

Consultation on the Pre-Construction Funding application for the North-West Wales Project in accordance with Special Condition 3.15

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Contact:	Keren Maschler
Team:	Price Control Operations – Heavy Scrutiny Projects
Telephone:	020 7901 7000
Email:	RIIOElectricityTransmission@ofgem.gov.uk

We are consulting on our assessment of National Grid Electricity Transmission's application for Pre-Construction Funding for the North-West Wales Project. We would like views from people with an interest in new transmission infrastructure and meeting the Net Zero challenge. We particularly welcome responses from consumer groups, stakeholders impacted by the North-West Wales project, stakeholders interested in the costs of electricity transmission infrastructure and the electricity transmission owners. We would also welcome responses from other stakeholders and the public.

This document outlines the scope, purpose and questions of the consultation and how you can get involved. Once the consultation is closed, we will consider all responses. We want to be transparent in our consultations. We will publish the non-confidential responses we receive alongside a decision on next steps on our website at <u>ofgem.gov.uk/consultations</u>.

If you want your response – in whole or in part – to be considered confidential, please tell us in your response and explain why. Please clearly mark the parts of your response that you consider to be confidential, and if possible, put the confidential material in separate appendices to your response. © Crown copyright 2023

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Executive summary

North-West Wales project and what this document covers

In July 2022 National Grid Electricity Transmission (NGET), who own and operate the transmission network in England and Wales, submitted an eligibility to apply for a Large Onshore Transmission Investment (LOTI) Output submission regarding its North West Wales Project (NWWP).¹ We approved the eligibility of NWWP as a LOTI in August 2022.

In their submission seeking eligibility to apply, NGET flagged the need to seek Pre-Construction Funding (PCF) to prevent delay to the project. On 1 September 2022, we issued a direction² that allowed NGET to seek PCF ahead of an Initial Need Case (INC) submission.

In September 2022 we received an application from NGET under Special Condition 3.15.7 (a) for a direction from us to amend Appendix 2 of its licence as it expects to incur costs for pre-construction works that are not already specified as outputs in Appendix 2.

The NWWP is an electricity transmission infrastructure project that proposes to upgrade the existing 400kV circuit between Pentir and Trawsfynydd and to build a second 400kV circuit between Pentir and Trawsfynydd in the north-west of Wales. These projects are included in the Network Options Assessment (NOA) 7 refresh³ as PTNO and PTC1, respectively. The NWWP is driven by the Pathway to 2030 Holistic Network Design (HND)⁴ which classified PTNO and PTC1 as 'essential options'.

Both elements of the NWW project are included in our list of projects that will be included in the Accelerated Strategic Transmission Investment (ASTI) framework. ⁵ The ASTI framework is the regulatory framework that we have decided to apply to strategic electricity transmission network upgrades needed to meet the Government's 2030 renewable electricity generation ambitions to accelerate the delivery of these critical projects.

As referenced in the ASTI decision, these arrangements need to be implemented into the licence and we intend to do this in summer 2023 (para 9.6 of ASTI decision).

 $^{^{1}}$ In accordance with Special Condition 3.13.10 (Part D, Approval of Eligibility to apply for a LOTI Output)

² Direction - North West Wales Pre-Construction Funding Request | Ofgem

³ NOA 7 Refresh <u>download (nationalgrideso.com)</u>

⁴ The Pathway to 2030 HND The Pathway to 2030 Holistic Network Design | National Grid ESO

⁵ Decision on accelerating onshore electricity transmission investment | Ofgem

NGET has estimated the total cost of the project to be \pounds 235 million and is requesting \pounds 15 million in PCF (2021/22 prices).

In accordance with our RIIO-2 price control arrangements, we have assessed the application for PCF under Special Condition 3.15 (Pre-Construction Funding Re-opener and Price Control Deliverable) (Special License Condition 3.15) of NGET's electricity transmission licence. We have also set out the text of our proposed direction as well as the amendments to Appendix 2 together with the reasons for the direction.

This consultation seeks stakeholder views on our assessment of NGET's PCF application for the NWWP as well as representations on our proposed direction.

PCF application assessment

Our assessment of the application included 3 stages:

- 1. The need for PCF at this stage
- 2. Whether information provided by the Licensee is in line with the requirements set out in paragraph 3.15.9 of Special License Condition 3.15
- 3. Assessment of the costs involved

Option assessment will be carried out separately by Ofgem as the project develops.

