relating to system  
management.~~

~~(a)–~~

~~(a) “total costs”~~

~~(a) means the total costs associated with the provision of  
balancing~~

~~(a) services. In the case of restoration services, this includes,~~

~~(a) payments for feasibility study costs, procuring the  
services from~~

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~~(a) “transmission  
constraint”~~

~~(a) parties, capital contributions, testing, warming and  
utilising.~~

~~(a)–~~

~~(a) means any limit on the ability of the national electricity  
transmission system, or any part of it, to transmit the  
power supplied onto the national electricity transmission  
system to the location where the demand for that power  
is situated, such limit arising as a result of any one or  
more of:~~

~~(a) (a) — the need not to exceed the thermal rating of any  
asset forming part of the national electricity transmission  
system;~~

~~(b) (a) — the need to maintain voltages on the national  
electricity transmission system; and~~

~~(c) (a) — the need to maintain the transient and dynamic  
stability of electricity plant, equipment and systems  
directly or indirectly connected to the national electricity  
transmission system.~~

~~(a)–~~

~~(a) and used by the licensee to operate the national  
electricity transmission system in accordance with the  
National Electricity Transmission System Security and  
Quality of Supply Standard referred to in standard  
condition C17 (Transmission system security standard  
and quality of service) or any other provision of the Act,  
this licence or any other requirement of law.~~

~~(a)–~~

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~~(a) wind generation output~~ (a) means the active power output in MW from each wind generator in respect of which operational metering is installed (excluding that relating to wind generators accepted as bids and offers in the balancing mechanism).

~~(a)~~

~~(a)~~

~~(a)~~

~~(a) Condition C17: Transmission system security standard and quality of service~~

~~(a)~~

1. ~~(a)~~ — 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) (a)~~ — plan, develop and operate the national electricity transmission system; and

~~(b) (a)~~ — co-ordinate and direct the flow of electricity onto and over the national electricity transmission system;

2. ~~(a)~~ — in accordance with the National Electricity Transmission System Security and Quality of Supply Standard version 2.5, 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).

3. ~~(a)~~ — 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.

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- ~~4. (a) — 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.~~
- ~~5. (a) — Before making a connect and manage offer in accordance with standard condition C26 (Requirement of a connect and manage connection), the licensee shall determine whether, if it were to make that connect and manage offer, it would comply with paragraph 1 of this condition at the connection date. If the licensee determines that making that connect and manage offer would be inconsistent with its obligations under paragraph 1 of this condition, the licensee shall determine by reference to the connect and manage derogation criteria whether, and to what extent, a connect and manage derogation is required and appropriate and produce a connect and manage derogation report thereon.~~
- ~~6. (a) — Where a connect and manage derogation report is submitted to the licensee by another transmission licensee as part of an associated TO offer, the licensee shall:~~
- ~~(c) (a) — determine whether the connect and manage derogation detailed in the connect and manage derogation report satisfies the connect and manage derogation criteria; and~~
- ~~(d) (a) — if it does not satisfy such criteria advise the relevant transmission licensee as soon as reasonably practicable following receipt of the associated TO offer that it proposes to raise a dispute under the STC in respect of the connect and manage derogation. The licensee shall be deemed to have approved the connect and manage derogation on acceptance of the TO offer.~~
- ~~7. (a) — Where the licensee determines that a connect and manage derogation is required to enable it to make a connect and manage offer, the licensee shall not be required to comply with the requirements of paragraph 1 of this condition to the extent of that connect and manage derogation until the wider works relevant to that connect and manage connection have been completed.~~

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- ~~8. (a) — The licensee shall at all times have in force a statement approved by the Authority following consultation with any relevant authorised electricity operator setting out criteria by which system availability, security and service quality of the national electricity transmission system may be measured and where such measurement is dependent on information provided to the licensee by a transmission owner, the statement shall specify the information to be so provided.~~
- ~~9. (a) — The licensee shall within 4 months after the end of each financial year submit to the Authority a report providing details of system availability, security and service quality of the national electricity transmission system during the previous financial year against the criteria referred to in paragraph 5 of this condition and shall publish the report if within 2 months of the date of submission the Authority does not give a direction to the licensee not to publish the report.~~
- ~~10. (a) — The Authority may (following consultation with the licensee and, where appropriate, any relevant authorised electricity operator) issue directions relieving the licensee of its obligations under paragraph 1 in respect of such parts of the licensee's transmission system or the national electricity transmission system and to such extent as may be specified in the directions.~~
- ~~11. (a) — The licensee shall give or send a copy of the documents (other than the Grid Code and the STC) referred to in paragraph 1 (as from time to time revised) to the Authority.~~
- ~~12. (a) — The licensee shall (subject to paragraph 10) give or send a copy of the documents (as from time to time revised) referred to in paragraph 8 to any person requesting the same.~~
- ~~13. (a) — The licensee may make a charge for any copy given or sent pursuant to paragraph 9 of an amount which will not exceed any amount specified for the time being for the purposes of this condition in a direction issued by the Authority.~~

~~(a) —~~

~~(a) —~~

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~~Condition C18: Requirement to offer terms for connection or use of the GB transmission system during the transition period~~

~~(a)~~

~~14. (a) — The principal objectives of this condition are to ensure that, to the extent possible, the licensee shall, in accordance with the requirements of this condition:~~

~~(a) (a) — have agreements governing connection to or use of the GB transmission system with all existing users by the BETTA go-live date; and~~

~~(b) (a) — make offers for connection to or use of the GB transmission system to all applicants in accordance with the timescales specified in paragraph 7 below;~~

~~(a) each such agreement and offer, as appropriate, to take account of and be consistent with:~~

~~(i) (a) — the licensee's obligations under this condition, including the licensee's obligations under Schedule 1 to this condition;~~

~~(ii) (a) — subject to (i), those obligations which it is, at the relevant time, known (or reasonably anticipated) are to be imposed on the licensee by this licence on and from the BETTA go-live date and which would, had the agreement been entered into or the offer been made after the BETTA go-live date, have applied to that agreement or offer, as appropriate.~~

~~15. (a) — Without prejudice to its obligations under condition B13 (BETTA implementation), the licensee shall take such steps and do such things as are necessary or requisite and as are within its power to secure the achievement of the principal objectives described in paragraph 1 above.~~

~~16. (a) — The licensee shall, in the manner provided for in Section 12 of the CUSC (save that, in the event of any conflict between the provisions of Section 12 of the CUSC and the provisions of this condition, the provisions of this condition shall prevail) and unless otherwise directed by the Authority:~~

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~~(a) (a) — offer to enter into agreements to connect to or use the GB transmission system with all existing Scottish users, which agreements shall comply and be consistent with the provisions of this condition;~~

~~(b) (a) — offer to amend such of the existing agreements between it and existing other users for connection to or use of the licensee's transmission system as are necessary to ensure that all of those agreements will, with effect from the BETTA go live date, become agreements for connection to or use of the GB transmission system and will otherwise be modified such that those agreements comply and are consistent with the provisions of this condition; and~~

~~(c) (a) — subject to paragraph 8 below, offer to enter into agreements to connect to or use the GB transmission system with all applicants, which agreements shall comply and be consistent with the provisions of this condition.~~

~~17. (a) — To enable the licensee to comply with paragraph 3 above, the licensee shall, unless otherwise directed by the Authority and, in the case of applicants, subject to paragraph 8 below, offer to enter into:~~

~~(a) (a) — the CUSC Framework Agreement (where the relevant person is not already a party to such agreement); and~~

~~(b) (a) — to the extent appropriate, such other agreements as are provided for in the CUSC,~~

~~(a) with each existing user and each applicant.~~

~~18. (a) — Each offer which the licensee makes to an existing Scottish user or an existing Scottish applicant pursuant to paragraph 3 above shall:~~

~~(a) (a) — reflect any associated TO offer which relates to that offer and, to the extent appropriate, Section I Information;~~

~~(b) (a) — take account of and be consistent with the licensee's obligations under this condition, including the licensee's obligations under Schedule 1 to this condition;~~

~~(c) (a) — in the case of each existing Scottish user, reflect a Connection Entry Capacity and Transmission Entry Capacity which are, to the extent practicable, equal to that~~

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~~existing Scottish user's equivalent rights under the relevant existing agreement between it and a Scottish licensee;~~

~~(d) (a) — subject to sub-paragraphs (b), (c) and (f), take account of and be consistent with those obligations which it is, at the relevant time, known (or reasonably anticipated) are to be imposed on the licensee by this licence on and from the BETTA go live date and which would, had the offer been made after the BETTA go live date, have applied to that offer;~~

~~(e) (a) — where that offer is for connection, and to the extent appropriate, make detailed provision regarding the connection charges to be paid to the licensee, such charges:~~

~~(i) (a) — to be presented in such a way as to be referable to the GB connection charging methodology (or, in respect of any offer made prior to 1 February 2005 or such later date as the Authority may direct for these purposes, the licensee's best estimate thereof) or any revision thereof;~~

~~(ii) (a) — where the licensee has, in accordance with sub-paragraph (e)(i) above, relied upon an estimate of the GB connection charging methodology, to be updated, as necessary, so as to be referable to the GB connection charging methodology as soon as reasonably practicable after it is available;~~

~~(iii) (a) — to be set in conformity with the requirements of paragraph 8 of standard condition C6 (Connection charging methodology) and (where relevant) paragraph 4;~~

~~(f) (a) — save where the Authority otherwise directs, reflect the division of ownership of Plant and Apparatus provided for in:~~

~~(i) (a) — the relevant existing agreement between a Scottish licensee and that existing Scottish user; or~~

~~(ii) (a) — any offer made or to be made by a Scottish licensee to that existing Scottish applicant, and~~

~~(g) (a) — contain such further terms as are or may be appropriate for the purpose of the agreement, taking account, in the case of existing Scottish users, of:~~

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- ~~(i) (a) — any rights afforded to and any restrictions imposed upon the relevant person pursuant to any existing agreement for connection or use of system, as appropriate; or~~
- ~~(ii) (a) — any rights afforded to and any restrictions imposed upon the relevant person pursuant to any agreement for connection or use of system, as appropriate, that has been run off pursuant to standard condition B14 (BETTA run off arrangements scheme);~~
- ~~(a) to the extent that the same have been notified to the licensee and the licensee is able to continue to offer such rights or impose such restrictions and there are no grounds upon which the licensee may reasonably object to such rights or restrictions being reflected in the offer being made by it to the relevant existing Scottish user (or in any subsequent agreement).~~
- ~~19. (a) — Each offer which the licensee makes to an existing other user or an existing other applicant pursuant to paragraph 3 above shall:~~
  - ~~(a) (a) — reflect any associated TO offer which relates to that offer;~~
  - ~~(b) (a) — take account of and be consistent with the licensee’s obligations under this condition, including its obligations under Schedule 1 to this condition;~~
  - ~~(c) (a) — in the case of each existing other user, reflect the Connection Entry Capacity and Transmission Entry Capacity which apply under the relevant existing agreement between that existing other user and the licensee;~~
  - ~~(d) (a) — subject to sub paragraphs (b), (c) and (f), take account of and be consistent with those obligations which it is, at the relevant time, known (or reasonably anticipated) are to be imposed on the licensee by this licence on and from the BETTA go live date and which would, had the offer been made after the BETTA go live date, have applied to that offer; and~~
  - ~~(e) (a) — where that offer is for connection, and to the extent appropriate, make detailed provision regarding the connection charges to be paid to the licensee, such charges:~~
    - ~~(i) (a) — to be presented in such a way as to be referable to the GB connection charging methodology (or, in respect of any offer made prior to 1 February 2005 or such later~~

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~~date as the Authority may direct for these purposes, the licensee's best estimate thereof) or any revision thereof;~~

~~(ii) (a) — where the licensee has, in accordance with sub-paragraph (f)(i) above, relied upon an estimate of the GB connection charging methodology, to be updated, as necessary, so as to be referable to the GB connection charging methodology as soon as reasonably practicable after it is available;~~

~~(iii)(a) — to be set in conformity with the requirements of paragraph 8 of standard condition C6 (Connection charging methodology) and (where relevant) paragraph 4;~~

~~(f) (a) — save where the Authority otherwise directs, reflect the division of ownership of Plant and Apparatus provided for in:~~

~~(i) (a) — the relevant existing agreement between the licensee and that existing other user; or~~

~~(ii) (a) — any offer made or to be made by the licensee to that existing other applicant; and~~

~~(g) (a) — contain such further terms as are or may be appropriate for the purpose of the agreement, taking account, in the case of existing other users, of:~~

~~(i) (a) — any rights afforded to and any restrictions imposed upon the relevant person pursuant to any existing agreement for connection or use of system, as appropriate; or~~

~~(ii) (a) — any rights afforded to and any restrictions imposed upon the relevant person pursuant to any agreement for connection or use of system, as appropriate, that has been run off pursuant to standard condition B14 (BETTA run off arrangements scheme);~~

~~(a) to the extent that the licensee is able to continue to offer such rights or impose such restrictions and there are no grounds upon which the licensee may reasonably object to such rights or restrictions being reflected in the offer being made by it to the relevant existing other user (or in any agreement between it and that relevant user).~~

~~20. (a) — The licensee shall make an offer in accordance with paragraph 3 above:~~

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- ~~(a) (a) (i) to the extent required to comply with paragraph 3, to each existing other user; and~~
- ~~(ii) (a) to each existing Scottish user whose details have been provided to the licensee in accordance with Section I of the STC;~~
- ~~(a) as soon as reasonably practicable after the date upon which this condition takes effect in the licensee's licence and, in any event, by 1 February 2005 or such later date as the Authority may direct for these purposes;~~
- ~~(b) (a) to each existing other applicant as soon as reasonably practicable and in any event (except where the Authority consents to a longer period) within:~~
  - ~~(i) (a) 3 months of the later of (aa) 1 January 2005 and (bb) the earliest date upon which the licensee is in receipt of an application from that existing other applicant for connection to the licensee's transmission system containing all such information as the licensee may reasonably require for the purpose of formulating the terms of its offer;~~
  - ~~or~~
  - ~~(ii) (a) 28 days of the later of (aa) 1 January 2005 and (bb) the earliest date upon which the licensee is in receipt of an application from that existing other applicant for use of the licensee's transmission system containing all such information as the licensee may reasonably require for the purpose of formulating the terms of its offer;~~
- ~~(c) (a) to each existing Scottish applicant as soon as reasonably practicable and in any event (except where the Authority consents to a longer period) within:~~
  - ~~(i) (a) 3 months of the later of (aa) 1 January 2005 and (bb) the earliest date upon which the licensee is in receipt of a notification from a Scottish licensee in accordance with condition D15 (Obligations relating to the preparation of TO offers during the transition period) that that Scottish licensee has received an application for connection containing all such information as that Scottish licensee reasonably requires for the purpose of formulating the terms of its offer to that existing Scottish applicant; or~~
  - ~~(ii) (a) 28 days of the later of (aa) 1 January 2005 and (bb) the earliest date upon which the licensee is in receipt of a notification from a Scottish licensee in accordance with condition D15 (Obligations relating to the preparation of TO offers during the transition~~

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~~period) that that Scottish licensee has received an application for use of system containing all such information as that Scottish licensee reasonably requires for the purpose of formulating the terms of its offer to that existing Scottish applicant.~~

~~21. (a) — The licensee shall not be obliged pursuant to this condition to offer to enter or to enter into any agreement with any applicant if:~~

~~(a) (a) — to do so would be likely to involve the licensee:~~

~~(i) (a) — in breach of its duties under section 9 of the Act;~~

~~(ii) (a) — in breach of any regulations made under section 29 of the Act or of any other enactment relating to safety or standards applicable in respect of the transmission business;~~

~~(iii) (a) — in breach of the Grid Code; or~~

~~(iv) (a) — in breach of the conditions; or~~

~~(b) (a) — the person to whom the offer is being made does not undertake to be bound insofar as applicable by the terms of the Grid Code or the CUSC from time to time in force; or~~

~~(c) (a) — in the case of offers for use of system, the person to whom the offer is being or is to be made ceases to be an authorised electricity operator; or~~

~~(d) (a) — a Scottish licensee has notified the licensee that under paragraph 5 of condition D15 (Obligations relating to the preparation of TO offers during the transition period) it is not obliged to offer to enter or to enter into any agreement in response to the application or notification, as appropriate.~~

~~22. (a) — Each offer made by the licensee to:~~

~~(a) (a) — an existing Scottish user or an existing other user pursuant to paragraph 3 above shall be open for acceptance for a minimum period of one month (or such longer period as the Authority may direct for these purposes) from the date that it is received by that existing Scottish user or existing other user, as appropriate; and~~

