

To: National Grid Electricity Transmission plc

Direction issued by the Gas and Electricity Markets Authority under Part B of Special Condition 3.13 (Large onshore transmission investment Re-opener) to relieve National Grid Electricity Transmission of the requirement to obtain approval of eligibility to apply and to submit an Initial Needs Case for the Dinorwig-Pentir cable and substation replacement project.

Whereas

1. National Grid Electricity Transmission plc ('the Licensee') is the holder of an electricity transmission licence ('the Licence') granted or treated as granted under section 6(1)(b) of the Electricity Act 1989 ('the Act').
2. Part B of Special Condition 3.13 sets out the sequential stages that the Licensee is required to complete prior to the application for a Project Assessment Direction to specify a large onshore transmission investment (LOTI) Output, a delivery date and associated allowances in Appendix 2 to that condition. These stages are:
 - i. obtaining the Authority's¹ approval for the project's eligibility under the LOTI Re-opener;
 - ii. submission of an Initial Needs Case to the Authority for consideration; and
 - iii. obtaining the Authority's approval of a Final Needs Case for the project.
3. The LOTI Guidance and Submissions Requirements Document² provides the detailed requirements pertaining to each of the stages described above, with which the Licensee must comply with when making a LOTI application under Special Condition 3.13.
4. Paragraph 3.13.8(a) of Special Condition 3.13 sets out that the Authority may, by way of Direction, relieve the Licensee of the requirement to obtain approval of eligibility to apply.
5. Paragraph 3.13.8(b) of Special Condition 3.13 sets out that the Authority may, by way of Direction, relieve the Licensee of the requirement to submit an Initial Needs Case.
6. After careful consideration, our intention is to relieve the Licensee of the requirement to obtain approval of eligibility to apply and to submit an Initial Needs Case for the Dinorwig-Pentir cable and substation replacement LOTI (Dinorwig-Pentir) project. This decision has been made on the basis that we have already completed an initial assessment of the eligibility, scope and needs case for the Dinorwig-Pentir project as part of our assessment of the Licensee's RIIO-2 business plan. In our Final Determinations³ for RIIO-2, we concluded that due to uncertainty

¹ The "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day to day work.

² [Large Onshore Transmission Investments \(LOTI\) Re-opener Guidance](#)

³ [RIIO-2 Final Determinations - NGET Annex REVISED](#), paragraph 3.60

on costs we would review the relevant costs when there was greater certainty. We therefore proposed that the Dinorwig-Pentir project should be submitted through the LOTI process and that we would look to facilitate an appropriate timetable for the Dinorwig-Pentir project to be assessed under that process. As the purpose of the eligibility to apply and Initial Needs Case, as per the LOTI Guidance, is primarily to determine the eligibility, scope and the need for the project, we consider it is unnecessary for these stages to be required in relation to the Dinorwig-Pentir project. We consider that this decision is consistent with our views at the time of Final Determinations to facilitate an appropriate timetable for the Dinorwig-Pentir project.

7. In accordance with paragraph 3.13.8(a) and 3.13.8(b) of Special Condition 3.13, the Authority hereby directs that the Licensee is relieved of the requirement to obtain approval of eligibility to apply and to submit an Initial Needs Case for the Dinorwig-Pentir project. This direction is issued under the condition that a Final Needs Case, which meets the submission criteria for a project's eligibility to apply and of both an Initial Needs Case and Final Needs Case as per the LOTI Guidance, will instead be submitted to the Authority for consideration.
8. This Direction gives notice of the reasons for the decision to issue this Direction as required by section 49A(2) of the Act.

Jourdan Edwards
Interim Deputy Director – Onshore Network Systems
Duly authorised on behalf of the Gas and Electricity Markets Authority

30 May 2022