Taking each of the stages in turn, the summary of our assessment is that:

- Our conclusion is that there is sufficient evidence that PCF is essential to ensure timely delivery of the project and avoid unnecessary delays and thus potential detriment to consumers.
- NGET provided the information as required in paragraph 3.15.9 of Special License Condition 3.15
- 3. Our view of efficient costs is summarised below:

Cost Element	PCF application (£m)	Proposed Disallowance (£m)	Proposed Allowance (£m)	% Reduction
Third party costs	10.5	1.3	9.2	12%
Project Management cost	4.5	1.7	2.8	38%
Total	15.0	2.9	12.0	20%

Next Steps

We welcome responses to this consultation, both generally and on the specific questions we have included in Chapter 2. If you would like to respond to this document, please send your response to: <u>RIIOElectricityTransmission@ofgem.gov.uk</u>.

The deadline for response is 15 February 2023. We expect to publish our final views on the PCF application for NWWP in March 2023.

1. Introduction

What are we consulting on?

1.1. This document sets out our initial view on NGET's application for PCF in order to progress the delivery timeline of NWWP.

1.2. The sections in this document are as follows:

- Chapter 1 introduces the project, providing context and;
- Chapter 2 summarises the proposed conclusions of our PCF application assessment;
- Annex 1 sets out the text of the proposed direction and the amendments to Appendix 2 of NGET's electricity transmission licence
- Annex 2 sets out our Privacy notice on consultations

Context

1.3. The GB onshore electricity transmission network is currently planned, constructed, owned, and operated by three transmission owners (TOs): NGET in England and Wales, Scottish Power Transmission (SPT) in the south of Scotland, and Scottish Hydro Electric Transmission (SHET) in the north of Scotland. We regulate these TOs through the RIIO (Revenue = Incentives + Innovation + Outputs) price control framework. For offshore transmission, we appoint Offshore Transmission Owners (OFTOs) using competitive tenders.

1.4. The incumbent onshore TOs are currently regulated under the RIIO-2 price control, which started on 1 April 2021 and will run for 5 years. Under this price control, we developed a re-opener mechanism for assessing the need for, and efficient cost of, large and uncertain electricity transmission infrastructure projects: the 'Large Onshore Transmission Investments' (LOTI) re-opener. Once the need for and costs of projects become more certain, the TOs bring forward construction proposals and seek funding for

them. Projects that are expected to go through the LOTI re-opener may also apply for Pre-Construction Funding (PCF) if required to progress the project delivery timeline and not already funded through the TO's RIIO-2 baseline allowances.

1.5. Network investment is informed by the Future Energy Scenarios (FES)⁶, and the NOA⁷, which are developed and published annually by the Energy System Operator (ESO)⁸. A key focus of the FES is the inclusion of the legally binding UK Government Net Zero targets, to be achieved by 2050. The transition to a Net Zero economy will see increased demand on the transmission boundary capability, which will need to be facilitated by critical network reinforcements.

1.6. In December 2022 we published our decision on the ASTI framework. This sets out our conclusions on how we can support the accelerated delivery of strategic electricity transmission network upgrades needed to meet the Government's 2030 renewable electricity generation ambitions. Our decision sets out the benefits that accelerated delivery can unlock and our decision on how to streamline the current regulatory approval process for large electricity transmission projects. It also sets out our proposed measures to protect consumers against additional risks that changing the process brings.

1.7. Both elements of the NWW project are included in our list of projects that we intend to be included in the ASTI framework. As explained in our December decision, the ASTI framework will not provide pre-construction funding for projects that have, or will have, PCF provided under the LOTI arrangements.⁹ Therefore, if PCF is provided under 3.15 of NGET's licence for the NWW project, this funding will not form part of the ASTI PCF allowance and re-opener arrangements.

1.8. As referenced in the ASTI decision, these arrangements need to be implemented into the licence and we intend to do this in summer 2023 (para 9.6 of ASTI decision). Given that our decision on the NWWP PCF is likely to come before this, the proposed drafting in Annex 1 refers to the existing LOTI arrangements as the existing governing framework for projects of this size. Once the licence arrangements are finalised for the

⁶ The FES is the ESO's representation of a range of different, credible ways to decarbonise the energy system to strive towards the 2050 target

⁷ The NOA is the ESO's recommendation for which reinforcement projects should receive investment during the coming year

⁸ In April 2019 National Grid ESO became a separate business within National Grid Plc

⁹ Paragraph 5.21: <u>ASTI decision doc - Final Published.pdf</u>

ASTI regime we will review whether additional changes to Appendix 2 of Condition 3.15 are required.

