Consultation

RIIO-2 Re-opener Applications 2024 Draft Determinations – ET Annex

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We are consulting on our Draft Determinations following our assessment of re-opener applications submitted by Electricity Transmission Operators (ETOs) in January 2024. National Grid Electricity Transmission plc (NGET) and SP Transmission plc (SPT) submitted projects under the Medium Sized Investment Projects (MSIP) re-opener mechanism. Scottish Hydro Electric Transmission plc (SHET) has not.

We are also consulting on the Gremista Grid Supply Point (GSP) submission by SHET under the Large Onshore Transmission Investment (LOTI) mechanism, which was originally submitted under the MSIP mechanism in 2022.

We particularly welcome responses from those with an interest in electricity transmission and distribution networks. We also welcome responses from other stakeholders and the public.

This document outlines the scope and purpose of the consultation, our draft determinations in relation to the MSIP and LOTI applications, the consultation questions, and explains 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 ofgem.gov.uk/consultations. 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.

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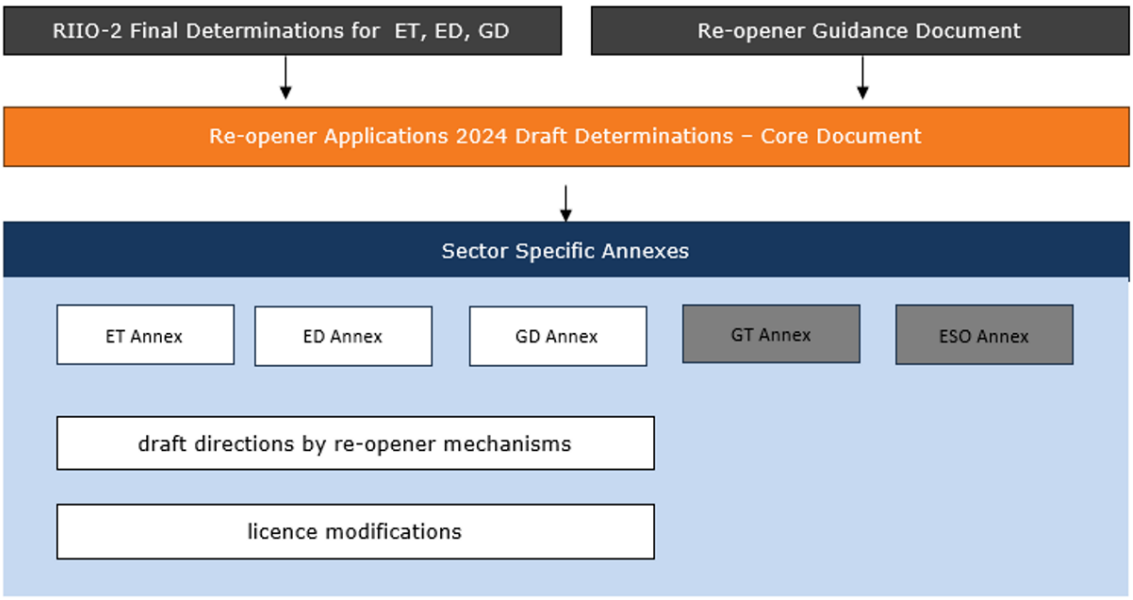
Contents

1. Introduction

1.1 This document is one of the Annexes published alongside the RIIO-2 Re-opener Applications 2024 Draft Determinations. It focuses on the re-opener mechanism and the assessment of projects submitted in the electricity transmission sector. For general information including consultation approach, stages, how to respond, etc. Please refer to the RIIO-2 Re-opener Applications 2024 Draft Determinations – Core Document.

Figure 1 Navigating our Draft Determinations



Medium Sized Investment Project (MSIP) Re-opener

1.2 The MSIP re-opener provides ETOs with an annual opportunity to request additional funding for sub £100m cost projects, many of which may be critical for achieving Net Zero targets. It was developed to ensure that ETOs are able to undertake necessary investments in the transmission network, funding for which has not been provided in RIIO-2 price control baseline allowances.[1]

1.3 An ETO can submit a request for additional funding via the MSIP re-opener during specific "windows" (between 24 and 30 April 2021 and between 25 and 31 January in each subsequent regulatory year of the price control period) where it considers

[1] Baseline allowance means the allowance for the Direct Expenditure for ETO in RIIO-ET2 FDs.

and the Authority[2] agrees that a project is covered under the 13 activities listed in RIIO-ET2 Final Determinations (FDs), as implemented by Special Condition 3.14.6 (SpC 3.14.6)[3] of its licence (the ETOs' licence is referred to as 'the Licence' in this consultation document).[4] Projects within the scope of that licence condition will be considered and scrutinised by Ofgem to establish the level of efficient costs (if any) to be remunerated. For the ETO's applications covered in this consultation, we have assessed needs cases, optioneering and cost efficiency.