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~~(b) (a) — an applicant pursuant to paragraph 3 above shall be open for acceptance for a minimum period of three months.~~

~~23. (a) — If the licensee and any applicant or existing user fail to agree upon the terms of an agreement based upon an offer made pursuant to this condition, the Authority may, pursuant to section 7(3)(c) of the Act and on application of the licensee, an applicant or an existing user, settle any terms in dispute in such manner as appears to the Authority to be reasonable.~~

~~24. (a) — If an application is made to the Authority as provided at paragraph 10 above, the licensee shall:~~

~~(a) (a) — notify the Authority of:~~

~~(i) (a) — any associated TO offer which relates to the agreement which is the subject of that application;~~

~~(ii) (a) — any Section I Information which relates to the agreement which is the subject of that application;~~

~~(iii) (a) — any transmission licensee (other than a transmission licensee who has made a TO offer or who is affected by the Section I Information notified to the Authority in accordance with sub paragraph 11(a)(ii)) which the licensee knows or reasonably considers is or may be an affected transmission licensee for the purposes of the agreement which is the subject of that application or any associated TO offer;~~

~~(b) (a) — notify each transmission licensee who has made an associated TO offer or who is affected by the Section I Information notified to the Authority in accordance with sub paragraph 11(a)(ii) and any other transmission licensee which the licensee knows or reasonably considers is or may be an affected transmission licensee for the purposes of the agreement which is the subject of that application or any associated TO offer, of such application; and~~

~~(c) (a) — request that the Authority exercise its powers under section 7(3)(c) of the Act to:~~

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- ~~(i) (a) — settle the terms of each associated TO offer which is affected by the Authority’s determination made pursuant to paragraph 10 above or this paragraph 11(e);~~
  - ~~(ii) (a) — determine any changes to be made to Section I Information (including any addition to be made thereto) as a consequence of the Authority’s determination made pursuant to paragraph 10 above or this paragraph 11(e); and~~
  - ~~(iii) (a) — determine whether any TO offer (other than those TO offers (if any) which the licensee shall have notified to the Authority in accordance with paragraph 11(a) above) is required in connection with the Authority’s determination made pursuant to paragraph 10 above or this paragraph 11(e).~~
- ~~25. (a) — Insofar as an applicant or an existing user wishes to proceed on the basis of an agreement as settled by the Authority pursuant to paragraph 10 above, the licensee shall forthwith enter into an agreement or amend an existing agreement, as appropriate, on the basis so settled.~~
- ~~26. (a) — If the licensee has failed by 1 March 2005 (or such later date as the Authority may direct for these purposes) to enter into an agreement with an existing Scottish user who is also an electricity licensee, or to agree changes to an existing agreement for connection to or use of system with an existing other user who is also an electricity licensee, then, without prejudice to either party’s right to refer the matters in dispute to the Authority for determination as provided at paragraph 10 above, the licensee shall:~~
- ~~(a) (a) — where no such reference has been made, apply to the Authority to settle any terms in dispute and the Authority shall be entitled to settle such terms in such manner as appears to the Authority to be reasonable;~~
  - ~~(b) (a) — notify the Authority of:~~
    - ~~(i) (a) — any associated TO offer which relates to the agreement which is the subject of that application;~~
    - ~~(ii) (a) — any Section I Information which relates to the agreement which is the subject of that application;~~

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~~(iii) (a) — any transmission licensee (other than a transmission licensee who has made a TO offer or who is affected by the Section I Information notified to the Authority in accordance with sub paragraph 13(b)(ii)) which the licensee knows or reasonably considers is or may be an affected transmission licensee for the purposes of the agreement which is the subject of that application or any associated TO offer;~~

~~(e) (a) — notify each transmission licensee who has made an associated TO offer or who is affected by the Section I Information notified to the Authority in accordance with sub paragraph 13(b)(ii) and any other transmission licensee which the licensee knows or reasonably considers is or may be an affected transmission licensee for the purposes of the agreement which is the subject of that application or any associated TO offer, of such application; and~~

~~(d) (a) — request that the Authority exercise its powers under section 7(3)(c) of the Act to:~~

~~(i) (a) — settle the terms of each associated TO offer which is affected by the Authority's determination made pursuant to this paragraph 13; and~~

~~(ii) (a) — determine any changes to be made to the Section I Information (including any addition to be made thereto) as a consequence of the Authority's determination made pursuant to this paragraph 13; and~~

~~(iii) (a) — determine whether any TO offer (other than those TO offers (if any) which the licensee shall have notified to the Authority in accordance with paragraph 13(b) above) is required in connection with the Authority's determination made pursuant to this paragraph 13.~~

~~27. (a) — Where the terms of an agreement are settled by the Authority pursuant to paragraph 13 above, the licensee shall forthwith enter into an agreement or amend an existing agreement, as appropriate, on the basis so settled.~~

~~28. (a) — Where the terms of an agreement which are to be settled by the Authority pursuant to paragraph 13 above have not been settled by the date which falls two weeks prior to the BETTA go live date (or such later date as the Authority may direct for these purposes), the licensee shall forthwith enter into an agreement, or amend an existing agreement, on the basis of the terms of the licensee's offer to the relevant electricity~~

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~~licensee pending settlement of the terms of that agreement by the Authority. The Authority's determination of the terms of any such agreement may, where and to the extent appropriate, take account of and make appropriate adjustments to reflect the difference between the terms of that agreement as settled and the terms of that agreement which applied during the period from the BETTA go live date to the date upon which the agreement as settled takes effect.~~

~~29. (a) — The provisions of this condition shall only apply to existing users and to any application made by an applicant before the BETTA go live date.~~

~~30. (a) — In this condition:~~

- |  |  |
|--|--|
| <del>(a) "Apparatus"</del>                     | <del>(a) has the meaning given to it in the CUSC.</del>  |
| <del>(a) "applicant"</del>                     | <del>(a) means either an existing other applicant or an existing Scottish applicant.</del>   |
| <del>(a) "Connection ——— Entry Capacity"</del> | <del>(a) has the meaning given to it in the CUSC.</del>  |
| <del>(a) "existing agreement"</del>            | <del>(a) means an agreement between the licensee or a Scottish licensee and an existing user.</del>  |
| <del>(a) "existing other applicant"</del>      | <del>(a) means in respect of each application, either:</del>   |
|  | <del>(a) (a) — any authorised electricity operator in the case of an application for use of system; — or</del>   |
|  | <del>(a) (b) — any person in the case of an application for connection;</del>  |
|  | <del>(a) who has made or who at any time during the transition period makes an application requesting an offer for connection to or use of the licensee's transmission system but who has not, as at 1 January 2005, accepted any such offer provided that an authorised electricity operator or a person, as appropriate, shall</del> |

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~~not (or no longer) constitute, for the purposes of the relevant application, an existing other applicant where the period within which the relevant offer needs to be accepted has expired and that offer has not been accepted.~~

~~(a) "existing other user"~~

~~(a) means in respect of each agreement, a person who, as at 1 January 2005, has an agreement with (or has accepted an offer from) the licensee for connection to or use of the licensee's transmission system provided that any person who has an agreement with the licensee relating to connection to the licensee's transmission system of the interconnection shall not, in respect of that agreement, constitute an existing other user for the purposes of this condition.~~

~~(a) "existing Scottish applicant"~~

~~(a) means in respect of each application, either:~~

~~(a) (a) any authorised electricity operator in the case of an application for use of system; or~~

~~(a) (b) any person in the case of an application for connection;~~

~~(a) who has made or who at any time during the transition period makes an application requesting an offer for connection to or use of a Scottish licensee's transmission system but who has not, as at 1 January 2005, accepted any such offer provided that an authorised electricity operator or a person, as appropriate, shall not (or no longer) constitute an existing other applicant where the period within which the relevant offer needs to be accepted has expired and the offer has not been accepted.~~

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<del>(a) "existing Scottish user"</del>	<del>(a) means in respect of each agreement, a person who, as at 1 January 2005, has an agreement with (or has accepted an offer from) a Scottish licensee for connection to or use of a Scottish licensee's transmission system provided that any person who has an agreement with a Scottish licensee relating to connection to that Scottish licensee's transmission system of the interconnection shall not, in respect of that agreement, constitute an existing Scottish user for the purposes of this condition.</del>
<del>(a) "existing user"</del>	<del>(a) means an existing Scottish user or an existing other user.</del>
<del>(a) "GB connection charging methodology"</del>	<del>(a) means the connection charging methodology which the licensee is obliged to determine in accordance with standard condition 6 (Connection charging methodology).</del>
<del>(a) "Plant"</del>	<del>(a) has the meaning given to it in the CUSC.</del>
<del>(a) "relevant time"</del>	<del>(a) for the purposes of this condition means the time at which the licensee makes an offer as required by paragraph 3 of this condition.</del>
<del>(a) "run off"</del>	<del>(a) means brought to an end.</del>
<del>(a) "Section I Information"</del>	<del>(a) means any information which is contained or to be contained in the Site Specification.</del>
<del>(a) "Site Specification"</del>	<del>(a) means the "Transitional Connection Site Specification" (as defined in the STC).</del>
<del>(a) "Transmission Entry Capacity"</del>	<del>(a) has the meaning given to it in the CUSC.</del>

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~~(a) "transmission licensee"~~

~~(a) means the licensee or any Scottish licensee, as appropriate.~~

~~(a) "transmission system works"~~

~~(a) means those works which are required to be undertaken on the GB transmission system to ensure that the GB transmission system meets the standards prescribed by standard condition C17 (Transmission system security standard and quality of service) and standard condition D3 (Transmission system security standard and quality of service).~~

~~(a)~~

~~Schedule 1 to Condition 18 (Requirement to offer terms for connection or use of the GB transmission system during the transition period)~~

~~(a)~~

~~1. (a) — Offers made by the licensee pursuant to paragraph 3 of this condition C18 (Requirement to offer terms for connection or use of the GB transmission system during the transition period) shall comply and be consistent with the requirements of this Schedule.~~

~~2. (a) — Each offer which the licensee makes in accordance with paragraph 3 of this condition C18 (Requirement to offer terms for connection or use of the GB transmission system during the transition period) to:~~

~~(a) (a) — an existing user; or~~

~~(b) (a) — an applicant who has, on or before 1 January 2005, submitted a complete application (which, for the purposes of this Schedule 1 shall mean an application which contains the information which the transmission licensee to whom it is submitted reasonably requires for the purposes of preparing an offer for connection or use of that licensee's transmission system) for connection or use of system, shall:~~

~~(i) (a) — not be contingent on the completion of transmission system works on circuits which relate directly to the interconnection (or works directly consequential, in the context of the relevant offer, to such transmission system works);~~

~~(ii) (a) — in the case of an existing Scottish user or an existing Scottish applicant who has submitted a complete application for connection or use of system to a Scottish licensee on or before 1 January 2005, not be contingent on the completion of transmission system works in England and Wales;~~

~~(iii) (a) — in the case of an existing other user or an existing other applicant who has submitted a complete application for connection or use of system to the licensee on or before 1 January 2005, not be contingent on the completion of transmission system works in Scotland.~~

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- ~~3. (a) — Subject to paragraph 6 of this Schedule 1, in preparing the offers which the licensee makes or is to make in accordance with this condition C18 (Requirement to offer terms for connection or use of the GB transmission system during the transition period) the licensee shall (subject to paragraph 2 of this Schedule 1) identify the transmission system works which are relevant to each offer in the following order:~~
- ~~(a) (a) — first, and subject to (b), for each offer which is made or to be made to a person who is, as at 1 September 2004, an existing user;~~
- ~~(b) (a) — for each existing user who falls within (a) above, in the order in which each such existing user accepted the offer for connection or use of system which led to its existing agreement, starting with the existing user who accepted its offer earliest, provided that, where it is not reasonably practicable for the licensee to determine the date upon which an offer was accepted by a particular existing user, the relevant date for these purposes shall be the date upon which that relevant existing user's Plant or Apparatus was commissioned; and~~
- ~~(c) (a) — then, for each offer which is made or to be made to each existing user who does not fall within the scope of paragraph 3(a) and to each applicant.~~
- ~~4. (a) — In identifying transmission system works for the purposes of preparing the offers which the licensee makes or is to make to:~~
- ~~(a) (a) — existing users who fall within the scope of paragraph 3(a) of this Schedule 1, the licensee shall assume that each existing user who precedes, in the order identified in paragraph 3(b) of this Schedule, the existing user whose offer it is preparing, has accepted the offer which the licensee makes or is to make to it in accordance with this condition C18 (Requirement to offer terms for connection or use of the GB transmission system during the transition period);~~
- ~~(b) (a) — existing users and applicants who fall within the scope of paragraph 3(c) of this Schedule 1, the licensee shall assume that each existing user who falls within the scope of paragraph 3(a) of this Schedule 1 has accepted the offer which the licensee makes or is to make to that existing user in accordance with this condition C18 (Requirement to offer terms for connection or use of the GB transmission system during the transition period).~~

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- ~~5. (a) — Subject to paragraph 6 of this Schedule 1 and without prejudice to paragraph 7 of this condition (Requirement to offer terms for connection or use of the GB transmission system during the transition period), the licensee shall use best endeavours to ensure that each existing user (an ‘earlier existing user’) and each applicant (an ‘earlier applicant’) who falls within the scope of paragraph 3(c) of this Schedule 1 does not receive its offer from the licensee, made in accordance with this condition 18 ((Requirement to offer terms for connection or use of the GB transmission system during the transition period) later than the date upon which another existing user or applicant who also falls within the scope of paragraph 3(c) of this Schedule 1 receives its offer where that other existing user or applicant, as appropriate, submitted or submits its complete application to the licensee or a Scottish licensee, as appropriate, later than the date upon which the earlier existing user or earlier applicant, as appropriate, submitted or submits its complete application to the licensee or a Scottish licensee, as appropriate.~~
- ~~6. (a) — Paragraph 5 of this Schedule 1 does not apply to the receipt of an offer ("Offer A") from the licensee, made in accordance with this condition C18 (Requirement to offer terms for connection or use of the GB transmission system during the transition period), by existing users or applicants who fall within the scope of paragraph 3(e) of this Schedule 1 if the licensee is satisfied that no other offer and no revised offer (in relation to the same application) (together "Offer B") has been or may be made in accordance with this condition C18 (Requirement to offer terms for connection or use of the GB transmission system during the transition period) that:~~
- ~~(a) (a) — if accepted would affect the terms of Offer A; or~~
- ~~(b) (a) — would be affected by the terms of Offer A if that Offer A was accepted before Offer B was accepted.~~
- ~~7. (a) — Paragraph 8 applies where a person, in respect of an embedded exemptible large power station that he owns or operates:~~
- ~~(a) (a) — has submitted a BELLA application to the licensee (whether or not the licensee has made an offer in respect of that application and whether or not the person has accepted any such offer); or~~

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~~(b) (a) — is to receive an offer (the “original offer”) from the licensee for use of system of the GB transmission system (whether or not the licensee has made an offer and whether or not the person has accepted any such offer).~~

~~8. (a) — Where, on or before 1 October 2005:~~

~~(a) (a) — in the case of a person to whom paragraph 7(a) applies, such person notifies the licensee that he no longer wishes to enter into and comply with a BELLA, and applies for use of system to the licensee in respect of the embedded exemptible large power station that he owns or operates, or~~

~~(b) (a) — in the case of a person to whom paragraph 7(b) applies, such person notifies the licensee that, in respect of the embedded exemptible large power station that he owns or operates, he no longer wishes an offer for use of system, and submits a BELLA application to the licensee; and~~

~~(c) (a) — in all other respects there are no other changes to:~~

~~(i) (a) — the application to the licensee in respect of the relevant embedded exemptible large power station made by the person who owns or operates that embedded exemptible large power station or any applicant who owns or operates the distribution system to which that embedded exemptible large power station is connected; or~~

~~(ii) (a) — in the case of existing users, matters which will affect the transmission system works contained within the offer as compared to the original offer or any offer to that existing user who owns or operates the distribution system to which the relevant embedded exemptible large power station is connected in respect of that embedded exemptible large power station; and~~

~~(d) (a) — there has been no previous notification to the licensee under sub paragraphs (a) or (b) in relation to that embedded exemptible large power station then:~~

~~(i) (a) — where sub paragraph (a) applies, the use of system application shall for the purposes of identifying the transmission system works under paragraph 3 of this schedule 1, be ordered in the same position as any application which has been made to the licensee in respect of the relevant embedded exemptible large power station by an applicant who owns or operates the distribution system to which that embedded~~