Overview of the PCF Re-opener and Price Control Deliverable

1.9. The PCF re-opener mechanism¹⁰ provides TOs with a route to apply for a direction from Ofgem amending Appendix 2 to their electricity transmission licence to allow PCF that the TO considers that it needs to develop large onshore transmission projects under the LOTI Re-opener¹¹ to the point where all material planning consents have been obtained and the project is ready to begin construction. These are costs that were uncertain or not sufficiently developed at the time we set costs and outputs for the RIIO-2 price control period, and are costs are not covered by the TO's baseline allowances.

1.10. To qualify for the PCF mechanism TO proposals must meet the eligibility criteria for the LOTI mechanism:

- a) are expected to cost £100m or more of capital expenditure; and
- b) are, in whole or in part, load related.¹²

1.11. In July 2022 National Grid Electricity Transmission (NGET), which owns and operates the transmission network in England and Wales, submitted an eligibility to apply for a LOTI Output submission regarding its North West Wales Project (NWWP)¹³. We approved the eligibility of NWWP as a LOTI in August 2022 as we were satisfied that the NWWP meets these criteria and is therefore eligible as LOTI project.

1.12. In its eligibility to apply submission, NGET flagged the need to seek PCF to prevent delay to the project. On 1 September 2022, we issued a direction¹⁴ that allowed NGET to seek PCF ahead of INC submission, meaning that in September 2022 we received a PCF application from NGET

¹⁰ Set out in Special Condition 3.15 of the Electricity Transmission Licence

¹¹ Special Condition 3.13 of the Electricity Transmission Licence.

¹² Special Condition 1.1 part B: Definition of LOTI

¹³ In accordance with Special Condition 3.13.10 (Part D, Approval of Eligibility to apply for a LOTI Output)

¹⁴ Direction - North West Wales Pre-Construction Funding Request | Ofgem

1.13. We are satisfied that the works within the PCF deliverables have not been financially covered by an alternative funding mechanism or NGET's baseline allowances.

Related publications

1.14. RIIO-2 Final Determinations: <u>RIIO-2 Final Determinations for Transmission and</u> <u>Gas Distribution network companies and the Electricity System Operator | Ofgem</u>

1.15. LOTI Re-opener Guidance document: <u>Large Onshore Transmission Investments</u> (LOTI) Re-opener Guidance | Ofgem

1.16. Accelerating onshore investment: <u>Decision on accelerating onshore electricity</u> <u>transmission investment | Ofgem</u>

Consultation stages

Stage 1	Stage 2	Stage 3	Stage 4
Consultation open	Consultation closes (awaiting decision). Deadline for responses	Responses reviewed and published	Consultation decision/policy statement
11/01/2023	15/02/2023	February 2023	March 2023

How to respond

1.17. We want to hear from anyone interested in this consultation. Please send your response to the person or team named on this document's front page.

1.18. We've asked for your feedback in each of the questions throughout. Please respond to each one as fully as you can.

1.19. We will publish non-confidential responses on our website at www.ofgem.gov.uk/consultations.

Your response, data and confidentiality

1.20. You can ask us to keep your response, or parts of your response, confidential. We'll respect this, subject to obligations to disclose information, for example, under the Freedom of Information Act 2000, the Environmental Information Regulations 2004, statutory directions, court orders, government regulations or where you give us explicit permission to disclose. If you do want us to keep your response confidential, please clearly mark this on your response and explain why.

1.21. If you wish us to keep part of your response confidential, please clearly mark those parts of your response that you *do* wish to be kept confidential and those that you *do not* wish to be kept confidential. Please put the confidential material in a separate appendix to your response. If necessary, we'll get in touch with you to discuss which parts of the information in your response should be kept confidential, and which can be published. We might ask for reasons why.

1.22. If the information you give in your response contains personal data under the General Data Protection Regulation (Regulation (EU) 2016/679) as retained in domestic law following the UK's withdrawal from the European Union ("UK GDPR"), the Gas and Electricity Markets Authority will be the data controller for the purposes of GDPR. Ofgem uses the information in responses in performing its statutory functions and in accordance with section 105 of the Utilities Act 2000. Please refer to our Privacy Notice on consultations, see Appendix 4.

