

Interested parties

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RIIO-2 Bengeworth Road Grid Supply Point Project Re-opener – Statutory Consultation on Licence Changes

In our RIIO-2 Final Determination, we set out our decision to create a Re-opener for National Grid Electricity Transmission plc's (NGET) Bengeworth Road Grid Supply Point (GSP) Project. This Re-opener was designed to allow NGET to make a submission for funding for that project, once it had established the project needs case, had completed the appropriate optioneering assessments and was able to provide robust cost estimates for its preferred solution to the needs case.

NGET made its submission to Ofgem in early April 2021. We issued a consultation on our minded to position to allow additional funding for the Bengeworth Road GSP Project and to set an evaluative Price Control Deliverable for that project¹. We received two responses in total. We have considered this feedback and have issued our decision to approve this project, with an allowed funding for direct costs of £80.76m in 18/19 prices.

The purpose of this statutory licence consultation is to seek stakeholder views on the proposed modifications to the licence that are required to implement our decision including setting an evaluative Price Control Deliverable.

The licence condition

The proposed modifications to the licence that are required to implement our decision are available alongside this letter. We are proposing to replace Special Condition 3.35 of the Electricity Transmission licence held by National Grid Electricity Transmission plc, which

¹ [National Grid Electricity Transmission \(NGET\) Bengeworth Road Grid Supply Point \(GSP\) Project | Ofgem](#)

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currently provides for a Re-opener, with one that provides for an evaluative Price Control Deliverable. We are also proposing to: amend Special Condition 3.36 (Opex Escalator) of that licence to correctly cross-refer to the proposed new Special Condition 3.35; and amend the date of the most recent issue of the NGET Redacted Information Document, in both Special Condition 1.1 and Appendices 1 and 2 to Special Condition 3.4.

Reason and effects

The reason for the proposed modification is to establish the funding allowance set out in our policy decision and to establish an evaluative Price Control Deliverable, including the outputs against which delivery of the project will be assessed and the delivery date. The effect of this licence condition will allow for NGET to progress with the development and delivery of the Bengeworth Road GSP Project.

Responding to this consultation and next steps

Stakeholders are invited to provide views on the proposed modifications published alongside this letter by no later than 5pm on 12 July 2021. Responses should be sent to Paul.odonovan@ofgem.gov.uk, and copying in RIIO2@ofgem.gov.uk

Subject to feedback received via this consultation, the table below provides an indicative view of the next steps towards the finalisation of the Bengeworth Road GSP Project Price Control Deliverable licence condition.

Milestones on the licence change	Date
Publication of this statutory consultation	14 June 2021
Deadline for responses to statutory consultation (28-day consultation)	12 July 2021
Ofgem decision to modify licence (thereafter 56-day standstill)	End July 2021
Licence comes into effect	End September 2021

Yours faithfully,

Min Zhu

Deputy Director, Electricity Transmission, Networks

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