

To: National Grid Electricity Transmission plc ('the Licensee')

Direction issued by the Gas and Electricity Markets Authority ('the Authority') under Part B of Special Condition 3.13 (Large onshore transmission investment Re-opener) of the electricity transmission licence to relieve the Licensee of the requirement to submit an Initial Needs Case for the Hackney Waltham Cross Upgrade (HWUP) North London reinforcement project.

Whereas

1. 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 (Large onshore transmission investment Re-opener) of the Licence sets out the sequential stages that the Licensee is required to complete prior to the application for a Project Assessment Direction to specify a 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.
 - iii. obtaining the Authority's approval of a Final Needs Case for the project.
3. The LOTI Guidance and Submissions Requirements Documents² 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(b) of Special Condition 3.13 of the Licence also sets out that the Authority may by way of Direction, relieve the Licensee of requirement to submit an Initial Needs Case.
5. After careful consideration, we have decided to relieve the Licensee of the requirement to submit an Initial Needs Case for the Hackney Waltham Cross Upgrade (HWUP) North London reinforcement project. This decision has been made on the basis that there is already a Development Consent Order (DCO) in place for the project.
6. Work on the project originally began in 2010, and most of the work completed at the time focused on obtaining a DCO for the project. Following a signal to 'delay' the project from the Network Options Assessment process (NOA, previously NDP), the project was put on hold. Developments in energy generation background have now seen the project receive a 'proceed' signal from the NOA 6 and 7 (Jan 2021 and Jan 2022 respectively). Although the project now has an additional scope to that of the original project in 2010, the Licensee has informed us that this additional scope does not require a further DCO.
7. We there consider that the project has already complied with the necessary Planning Consent criteria required for the submission of Final Needs Case for our approval, in accordance paragraph 3.13.14 of Special Condition 3.13 of the Licence. We will review the need case for the project as part of consideration of the Final Need Case.

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 | Ofgem](#)

8. In accordance with paragraph 3.13.8(b) of Special Condition 3.13 of the Licence, the Authority hereby directs that the Licensee is relieved of the requirement to submit an Initial Needs Case for the project.
9. 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 Networks
Duly authorised on behalf of the Gas and Electricity Markets Authority

29 July 2022