1.23. If you wish to respond confidentially, we'll keep your response itself confidential, but we will publish the number (but not the names) of confidential responses we receive. We won't link responses to respondents if we publish a summary of responses, and we will evaluate each response on its own merits without undermining your right to confidentiality.

General feedback

1.24. We believe that consultation is at the heart of good policy development. We welcome any comments about how we've run this consultation. We'd also like to get your answers to these questions:

- 1. Do you have any comments about the overall process of this consultation?
- 2. Do you have any comments about its tone and content?
- 3. Was it easy to read and understand? Or could it have been better written?
- 4. Were its conclusions balanced?
- 5. Did it make reasoned recommendations for improvement?
- 6. Any further comments?

Please send any general feedback comments to stakeholders@ofgem.gov.uk

How to track the progress of the consultation

You can track the progress of a consultation from upcoming to decision status using the 'notify me' function on a consultation page when published on our website. <u>Ofgem.gov.uk/consultations</u>

Notify me +

Consultation – Consultation on the Pre-Construction Funding application for the North-West Wales Project in accordance with Special Condition 3.15

	×
Would you like to be kept up to date with <i>[Consultation title]</i> ? subscribe to notifications:	

Once subscribed to the notifications for a particular consultation, you will receive an email to notify you when it has changed status. Our consultation stages are:

Upcoming > **Open** > **Closed** (awaiting decision) > **Closed** (with decision)

2. Overview and our initial views on the Pre-construction funding application for NWWP

Section summary

This chapter summarises the drivers of the NWWP and the contents of NGET's PCF application, including reasoning for the application, the funding value and the expected deliverables.

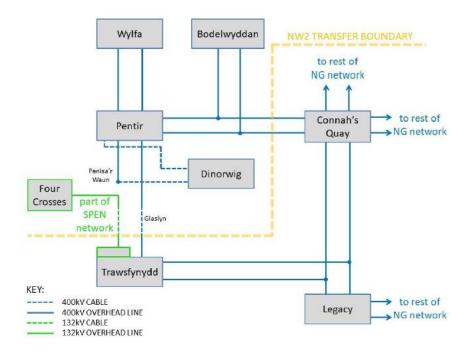
Questions

- Q1. Do you agree with our approach to assessing the PCF for the NWWP?
- Q2. Do you agree with our proposed cost allowances for the NWWP?
- Q3. Do you agree with our proposed direction and modifications to Appendix 2 in accordance with Special Condition 3.15.7 of NGET's Electricity Transmission licence?
- Q4. Do you have any comments on other elements of the PCF review?

Overview of NGET's proposal

2.1. The current north Wales transmission network and NW2 transfer boundary is as per figure 1 below.

Figure 1: North Wales existing network



2.2. The existing transmission network is operated at 400kV in NGET's network and operated at 132kV in SPT's (SPEN's) network between Four Crosses and Trawsfynydd. The network is a range of overhead lines (OHLs) and buried cables. Pentir, Connah's Quay, Legacy and Trawsfynydd substation are connected in a ring format, with Connah's Quay and Legacy connecting to the wider transmission network. The network crosses the NW2 electricity transfer boundary, which is a significant boundary for energy transmission to the rest of NGET's network.

2.3. The Network Options Assessment (NOA) 7 refresh¹⁵ included the projects PTNO and PTC1, respectively – projects that make up the NWWP. The NWWP is driven by the Pathway to 2030 Holistic Network Design (HND)¹⁶ which classified PTNO and PTC1 as 'essential options'.

2.4. To deliver PTC1 and PTNO, NGET are proposing five schemes of work primarily on the Pentir – Trawsfynydd section of the network. This is a double circuit compromising of

¹⁵ NOA 7 Refresh download (nationalgrideso.com)

¹⁶ The Pathway to 2030 HND The Pathway to 2030 Holistic Network Design | National Grid ESO

OHLs, underground cables and cross site cables at Pentir and Trawsfynydd substations. Part of the OHL is disconnected.

