

National Grid Electricity Transmission Plc

Electricity transmission licence

Special Conditions

Amendments for consultation

Special Condition 1C. Amended standard conditions

1. Standard condition A1 (Definitions and interpretation) shall be amended:

- (a) by the addition of the following text between the definitions of "relinquishment of operational control" and "Retail Price Index":

"remote transmission assets" means any electric lines, electrical plant or meters in England and Wales owned by the licensee which:

- (a) are embedded in a distribution system of an authorised electricity operator within the transmission area of the licensee and are not directly connected by lines or plant owned by the licensee to a sub-station owned by the licensee and
- (b) are, by agreement between the licensee and such authorised electricity operator, operated under the direction and control of such authorised electricity operator.

(b) by the addition of the following text between the definitions of "eligible generator" and "EMR legislation":

"EMR functions"

has the same meaning as in Chapter 5 of Part 2 of the Energy Act 2013.

2. Standard condition A1 (Definitions and interpretation) shall be amended as follows:

- (a) by the addition of the following text after "and includes" in the definition of "distribution system": "remote transmission assets (owned by the licensee within England and Wales) operated by such distributor and any";

- (b) by the addition of the following text at the end of the definitions of "GB transmission system" and "national electricity transmission system": "but shall not include any remote transmission assets";

(c) not used;

(da) by the deletion of the full stop and the addition of the following text at the end of subsection (c) in the definition of "permitted purpose":

“; and (d) the EMR functions.”

(d) in the definition of "transmission business":

(aa) not used;

(bb) not used;

(cc) the words "or commercial management" shall be inserted after "maintenance";

(dd) the words "the transmission owner activity," shall be inserted before "the balancing services activity"; and

(ee) not used.

4. Standard condition B1 (Regulatory Accounts) shall be amended at paragraph 2(a) by the insertion of "(which, for the purposes of this condition only, includes the EMR functions)" after "business" ;

5. Standard condition B5 (Prohibition of Cross Subsidies) shall be amended by the insertion of "(which, for the purposes of this condition only, includes the EMR functions)" between "business" and "shall".

6. Standard condition B6 (Restriction on Activity and Financial Ring Fencing) shall be amended at paragraph 1 by the addition of "which, for the purposes of this condition only, includes the EMR functions" after "business".

7. Standard condition B7 (Availability of Resources) shall be amended as follows:

(a) At paragraph 1, by the deletion of the full stop at the end of sub-paragraph (b) and the addition of the following text after "electricity transmission": "; and (c) to properly and efficiently carry on the EMR functions and to comply in all respects with its obligations under EMR legislation".

(b) In the following places to insert "and EMR functions":

a. In paragraph 2(a) between "business" and "for":

b. In paragraph 2(b):

i. between "business" and "for;

ii. between "business" and "[followed]";

c. In paragraph 2(c) between "business" and "for":

d. In paragraph 4(a) between "business" and "for":

e. In paragraph 4(b):

i. between "business" and "for;

ii. between "business" and "[followed]";

f. In paragraph 4(c) between “business” and “for”.

8. Standard condition B8 (Undertaking from ultimate controller) shall be amended:

a. At paragraph 1 by inserting “EMR legislation,” between “under” and “the”;

b. By the addition of the following text as paragraph 4 "The licensee shall not be in breach of paragraph 1 if within 7 days of this paragraph coming into force, or as otherwise directed by the Authority, the licensee procures an updated version of the undertaking required by paragraph 1, that includes reference to its obligations under or by virtue of EMR legislation".

9. Standard condition C1 (Interpretation of Section C) shall be amended by the addition of the following text between the definition of "transmission network services" and the definition of "use of system":

"transmission owner activity"

means

- (i) 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
- (ii) excluded services.

10. Standard Condition C2 (Prohibited activities) shall be amended by the addition of the following text as paragraph 4: “For the avoidance of doubt, paragraph 2 shall not prohibit or restrict the ability of the licensee to carry out its EMR functions.”