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~~exemptible large power station is connected or, in the case of an existing user, where offer an offer is to be made to that existing user by the licensee pursuant to standard condition C18 in respect of that embedded exemptible large power station;~~

~~(ii) (a) — where sub paragraph (b) applies, any application for connection to the GB transmission system to the licensee in respect of the relevant embedded exemptible large power station by an applicant who owns or operates the distribution system to which that embedded exemptible large power station is connected shall, for the purposes of identifying the transmission system works under paragraph 3 of this schedule 1, be ordered in the same position as the original offer; and~~

~~(iii)(a) — the licensee will not be in breach of paragraph 4 of this Schedule 1 when making offers in respect of embedded exemptible large power stations where it has received notification pursuant to sub paragraphs (a) or (b)~~

~~9. (a) — In paragraphs 7 and 8, the following terms have the meanings given in the CUSC:~~

~~(a) (a) — embedded exemptible large power station~~

~~(b) (a) — BELLA;~~

~~(c) (a) — BELLA application.~~

~~(a) —~~

~~Condition C19: Duty to cooperate~~

~~(a)~~

~~1. (a) This condition shall apply where the licensee has entered into a framework agreement or otherwise acceded to an Industry Code.~~

~~2. (a) The licensee will cooperate with the Authority and/or any person(s) appointed by the Authority or appointed pursuant to a direction of the Authority, to undertake any reasonable requests in relation to planning, project assurance and/or coordination/systems integration in order to give full effect to the conclusions of a Significant Code Review.~~

~~(a)~~

~~3. (a) Cooperation for the purposes of C19(2) may include but not be limited to:~~

~~(a)~~

~~(a) a) the sharing of such information as reasonable, and constructive participation in industry engagement in order to undertake appropriate planning of changes to IT systems or industry standard operational processes system changes pursuant to the conclusions of a Significant Code Review;~~

~~(a) b) the provision of such data as may be identified and reasonably requested in order to undertake testing and/or the population of any new central systems;~~

~~(a) c) the preparation and cleansing of such data as may reasonably be requested in order to facilitate live operation of the new central system;~~

~~(a) d) the provision of test scripts and results of any testing as may be requested by any person appointed to assure the success of any testing;~~

~~(a) e) all reasonable steps to:~~

~~(a) i) meet key programme milestones for the completion of any action(s) assigned to the licensee;~~

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~~(a) ii) — adhere to any remedial plan put in place to address any issues, delays or slippage that may impact the licensee's ability to meet programme milestones, to the extent that failure to do so may jeopardise the successful and timely implementation of the programme;~~

~~(a) iii) — identify any dependencies that the licensee may have upon agents or other third parties and secure the necessary support from such parties; and,~~

~~(a) iv) — promptly escalate and/or resolve any disputes that if unresolved may jeopardise the fulfilment of these obligations.~~

~~(a) —~~

~~(a) **Interpretation**~~

~~(a) —~~

~~1. (a) — In this condition:~~

~~(a) —~~

~~(a) **Significant Code Review** means a review of matters in relation to its principal objective and/or general duties (under section 3A of the Electricity Act or section 4AA of the Gas Act), statutory functions and/or relevant obligations arising under Retained EU law, which the Authority considers are likely to relate to one or more of the documents referred to in this condition, or to which the licensee is required under this licence to be a party, and concerning which the Authority has consulted upon and issued a Notice to the parties stating that the review will constitute a Significant Code Review.~~

~~(a) —~~

~~(a) **Industry Code** means any and all of the following:~~

~~(a) —~~

~~**a)** (a) — the Grid Code;~~

~~**b)** (a) — the Distribution Code;~~

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~~e) (a) — the Connection and Use of System Code (CUSC);~~

~~d) (a) — the Balancing and Settlement Code (BSC);~~

~~e) (a) — the System Operator — Transmission Owner Code (STC)~~

~~(a) —~~

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~~Condition C20: Assistance for areas with high distribution costs scheme: restriction on revenue~~

~~(a)~~

~~1. (a) The licensee must use its best endeavours to ensure that, in each relevant year, the revenue derived by the licensee from the assistance for areas with high distribution costs scheme activity does not exceed the assistance for areas with high distribution costs scheme amount for that relevant year as calculated in accordance with the following formula:~~

$$~~(a) HBM_t = A_t + SA_t + (HBOC_t - HBK_t)~~$$

~~(a) where~~

~~(a)~~

~~(a)  $HBM_t$~~

~~(a) represents the assistance for areas with high distribution costs scheme amount in relation to the relevant year t.~~

~~(a)  $A_t$~~

~~(a) represents the assistance amount in relation to the relevant year t.~~

~~(a)  $SA_t$~~

~~(a) represents the Shetland assistance amount in relation to the relevant year t.~~

~~(a)  $HBOC_t$~~

~~(a) represents the administration allowance in relation to the relevant year t.~~

~~(a)  $HBK_t$~~

~~(a) represents the correction amount in relation to the relevant year t.~~

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~~(a)~~

~~2. (a) — For the purposes of paragraph 1 above, for each relevant year, the assistance amount shall be derived from the following formula:~~

$$\del (a) A_t = A_{t-1} (1 + (\text{CPIH}_t / 100))$$

~~(a) where~~

~~(a)  $A_{t-1}$~~

~~(a) represents the assistance amount in relation to the relevant year t-1.~~

~~(a)  $\text{CPIH}_t$~~

~~(a) means the percentage change (whether of a positive or a negative value) in the arithmetic average of the CPIH figures published or determined with respect to each of the six months May to October (both inclusive) in relation to the relevant year t-1 and that are published or determined with respect to the same months in relation to the relevant year t-2.~~

~~2A. (a) — For the purposes of paragraph 1 above, for each relevant year, the Shetland assistance amount shall be derived from the following formula:~~

$$\del (a) SA_t = SA_{t-1} \left( 1 + \frac{\text{CPIH}_t}{100} \right)$$

~~(a) where~~

~~(a)~~

~~(a)  $SA_{t-1}$~~

~~(a) represents the Shetland assistance amount in relation to the relevant year t-1.~~

~~(a)  $\text{CPIH}_t$~~

~~(a) has the meaning given in paragraph 2.~~

~~(a)~~

~~3. (a) — For the purposes of paragraph 1 above, for each relevant year, the administration allowance shall be derived from the following formula:~~

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~~(a)  $HBOC_t = HBOC_{t-1}(1 + (CPIH_t/100))$~~

~~(a) where~~

~~(a)  $HBOC_{t+1}$  (a) represents the administration allowance in relation to the relevant year t + 1.~~

~~(a)  $CPIH_t$  (a) has the meaning given in paragraph 2.~~

~~(a)~~

~~4. (a) — For the purposes of paragraph 1 above, for each relevant year the correction amount shall have the value derived from the following formula:~~

~~(a)  $HBK_t = (HBC_{t-1} - HBM_{t-1})(1 + (I_t/100))$~~

~~(a) where~~

~~(a)  $HBC_{t+1}$  (a) means the total income from payments received from authorised suppliers during the relevant year t + 1 pursuant to standard condition C21, excluding any interest on late payments.~~

~~(a)  $HBM_{t+1}$  (a) means the assistance for areas with high distribution costs scheme amount in relation to the relevant year t + 1.~~

~~(a)  $I_t$  (a) represents the base interest rate in relation to the relevant year t as of the date upon which such calculation under paragraph 1 above is conducted.~~

~~(a) 4A. — For the purposes of paragraphs 2 to 4, where the relevant year t + 1 is the year beginning on 1 April 2022, the following amounts in relation to that year are the amounts calculated in accordance with this condition as in force immediately before 1 April 2023:~~

~~(a) (a) — the assistance amount;~~

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~~(b) (a) — the Shetland assistance amount;~~

~~(c) (a) — the administration allowance;~~

~~(d) (a) — the assistance for areas with high distribution costs scheme amount~~

~~(a) —~~

~~5. (a) — In this condition:~~

~~(a) “administration  
allowance”~~

~~(a) means the amount of the licensee’s revenue allowance for administering the assistance for areas with high distribution costs scheme with the value calculated in accordance with paragraph 3 above.~~

~~(a) “assistance amount”~~

~~(a) means the amount payable by the licensee to a relevant distributor in any relevant year made pursuant to paragraph 1 of standard condition C22 (Assistance for areas with high distribution costs scheme: payments to a relevant distributor) and with the value calculated in accordance with paragraph 2 above.~~

~~(a) “assistance for areas with  
high distribution costs  
scheme”~~

~~(a) means the scheme established pursuant to the Energy Act 2004 (Assistance for Areas with High Distribution Costs) Order 2005.~~

~~(a) “assistance for areas with  
high distribution costs  
scheme activity”~~

~~(a) means the activity undertaken by the licensee or any affiliate or related undertaking as part of the transmission business relating to the implementation, administration and ongoing maintenance of the assistance for areas with high distribution costs scheme established pursuant to the Energy Act 2004 (Assistance for Areas with High Distribution Costs) Order 2005.~~

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<del>(a) “authorised supplier”</del>	<del>(a) has the same meaning as in section 184 of the Energy Act 2004.</del>
<del>(a) “base interest rate”</del>	<del>(a) means, in respect of any day, the rate per annum which is equal to the base lending rate from time to time of Barclays Bank PLC as at the close of business on the immediately preceding business day.</del>
<del>(a) “business day”</del>	<del>(a) means any week day other than a Saturday on which the banks are open for domestic business in the City of London.</del>
<del>(a) “correction amount”</del>	<del>(a) means the amount for reconciliation of payments in respect of the assistance for areas with high distribution costs scheme with the value as calculated in accordance with paragraph 4 above.</del>
<del>(a) “CPIH”</del>	<del>(a) means the consumer prices index including owner occupiers’ housing costs (all items) published by the Office for National Statistics</del>
<del>(a) “late payments”</del>	<del>(a) means payments required to be made by authorised suppliers and not received by the licensee by the due date specified in any invoice issued by the licensee in relation to same pursuant to standard condition C21 (Assistance for areas with high distribution costs scheme: payments from authorised suppliers).</del>
<del>(a) “relevant distributor”</del>	<del>(a) has the same meaning as in section 184 of the Energy Act 2004 where the relevant distribution system is located in the specified area.</del>

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~~(a) “relevant year” (a) means a year beginning on 1 April of each calendar year and ending on 31 March of the following calendar year.~~

~~(a) “Shetland assistance amount” (a) means the amount payable by the licensee to a relevant distributor in any relevant year made pursuant to paragraph 1A of standard condition C22 (Assistance for areas with high distribution costs scheme: payments to a relevant distributor) and with the value calculated in accordance with paragraph 2A above.~~

~~(a) “specified area” (a) means the area specified in the Energy Act 2004 (Assistance for Areas with High Distribution Costs) Order 2005.~~

~~(a)~~

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~~Condition C21: Assistance for areas with high distribution costs scheme: payments from authorised suppliers~~

~~(a)~~

~~1. (a) Pursuant to the Energy Act 2004 (Assistance for Areas with High Distribution Costs) Order 2005 the licensee shall collect payments from authorised suppliers in accordance with the provisions of this condition.~~

~~2. (a) For each relevant year the licensee shall calculate a p/kWh tariff by dividing the total scheme amount by a reasonable forecast of the total units of electricity to be supplied within Great Britain by authorised suppliers during the relevant year.~~

~~2A. (a) For each relevant year, the licensee shall calculate a Shetland p/kWh tariff by dividing the total Shetland assistance amount by a reasonable forecast of the total units of electricity to be supplied within Great Britain by authorised suppliers during the relevant year.~~

~~3. (a) The licensee shall issue to each authorised supplier an invoice for the amount determined by applying the p/kWh tariff to the units of electricity supplied by each authorised supplier during each period in relation to the relevant year t specified in the following table and such invoices shall be issued in respect of each such period in relation to the relevant year t by the dates specified in the following table specifying the amount due and the date required for payment of such amount by the authorised supplier which shall not be more than 28 days from the date of the invoice.~~

<del>(a) Period in relevant year</del>	<del>(a) Invoice dates in relation to relevant year</del>
<del>(a) April to June</del>	<del>(a) 15 August</del>
<del>(a) July to September</del>	<del>(a) 15 November</del>
<del>(a) October to December</del>	<del>(a) 15 February</del>
<del>(a) January to March</del>	<del>(a) 15 May</del>

~~(a)~~

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- ~~3A. (a) — For each relevant year, for the purpose of information, each invoice issued to an authorised supplier pursuant to paragraph 3 must specify the amount determined by applying the Shetland p/kWh tariff to the units of electricity supplied by that authorised supplier during each period in relation to the relevant year t specified in the table in paragraph 3~~
- ~~4. (a) — The invoices issued pursuant to paragraph 3 above may also include a separate amount payable by an authorised supplier representing an interest charge of 8 per cent above the base interest rate on any payment not made to the licensee by the authorised supplier on the date specified calculated for each day after the date on which any payment relating to a previous invoice or to previous invoices should have been made up to the date on which such payment was actually made.~~
- ~~5. (a) — For each relevant year, the licensee shall prepare a statement setting out in respect of such relevant year:~~
- ~~(a) (a) — the methodology used to calculate the p/kWh tariff;~~
  - ~~(b) (a) — the p/kWh tariff that will apply in the relevant year;~~
  - ~~(c) (a) — the terms for payment of invoices issued under paragraph 3 above including the dates by which such invoices should be paid;~~
  - ~~(d) (a) — a statement that the level of interest to be applied to any late payments by an authorised supplier shall be 8% above the base interest rate as calculated and applied in accordance with paragraph 4 above;~~
  - ~~(e) (a) — contact details which can be used if an authorised supplier has any queries concerning the operation of the assistance for areas with high distribution costs scheme;~~
  - ~~(f) (a) — a statement of the administration allowance; and~~
  - ~~(g) (a) — a statement of the assistance amount payable by the licensee in relation to the relevant year, together with details of the payments payable by the licensee on the payment dates in relation to relevant year specified in standard condition C22 (Assistance for areas with high distribution costs scheme: payments to a relevant distributor).~~

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~~5A. (a) — For each relevant year the statement made pursuant to paragraph 5 shall also set out:~~

~~(a) —~~

~~(a) (a) — the methodology used to calculate the Shetland p/kWh tariff;~~

~~(b) (a) — the Shetland p/kWh tariff that will apply in the relevant year;~~

~~(c) (a) — a statement of the Shetland assistance amount payable by the licensee in relation to the relevant year, together with details of the payments payable by the licensee on the payment dates in relation to the relevant year specified in standard condition C22.~~

~~6. (a) — For each relevant year, as soon as reasonably practicable after the preparation of the statement made pursuant to paragraph 5 above and not less than one month prior to issuing the first invoice in the relevant year to which such statement relates, the licensee shall provide a copy of the statement to the Authority, authorised suppliers and to a relevant distributor. Where a person becomes an authorised supplier on a date after the statement has been provided under this paragraph, the licensee shall provide a copy to such authorised supplier as soon as reasonably practicable after such date.~~

~~7. (a) — The licensee shall send a copy of any statement prepared pursuant to paragraph 5 above to any person who requests a copy.~~

~~8. (a) — The licensee may make a charge for any copy of a statement sent pursuant to paragraph 7 above of an amount reflecting the licensee's reasonable costs of providing such copy which costs shall not exceed the maximum amount specified in directions issued by the Authority for the purposes of this condition.~~

~~9. (a) — In this condition:~~

~~(a) "administration allowance"~~

~~(a) means the amount of the licensee's revenue allowance for administering the assistance for areas with high distribution costs scheme with the value calculated in accordance with paragraph 3 of standard condition~~

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	<del>C20 (Assistance for areas with high distribution costs scheme: restriction on revenue):</del>
<del>(a) “assistance amount”</del>	<del>(a) means the amount payable by the licensee to a relevant distributor in any relevant year pursuant to paragraph 1 of Condition C22 (Assistance for areas with high distribution costs scheme: payments to a relevant distributor).</del>
<del>(a) “assistance for areas with high distribution costs scheme”</del>	<del>(a) means the scheme established pursuant to the Energy Act 2004 (Assistance for Areas with High Distribution Costs) Order 2005.</del>
<del>(a) “authorised supplier”</del>	<del>(a) has the meaning given to it in section 184 of the Energy Act 2004.</del>
<del>(a) “business day”</del>	<del>(a) means any week day other than a Saturday on which banks are open for domestic business in the City of London.</del>
<del>(a) “correction amount”</del>	<del>(a) means the amount for reconciliation of payments in respect of the assistance for areas with high distribution costs scheme as calculated in accordance with paragraph 4 of standard condition C20 (Assistance for areas with high distribution costs scheme: restriction on revenue).</del>
<del>(a) “base interest rate”</del>	<del>(a) means, in respect of any day, the rate per annum which is equal to the base lending rate from time to time of Barclays Bank PLC as at the close of business on the immediately preceding business day.</del>
<del>(a) “late payments”</del>	<del>(a) means payments made by authorised suppliers not received by the licensee in the timescales described in any invoice issued by the licensee pursuant to this condition.</del>

