

To: NeuConnect Britain Limited

**Electricity Act 1989
Section 11A(1)(a)**

**Modification of the special conditions of the electricity interconnector licence held
by NeuConnect Britain Limited**

1. NeuConnect Britain Limited (NBL) is the holder of an electricity interconnector licence (the Licence) granted or treated as granted under section 6(1)(e) of the Electricity Act 1989 (the Act).
2. Under section 11A(2) of the Act, the Gas and Electricity Markets Authority (the Authority)¹ gave notice on 25 February 2021 (the Notice) that we proposed to modify the Licence by inserting new special conditions as specified in the schedule accompanying the Notice.² We stated that any representations to the modification proposal must be made on or before 12 April 2021.
3. A copy of the Notice was sent to the Secretary of State in accordance with section 11A(4)(b) of the Act, and we have not received a direction that the change should not be made.
4. We received four responses to the Notice, which we have carefully considered. Three responses were non-confidential and have been placed on our website. One response was confidential and has not been published. Our response is set out in our accompanying letter.
5. We have decided to make a number of minor alterations to the modifications set out in the Notice. These alterations are tracked in the attached Schedule 2A. The reasons for the differences between the modifications set out in the Notice and the modifications reflected in Schedule 2A are to correct minor errors and address issues raised in consultation responses.
6. We are making these licence changes in order to implement our cap and floor regime and variations to the regime for GIL that are contained in our May 2020 decision.³
7. Further details on the reasons and effect of the modifications can be found in the schedule accompanying the Notice.⁴
8. Where an application for permission to appeal our decision is made to the Competition and Markets Authority (CMA) under section 11C of the Act, Rule 5.7 of

¹ The terms "Authority" and "we" are used interchangeably in this document.

² Proposed new special conditions for the electricity interconnector licence held by NBL (Feb 2021): <https://www.ofgem.gov.uk/publications-and-updates/statutory-consultation-our-proposal-insert-new-special-conditions-electricity-interconnector-licences-held-greenlink-interconnector-limited-and-neuconnect-britain-limited-implement-cap-and-floor-regime>

³ Decision on proposed changes to our electricity interconnector cap and floor regime to enable project finance solutions (May 2020): <https://www.ofgem.gov.uk/publications-and-updates/decision-proposed-changes-our-electricity-interconnector-cap-and-floor-regime-enable-project-finance-solutions>

⁴ Reasons and effects of proposed insertion of new special conditions into the electricity interconnector licence held by NBL (Feb 2021): https://www.ofgem.gov.uk/system/files/docs/2021/02/neuconnect_scs_reasons_and_effect.pdf

the Energy Licence Modification Appeals: Competition and Markets Authority Rules⁵ requires that the appellant must send to any relevant licence holders who are not parties to the appeal a non-sensitive notice setting out the matters required in Rule 5.2. The attached Schedule 2A identifies the relevant licence holder in relation to this modification. Section 11A(10) of the Act sets out the meaning of 'relevant licence holder'.

Under the powers set out in section 11A(1)(a) of the Act, we hereby modify the electricity interconnector licence of NBL in the manner specified in the attached Schedule 2A. This decision will take effect from the date of our Decision on the Final Project Assessment of the NeuConnect interconnector to Germany (and 56 days must have passed from when our decision on the changes is published).

This document is notice of the reasons for the decision to modify the electricity interconnector licence held by NBL as required by section 49A(2) of the Act.



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Stuart Borland
Head of Interconnectors

Duly authorised on behalf of the
Gas and Electricity Markets Authority

18 June 2021

⁵ CMA70 (Oct 2017):
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/655601/energy-licence-modification-appeals-rules.pdf