

## **Direction by the Gas and Electricity Markets Authority under paragraph AA.2 of Special Generation Licence Condition AA**

1. This Direction is issued by the Gas and Electricity Markets Authority (the "Authority") under Paragraph AA.2 of Special Condition AA of the Electricity Generation Licence granted or treated as granted under s6(1)(a) of the Electricity Act 1989 (as amended) (the "Licence") held by RWE Renewables UK Onshore Wind Limited (the "Licensee").
2. Paragraph AA.2 of Special Condition AA provides that Schedule A, Schedule B (subject to paragraph AA.3 of the Special Condition) and Schedule C of the Special Condition shall have effect from the date specified in a direction given by the Authority. The Licensee shall be obliged to comply with the requirements of the provisions contained in those Schedules from that date.
3. On 31st March 2014, the Authority introduced Special Condition AA to give effect to its policy to improve liquidity in the wholesale market by improving the availability of products supporting hedging, enabling robust reference prices to form along the curve and to secure near-term liquidity.<sup>1</sup> The Licensee meets the criteria for complying with Special Condition AA, as set out in Ofgem's Liquidity in the Wholesale Electricity Market (Special Condition AA of the electricity generation licence): Guidance ("Guidance")<sup>2</sup>.
4. On 18 November 2019, Schedule B ceased to have effect in the Generation Licences held by affiliates within RWE.<sup>3</sup>
5. The Authority hereby directs that the provisions contained in Schedules A and C of Special Condition AA of the Licence shall have effect from and including 1 June 2022 and shall remain in effect until such time as the Authority shall revoke, vary or replace it by a further Direction in accordance with powers conferred on it by s107 Electricity Act 1989.



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**Maryam Khan,**

**Head of Electricity Security and Market Management**

**Duly authorised on behalf of the Authority**

**Date 5 December 2024**

<sup>1</sup> The Authority published its reasons for this decision in the following documents:

<https://www.ofgem.gov.uk/publications-and-updates/wholesale-power-market-liquidity-decision-letter>;

<https://www.ofgem.gov.uk/publications-and-updates/wholesale-power-market-liquidity-statutory-consultation-secureand-promote-licence-condition>; and

[https://www.ofgem.gov.uk/sites/default/files/docs/2013/06/liquidity-final-proposals-120613\\_0.pdf](https://www.ofgem.gov.uk/sites/default/files/docs/2013/06/liquidity-final-proposals-120613_0.pdf)

<sup>2</sup> [https://www.ofgem.gov.uk/system/files/docs/2019/11/mmo\\_suspension\\_direction.pdf](https://www.ofgem.gov.uk/system/files/docs/2019/11/mmo_suspension_direction.pdf)

<sup>3</sup> [https://www.ofgem.gov.uk/system/files/docs/2019/11/mmo\\_suspension\\_direction.pdf](https://www.ofgem.gov.uk/system/files/docs/2019/11/mmo_suspension_direction.pdf)