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- |  |   |
|--|---|
| <del>(a) “p/kWh”</del>                         | <del>(a) means pence per kilowatt hour.</del>   |
| <del>(a) “relevant year”</del>                 | <del>(a) means a year beginning on 1 April of each calendar year and ending on 31 March of the following calendar year.</del>   |
| <del>(a) “Shetland assistance amount”</del>    | <del>(a) means the amount payable by the licensee to a relevant distributor in any relevant year pursuant to paragraph 1A of standard condition C22 (Assistance for areas with high distribution costs scheme: payments to a relevant distributor).</del>                                 |
| <del>(a) “Shetland p/kWh tariff”</del>         | <del>(a) means the tariff calculated in accordance with paragraph 2A.</del>   |
| <del>(a) “total scheme amount”</del>           | <del>(a) means the maximum revenue of the licensee in relation to the assistance for areas with high distribution costs scheme and calculated in accordance with paragraph 1 of standard condition C20 (Assistance for areas with high distribution costs: restriction on revenue).</del> |
| <del>(a) “units of electricity supplied”</del> | <del>(a) means the amount of electricity, expressed in kWh, supplied to premises (cognate expressions being construed accordingly); and, for the avoidance of doubt, in calculating that amount any export of electricity from those premises is to be disregarded.</del>                 |

~~(a)~~

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~~Condition C22: Assistance for areas with high distribution costs scheme: payments to a relevant distributor~~

~~(a)~~

~~1. (a) Pursuant to the Energy Act 2004 (Assistance for Areas with High Distribution Costs) Order 2005 the licensee shall in respect to each relevant year pay to a relevant distributor the assistance amount in the proportions specified in the table below and on the payment dates specified therein.~~

<del>(a) Payment dates</del>	<del>(a) Proportion of assistance amount payable on payment date</del>
<del>(a) 15 September</del>	<del>(a) 23%</del>
<del>(a) 15 December</del>	<del>(a) 22%</del>
<del>(a) 15 March</del>	<del>(a) 27%</del>
<del>(a) 15 June</del>	<del>(a) 28%</del>

~~(a)~~

~~(a) For the avoidance of doubt, the payments required by this condition shall be made to a relevant distributor by the licensee whether or not sufficient monies have been received by the licensee from authorised suppliers pursuant to standard condition C21 (Assistance for areas with high distribution costs scheme: payment from authorised suppliers).~~

~~1A. (a) In respect of each relevant year, the licensee shall pay to a relevant distributor the Shetland assistance amount in the proportions specified and on the payment dates specified in the table in paragraph 1.~~

~~2. (a) In this condition:~~

~~(a) “assistance amount”~~

~~(a) means the amount payable by the licensee to a relevant distributor in relation to any relevant year made pursuant to this condition as calculated in~~

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~~accordance with paragraph 2 of standard condition C20 (Assistance for areas with high distribution costs scheme: restriction on revenue).~~

~~(a) “relevant distributor”~~

~~(a) has the same meaning as in section 184 of the Energy Act 2004.~~

~~(a) “relevant year”~~

~~(a) means a year beginning on 1 April of each calendar year and ending on 31 March of the following calendar year.~~

~~(a) “Shetland assistance amount”~~

~~(a) means the amount payable by the licensee to a relevant distributor in relation to any relevant year pursuant to this condition, as calculated in accordance with paragraph 2A of standard condition C20.~~

~~(a)~~

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~~Condition C23: Assistance for areas with high distribution costs scheme: annual statement~~

~~(a)~~

~~1. (a) As soon as practicable after issuing the last invoice in any relevant year pursuant to standard condition C21 (Assistance for areas with high distribution costs scheme: payments from authorised suppliers) the licensee shall provide the Authority and a relevant distributor with a statement of the total scheme amount and the mechanism for and the values of the components used in the calculation of the same with respect to the relevant year.~~

~~2. (a) In this condition:~~

~~(a) “authorised supplier” (a) has the same meaning as in section 184 of the Energy Act 2004.~~

~~(a) “relevant distributor” (a) has the same meaning as in section 184 of the Energy Act 2004.~~

~~(a) “relevant year” (a) means a year beginning on 1 April of each calendar year and ending on 31 March of the following calendar year.~~

~~(a) “total scheme amount” (a) means the maximum allowable revenue of the licensee in relation to the assistance for areas with high distribution costs scheme with the value specified in or as calculated in accordance with paragraph 1 of standard condition C20 (Assistance for areas with high distribution costs scheme: restriction on revenue).~~

~~(a)~~

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~~Condition C24: Energy Administration, Energy Supply Company Administration and Smart Meter Communication Licensee Administration: National Electricity Transmission System Operator Shortfall Contribution Obligations~~

~~(a)~~

~~1. (a) The purpose of this condition is to require the licensee, in specified circumstances, to modify the charges imposed by it in carrying on its licensed activities (“charges”) to raise such amounts as are specified by the Secretary of State in a shortfall direction:~~

~~(i) (a) from the persons; and~~

~~(ii) (a) in the manner;~~

~~(a) specified in such shortfall direction, and to pay such amounts to the persons specified in the shortfall direction.~~

~~2. (a) Where there is a shortfall during or at the completion of an energy administration, energy supply company administration or smart meter communication licensee administration, the Secretary of State, after consultation with the Authority and the licensee, may issue one or more shortfall directions (including one or more shortfall directions to modify or replace any previously issued shortfall direction or directions) to the licensee specifying:~~

~~(a) (a) the amount of the shortfall (including the amount of any interest accruing on the shortfall calculated to the date specified in sub paragraph (f));~~

~~(b) (a) the amount to be raised by the licensee and applied in making good the shortfall;~~

~~(c) (a) the persons to whom the amount referred to in sub paragraph (b) above is to be paid (“shortfall payment recipients”);~~

~~(d) (a) the rate or rates of interest applicable to any part or parts of the amount referred to in sub paragraph (b) above, and any other relevant information to enable the licensee to calculate liability (if any) for payment of any interest in respect of any late payment of such amount to or by the licensee;~~

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- ~~(e) (a) — the method or methods by which the licensee may raise the amount referred to in sub-paragraph (b) above (including, without limitation, the manner in which and persons from whom it is to be raised and whether such amount is to be raised within or outside the licensee’s normal billing cycle);~~
- ~~(f) (a) — the date by which the licensee is required to pay the shortfall payment recipients the amount referred to in sub-paragraph (b) above (or, where payment of the amount is required in instalments, the dates on which the licensee is required to make payment of each instalment);~~
- ~~(g) (a) — where the shortfall includes relevant debts owed to more than one shortfall payment recipient, the priority in which the amount referred to in sub-paragraph (b) above is to be applied in discharging those debts;~~
- ~~(h) (a) — the extent to which a subsequent shortfall direction modifies or replaces a previously issued shortfall direction;~~
- ~~(i) (a) — where a shortfall direction is to modify or replace any previously issued shortfall direction, where appropriate, a requirement not to modify charges further pursuant to paragraph 5 below; and~~
- ~~(j) (a) — the amount the licensee is permitted to raise and retain for administering the mechanism contained in this condition (“permitted administration fee”) and the manner in which the permitted administration fee is to be raised;~~
- ~~(a) and the licensee shall comply with any such shortfall direction.~~
- ~~3. (a) — As soon as reasonably practicable after receiving a shortfall direction, the licensee shall:~~
- ~~(a) (a) — modify its charges (in accordance with any method or methods specified in the shortfall direction) so as to secure that, in its reasonable estimation (such estimate to be agreed with the Authority), the change in its revenue resulting from the modification will equal the amount to be raised by it as specified in the shortfall direction (including, at the licensee’s discretion, any permitted administration fee); and~~
- ~~(b) (a) — notify the persons who are subject to the charges so modified of:~~

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- ~~(i) (a) — the modifications made to the charges;~~
  - ~~(ii) (a) — any modification to the date or time period within which such charges shall be paid;~~
  - ~~(iii) (a) — the reason for those modifications; and~~
  - ~~(iv) (a) — the interest rate applicable to late payment of such modified charges.~~
- ~~4. (a) — The licensee shall on or before the date (or dates) specified in the shortfall direction pay the amount raised under sub paragraph 3(a), (excluding any permitted administration fee), to the shortfall payment recipients, in accordance (where applicable) with any priority set out in the shortfall direction. For the avoidance of doubt the licensee shall not at any time be under any liability:~~
- ~~(i) (a) — to make any payments to any shortfall payment recipient, to the extent that those payments exceed the amount of additional revenue which the licensee has already received pursuant to the modification of its charges in accordance with this condition (excluding any permitted administration fee); or~~
  - ~~(ii) (a) — to pay interest to any shortfall payment recipient in respect of any period for which any payment is late (in whole or in part) where the delay to such payment arises from the late payment of monies to the licensee.~~
- ~~5. (a) — Save where the Secretary of State specifies otherwise in a shortfall direction modifying or replacing a previously issued shortfall direction, if the amount raised by the licensee under sub paragraph 3(a) (excluding any permitted administration fee):~~
- ~~(a) (a) — is less than the amount the licensee is obliged to raise by the shortfall direction to be applied in making good the shortfall (other than as a result of late, partial or non-payment of the modified charges by one or more party subject to those charges), the licensee shall:~~
  - ~~(i) (a) — as soon as reasonably practicable, modify its charges (in accordance with any method or methods specified in the shortfall direction) so as to secure that, in its reasonable estimation (such estimate to be agreed with the Authority), the change in its~~

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~~revenue effected by such modification will equal the amount of that deficit together with any interest as specified in the shortfall direction; and~~

~~(ii) (a) — pay that amount to the shortfall payment recipients as soon as reasonably practicable but otherwise in accordance with the shortfall direction; or~~

~~(b) (a) — is more than the amount the licensee is obliged to raise by the shortfall direction to be applied in making good the shortfall, the licensee shall, as soon as reasonably practicable, further modify its charges so as to secure that, in its reasonable estimation (such estimate to be agreed with the Authority), the change in its revenue effected by such modification will equal the amount of the excess together with any accrued interest thereon.~~

~~6. (a) — For the purposes of sub-paragraph 3(a) and paragraph 5:~~

~~(a) (a) — the licensee may modify its charges notwithstanding that it has not given prior notice of such a variation required by any other condition of this licence and/or the CUSC and any charges levied by the licensee after modification pursuant to sub-paragraph 3(a) or paragraph 5 of this condition shall be deemed to be compliant with the licensee's obligations under Condition C4 (Charges for use of system), Condition C5 (Use of system charging methodology) and Condition C13 (Adjustments to use of system charges (small generators)) as from time to time amended;~~

~~(b) (a) — the licensee shall not enter into any agreement with another party which does not permit it to vary its charges in pursuance of this condition and shall take all steps within its power to amend, where necessary, any existing agreement to permit such variation; and~~

~~(c) (a) — in modifying its charges for the purposes of this condition the licensee shall not discriminate between any person or class or classes of person, except in so far as any differences in charges reasonably reflect objective differences between such persons or classes of persons or such differences in charges are required to give effect to the shortfall direction.~~

~~7. (a) — The licensee shall, immediately after making any payment under paragraphs 4 or 5 above, send a notice to the Authority and to the Secretary of State specifying the amount of that payment, the shortfall payment recipients to whom it was paid, the date~~

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~~on which it was paid and whether any of the payment was made up of interest resulting from late payment.~~

~~8. (a) — In calculating the licensee’s revenue during any period for the purposes of any charge restriction condition, any change in the licensee’s revenue attributable to the licensee’s compliance with this condition shall be treated as if it had not occurred.~~

~~9. (a) — The licensee shall prepare, in respect of each period of 12 months ending on 31 March in which its charges are modified in pursuance of sub-paragraph 3(a) or paragraph 5, a statement showing:~~

~~(a) (a) — the aggregate amount of its revenue derived from any modification to charges in pursuance of sub-paragraph 3(a);~~

~~(b) (a) — the aggregate amount of its revenue derived from any modification to charges in pursuance of sub-paragraph 5(a);~~

~~(c) (a) — the aggregate amount of the change in its revenue resulting from any modification to charges in pursuance of sub-paragraph 5(b); and~~

~~(d) (a) — the aggregate payments made by the licensee during that period of 12 months ending on 31 March in accordance with paragraph 4 and, where applicable, sub-paragraph 5(a);~~

~~(a) and shall give the statement to the Authority within four months of the expiration of the period to which it relates.~~

~~10. (a) — On giving the statement mentioned in paragraph 9 to the Authority, the licensee shall also publish it on its website.~~

~~11. (a) — In this condition:~~

~~(a) (a) — any words or expressions used in Chapter 3 of Part 3 of the Energy Act 2004 shall, unless the contrary intention appears, have the same meaning as they do in that Chapter when used in this condition;~~

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~~(b) (a) — any words or expressions used in Chapter 5 of Part 2 of the Energy Act 2011 shall, unless the contrary intention appears, have the same meaning as they do in that Chapter when used in this condition;~~

~~(a) —~~

~~(c) (a) — any words or expressions used in the Smart Meters Act 2018 shall, unless the contrary intention appears, have the same meaning as they do in that Act when used in this condition;~~

~~(a) —~~

~~(a) (d) “charge restriction condition” means any condition (including, without limitation, any revenue restriction condition) of this licence which places a monetary limitation on the revenue which may be recovered by the licensee during a given period; and~~

~~(a) (e) “shortfall direction” means a direction issued by the Secretary of State for the purpose of meeting any “relevant debt”, within the meaning given to those words:~~

~~(i) (a) — in relation to energy administration, in section 169(4) of the Energy Act 2004;~~

~~(ii) (a) — in relation to energy supply company administration, section 99 (4) of the Energy Act 2011;~~

~~(iii) (a) — in relation to smart meter communication licensee administration, in section 7(4) of the Smart Meters Act 2018,~~

~~(a) (including (A) any modifications to such direction made by any subsequent shortfall direction, or (B) any shortfall direction replacing a previous shortfall direction).~~

~~(a) —~~

~~(a) —~~

~~(a) —~~

~~(a) —~~

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~~Condition C25: Provision of information and assistance to the Authority in relation to applications requiring the appointment of an offshore transmission owner~~

~~(a)~~

~~(a) **Introduction**~~

~~(a) A1. (a) The objective of Part A of this condition is to place an obligation on the licensee to provide such information and assistance as is required by the Authority in relation to any application, offer, agreement or variation to contractual terms made pursuant to standard condition C8 (Requirement to offer terms) requiring the appointment of an offshore transmission owner.~~

~~(a) (b) The objective of Part B of this condition is to place an obligation on the licensee to provide such information and assistance as is required by the Authority in relation to the rationale for including Developer Associated Offshore Wider Works in an offer made under paragraph 3 of standard condition C8 (Requirement to offer terms) requiring the appointment of an offshore transmission owner.~~

~~(a) **Part A: Provision of information and assistance to the Authority**~~

~~(a)~~

~~1. (a) The licensee shall furnish to the Authority information relating to~~

~~(a) (a) any application made under standard condition C8 (Requirement to offer terms) that would require the appointment of an offshore transmission owner, including the licensee's initial view on whether Developer Associated Offshore Wider Works are anticipated in relation to the application;~~

~~(aa)(a) any offer made under standard condition C8 (Requirement to offer terms) that would require the appointment of an offshore transmission owner and that includes Developer Associated Offshore Wider Works;~~

~~(b) (a) any agreement entered into under standard condition C8 (Requirement to offer terms) that requires the appointment of an offshore transmission owner, specifying, where relevant, if Developer Associated Offshore Wider Works are included,~~

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~~specifying, where relevant, if Developer Associated Offshore Wider Works are included in or affected by the variation(s).~~

~~(c) (a) — any agreed variation to the contractual terms entered into under standard condition C8 (Requirement to offer terms) that requires the appointment of an offshore transmission owner, specifying, where relevant, if Developer Associated Offshore Wider Works are included in or affected by the variation(s).~~