- 2.5. The schemes of work NGET is proposing are as follows:
 - The uprating of Pentir Trawsfynydd circuit 1
 - The uprating of Pentir Trawsfynydd circuit 2 (circuit 2 is partially disconnected)
 - The uprating of Pentir Trawsfynydd 2 OHL to 400kV
 - Bryncir Grid Supply Point (to provide SPT with an alternative supply)
 - Pentir Trawsfynydd 2 Substation works

Why the project has been brought forward

2.6. NGET highlighted that projects PTC1 and PTNO were classified as essential in the HND Pathway to 2030; PTC1 is required by 2029 and PTNO is required by 2028. They have been identified as an essential wider work to enable the additional 5.5GW of offshore generation expected in the region and, due to the potential constraints on the NW2 boundary and consequential constraint costs, the NWWP would present as good value for money.

2.7. NGET highlighted that permitting a PCF would prevent unnecessary delays to the delivery of NWWP.

2.8. Additionally, as explained in paragraph 1.7, both elements of the NWWP are included in our list of projects that we intend to be included in the ASTI framework.¹⁷

2.9. As referenced in the ASTI decision, these arrangements need to be implemented into the licence and we intend to do this in summer 2023 (para 9.6 of ASTI decision). Given that our decision on the NWWP PCF is likely to come before this, the proposed drafting in Annex 1 refers to the existing LOTI arrangements as the existing governing framework for projects of this size. Once the licence arrangements are finalised for the

¹⁷ Decision on accelerating onshore electricity transmission investment | Ofgem

ASTI regime, we will review whether additional changes to Appendix 2 of Condition 3.15 are required.

Preliminary optioneering

2.10. NGET presented two options to deliver the schemes of work. NGET identified the larger rating works as "scenario 1" (which we refer to as "option 1") and the lower rating work as "scenario 2" (which we refer to as "option 2"). The difference between the options will depend on the rating requirement. Larger rating will require replacing/building new circuits with two cables per phase (vs one per phase), thermal uprating (vs like for like replacement) of the 4ZC OHL, and installation of a new shunt reactor at Trawsfynydd.

2.11. NGET estimates the total cost of option 1 and option 2 to be \pounds 234.3 million and \pounds 168.3 million, respectively.

PCF Scope

2.12. NGET has requested £15m to undertake Pre-Construction Works¹⁸ for the NWW Project. The application categorises the costs into third party costs and NGET's internal project management costs. NGET stated that the works will prevent delays to project delivery. The pre-construction work is planned to span the period between January 2022 and May 2025.

Our views on the PCF application

2.13. We have completed an assessment of NGET's submitted costs and provide a summary of our proposed view of economic and efficient costs in Table 2 below. We have also set out further details including the rationale for our proposals in this section. The text of our proposed direction and proposed changes to Appendix 2 are set out in Annex 1.

¹⁸ As defined in the licence, limited to: (a) surveys, assessments, and studies; (b) project design; (c) engineering development; (d) stakeholder engagement and consultation; (e) tasks associated with wayleaves; (f) planning applications; and (g) tender activities.

Cost Element	PCF application (£m)	Proposed Disallowance (£m)	Proposed Allowance (£m)	% Reduction
Third party costs	10.5	1.3	9.2	12%
Project Management cost	4.5	1.7	2.8	38%
Total	15.0	2.9	12.0	20%

Table 2: Proposed view of PCF for NWW (2021/22 prices)

2.14. Our assessment included the detailed review of the submitted PCF narrative and cost information. As part of this process, we also engaged extensively with NGET to better understand their proposals and associated costs, and considered additional information provided through meetings and our supplementary questions (SQs) process. We have set out the outcome of this assessment by cost element below.

Third Party Costs

2.15. NGET requested \pm 10.5m for preconstruction works to be delivered by third party contractors. These costs were based on NGET's best view of estimates from historical project activities.

2.16. We are proposing to allow \pounds 9.2m of third-party costs and disallow the remaining \pounds 1.3m. This represents a 12% reduction in funding for this cost element. Our rationale for this proposal is set out below.

2.17. Our view is that some of the costs are based on "worst-case scenarios". We have disallowed a portion of the costs related to the land acquisition and support sub-element of these costs as the amount of land required and the related easements and access compensation is uncertain. We have also disallowed unjustified risk and contingency costs. We consider that these adjustments shift the forecast from a worst-case-scenario to a more realistic one.

