

## SCHEDULE 2

### Essential Services and Threshold Requirements

#### The electricity subsector

1.—(1) This paragraph describes the threshold requirements which apply to specified kinds of essential services in the electricity subsector.

(2) For the essential service of electricity supply the threshold requirements are—

(a) in Great Britain—

- (i) electricity undertakings that carry out the function of supply to more than 250,000 final customers; or
- (ii) electricity undertakings that carry out the function of supply, and generation via generators that when cumulated with the generators operated by affiliated undertakings would have a total capacity, in terms of input to a transmission system, greater than or equal to 2 gigawatts;

(b) in Northern Ireland—

- (i) the holder of a supply licence under Article 10(1)(c) of the Electricity (Northern Ireland) Order 1992(1) who supplies electricity to more than 8,000 consumers; and
- (ii) the holder of a generation licence under Article 10(1)(a) of the Electricity (Northern Ireland) Order 1992 with a generating capacity equal to or greater than 350 megawatts.

(3) For the essential service of the single electricity market in Northern Ireland, the threshold requirement is the holder of a Single Electricity Market operator licence under Article 10(1)(d) of the Electricity (Northern Ireland) Order 1992(2).

(4) For the essential service of electricity transmission, the threshold requirements are—

(a) in Great Britain—

- (i) transmission system operators with a potential to disrupt delivery of electricity to more than 250,000 final customers;
- (ii) holders of offshore transmission licences where the offshore transmission systems of that licence holder and its affiliated undertakings are directly connected to generators that have a total cumulative capacity, in terms of input to a transmission system, greater than or equal to 2 gigawatts; or
- (iii) holders of interconnector licences where the electricity interconnector to which the licence relates has a capacity, in terms of input to a transmission system, greater than or equal to 1 gigawatt;

(b) in Northern Ireland, the holder of a transmission licence under Article 10(1)(b) of the Electricity (Northern Ireland) Order 1992(3).

(5) For the essential service of electricity distribution, the threshold requirements are—

(a) in Great Britain, distribution system operators with the potential to disrupt delivery of electricity to more than 250,000 final customers;

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(1) [S.I. 1992/231 \(N.I. 1\)](#). Article 10(1)(c) was substituted by regulation 6(1) of [S.R. 2007 No. 321](#); there are other amendments to this instrument but none are relevant.

(2) Article 10(1)(d) was inserted by article 4(4)(b) of [S.I.2007/913 \(N.I. 7\)](#).

(3) Article 10(1)(b) was substituted by article 28(4) of [S.I. 2003/419 \(N.I. 6\)](#) and was amended by article 4(4)(a) of [S.I. 2007/913 \(N.I. 7\)](#).

*Status: This is the original version (as it was originally made).*

- (b) in Northern Ireland, the holder of a distribution licence under Article 10(1)(bb) of the Electricity (Northern Ireland) Order 1992(4).
- (6) Nuclear electricity generators and generators that are not connected to a transmission system are excluded from the threshold described in sub-paragraph (2)(a)(ii).
- (7) Transmission systems for which an offshore transmission licence or interconnector licence applies are excluded from the threshold described in sub-paragraph (4)(a)(i).
- (8) In this paragraph—
  - (a) “affiliated undertaking” has the meaning given by Article 2(12) of [Directive 2013/34/EU](#)(5) of the European Parliament and of the Council on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending [Directive 2006/43/EC](#) of the European Parliament and of the Council and repealing Council Directives [78/660/EEC](#) and [83/349/EEC](#);
  - (b) “distribution” has the meaning given by Article 2(5) of [Directive 2009/72/EC](#) of the European Parliament and of the Council concerning common rules for the internal market in electricity and repealing [Directive 2003/54/EC](#)(6), (“the Electricity Directive”);
  - (c) “distribution system operator” has the meaning given by Article 2(6) of the Electricity Directive;
  - (d) “electricity undertaking” has the meaning given by Article 2(35) of the Electricity Directive;
  - (e) “final customer” has the meaning given by Article 2(9) of the Electricity Directive;
  - (f) “generation” has the meaning given by Article 2(1) of the Electricity Directive and includes the generation of electricity from stored energy, and “generator” must be interpreted accordingly;
  - (g) “interconnector licence” means a licence granted under section 6(1)(e) of the Electricity Act 1989(7);
  - (h) “offshore transmission licence” and “offshore transmission” have the meaning given by section 6C(5) and (6) of the Electricity Act 1989(8), respectively;
  - (i) “stored energy” means energy that—
    - (aa) was converted from electricity, and
    - (bb) is stored for the purpose of its future reversion into electricity;
  - (j) “supply” has the meaning given by Article 2(19) of the Electricity Directive;
  - (k) “transmission” has the meaning given by Article 2(3) of the Electricity Directive; and
  - (l) “transmission system operator” has the meaning given by Article 2(4) of the Electricity Directive.

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(4) Article 10(1)(bb) was inserted by regulation 19(a) of [S.R. 2011 No. 155](#).

(5) OJ No. L 182, 29.6.2013, p. 19.

(6) OJ No. L 211, 14.08.2009, p. 55.

(7) [1989 c. 29](#). Section 6 of the Electricity Act 1989 was substituted by the Utilities Act 2000 (c. 30) and amended by the Energy Act 2004 (c. 20). There are other amendments not relevant to this instrument.

(8) Section 6C of the Electricity Act [1989 \(c. 29\)](#) was inserted by section 92 of the Energy Act [2004 \(c. 20\)](#).