~~2. (a) — The licensee shall submit to the Authority information equivalent to an application in accordance with the STC, made by the licensee to another licensee under paragraph 1 or of standard condition D4A, in respect of an application made under standard condition C8 (Requirement to offer terms) that requires the appointment of an offshore transmission owner.~~

~~3. (a) — The licensee shall provide to the Authority computer file(s) produced by the licensee that the licensee considers provides an appropriate representation of the national electricity transmission system, for the conditions on the national electricity transmission system relevant to each agreement notified pursuant to paragraph 1(b) and in sufficient detail to enable other parties to undertake offshore transmission system design work.~~

~~4. (a) — The licensee shall provide to the Authority information describing any other design options considered by the licensee that are relevant to each agreement notified pursuant to paragraph 1(b).~~

~~5. (a) — The licensee shall provide the information required under paragraphs 1, 2, 3 and 4 without specific request from the Authority and within 10 business days of the date of the application or offer made or agreement entered into or variation to contractual terms agreed, under standard condition C8 (Requirement to offer terms).~~

~~6. (a) — The Authority may require the licensee to provide additional information as the Authority may reasonably require or as may be necessary, for the purposes of appointing an offshore transmission owner. The licensee shall agree with the Authority an indicative timetable for additional information provision during a tender exercise.~~

~~7. (a) — The licensee shall provide the Authority with assistance in assessing offshore transmission system designs proposed during a tender exercise, equivalent to that~~

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provided to other STC parties in respect of an application in accordance with the STC.  
Such assistance may include (but is not limited to) the licensee:

~~(a) (a) Carrying out an economic impact assessment of proposed offshore transmission designs;~~

~~(b) (a) Assessing the impact of proposed offshore transmission designs that require a change to the assumptions made by the licensee in preparing the offer made under standard condition C8 (Requirement to offer terms); and~~

~~(c) (a) Advising on any constraints relevant to the carrying out of the works necessary to connect proposed offshore transmission system designs to the national electricity transmission system.~~

~~8. (a) (a) Where an offshore transmission system has not been constructed or~~

~~(a) installed by an offshore transmission owner:~~

~~(a)~~

~~(a) (i) the licensee shall provide a completion notice to the Authority in respect of that offshore transmission system on the same date that any electricity generated by the relevant generating station connected to that offshore transmission system is permitted to be transmitted over that offshore transmission system onto the total system in accordance with the Grid Code; or~~

~~(a)~~

~~(a) (ii) where, on or before the date this paragraph comes into effect, any electricity generated by the relevant generating station connected to that offshore transmission system has already been permitted to be transmitted over that offshore transmission system onto the total system, the licensee shall provide a completion notice to the Authority in respect of that offshore transmission system within 10 business days from that date and the completion notice shall be issued by the licensee with effect from the same date for all such offshore transmission systems.~~

~~(a)~~

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~~(a) (b) In all other cases, the licensee shall notify the Authority within 10 business days of the completion of any offshore transmission system.~~

~~9. (a) — The licensee shall not be required by the Authority to furnish it under this condition with information for the purpose of the exercise of its functions under section 47 of the Act.~~

~~10. (a) — This condition shall not require the licensee to produce any documents or give any information which it could not be compelled to produce or give in evidence in civil proceedings before a court.~~

~~11. (a) — The power of the Authority to call for information under this condition is in addition to the power of the Authority to call for information under or pursuant to any other condition. There shall be a presumption that the provision of information in accordance with any other condition is sufficient for the purposes of that condition, but that presumption shall be rebutted, if the Authority states in writing that in its opinion such further information is, or is likely to be, necessary to enable it to exercise functions under the condition in question.~~

~~12. (a) — [Not used]~~

~~(a) —~~

~~(a) **Part B: Provision of information to the Authority in relation to the assessment of Developer-Associated Offshore Wider Works**~~

~~13. (a) — When providing information to the Authority under paragraph 1(aa), the licensee must provide:~~

~~(a) (a) — information on the works detailed in the offer to enter into a bilateral agreement and/or construction agreement made under standard condition C8 (Requirement to offer terms), including its initial view of the scale and cost of any Developer-Associated Offshore Wider Works together with relevant information from discussions with transmission owners and Developers as appropriate; and~~

~~(b) (a) — the licensee's initial view of the Needs Case for the Developer-Associated Offshore Wider Works detailed in the offer.~~

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~~14.(a) — On receipt of information under paragraph 1(b) that an agreement which includes Developer Associated Offshore Wider Works has been entered into under standard condition C8 (Requirement to offer terms), the Authority will direct the licensee to submit such information as the Authority considers necessary to enable it to assess and make a decision on the rationale for inclusion of Developer Associated Offshore Wider Works in the scope of the agreement. This may include a requirement to submit a more detailed Needs Case and information collated by the licensee from other licensees or other relevant parties.~~

~~(a) —~~

~~15.(a) — The Authority will, following discussions with the licensee, direct the timescales within which the licensee is to submit the information required under paragraph 14.~~

~~(a) —~~

~~16.(a) — The licensee must keep under review any Needs Case submitted to the Authority in accordance with paragraph 14 from the date of submission until the Developer Associated Offshore Wider Works are deemed to be Commissioned. The licensee must notify the Authority of any material changes to the Needs Case or to the circumstances in which the bilateral agreement and/or construction agreement was made within 10 business days of the licensee becoming aware of such change.~~

~~(a) —~~

~~17.(a) — The Authority may, following notification given to it under paragraph 16, require the licensee to provide such additional information as may be necessary for the purposes of enabling the Authority to decide on the continuing rationale for inclusion of Developer Associated Offshore Wider Works in the scope of the bilateral agreement and/or construction agreement. The Authority will direct a timetable for provision of additional information under this paragraph.~~

~~(a) —~~

~~18.(a) — In the context of this condition:~~

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~~(a)~~

~~(a) “Commissioned”~~

~~(a) has the meaning given to it in Section 11 of the CUSC.~~

~~(a) “completion notice”~~

~~(a) means a notice given by the licensee to the Authority in relation to an offshore transmission system stating that it would be possible to carry on an activity to which section 4(1)(b) of the Act applies by making available for use that system.~~

~~(a)~~

~~(a)~~

~~(a)~~

~~(a) “Developer”~~

~~(a) has the meaning given to it in regulations made by the Authority under section 6C of the Act.~~

~~(a)~~

~~(a)~~

~~(a)~~

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~~Condition C26: Requirements of a connect and manage connection~~

~~(a)~~

~~1. (a) — On receipt of a connect and manage application on or after the connect and manage implementation date from a connect and manage applicant the licensee shall comply with standard condition C8 (Requirement to offer terms) and in so doing shall also comply with the requirements of this condition.~~

~~2. (a) — In making a connect and manage offer to a connect and manage applicant on or after the connect and manage implementation date, the licensee shall:~~

~~(a) (a) — provide that the connection date shall be on completion of the enabling works identified by it or in accordance with any associated TO offer;~~

~~(b) (a) — determine by reference to the connect and manage derogation criteria and the relevant connect and manage derogation report whether:~~

~~(i) (a) — a connect and manage derogation is appropriate; or~~

~~(ii) (a) — a dispute should be raised under the STC in respect of the connect and manage derogation report;~~

~~(c) (a) — ensure that any use of system charges to be imposed on a connect and manage applicant pursuant to standard condition C5 (Use of system charging methodology) shall not be payable until the connection date and shall be levied, as applicable, in accordance with paragraph 6 below;~~

~~3. (a) — The licensee shall publish the relevant connect and manage derogation report within 2 months of the date on which the connect and manage applicant accepts the connect and manage offer and shall provide a copy of each such report to the Authority.~~

~~4. (a) — The licensee shall use all reasonable endeavours to facilitate the enabling works identified as required in relation to a connect and manage application in a timescale which allows for a connect and manage connection consistent with the connect and manage applicant's reasonable expectations as to connection date.~~

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- ~~5. (a) — The licensee shall use all reasonable endeavours to facilitate the wider works identified as required in relation to a connect and manage application as soon as reasonably practicable. On completion of the wider works, any applicable connect and manage derogation shall cease to have effect.~~
- ~~6. (a) — The licensee shall use all reasonable endeavours to ensure that in its application of the use of system charging methodology in accordance with standard condition C5 (Use of system charging methodology), use of system charges resulting from transmission constraints costs are treated by the licensee such that the effect of their recovery is shared on an equal per MWh basis by all parties liable for use of system charges.~~
- ~~7. (a) — The licensee shall use all reasonable endeavours to ensure that:~~
- ~~(a) (a) — persons seeking connection other than through a connect and manage application; or~~
- ~~(a) (b) — persons already connected or offered terms for connection prior to the connect and manage implementation date,~~
- ~~(a) are not disadvantaged without objective justification as a result of a connect and manage connection.~~
- ~~8. (a) — The licensee shall automatically make an offer to vary the construction agreement or the offer of connect and manage transferees from their existing terms so that the relevant construction agreement or offer is consistent with the terms of a connect and manage offer, as soon as reasonably practicable from the connect and manage implementation date and in any event by the end of the connect and manage transition period. The terms of such offers to vary the construction agreement or offer shall be no less advantageous to the connect and manage transferee than those contained in the existing offer the licensee has made or agreement the licensee has entered into with the connect and manage transferee.~~
- ~~9. (a) — The licensee shall furnish to the Authority in such manner and at such times as the Authority may reasonably require such information and shall procure and furnish to it such reports as the Authority may reasonably require or as may be necessary for the purpose of monitoring the impact and effectiveness of connect and manage~~

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~~connections. The information to be provided under this condition shall not exceed that which may reasonably be requested from the licensee by the Authority under standard condition B4 (Provision of information to the Authority).~~

~~(a)~~

~~Condition C27: The Network Options Assessment process and reporting requirements~~

~~(a)~~

~~(a) **Introduction**~~

~~1. (a) — This condition sets out the licensee's role in assessing options for the development of the national electricity transmission system (including Offshore Wider Works) and interconnector capacity. The network options assessment (NOA) process is designed to facilitate the development of an efficient, co-ordinated and economical system of electricity transmission and the development of efficient interconnector capacity.~~

~~(a)~~

~~2. (a) — The methodology underpinning the NOA process, along with how this will be approved, is set out in Part A of this condition. The requirements for the publication of the annual NOA report are outlined in Part B. The licensee's obligations regarding the provision of information underpinning the NOA process are described in Part C. Part D sets out the role the licensee will play in the early development of options and the circumstances in which the licensee will be required to do so. Together, all of these activities make up the NOA process.~~

~~3. (a) — The licensee must take such steps as are within its power, and it considers may be necessary to enable the NOA process. In carrying out the NOA process, the licensee must act in a manner that best ensures transparency and independence.~~

~~(a)~~

~~(a) **Part A: The NOA methodology and form of the NOA report**~~

~~4. (a) — The licensee must, not less than once in each financial year (and at such other times as the Authority may direct), develop proposals for the NOA methodology and the form of the NOA report in consultation with interested parties. The consultation shall be of such a form and duration as practicable to reasonably allow all interested parties to contribute.~~

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~~5. (a) — Following any consultation pursuant to paragraph 4, the licensee must:~~

~~(a) —~~

~~(a) (a) — by 1 October 2015, or at such other date as directed by the Authority, submit to the Authority a proposed NOA methodology and proposed form of the initial NOA report (“the initial NOA report”). The licensee must make reasonable endeavours to ensure the NOA methodology includes the information set out in paragraph 8. Where this has not been possible, the licensee must explain the reasons and how it proposes to progress outstanding issues; and~~

~~(a) —~~

~~(b) (a) — by 1 August of each subsequent financial year, or at such other date as directed by the Authority submit to the Authority for approval the proposed NOA methodology and form of the NOA report.~~

~~6. (a) — Submissions made under paragraph 5 must include:~~

~~(a) (a) — a detailed explanation of the consultation process undertaken in the development of the NOA methodology and the form of the NOA report;~~

~~(b) (a) — a summary of views from interested parties and an explanation of how these were taken into account in the development of the NOA methodology and the form of the NOA report; and~~

~~(c) (a) — copies of any formal responses submitted to the licensee as part of its consultation process.~~

~~(a) —~~

~~7. (a) — The Authority will on receipt of a submission under paragraph 5:~~

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~~(a) (a) — approve the proposed NOA methodology and/or form of the NOA report; or~~

~~(b) (a) — give a direction to the licensee that the NOA methodology and/or form of the NOA report requires further development, and the date by which the licensee is required to submit a revised NOA methodology and/or the form of the NOA report to the Authority for approval.~~

~~(a) —~~

~~8. (a) — The NOA methodology must be designed to facilitate the development of an efficient, co-ordinated and economical system of electricity transmission, and must include (but need not be limited to):~~

~~(a) (a) — the approach used for determining what constitutes Major National Electricity Transmission System Reinforcements;~~

~~(b) (a) — the approach (which must be in accordance with paragraph 9) used for identifying and assessing options to meet system needs in accordance with the development of an efficient, co-ordinated and economical system of electricity transmission to be set out in the NOA report in accordance with 16;~~

~~(a) —~~

~~(c) (a) — how the licensee will engage with interested parties to share relevant information and how that information will be used to review and revise the NOA methodology; \_\_\_\_\_ and~~

~~(d) (a) — details of the licensee's proposed timetable for updating and consulting on the methodology for the NOA reports.~~

~~9. (a) — The approach included in the methodology pursuant to paragraph 8(b) must include (but need not be limited to):~~

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~~(a)~~

~~(a) (a) — the approach used to assess the technical, economic and environmental impacts and risks;~~

~~(a)~~

~~(b) (a) — the approach used for modelling boundary capacity, offshore transmission capacity and interconnector capacity along with assumptions and assessment criteria used; and~~

~~(a)~~

~~(c) (a) — the basis for the cost estimate provided for each option.~~

~~(a)~~

~~(a)~~

~~(a) **Part B: The NOA report**~~

~~10. (a) — The licensee must publish an initial NOA report by 31 March 2016 or such other date as directed by the Authority. The initial NOA report must be based on the NOA methodology and be in a form approved by the Authority in accordance with paragraph 7. In producing the initial NOA report, the licensee must make reasonable endeavours to ensure it includes the information set out in paragraph 16. Where this has not been possible, the licensee must explain the reasons and how it proposes to progress any outstanding issues.~~

~~(a)~~

~~11. (a) — If, following a submission of the NOA methodology and form of the initial NOA report in accordance with paragraph 5(a), the Authority has not approved or directed further development of the NOA methodology and/or form of the NOA report in accordance with paragraph 7 by 1 December 2015, the publication date set out in paragraph 10 will be treated as being amended accordingly. The amendment will equal the number of days between 1 December 2015 and receipt of the Authority's approval or direction.~~

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~~(a)~~

~~12.(a) — Following publication of the initial NOA report the licensee must:~~

~~(a)(a) — review at least once in each financial year the NOA report prepared and published in the previous financial year and consider any improvements to better facilitate the development of an efficient, co-ordinated and economical system of electricity transmission; and~~

~~(b)(a) — publish an updated NOA report by 31 January or such other date as directed by the Authority in a form approved by the Authority. This must be based on and include the latest NOA methodology approved by the Authority pursuant to paragraph 7.~~

~~(a)~~

~~13.(a) — If, following a submission of the methodology and the form of the NOA report by the date set out in paragraph 5(b), the Authority has not approved or directed further development of the NOA methodology and/or form of the report in accordance with paragraph 7 by 1 October the publication date set out in paragraph 12(b) will be treated as amended accordingly. The amendment will equal the number of days between 1 October and receipt of the Authority's approval or direction.~~

~~14.(a) — The licensee must publish the NOA report on its website in such readily accessible form and manner that it considers will facilitate the development of an efficient, co-ordinated and economical system of electricity transmission, and provide a copy of the NOA report on request, and free of charge, to any person who asks for one.~~

~~(a)~~

~~15.(a) — In complying with the requirements of paragraph 14, the licensee must have due regard to the need for excluding from the NOA report any information that would or might seriously and prejudicially affect the commercial interests of the owner of~~

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~~that information if published or might be expected to be incompatible with any legislation, rule of law or licence condition. The licensee must provide to the Authority its reasons for any omission of information from the NOA report.~~

~~(a)~~

~~16.(a) — Each NOA report (including the initial NOA report) must be produced using the latest available data and in accordance with the methodology established pursuant to paragraph 8, and must, in respect of the financial year in which the report is published and each of the nine succeeding financial years:~~

~~(a)~~

~~(a)(a) — set out the licensee’s best view of the options for Major National Electricity Transmission System Reinforcements and additional interconnector capacity that could meet the needs identified in the electricity ten year statement (ETYS) and facilitate the development of an efficient, co-ordinated and economical system of electricity transmission, including (but not limited to) any:~~

