

Appendix 4

To: National Grid North Sea Link Limited

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

Modification of the special conditions of the electricity interconnector licence held by National Grid North Sea Link Limited

1. National Grid North Sea Link Limited ('NGNSL') 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 7 July 2023 ('the Notice') as part of wider consultation on the NGNSL Post Construction Review (PCR) that we propose to modify the Licence by amending the 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 7 August 2023.
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 one response to NGNSL's PCR consultation and no specific response or comments to the Notice. We have placed the non-confidential responses on our website.
5. We are making these licence changes in order to:
 - a) reflect the changes in the governance of, and updates made to, the NGNSL Cap and Floor Financial Models (NSLCFFMs);
 - b) to update references to the NSLCFFMs in the Licence;
 - c) update the definition of CHAW;
 - d) remove redundant details relating to the Regime Start Date, and
 - e) update the definition of the Floor Start Date.

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

² Proposed modifications to special conditions for the electricity interconnector licence held by NGNSL: <https://www.ofgem.gov.uk/sites/default/files/2023-07/Schedule%20A%20-%20proposed%20changes%20to%20NGNSL%27s%20licence.pdf>

6. Further details on the reasons and effect of the modifications can be found in the schedule accompanying the Notice.³
7. 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 the CMA's Energy Licence Modification Appeals Rules⁴ requires that the appellant must send to any relevant licence holders who are not parties to the appeal, a non-confidential notice setting out the matters required in Rule 5.2. The relevant licence holder in relation to this modification is NGNSL. 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 held by NGNSL in the manner specified in attached Schedule 1. This decision will take effect from 24th November 2023.

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



.....
Stuart Borland
Deputy Director, Offshore Network Regulation

Duly authorized on behalf of the
Gas and Electricity
Markets Authority

Date **15 September 2023**

³ Reasons and effects of proposed modifications to the special conditions into the electricity interconnector licence held by NGNSL: <https://www.ofgem.gov.uk/sites/default/files/2023-07/Schedule%20B%20-%20Reasons%20and%20effects%20of%20proposed%20changes%20to%20NGNSL%27s%20licence.pdf>

⁴ The rules were published by the Competition Commission in September 2012. On 1 April 2014, the Competition Commission was abolished, and its functions transferred to the CMA.