2.18. We assessed the level of cost submitted for 'Pre-Start Commencement Conditions' for works that the local authority is likely to request prior to the project construction. We propose to allow a portion of these costs that is reasonably justified based on historical experience on similar projects. While NGET was unable to fully justify the remaining

activities in this area, we acknowledge that some of them may be required. We therefore propose to allow half of these costs, based on qualitative assessment.

2.19. Finally, we are proposing to disallow the entirety of costs relating to 'Post FNC Freeze Support, Regulatory, Consenting and CPO Support Provision'. NGET described this cost as the funding needed to close any loose ends emerging during the period between development and construction. We consider this support to already be included in our proposed economic and efficient level of PCF allowances.

2.20. We note that the costs submitted, and our assessment are based on option 1 (higher rating) which is currently the most likely option.

Project Management Costs

2.21. NGET requested £4.5m for third party project management (PM) preconstruction activities for the NWWP. This includes directly attributed PM costs and overhead costs. These costs were based on NGET's best view of estimates of personnel roles, project-time and remuneration rates for similar projects.

2.22. We are proposing to allow \pounds 2.8m of third-party PM costs and disallow the remaining \pounds 1.7m. This represents a 38% reduction in funding for this cost element. Our rationale for this proposal is set out below.

- 2.23. Our initial review of the staff costs indicated that they do not represent value for money for consumers. Our main concerns are:
 - 2.23.1. PM costs are higher than expected when evaluated as a proportion of third-party costs when compared to other projects of similar size.
 - 2.23.2. There appeared to be duplication of roles included in the PM costs and overheads costs.

2.24. We engaged with NGET regarding these concerns, and it revised the PM costs down to reflect an estimate based on more realistic assumptions for a project of this size and complexity. We also agreed an allowance for overheads in line with other projects to address the duplication issue. We consider that this allows the appropriate level of PCF for this project.

Annexes

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Annex 1 – Proposed direction in accordance with special condition 3.15 of NGET's electricity transmission licence

To: National Grid Electricity Transmission Plc

Direction issued by Gas and Electricity Markets Authority under Part E of Special Condition 3.15 (Pre-Construction Funding Re-opener and Price Control Deliverable) of the electricity transmission licence held by the Licensee to set out amendments to Appendix 2 of Special Condition 3.15.

Whereas

- 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').
- Under Part C of Special Condition 3.15 (Pre-Construction Funding Re-opener and Price Control Deliverable) of the Licence, the Licensee may apply to the Gas and Electricity Markets Authority (the 'Authority')¹⁹ for a direction amending the outputs, delivery dates or associated allowances in Appendix 2 of Special Condition 3.15.
- 3. In accordance with Special Condition 3.15.9, the Licensee applied to the Authority for a direction as the licensee expects to incur costs for Pre-Construction Works for its North West Wales project, which are not already specified as outputs in Appendix 2.
- 4. The North West Wales project is an electricity transmission infrastructure project that proposes to upgrade the existing 400kV circuit between Pentir and Trawsfynydd and to build a second 400kV circuit between Pentir and Trawsfynydd in the north west of Wales.
- 5. Following an assessment of the information provided to us by the Licensee, we consider that the PCF is essential to ensure timely delivery of the North West Wales project and avoid unnecessary delays and therefore potential detriment to consumers. Further detail on the reasons for this direction can be found in in the consultation relating to the Licensee's Pre Construction Funding application for the North West Wales project, which is available on the Authority's website.²⁰

 $^{^{19}}$ The terms "the Authority", "we" and "us" are used interchangeably in this direction 20 [Insert link]

 In accordance with Special Condition 3.15.7, the Authority hereby directs that Appendix 2 is amended to include a new row as shown below in **bold and** highlighted text.

Pre-Construction Funding Price Control Deliverable (£m)