~~(i)(a) — options for Non-Developer Associated Offshore Wider Works;~~

~~(ii)(a) — options that involve construction of new transmission capacity;~~

~~(iii)(a) — options that do not involve, or involve minimal, construction of new transmission capacity;~~

~~(iv)(a) — options based on commercial arrangements with users to provide transmission services and balancing services;~~

~~(v)(a) — options that require liaison with a holder of a distribution licence on distribution system solutions;~~

~~(vi)(a) — options recommended previously by the licensee to proceed but which have not been progressed by the transmission licensee to which the recommendation was given;~~

~~(vii) — (a) — options that cross the boundaries of two or more electricity licensee’s transmission areas; and~~

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~~(viii) (a) options suggested by other interested persons.~~

~~(a)~~

~~(b) (a) set out, in accordance with paragraph 17, the licensee's best view of the relative suitability of each option or combination of options set out pursuant to paragraph 16, for facilitating the development of an efficient, co-ordinated and economical system of electricity transmission.~~

~~(a)~~

~~(c) (a) set out the licensee's recommendations on which, if any, of the option(s) set out pursuant to paragraph 16(a) should be developed further to facilitate the development of an efficient, co-ordinated and economical system of electricity transmission;~~

~~(d) (a) set out the licensee's best view of which, if any, of the options recommended pursuant to paragraph 16(c) comprise assets some or all of which satisfy the criteria in the Guidance on the Criteria for Competition, being a document of that name issued by the Authority and updated by the Authority from time to time, following consultation;~~

~~(a)~~

~~(e) (a) set out the licensee's best view of which, if any, connections (or modifications to existing connections) which arise from applications made for the purposes of standard condition C8 (Requirement to offer terms), comprise assets some or all of which satisfy the criteria in the Guidance on the Criteria for Competition, being a document of that name issued by the Authority and updated by the Authority from time to time, following consultation;~~

~~(a)~~

~~(f) (a) be consistent with the ETYS and where requested by Ofgem align with the Ten Year Network Development Plan and, in the event of any material differences between the Ten Year Network Development plan and the NOA report an explanation of the~~

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~~difference and any associated implications must be provided; and~~

~~(g)(a) have regard to interactions with existing agreements with parties in respect of developing the national electricity transmission system and changes in system requirements.~~

~~17.(a) The licensee's best view, set out pursuant to paragraph 16(b), must include (but need not be limited to) the licensee's assessment of the impact of different options on the national electricity transmission system and the licensee's ability to co-ordinate and direct the flow of electricity onto and over the national electricity transmission system in an efficient, economic and co-ordinated manner.~~

~~(a)~~

~~(a) **Part C: Provision of information**~~

~~18.(a) Based on the NOA methodology set out in Part A, the licensee must provide transmission licensees and Interconnector Developers, if requested to do so, with:~~

~~(a)(a) information and analysis to support them in their decision making and development of options to meet system needs as identified in the ETYS. This must include information on the potential for coordination between parties where the licensee's analysis suggests coordination could facilitate the development of an efficient, co-ordinated and economical system of electricity transmission. The licensee must provide this information and analysis in such form and within such timescales as transmission licensees and Interconnector Developers may reasonably request and which is necessary to support these parties' decision making and development of options;~~

~~(b)(a) its assessment of the options that a party is considering for Major National Electricity Transmission System Reinforcements and interconnectors, as well as its assessment of any alternative options being considered by other parties. The licensee must provide the assessment in such form and within such timescales as transmission licensees and Interconnector Developers may reasonably request and which is~~

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~~necessary to support these parties' decision making; and~~

~~(c) (a) updated information and analysis to support submissions to the Authority in such form and within such timescales as transmission licensees and Interconnector Developers may reasonably request and which is necessary to support these parties' submissions to the Authority.~~

~~(a)~~

~~19. (a) In complying with the requirements of paragraph 18, the licensee must have due regard to the need to exclude from disclosure any information which would or might seriously and prejudicially affect the commercial interests of the owner of that information if disclosed or might be expected to be incompatible with any legislation, rule of law or licence condition. The licensee must provide to the Authority its reasons for any non disclosure of information.~~

~~(a)~~

~~20. (a) Based on the NOA methodology set out in Part A, the licensee must if requested submit to the Authority the information it has provided to parties under paragraph 18. This must include, but need not be limited to, information to support a needs case for a Strategic Wider Works Output, a Needs Case for Developer-Associated Offshore Wider Works and any Interconnector Developers submission to the Authority. The licensee must also submit any additional information requested by the Authority. The licensee's submissions must be made in timescales consistent with related submissions from other parties to the Authority, and as directed by the Authority.~~

~~21. (a) In relation to interconnectors, based on the NOA methodology set out in Part A, the licensee must submit to the Authority, within the timescales directed by the Authority, information on:~~

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~~(a) (a) — the efficiency of the connection choices made by Interconnector Developers, based on the licensee’s involvement in assessing different options, including the costs of any necessary reinforcements required to connect interconnectors to the national electricity transmission system;~~

~~(b) (a) — the licensee’s assessment of the impact of new interconnectors on system operation. This should include costs and benefits relating to provision of security of supply including ancillary services, constraint management and other operational factors, which may accrue to the licensee and to consumers; and~~

~~(c) (a) — the licensee’s assessment of changes in wholesale prices as a result of interconnector flows and the impact of these changes on GB consumers, generators and interconnectors.~~

~~22. (a) — The Authority may direct the licensee to submit information to the Authority additional to the information provided by the licensee to the Authority pursuant to paragraphs 20 and 21, within such timeframe as the Authority may require.~~

~~(a) **Part D: Early development of options**~~

~~23. (a) — The licensee must undertake early development (in accordance with paragraph 24(b)) of any option which it intends to set out pursuant to paragraph 16(a) where early development is not carried out by another transmission licensee. Without prejudice to the generality of the first sentence of this paragraph, examples of the types of option for which the licensee may need to undertake early development include those set out in paragraphs 16(a)(i) to 16(a)(viii).~~

~~(a) —~~

~~24. (a) — For the purposes of paragraph 23:~~

~~(a) (a) — early development may be limited to desktop works; and~~

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~~(b)(a) — early development must be undertaken in a manner which:~~

~~(i)(a) — enables the licensee to adequately compare, in accordance with paragraph (b), the options that it sets out pursuant to paragraph 16(a);~~

~~(ii)(a) — is consistent with the NOA methodology set out by the licensee in accordance with paragraphs 8 and 9; and~~

~~(iii)(a) — is transparent.~~

~~(a) —~~

~~25. (a) — In this condition the “**ten year network development plan**” refers to the non-binding European Community wide ten year network plan published every two years in accordance with Article 8 of EC Regulation No 714/2009, and which includes a European generation adequacy outlook built on national generation adequacy outlooks prepared by each individual transmission system operator.~~

~~(a) —~~

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~~(a) Condition C28: Functions for an efficient, co-ordinated and economic system operator~~

~~(a)~~

~~(a) **Introduction**~~

~~1. (a) — The purpose of this condition is to ensure that the licensee carries out its functions, as system operator, and to co-ordinate and direct the flow of electricity onto and over the national electricity transmission system, in an efficient, co-ordinated and economic manner.~~

~~2. (a) — The effect of this condition is to provide greater clarity on the obligations of the licensee, in carrying out its functions as system operator, across the scope of its roles.~~

~~3. (a) — This condition also sets out the process the Authority will follow in issuing and amending the Roles Guidance.~~

~~(a)~~

~~**Part A: Functions for an economic, efficient & co-ordinated system operator**~~

~~4. (a) — The licensee must carry out its functions, as system operator, to co-ordinate and direct the flow of electricity onto and over the national electricity transmission system, in an efficient, co-ordinated and economic manner. This includes but is not limited to the following:~~

~~(a) (a) — taking the most efficient actions to operate the national electricity transmission system based on all of the relevant information the licensee had available at the time;~~

~~(a) (b) — taking into account the impact such actions have on competition in the wholesale electricity market and on economic, efficient and coordinated operation and development of the total system;~~

~~(a) and in doing so, the licensee must:~~

~~(i) (a) — consider the likely impact any such action would have on:~~

~~(a) (aa) — wholesale electricity market price signals;~~

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- ~~(a) (bb) — the behaviour of electricity market participants; and~~
- ~~(a) (cc) — the efficiency of the national electricity transmission system;~~
- ~~(a) (c) — considering the impact any action would have on the total system;~~
- ~~(a) (d) — optimising the timing of transmission outages under the outage plan on the national electricity transmission system;~~
- ~~(a) (e) — publishing easily accessible information which the licensee holds to generate value for consumers and stakeholders, including but not limited to, ensuring information services are designed to meet the needs of the service users;~~
- ~~(a) (f) — publishing reliable scenarios of the long term development of the energy system and its needs under different scenarios;~~
- ~~(a) (g) — producing and publishing accurate and unbiased forecasts of:~~
  - ~~(a) (i) — indicated margin;~~
  - ~~(a) (ii) — demand;~~
  - ~~(iii)(a) — wind generation output;~~
  - ~~(iv)(a) — carbon intensity;~~
  - ~~(v) (a) — balancing costs; and~~
- ~~(a) using its reasonable endeavors in producing and publishing reliable and unbiased forecasts of:~~
  - ~~(a) (vi) — solar generation output;~~
- ~~(a) (h) — procuring balancing services to ensure operational security subject to the following:~~
  - ~~(a) (i) — ensuring the procurement of balancing services is subject to transparent, non-discriminatory and market based procedures;~~
- ~~(a) and in doing so, the licensee must:~~

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- ~~a) (a) — publish total costs and volumes of each balancing service represented in a consistent form across an appropriate time segmentation;~~
- ~~(a) —~~
- ~~b) (a) — publish price, payment structure, volumes, capacity, technology type, length and end dates for all contracts held with balancing service providers for each service, where appropriate in an anonymised or aggregated format; and~~
- ~~(a) —~~
- ~~c) (a) — signal as far in advance as reasonably possible the forecasts volumes of all services the licensee will need to procure to operate the system;~~
- ~~(a) (i) — ensuring the effective and non-discriminatory participation of all qualified market participants in the provision of balancing services, including not unduly restricting new and existing service providers from competing for the provision of such services, and in doing so, the licensee must:~~
- ~~(a) (i) — in close cooperation with all market participants, establish technical requirements for participation in those markets; and~~
- ~~(a) (ii) — subject to approval by the Authority and consultation with licensed distributors and relevant users of the distribution system and national electricity transmission system, establish the specifications for the non-frequency balancing services procured and, where appropriate, standardised market products for such services;~~
- ~~(a) (j) — monitoring balancing services markets for potential breaches of the Grid Code, investigating where necessary and raising concerns to Ofgem where appropriate;~~
- ~~(a) (k) — anticipating future national electricity transmission system requirements by using and developing competitive approaches to procuring balancing services wherever this is in the best interests of current and future electricity consumers in Great Britain;~~
- ~~(a) (l) — facilitating an economic and efficient transition to a zero-carbon energy system;~~

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- ~~(a) (m) providing accurate and timely guidance to all industry parties on the relevant rules for the Contracts for Difference (CfD) and Capacity Market (CM) prequalification and auction processes;~~
- ~~(a) (n) co-ordinating and cooperating with transmission owners and holders of a distribution licence to identify actions and processes that advance the efficient and economic operation of the networks;~~
- ~~(a) (o) using best endeavours to implement actions and processes identified and proposed through its activities under paragraph C28.4 (n) of this condition that are in the interest of the efficient and economic operation of the total system;~~
- ~~(a) (p) exchanging all necessary information and co-ordinating with holders of a distribution licence in so far as is necessary to ensure the optimal utilisation of resources, to ensure the economic and efficient operation of the system and to facilitate market development;~~
- ~~(a) (q) proposing and supporting code arrangements that promote the relevant code objectives in a timely manner;~~
- ~~(a) (r) developing, managing and maintenance of the process for the methodologies for use of system charging;~~
- ~~(a) (s) managing connection applications for access to the national electricity transmission network in a fair, consistent and timely manner; and~~
- ~~(a) (t) ensuring coordination with other network operators and interested parties and identifying and delivering the most efficient network planning and development of solutions to meet future transmission network needs. These solutions should include, but are not limited to, solutions that cost effectively alleviate the need to upgrade or replace electricity network capacity~~

~~(a) **Part B: Roles Guidance**~~

- ~~5. (a) The function of the Roles Guidance is to provide further explanation of the system operator's roles and the associated behaviours, which underpin the system operator's regulatory framework.~~

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~~6. (a) — The Authority will issue and amend the Roles Guidance by direction.~~

~~7. (a) — The Authority will publish the Roles Guidance on the Authority's website.~~

~~8. (a) — Before issuing new or amending the Roles Guidance, the Authority will publish on its website:~~

~~(a) (a) — the text of the amended Roles Guidance;~~

~~(b) (a) — the date the Authority intends the amended Roles Guidance to come into effect;~~

~~(c) (a) — the reasons for the amendments to the Roles Guidance; and~~

~~(d) (a) — the time within which representations may be made on the amendments to the Roles Guidance which may not be less than 28 days.~~

~~(a) —~~

~~(a) **Part C: Derogation**~~

~~9. (a) — The Authority may, at its own discretion, or on application by a licensee, grant a derogation from the licensee's obligation to procure non frequency balancing services using market based procedures (as required under paragraph C28.4 (i) where the Authority has determined that compliance with the market based provision is economically not efficient.~~

~~(a) —~~

~~(a) **Part D: Defined terms**~~

~~10. (a) — In this condition:~~

~~(a) active power~~

~~(a) has the same meaning as that given to that term in the Grid Code.~~

~~(a) —~~

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<del>(a) balancing costs</del>	<del>(a) means the costs incurred by the licensee to balance the national electricity transmission system.</del>
	<del>(a)–</del>
<del>(a) carbon intensity</del>	<del>(a) means how much CO<sub>2</sub> emissions are produced per kilowatt hour (KWh) of electricity consumed.</del>
	<del>(a)–</del>
<del>(a) code arrangements</del>	<del>(a) means the networks codes the licensee is party to.</del>
<del>(a) Capacity Market (“CM”)</del>	<del>(a) means the scheme established by the Electricity Capacity Regulations 2014 (as amended) and the Capacity Market Rules (as amended) to which the licensee is the nominated delivery body.</del>
	<del>(a)–</del>
<del>(a) Contracts for Difference (“CfD”)</del>	<del>(a) means a Contract for Difference under Chapter 2 of Part 2 of the Energy Act 2013 (as amended) to which the licensee is the nominated delivery body.</del>
	<del>(a)–</del>
<del>(a) demand</del>	<del>(a) means taking, or being able to take, megawatts (MW) of electricity (active power) from the total system.</del>
	<del>(a)–</del>

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~~(a) indicated margin~~ ~~(a) has the same meaning as that given to that term in the Grid Code.~~

~~(a)~~

~~(a) solar generation output~~ ~~(a) means the active power output in MW from each solar generator in respect of which operational metering is installed (excluding that relating to wind generators accepted as bids and offers in the balancing mechanism).~~

~~(a)~~

~~(a) wind generation output~~ ~~(a) means the active power output in MW from each wind~~

~~(a) generator in respect of which operational metering is installed (excluding that relating to wind generators accepted as bids and offers in the balancing mechanism).~~

~~(a)~~

~~(a) zero carbon energy system~~ ~~(a) means a zero carbon power system that supports the net zero carbon target as set out in the Climate Change Act 2008.~~

~~(a)~~

~~(a)~~

~~(a)~~

~~(a)~~

~~(a)~~

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## **SECTION D: TRANSMISSION OWNER STANDARD CONDITIONS**

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**Condition D1: Interpretation of Section D.**

1. In the standard conditions in this Section unless the context so requires:

<p>“connect and manage derogation”</p>	<p>means a temporary derogation, by reference to the connect and manage derogation criteria, from paragraph 1 of standard condition D3 (Transmission system security standard and quality of service) in respect of Chapter 2 and/or Chapter 4 of the National Electricity Transmission System Security and Quality of Supply Standard (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) which is necessary to enable the <del>ISOP</del> <del>system operator</del> to make a connect and manage offer where failure to complete wider works before the connection date would otherwise render the national electricity transmission system non-compliant with such planning and operation standards (the connect and manage derogation to be applicable only until completion of the wider works in relation to which the derogation relates);</p>
<p>“connect and manage derogation criteria”</p>	<p>means the criteria defined as such in the STC;</p>
<p>“connect and manage derogation report”</p>	<p>means the report submitted by the licensee to the <del>ISOP</del> <del>system operator</del> in respect of a connect and manage derogation;</p>
<p>“connect and manage offer”</p>	<p>means an offer from the <del>system operator</del> <del>ISOP</del> to a connect and manage applicant for a connect and manage connection;</p>
<p>“enabling works”</p>	<p>means the minimum transmission reinforcement works required to be completed on the national electricity</p>

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	<p>transmission system to permit the connect and manage applicant access to the national electricity transmission system or distribution system, where such works are defined in the manner provided for in the STC and identified in the connect and manage offer;</p>
<p>“transmission reinforcement works”</p>	<p>means those works defined in the TO offer which are necessary to extend or reinforce the national electricity transmission system to ensure that it would comply with the requirements of standard condition D3 (Transmission System security standard and quality of service) if no connect and manage derogation were in place;</p>
<p>“wider works”</p>	<p>means the transmission reinforcement works which are not required to be completed prior to the connection date but are necessary to reinforce or extend the national electricity transmission system to make it compliant with the terms of the National Electricity Transmission System Security and Quality of Supply Standard (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 in accordance with standard condition D3 (Transmission system security standard and quality of service)), where such works are defined in the manner provided for in the STC and identified in the connect and manage offer;</p>

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***Condition D2: Obligation to provide transmission services***

1. The licensee shall, in accordance with the STC, provide to the ~~system operator~~ ISOP the transmission services set out in paragraph 2.
2. The transmission services which the licensee shall provide in accordance with paragraph 1 shall consist of the following:
  - (b) making available those parts of the licensee's transmission system which are intended for the purposes of conveying, or affecting the flow of, electricity so that such parts are capable of doing so and are fit for those purposes;
  - (c) a means of enabling the ~~system operator~~ ISOP to direct the configuration of those parts of the licensee's transmission system made available to it and, consistent with such means, giving effect to any such direction from time to time; and
  - (d) a means of enabling the ~~system operator~~ ISOP to obtain information in relation to the licensee's transmission system which is needed by the ~~system operator~~ ISOP to enable it to co-ordinate and direct the flow of electricity onto and over the national electricity transmission system and, consistent with such means, providing such information to the ~~system operator~~ ISOP.

