

To:

National Grid Electricity Transmission Plc

Scottish Hydro Electric Transmission Plc

Scottish Power Transmission Plc

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

**Modification of the Special Conditions of the Electricity Transmission Licence held
by each of the above licensees**

1. Each of the licensees to whom this document is addressed 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. Under section 11A(2) of the Act the Gas and Electricity Markets Authority ('the Authority')¹ gave notice on 24 May 2023 ('the Notice') that we propose to modify the Licence by:
 - a. inserting new Special Conditions:
 - Special Condition 3.40 Accelerated strategic transmission investment Pre-Construction Funding Re-opener, Price Control Deliverable and Use It Or Lose It Adjustment (APCFt);
 - Special Condition 3.41 Accelerated strategic transmission investment Re-opener and Price Control Deliverable (ASTIRt);
 - Special Condition 4.9 Accelerated strategic transmission investment output delivery incentive (ASTIIIt); and
 - b. modifying existing Special Conditions:
 - Special Condition 1.1 Interpretation and definitions;

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

- Special Condition 3.14 Medium Sized Investment Projects Re-opener and Price Control Deliverable (MSIPREt); and
 - Special Condition 3.15 Pre-Construction Funding Re-opener and Price Control Deliverable (PCFt and PCFREt).
3. We stated that any representations to the modification proposal must be made on or before 23 June 2023.
 4. 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.
 5. We received 3 responses to the Notice, which we carefully considered. We have placed all non-confidential responses on our website. Our response to these comments is published within the decision document published alongside this notice.
 6. It is necessary to make a number of minor alterations to the modifications set out in the Notice. These alterations are shown in track change of the Special Conditions in the modification text that can be found on our website at www.ofgem.gov.uk. The reasons for the differences between the modifications set out in the Notice and the modifications being made are to address minor issues and corrections raised since the issuing of the Notice.
 7. The reasons and effects for making the modifications, together with the full text of the proposed modifications can be found at <https://www.ofgem.gov.uk/publications/statutory-consultation-modify-special-licence-conditions-electricity-transmission-licences-accelerated-strategic-transmission-investment>, alternatively they are available from foi@ofgem.gov.uk.
 8. In addition, further details and background on these licence changes are set out in the following document:
 - [Decision on accelerating onshore electricity transmission investment | Ofgem²](#)
 9. 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 5.6 of the Energy Licence Modifications Appeals: Competition and Markets Authority Rules³ requires that the appellant must send to any relevant licence holders who are not

² <https://www.ofgem.gov.uk/publications/decision-accelerating-onshore-electricity-transmission-investment>

³ CMA70, October 2022

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1113629/Energy_Rules.pdf

parties to the appeal a non-sensitive notice setting out the matters required in Rule 5.2. Section 11A(10) of the Act sets the meaning of 'relevant licence holder'.

Under the powers set out in Section 11A(1)(a) of the Act, we hereby modify the Special Conditions of the Electricity Transmission licence of the licensees in the manner specified at <https://www.ofgem.gov.uk/publications/decision-modify-special-licence-conditions-electricity-transmission-licences-accelerated-strategic-transmission-investment>. This decision will take effect from 20 October 2023.

The reasons and effect document is our notice of reasons and the purposes of section 49A(2) of the Act and can be found at <https://www.ofgem.gov.uk/publications/statutory-consultation-modify-special-licence-conditions-electricity-transmission-licences-accelerated-strategic-transmission-investment>.

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Rebecca Barnett, Director, Networks
Duly authorised on behalf of the
Gas and Electricity Markets Authority