Output LOTI Final Needs Case approval of E2DC: Torness - Hawthorn Pit;	Delivery date 31 March 2026	2021/22 7.46	2022/23 7.61	2023/24 6.40	2024/25 5.18	2025/26 0.89	Total 27.53
Eastern subsea HVDC link LOTI Final Needs Case approval of E4D3: Peterhead - Drax; Eastern subsea HVDC link	31 March 2026	8.88	9.05	7.61	6.16	1.06	32.76
LOTI Final Needs Case approval of CGNC: Creyke Beck - South Humber; new 400 kV double circuit	31 March 2026	17.86	18.23	15.32	12.41	2.14	65.96
LOTI Final Needs Case approval of GWNC: South Humber - South Lincolnshire; new 400 kV double circuit	31 March 2026	21.70	22.15	18.62	15.07	2.60	80.14
LOTI Final Needs Case approval of TKRE: Tilbury - Grain and Tilbury - Kingsnorth upgrade	31 March 2026	2.42	2.47	2.07	1.69	0.29	8.94
LOTI Final Needs Case approval of TLNO: Torness - north east England; AC onshore reinforcement	31 March 2026	21.66	22.09	18.58	15.04	2.60	79.97
LOTI Final Needs Case approval of OPN2: Osbaldwick - Poppleton; new 400 kV double circuit and relevant 275 kV upgrades	31 March 2026	6.38	6.51	5.48	4.43	0.77	23.56
LOTI Final Needs Case approval of SCD1: South London - south coast; new 400 kV transmission route	31 March 2026	9.21	9.40	7.90	6.40	1.10	34.01
LOTI Final Needs Case approval of	31 March	14.72	15.01	12.63	10.23	1.76	54.35
Norwich Main - Bramford LOTI Final Needs Case approval of Harker upgrade works, including the double interbus SGT replacement.	2026 31 March 2026	0.53	0.54	0.45	0.37	0.06	1.95
LOTI Final Needs Case approval of North West Wales project	<mark>31 March</mark> 2026	<mark>0.60</mark>	<mark>3.00</mark>	<mark>6.01</mark>	<mark>2.40</mark>	0	<mark>11.08</mark>

- Any representations with respect to this proposed direction must be made on or before **15 February 2023** to: **James Dunshea**, Office of Gas and Electricity Markets, 10 South Colonnade, Canary Wharf, London, E14 4PU or by email to: <u>riioelectricitytransmission@ofgem.gov.uk</u>.
- 8. We normally publish all responses on our website. However, if you do not wish your response to be made public then please clearly mark it as not for publication. We prefer to receive responses in an electronic form so they can be placed easily on our website.

9. If we decide to make the proposed amendments, they will take effect not less than 56 days after the decision is published.

James Dunshea

Head of Price Control Operations – Heavy Scrutiny Projects

Duly authorised on behalf of the Gas and Electricity Markets Authority

Annex 2 – Privacy notice on consultations

Personal data

The following explains your rights and gives you the information you are entitled to under the General Data Protection Regulation (GDPR).

Note that this section only refers to your personal data (your name address and anything that could be used to identify you personally) not the content of your response to the consultation.

1. The identity of the controller and contact details of our Data Protection Officer

The Gas and Electricity Markets Authority is the controller, (for ease of reference, "Ofgem"). The Data Protection Officer can be contacted at <u>dpo@ofgem.gov.uk</u>

2. Why we are collecting your personal data

Your personal data is being collected as an essential part of the consultation process, so that we can contact you regarding your response and for statistical purposes. We may also use it to contact you about related matters.

3. Our legal basis for processing your personal data

As a public authority, the GDPR makes provision for Ofgem to process personal data as necessary for the effective performance of a task carried out in the public interest. i.e. a consultation.

4. With whom we will be sharing your personal data

We do not intend to share your personal data with any third parties.

5. For how long we will keep your personal data, or criteria used to determine the retention period.

Your personal data will be held for six months after the project, including subsequent projects or legal proceedings regarding a decision based on this consultation, is closed.

6. Your rights

The data we are collecting is your personal data, and you have considerable say over what happens to it. You have the right to:

- know how we use your personal data
- access your personal data
- have personal data corrected if it is inaccurate or incomplete

- ask us to delete personal data when we no longer need it
- ask us to restrict how we process your data
- get your data from us and re-use it across other services
- object to certain ways we use your data
- be safeguarded against risks where decisions based on your data are taken entirely automatically
- tell us if we can share your information with 3rd parties
- tell us your preferred frequency, content and format of our communications with you
- to lodge a complaint with the independent Information Commissioner (ICO) if you think we are not handling your data fairly or in accordance with the law. You can contact the ICO at https://ico.org.uk/, or telephone 0303 123 1113.

7. Your personal data will not be sent overseas

8. Your personal data will not be used for any automated decision making.

9. Your personal data will be stored in a secure government IT system.

10. More information For more information on how Ofgem processes your data, click on the link to our "ofgem privacy promise".