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***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 as in force at the relevant time~~version 2.5~~, 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 ISOP~~system operator~~'s obligations under ~~standard condition E7~~~~C17~~ (Transmission system security standard and quality of service) of the electricity system operator licence to co-ordinate and direct the flow of electricity onto and over the national electricity transmission system.
2. Before making a TO offer to the ~~system operator~~ISOP in accordance with standard condition D16 (Requirements of a connect and manage connection), the licensee shall
  - (a) determine whether, if it were to make that TO offer, it would comply with paragraph 1 of this condition at the connection date;
  - (b) if the licensee determines that making that TO offer would be inconsistent with its obligations under paragraph 1 of this condition, the licensee shall determine by reference to the connect and manage derogation criteria whether, and to what extent, a connect and manage derogation is required;
  - (c) where the licensee has identified the need for a connect and manage derogation, submit a connect and manage derogation report to the ISOP~~system operator~~ as part of the TO offer in accordance with the timetable under the STC.
3. Where the licensee determines that a connect and manage derogation is required to enable it to make a TO offer in respect of a connect and manage application and the ISOP~~system operator~~ has accepted the TO offer, the licensee shall not be required to comply with the requirements of paragraph 1 of this condition to the extent of that connect and manage derogation until the wider works relevant to that connect and manage connection have been completed.

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4. The licensee shall no later than 2 months after the end of the financial year as required by the ~~system operator~~ ISOP, provide to the ~~system operator~~ ISOP all such information as may be necessary or as the ~~system operator~~ ISOP may reasonably require for the purpose of submitting a report to the Authority in compliance with paragraph ~~E7.46~~ of ~~standard~~ condition ~~E7C17~~ (~~Transmission~~ National Electricity Transmission System ~~Security~~ Standard and Quality of Service) of the electricity system operator licence ~~transmission~~ Licence.
5. *(Omitted)*
6. The Authority may (following consultation with the licensee and, where appropriate, any relevant authorised electricity operator) issue directions relieving the licensee of its obligations under paragraph 1 in respect of such parts of the licensee's transmission system and to such extent as may be specified in the directions.
7. The licensee shall give or send a copy of the documents (other than the STC) referred to in paragraph 1 (as from time to time revised) to the Authority.
8. The licensee shall (subject to paragraph 9) give or send a copy of the documents (as from time to time revised) referred to in paragraph 7 to any person requesting the same.
9. The licensee may make a charge for any copy given or sent pursuant to paragraph 8 of an amount which will not exceed any amount specified for the time being for the purposes of this condition in a direction issued by the Authority.

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*Condition D4A: Obligations in relation to offers for connection etc*

1. On notification by the ~~system operator~~ ISOP of receipt on or after the BETTA go-live date of an application for connection or for modification to an existing connection in accordance with paragraph E12.32 of ~~standard~~ condition E12C8 (Requirement to offer terms) of the electricity system operator licence, the licensee shall (subject to paragraph 2 and paragraph 4) offer to enter into an agreement with the ~~system operator~~ ISOP and such offer shall make detailed provision regarding:
  - (a) the carrying out of work (if any) on the licensee's transmission system required to connect the national electricity transmission system to any other system for the transmission or distribution of electricity and for the obtaining of any consents necessary for such purpose;
  - (b) the carrying out of works (if any) on the licensee's transmission system in connection with the extension or reinforcement of the licensee's transmission system which is rendered (in the licensee's discretion) appropriate or necessary by reason of making the connection or modification to an existing connection to the national electricity transmission system and for the obtaining of any consents necessary for such purpose;
  - (c) where the ~~system operator~~ ISOP requests the same, the installation of meters (if any) on the licensee's transmission system required to enable the ~~system operator~~ ISOP to measure electricity being accepted onto the national electricity transmission system at the specified entry point or points or leaving such system at the specified exit point or points;
  - (d) the date by which any works required on the licensee's transmission system to facilitate access to the national electricity transmission system (including for this purpose any works on the licensee's transmission system to reinforce or extend the licensee's transmission system) shall be completed (time being of the essence unless otherwise agreed by the ~~system operator~~ ISOP);
  - (e) such costs as may be directly or indirectly incurred in carrying out the works, the extension or reinforcement of the licensee's transmission system or the provision

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and installation, maintenance and repair or (as the case may be) removal following disconnection of any electric lines, electric plant or meters, which works are detailed in the offer;

- (f) such further terms as are or may be appropriate for the purpose of the agreement; and

in providing such information, the licensee shall co-operate and co-ordinate its activities with other STC parties in accordance with the STC.

2. Subject to paragraph 4, the licensee shall, after receipt by the licensee of an application containing all such information as the licensee may reasonably require for the purpose of formulating the terms of the offer, offer terms in accordance with paragraph 1 above as soon as practicable and (except where the Authority consents to a longer period) in accordance with the time periods specified for this purpose in the STC.
3. On notification by the ~~system operator~~ ISOP in accordance with paragraph ~~E12.32~~ E12.32 of ~~standard condition E12.32~~ E12.32 (Requirement to offer terms) of receipt by the ~~system operator~~ ISOP on or after the BETTA go-live date of an application for use of system, the licensee shall (subject to paragraph 4), where the ~~system operator~~ ISOP requests that it do so in accordance with the STC, offer to enter into an agreement with the ~~system operator~~ ISOP in respect of such application in the manner provided in the STC and for the purposes of making such offer shall cooperate and co-ordinate its activities with other STC parties in accordance with the STC.
4. The licensee shall not be obliged pursuant to this condition to offer to enter into or to enter into any agreement pursuant to this condition if to do so would be likely to involve the licensee:
  - (a) in breach of its duties under section 9 of the Act;
  - (b) in breach of any regulations made under section 29 of the Act or of any other enactment relating to safety or standards applicable in respect of the transmission business; or
  - (c) in breach of the conditions,

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and where the licensee is not obliged pursuant to this condition to offer to enter into or to enter into an agreement with the ~~system operator~~ ISOP, the licensee shall notify the ~~system operator~~ ISOP of that fact (and of the fact that it does not intend to offer to enter into or to enter into an agreement pursuant to paragraph 1 or paragraph 3) and shall give duly substantiated reasons to the ~~system operator~~ ISOP for not offering to enter or not entering into any agreement as soon as practicable in accordance with the STC.

5. The Licensee shall within 33 days after the end of the following six monthly periods:

- (a) 1 April until 30 September; and
- (b) 1 October until 31 March

provide a non-confidential report to the ~~System Operator~~ ISOP in relation to all agreements it has offered to enter into with the ~~system operator~~ ISOP made under paragraph 1 of this condition during that six month period setting out the factors which have influenced the date identified in each offer made to the ~~system operator~~ ISOP in accordance with paragraph 1(d) of this condition including the following;

- (i) information on the timescales for connection, and how this may vary by location, type and size of connection
- (ii) key issues that have an impact or have had an impact on the timetable for delivery of the connection; and
- (iii) any issues likely to impact timing of connections going forward.

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**Condition D4B: Functions of the Authority**

1. Insofar as the ~~system operator~~ ISOP wishes to proceed on the basis of a TO offer from the licensee as settled by the Authority pursuant to paragraph E13.32 of ~~standard~~ condition E13C9 (Functions of the Authority) of the electricity system operator licence, the licensee shall forthwith enter into an agreement with the ~~system operator~~ ISOP which fully reflects the TO offer as so settled.
  
2. Where the Authority determines in accordance with paragraph E13.32(c)(ii) of ~~standard~~ condition E13C9 (Functions of the Authority) of the electricity system operator licence that a TO offer (other than those TO offers (if any) notified to the Authority in accordance with paragraph E13.32(a) of ~~standard~~ condition E13C9 (Functions of the Authority) of the electricity system operator licence) is required in respect of an agreement settled by the Authority pursuant to paragraph E13.24 of ~~standard~~ condition E13C9 (Functions of the Authority) of the electricity system operator licence and that other TO offer is required to be made by the licensee, the licensee shall prepare a TO offer which is consistent with such determination and shall submit such TO offer to the ISOP~~system operator~~ as soon as reasonably practicable after the date of such determination and, in any event, within the time periods (if any) specified in such determination.

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***Condition D5: Prohibition on engaging in preferential or discriminatory behaviour***

1. The licensee shall not unduly discriminate as between any persons or any class or classes of person or persons or unduly prefer itself or any affiliate or related undertaking over any other person or persons or any class or classes of person or persons:
  - (a) in meeting its obligations under standard condition D2 (Obligation to provide transmission services);
  - (b) meeting its obligations under standard condition D3 (Transmission system security standard and quality of service)
  - (c) in meeting its obligations under standard condition D4A (Obligations in relation to offers for connection etc);
  - (d) ~~not used~~ ~~in meeting its obligations under standard condition D15 (Obligations relating to the preparation of TO offers during the transition period); and~~
  - (e) in meeting its obligations under standard condition B12 (System Operator - Transmission Owner Code).
  
2. On notification by the Authority, the licensee shall keep and maintain such records concerning its compliance with this condition as are in the opinion of the Authority sufficient to enable the Authority to assess whether the licensee is complying with this condition and as are specified in any such notification, and the licensee shall furnish to the Authority such records (or such of these as the Authority may require) in such manner and at such times as the Authority may require.

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***Condition D15: Obligations relating to the preparation of TO offers during the transition period***Not used

~~1. Without prejudice to the licensee's other obligations to support the system operator as provided in this licence and the STC, the principal objective of this condition is to require the licensee to make TO offers to the system operator for the purposes of supporting the system operator in its achievement of the principal objectives specified in standard condition C18 (Requirement to offer terms for connection or use of the GB transmission system during the transition period) to:~~

~~(a) have agreements governing connection to or use of the GB transmission system with all existing users by the BETTA go-live date; and~~

~~(a) make offers for connection to or use of the GB transmission system to all applicants in accordance with the timescales specified in paragraph 7 of standard condition C18 (Requirement to offer terms for connection or use of the GB transmission system during the transition period);~~

~~such agreements and offers to take account of and be consistent with the matters identified in paragraphs 1(i) and 1(ii) of standard condition C18 (Requirement to offer terms for connection or use of the GB transmission system during the transition period).~~

~~1. The licensee shall (unless and to the extent that the Authority otherwise directs) in the manner and within the time periods (if any) specified in Section I of the STC on notification by the system operator in accordance with Section I of the STC, make a TO offer to the system operator, and such offer shall:~~

~~(a) take account of and be consistent with the licensee's obligations under this condition;~~

~~(a) save where the Authority otherwise directs, reflect the division of ownership of Plant and Apparatus provided for in:~~

~~(i) any relevant existing agreement between the licensee and the existing user to whom the offer is to be made; or~~

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- ~~(i) — any relevant offer already made or to be made by the licensee to the applicant to whom the offer is to be made, and~~
- ~~(a) — subject to sub paragraphs (a), (b), (d) and (e), take account of and be consistent with those obligations which it is, at the relevant time, known (or reasonably anticipated) are to be imposed on the licensee by this licence on and from the BETTA go live date and which would, had the offer been made after the BETTA go live date, have applied to that offer;~~
- ~~(a) — where notified by the system operator, not be contingent on the completion of transmission system works on circuits which relate directly to the interconnection (or works directly consequential, in the context of the relevant offer, to such transmission system works); and~~
- ~~(a) — where notified by the system operator, not be contingent upon the completion of transmission system works in Scotland.~~
- ~~1. — The licensee shall, in respect of each complete application for connection to or use of the licensee's transmission system which it receives during the transition period, within one working day of having received that complete application, notify the system operator of such application and provide the system operator with information concerning such application in accordance with Section I of the STC. An application shall be a complete application for the purposes of this condition if that application contains all the information which the licensee reasonably requires for the purpose of preparing an offer for connection to or use of the licensee's transmission system in response to such application.~~
- ~~1. — The licensee shall not be obliged pursuant to this condition to offer to enter into or to enter into an agreement pursuant to this condition if to do so would be likely to involve the licensee:~~
  - ~~(a) — in breach of its duties under section 9 of the Act;~~
  - ~~(a) — in breach of any regulations made under section 29 of the Act or of any other enactment relating to safety or standards applicable in respect of the transmission business; or~~

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~~(a) in breach of the conditions,~~

~~and where the licensee is not obliged pursuant to this condition to offer to enter into or to enter into an agreement with the system operator, the licensee shall notify the system operator of that fact (and of the fact that it does not intend to offer to enter into or to enter into an agreement pursuant to this condition) as soon as practicable in accordance with Section I of the STC.~~

~~1. Insofar as the system operator wishes to proceed on the basis of a TO offer from the licensee as settled by the Authority pursuant to paragraph 11 or paragraph 13 of standard condition C18 (Requirement to offer terms for connection or use of the GB transmission system during the transition period), the licensee shall forthwith enter into an agreement with the system operator which fully reflects the TO offer as so settled.~~

~~1. Where the Authority determines in accordance with paragraph 11(e)(iii) or paragraph 13(d)(iii) of standard condition C18 (Requirement to offer terms for connection or use of the GB transmission system during the transition period) that a TO offer (other than any existing TO offer) is required in respect of an agreement settled or determined by the Authority pursuant to paragraph 10 or paragraph 13 of standard condition C18 (Requirement to offer terms for connection or use of the GB transmission system during the transition period) and that TO offer is required to be made by the licensee, the licensee shall prepare a TO offer which is consistent with such settlement or determination and shall submit such TO offer to the system operator as soon as reasonably practicable after the date of such settlement or determination and, in any event, within the time periods (if any) specified in such settlement or determination.~~

~~1. Where the Authority determines in accordance with paragraph 11(e)(ii) or paragraph 13(d)(ii) of standard condition C18 (Requirement to offer terms for connection or use of the GB transmission system during the transition period) that changes are required to be made to any part of the Section I Information (including any addition to be made thereto) the licensee shall cooperate with the system operator in giving effect to the changes to the Section I Information in accordance with the Authority's determination as soon as reasonably practicable after the date of such determination and, in any event, within the time periods (if any) specified in such determination.~~

