

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

Whereas:

1. [Distribution Network Operator] (the “Licensee”) is the holder of an Electricity Distribution Licence (the “Licence”) granted under section 6(1)(c) of the Electricity Act 1989 (the “Act”).
2. In accordance with ~~paragraph Standard Licence Condition (“SLC”)~~ 25.6 of the Licence, the Gas and Electricity Markets Authority (the “Authority”) on 10 January 2024 gave notice to the Licensee (“the Notice”) and set out the proposed contents of this Direction. The Notice stated that any representations with respect to the proposed direction must be made on or before 7 February 2024
3. The Authority has considered all representations which were made and not withdrawn.

Now, for the reasons specified in Annex 2 to this Direction, the Authority directs pursuant to ~~paragraph SLC~~ 25.2 of the Licence that the Licensee must publish its Long-Term Development Statement in a form consistent with the Form of Statement hyperlinked at Annex 1 to this Direction. The Licensee must use best endeavours to meet the publication dates set out in Section 9.1 of the Form of Statement and produce each of the Grid Modelling Data Results by the relevant Deadlines as set out in Table 7 in Section 9.2 of the Form of Statement. ~~in accordance with the timeline set out in the Implementation Plan which can be found in Section 9 of the Form of Statement.~~

If the Licensee becomes aware that it will not be able to meet one or more of the publication dates set out in Section 9.1 of the Form of Statement and/or produce one or more of the Grid Modelling Data Results by the relevant Deadline as set out in Table 7 in Section 9.2 of the Form of Statement, it must notify the Authority in writing as soon as is reasonably practicable and in any case no later than 28 days before the relevant publication date/Deadline. This notification must provide details of the reasons why the Licensee believes it will fail to meet the publication date set out in Section 9.1 of the Form of Statement and/or produce the Grid Modelling Data Results by the relevant Deadline. The Authority may request further information in respect of any such notification. Following such a notification and, where applicable, the receipt by the Authority of any further requested information, the Authority will set a revised publication date in respect of Section 9.1 of the Form of Statement and/or Deadline for the Licensee to produce the relevant Grid Modelling Data Result in respect of Table 7 in Section 9.2 of the Form of Statement, taking reasonable account of the circumstances which led to the failure to meet the initial publication date/Deadline.

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

Steve McMahan

Interim Director of Network Price Controls

Rebecca Barnett

Director of Major Project

Annex 1 of the Direction issued pursuant to Standard Licence Condition 25.2 of the Licence

FORM OF LONG-TERM DEVELOPMENT STATEMENT

A copy of the form of Long-Term Development Statement and all other associated documents, can be found here on our website: <https://www.ofgem.gov.uk/publications/long-term-development-statement-direction>

Annex 2 of the Direction issued pursuant to Standard Licence Condition 25.2 of the Licence

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

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

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

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

The reason for this direction is to bring into effect changes to the FoS, following both the informal consultation on 29 August 2023, the formal consultation process in accordance with paragraph 25.6 of the Licence on 10 January 2024⁴ and taking into consideration the feedback received as set out in our letter of 10 January 2024, as well as any representations made and not withdrawn in response to the formal consultation process.

¹ <https://www.ofgem.gov.uk/sites/default/files/docs/2010/09/fos-decision-letter---final-%285%29.pdf>

² https://www.ofgem.gov.uk/sites/default/files/docs/2011/09/proforma-direction-letter-headed---2-september-2011_0.pdf

³ <https://www.ofgem.gov.uk/publications/long-term-development-statement-ltds-guidance-update-informal-consultation>

⁴ <https://www.ofgem.gov.uk/publications/formal-consultation-form-long-term-development-statement>