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~~1. Where the terms of an agreement which are to be settled or determined by the Authority pursuant to paragraph 13 of standard condition C18 (Requirement to offer terms for connection or use of the GB transmission system during the transition period) have not been settled or determined by the date which falls two weeks prior to the BETTA go live date (or such later date as the Authority may direct for these purposes), the licensee shall, if the system operator so indicates, at any time prior to the terms of such agreement being so settled or determined, that it wishes to proceed on the basis of any then existing associated TO offer from the licensee (or on the basis of any then existing Section I Information) forthwith enter into an agreement with the system operator on the basis of that associated TO offer (or proceed on the basis of any applicable Section I Information) pending settlement or determination of the terms of the relevant agreement by the Authority. The Authority's settlement or determination of the terms of any such agreement (and any determination of any associated TO offer (including the need therefore) or applicable Section I Information) may, where and to the extent appropriate, take account of and make appropriate adjustments to reflect the difference between the terms of that agreement (and any associated TO offer or applicable Section I Information) as settled or determined and the terms of that agreement (and any associated TO offer or applicable Section I Information) which applied during the period from the BETTA go live date to the date upon which the agreement (and any associated TO offer or applicable Section I Information) as settled or determined takes effect.~~

~~1. The provisions of this condition shall only apply to existing users and to any application made by an applicant before the BETTA go live date.~~

~~1. Unless the context otherwise requires, in this condition the following words have the meaning contained in standard condition C18 (Requirement to offer terms for connection or use of the GB transmission system during the transition period):~~

~~(a) "Apparatus"~~

~~(a) "applicant"~~

~~(a) "existing agreement"~~

~~(a) "existing user"~~

~~(a) "Plant"~~

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~~(a) "Section I Information"~~

~~(a) "transmission system works"~~

~~and the term "relevant time" shall, for the purposes of this condition, mean the time at which the licensee makes a TO offer as required by paragraph 2 of this condition.~~

***Condition D16: Requirements of a connect and manage connection***

1. On notification by the ~~system operator~~ **ISOP** of receipt by it on or after the connect and manage implementation date of a connect and manage application in accordance with paragraph ~~C11.24~~ of ~~standard~~ condition ~~C11.26~~ (Requirements of a ~~C~~connect and ~~M~~manage ~~C~~connection) of the electricity system operator licence, the licensee shall comply with standard condition D4A (Obligations in relation to offers for connection etc) and in so doing shall also comply with the requirements of this condition.
2. When offering to enter into an agreement with the ~~system operator~~ **ISOP** (in accordance with paragraph 1 of standard condition D4A (Obligations in relation to offers for connection etc)) in respect of a connect and manage application on or after the connect and manage implementation date, the licensee shall:
  - (a) determine by reference to the connect and manage derogation criteria whether a connect and manage derogation is required for the connect and manage connection; and
  - (b) where the licensee concludes a connect and manage derogation is required, submit a connect and manage derogation report to the ~~system operator~~ **ISOP** in accordance with standard condition D3 (Transmission system security standard and quality of service), as part of the TO offer.
3. The licensee shall use all reasonable endeavours to complete the enabling works identified as required on the licensee's transmission system in relation to a connect and manage application in a timescale which allows for connect and manage connection consistent with the connect and manage applicant's reasonable expectations as to connection date, as notified to the licensee by the ~~system operator~~ **ISOP**.
4. The licensee shall use all reasonable endeavours to complete the wider works identified as required on the licensee's transmission system in relation to a connect and manage application as soon as reasonably practicable. On completion of the wider works, any applicable connect and manage derogation shall cease to have effect;
5. The licensee shall cooperate and coordinate with the ~~system operator~~ **ISOP** and other STC parties as necessary in order to facilitate the ~~ISOP~~ **ISOP** ~~system operator~~'s obligation to make

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offers to connect and manage transferees within the specified timescale so that their terms are consistent with a connect and manage offer.

6. The licensee shall use all reasonable endeavours to ensure that:
  - (a) persons seeking connection other than through a connect and manage application; or
  - (b) persons already connected or offered terms for connection prior to the connect and manage implementation date,

are not disadvantaged without objective justification as a result of connect and manage connection.

7. The licensee shall cooperate and coordinate with the ~~system operator~~ **ISOP** and other STC parties as necessary in order to facilitate the **ISOP** ~~system operator~~'s obligation to furnish to the Authority such information and reports as the Authority may reasonably require or as may be necessary for the purposes of monitoring the impact and effectiveness of connect and manage connections. The information to be provided under this condition shall not exceed that which may reasonably be requested from the licensee by the Authority under standard condition B4 (Provision of information to the Authority).

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## ***Condition D17: Whole Electricity System Obligations***

### **Introduction**

D17.1 The purpose of this condition is to set an obligation on transmission owners to coordinate and cooperate with transmission licensees, the ISOP and electricity distributors in order to build a common understanding of where actions taken by one transmission licensee, the ISOP, or electricity distributor could have cross-network impacts (both positive and negative). This should include at a minimum sharing information and developing processes that aim to achieve optimal efficiency across the total system. The further purpose is to set an obligation on transmission owners to consider actions proposed by transmission system users that seek to advance the efficient and economical operation of its own network.

### **Part A: Whole electricity system coordination**

D17.2 The licensee must coordinate and cooperate with transmission licensees, the ISOP and electricity ———distributors to seek to identify actions and processes that advance the efficient and ———economical operation of the total system.

D17.3 The licensee must consider actions proposed by transmission system users which seek to advance the efficient and economical operation of its network.

D17.4 The licensee must use all reasonable endeavours to implement actions or processes identified or proposed under paragraphs D17.2 or D17.3 of this condition that:

- (a) will not negatively impact its network; and
- (b) are in the interest of the efficient and economical operation of the total system.

### **Part B: Demonstrating compliance with whole electricity system obligations**

#### ***Coordination Register***

D17.5 The licensee must prepare and is required to publish on its website a coordination register demonstrating the steps it has taken to comply with Part A of this condition not later than 12 months from the date of this condition coming into force.

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D17.6 The licensee must keep up to date and is required to publish its coordination register (as updated) on its website at least once every 12 months from the date of initial publication under paragraph D17.5 of this condition.

### **Part C: Whole Electricity System Guidance**

D17.7 In satisfying the requirements of this condition the licensee must have due regard to the Whole Electricity System Guidance.

### **Part D: Procedure for issuing and revising Whole Electricity System Guidance**

D17.8 Before issuing the Whole Electricity System Guidance under this condition the Authority by Notice given to the licensee will:

- (a) state that it proposes to issue the Whole Electricity System Guidance, and specify the date on which it proposes that the document should take effect;
- (b) set out the text of the Whole Electricity System Guidance and the Authority's reasons for proposing to issue it; and
- (c) specify the date (which must not be less than a period of 28 days from the date of the Notice) by which representations with respect to the proposed Whole Electricity System Guidance may be made.

D17.9 The Authority will consider any representations that are duly made and not withdrawn.

D17.10 The requirements of paragraphs D17.8 and D17.9 may be satisfied by action taken before, as well as action taken after, the commencement of this condition.

D17.11 In paragraph D17.8 of this condition reference to "issuing the Whole Electricity System Guidance" includes issuing any revision of the document and the procedure provided for under paragraph D17.8 will apply to any such revision.

### **Part E: Interpretation**

D17.12 For the purposes of this condition:

**coordination register** means a document prepared by a transmission owner in accordance

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	with its obligations under Part A and Part B of this condition containing at a minimum the information specified in the Whole Electricity System Guidance.
<b>electricity distributor</b>	means any person who is authorised by a distribution licence to distribute electricity.
<b>total system</b>	means the national electricity transmission system and the distribution systems of all authorised electricity operators which are located in the national electricity transmission system operator area.
<b>transmission system user</b>	means a person producing electricity that is being conveyed by means of that transmission owner's system or a customer who owns or who occupies premises that are directly connected to that transmission owner's system.
<b>Whole Electricity System Guidance</b>	means the document of that name published on the Authority's website for the purposes of this licence condition that provides guidance on compliance with this licence condition.

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**SECTION E: offshore transmission owner standard conditions**

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***Condition E3: Change of Financial Year***

1. The definition of “financial year” in standard condition A1 (Definitions and Interpretation) shall, for the purpose only of the statutory accounts of the licensee, cease to apply to the licensee from the date at which the licensee sends a notice to the Authority for that purpose.
2. Such notice shall:
  - (a) specify the date from which, for the purpose set out at paragraph 1, the current and subsequent financial years of the licensee shall run; and
  - (b) continue in effect until revoked by the licensee issuing a further notice.
3. The licensee may, for the purpose only of its statutory accounts, change its financial year from that previously notified by sending to the Authority a new notice pursuant to paragraph 1 which specifies the licensee’s new financial year-end.
4. Where the licensee sends the Authority a new notice, the previous notice shall be revoked, as provided by paragraph 2(b), and the licensee’s financial year-end shall change with effect from the date specified in the new notice.
5. The provisions of this condition shall not:
  - (a) apply to the financial year of the licensee as defined in standard condition A1 (Definitions and Interpretation) for the purpose of accounts or other information produced in compliance with standard condition E2 (Regulatory Accounts); or
  - (b) ~~not used~~ affect the licensee’s obligations in respect of the payment of licensee fees under standard condition A4 (Payments to the Authority).

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***Condition E15: Obligation to provide transmission services***

1. The licensee shall, in accordance with the STC, provide to the ~~system operator~~ ISOP the transmission services set out in paragraph 2.
2. The transmission services which the licensee shall provide in accordance with paragraph 1 shall consist of the following:
  - (a) making available those parts of the licensee's transmission system which are intended for the purposes of conveying, or affecting the flow of, electricity so that such parts are capable of doing so and are fit for those purposes;
  - (b) a means of enabling the ~~system operator~~ ISOP to direct the configuration of those parts of the licensee's transmission system made available to it and, consistent with such means, giving effect to any such direction from time to time; and
  - (c) a means of enabling the ~~system operator~~ ISOP to obtain information in relation to the licensee's transmission system which is needed by the ~~system operator~~ ISOP to enable it to co-ordinate and direct the flow of electricity onto and over the national electricity transmission system and, consistent with such means, providing such information to the ISOP ~~system operator~~.

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**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 as in force at the relevant time~~version 2.5~~, 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 ISOP~~system operator's~~ obligations under ~~standard condition E7~~~~C17~~ (Transmission system security standard and quality of service) of the electricity system operator licence to co-ordinate and direct the flow of electricity onto and over the national electricity transmission system.
2. The licensee shall no later than 2 months after the end of the financial year as required by the ~~system operator~~ISOP, provide to the ~~system operator~~ISOP all such information as may be necessary or as the ~~system operator~~ISOP may reasonably require for the purpose of submitting a report to the Authority in compliance with paragraph E7.73 of ~~standard condition C17~~E7 (Transmission system security standard and quality of service) of the electricity system operator licence~~transmission Licence~~.
3. *(Omitted)*
4. The Authority may (following consultation with the licensee and, where appropriate, any relevant authorised electricity operator) issue directions relieving the licensee of its obligations under paragraph 1 in respect of such parts of the licensee's transmission system and to such extent as may be specified in the directions.
5. The licensee shall give or send a copy of the documents (other than the STC) referred to in paragraph 1 (as from time to time revised) to the Authority.
6. The licensee shall (subject to paragraph 7) give or send a copy of the documents (as from time to time revised) referred to in paragraph 5 to any person requesting the same.
7. The licensee may make a charge for any copy given or sent pursuant to paragraph 6 of an amount which will not exceed any amount specified for the time being for the purposes of this condition in a direction issued by the Authority.

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***Condition E17: Obligations in relation to offers for connection etc.***

1. Before this condition comes into effect, the licensee shall have entered into an agreement with the ~~system operator~~ ISOP in accordance with the STC.
2. On notification by the ~~system operator~~ ISOP of receipt of an application for connection or for modification to an existing connection in accordance with paragraph ~~E12.32~~ of ~~standard condition E12C8~~ (Requirement to offer terms) of the electricity system operator licence, the licensee shall (subject to paragraph 3 and paragraph 5) offer to enter into an agreement with the ~~system operator~~ ISOP and such offer shall make detailed provision regarding:
  - (a) the carrying out of work (if any) on the licensee's transmission system required to connect the national electricity transmission system to any other system for the transmission or distribution of electricity and for the obtaining of any consents necessary for such purpose;
  - (b) the carrying out of works (if any) on the licensee's transmission system in connection with the extension or reinforcement of the licensee's transmission system which is rendered (in the licensee's discretion) appropriate or necessary by reason of making the connection or modification to an existing connection to the national electricity transmission system and for the obtaining of any consents necessary for such purpose;
  - (c) where the ~~system operator~~ ISOP requests the same, the installation of meters (if any) on the licensee's transmission system required to enable the ~~system operator~~ ISOP to measure electricity being accepted onto the national electricity transmission system at the specified entry point or points or leaving such system at the specified exit point or points;
  - (d) the date by which any works required on the licensee's transmission system to facilitate access to the national electricity transmission system (including for this purpose any works on the licensee's transmission system to reinforce or extend the licensee's transmission system) shall be completed (time being of the essence unless otherwise agreed by the ~~system operator~~ ISOP);

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- (e) such costs as may be directly or indirectly incurred in carrying out the works, the extension or reinforcement of the licensee's transmission system or the provision and installation, maintenance and repair or (as the case may be) removal following disconnection of any electric lines, electric plant or meters, which works are detailed in the offer;
  - (f) such further terms as are or may be appropriate for the purpose of the agreement;
- and

in providing such information, the licensee shall co-operate and co-ordinate its activities with other STC parties in accordance with the STC.

3. Subject to paragraph 5, the licensee shall, after receipt by the licensee of an application containing all such information as the licensee may reasonably require for the purpose of formulating the terms of the offer, offer terms in accordance with paragraph 2 above as soon as practicable and (except where the Authority consents to a longer period) in accordance with the time periods specified for this purpose in the STC.
4. On notification by the ~~system operator~~ ISOP in accordance with paragraph E12.32 of ~~standard condition E12C8~~ (Requirement to offer terms) of the electricity system operator licence of receipt by the ~~system operator~~ ISOP of an application for use of system, the licensee shall (subject to paragraph 4), where the ~~system operator~~ ISOP requests that it do so in accordance with the STC, offer to enter into an agreement with the ~~system operator~~ ISOP in respect of such application in the manner provided in the STC and for the purposes of making such offer shall cooperate and co-ordinate its activities with other STC parties in accordance with the STC.
5. The licensee shall not be obliged pursuant to this condition to offer to enter into or to enter into any agreement pursuant to this condition if to do so would be likely to involve the licensee:
  - (a) in breach of its duties under section 9 of the Act;
  - (b) in breach of any regulations made under section 29 of the Act or of any other enactment relating to safety or standards applicable in respect of the transmission business; or

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- (c) in breach of the conditions,
- (d) incurring costs equal to or in excess of 20 per cent of the original investment cost incurred by the offshore transmission owner in respect of the licensee's transmission system, such amount to be cumulative over the lifetime of the transmission system,

and where the licensee is not obliged pursuant to this condition to offer to enter into or to enter into an agreement with the ~~system operator~~ ISOP, the licensee shall notify the ~~system operator~~ ISOP of that fact (and of the fact that it does not intend to offer to enter into or to enter into an agreement pursuant to paragraph 2 or paragraph 4) as soon as practicable in accordance with the STC, including providing duly substantiated reasons to the ~~system operator~~ ISOP for not offering to enter into or not entering into any agreement.

Note: Consolidated conditions are not formal Public Register documents and should not be relied on.

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**Condition E18: Functions of the Authority**

1. Insofar as the ~~system operator~~ ISOP wishes to proceed on the basis of a TO offer from the licensee as settled by the Authority pursuant to paragraph ~~E13.32~~ of ~~standard~~ condition ~~E13C9~~ (Functions of the Authority) of the electricity system operator licence, the licensee shall forthwith enter into an agreement with the ~~system operator~~ ISOP which fully reflects the TO offer as so settled.
  
2. Where the Authority determines in accordance with paragraph ~~E13.32~~(c)(ii) of ~~standard~~ condition ~~E13C9~~ (Functions of the Authority) of the electricity system operator licence that a TO offer (other than those TO offers (if any) notified to the Authority in accordance with paragraph ~~E13.32~~(a) of ~~standard~~ condition ~~E13C9~~ (Functions of the Authority) of the electricity system operator licence) is required in respect of an agreement settled by the Authority pursuant to paragraph ~~E13.24~~ of ~~standard~~ condition ~~E13C9~~ (Functions of the Authority) of the electricity system operator licence and that other TO offer is required to be made by the licensee, the licensee shall prepare a TO offer which is consistent with such determination and shall submit such TO offer to the ~~system operator~~ ISOP as soon as reasonably practicable after the date of such determination and, in any event, within the time periods (if any) specified in such determination.

Note: Consolidated conditions are not formal Public Register documents and should not be relied on.

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