Large Onshore Transmission Investment (LOTI) Re-opener

1.4 Under the RIIO-ET2 price control we also developed a mechanism for assessing the need for, and efficient cost of, large and uncertain electricity transmission reinforcement projects for projects with a value exceeding £100m. This mechanism is called the 'Large Onshore Transmission Investment' (LOTI) mechanism. Once the need for and the costs of projects have become more certain, the ETOs will submit construction proposals and seek funding for them. As explained in chapter 9 of the RIIO-2 Final proposals – Core Document (REVISED) [5], all projects that come forward for assessment via the LOTI re-opener mechanism during the RIIO-2 period will be considered for their suitability for delivery through one of the late competition models.

What are we consulting on?

MSIP applications

1.5 In the January 2024 MSIP reopener window, NGET submitted eight applications and SPT submitted two applications. SHET did not make any MSIP applications in the application window. NGET and SPT consider that all of the proposed projects are within scope for MSIP funding as they relate to one or more of the activities specified in SpC 3.14.6. We agree with this assessment.

[2] The terms 'the Authority', 'Ofgem', 'we' and 'us' are used interchangeably in this document. The Authority is the Gas and Electricity Markets Authority. Ofgem is the office of the Authority.
[3] The 13 MSIP activities under SpC 3.14.6 are listed in Appendix 1 for reference.
[4] https://www.ofgem.gov.uk/sites/default/files/docs/2021/02/final_determination_nget_annex_revised.pdf (Table 12: Areas covered by the MSIP re-opener)
[5] RIIO-2 Final Determinations, Core Document (REVISED), chapter 9

1.6 We are consulting on our assessment of the needs case, optioneering, and efficient costs for these submissions by NGET and SPT. We welcome views from stakeholders on our draft determinations concerning the projects outlined in Chapter 3.

1.7 It should be noted that although we accepted and assessed some initial needs case submissions during the 2022 and 2023 MSIP submission windows, and are now doing the cost assessments, we expect that future MSIP submissions will include all the information necessary for us to assess both the needs case and the efficient costs together as part of one application.

LOTI application

1.8 In January 2022 SHET submitted an application under the MSIP mechanism for approval of the initial needs case related to works at Gremista GSP.

1.9 In April 2022[6], we consulted on SHET's initial needs case for the Gremista project, and on 3 October 2022[7] published a provisional approval for it under the MSIP re-opener process. Since we published the decision, the estimated cost of the project has increased above the £100m eligibility threshold for MSIP, and SHET has subsequently requested that we consider the project for funding under the LOTI mechanism. We are now consulting on our assessment of the Final Needs Case (FNC) for this submission under the LOTI reopener mechanism.

1.10 We welcome views from stakeholders on our draft determination concerning the FNC of the Gremista project under the LOTI mechanism as outlined in Chapter 4.

Context and related publications

1.11 This document is intended to be read alongside:

MSIP applications

- RIIO-ET2 Re-opener Guidance and Application Requirements Document (Re-opener Guidance)[8]
- Special Conditions (and SpC 3.14 in particular) of the Licence[9]

[6] https://www.ofgem.gov.uk/consultation/consultation-scottish-hydro-electric-transmissions-shets-proposed-gremista-grid-supply-point-project
[7] https://www.ofgem.gov.uk/publications/decision-shets-2022-msip-submissions
[8] https://www.ofgem.gov.uk/sites/default/files/2023-03/Reopener%20Guidance%20and%20Application%20Requirements%20Version%203.pdf
[9] https://www.ofgem.gov.uk/energy-policy-and-regulation/industry-licensing/licences-and-licence-conditions

- MSIP re-opener submission documents on SPT's website[10]
- MSIP re-opener submission documents on NGET's website[11]

LOTI application

- Large Onshore Transmission Investments (LOTI) Re-opener Guidance and Submissions Requirements Document (LOTI Guidance)[12]
- Special Conditions (and SpC 3.15 in particular) of the Licence[13]
- LOTI Re-opener submission document on SHET's website[14]

[10] MSIP Reopeners - SP Energy Networks
[11] Our business plan- National Grid Electricity Transmission
[12] https://www.ofgem.gov.uk/publications-and-updates/large-onshore-transmission-investments-loti-re-opener-guidance
[13] https://www.ofgem.gov.uk/energy-policy-and-regulation/industry-licensing/licences-and-licence-conditions
[14] https://www.ssen-transmission.co.uk/information-centre/medium-sized-investment-projects-msip/gremista-shetland-grid-supply-point-gsp-project/

2. Summary of our Draft Determinations

2.1 **Table ET1** below summarises the total allowances for each ETO for the re-openers covered in this annex. We refer to the draft determinations within the table as 'Ofgem's DD'

Table ET1 Draft Determinations on the ET Re-opener submissions in 2024

Sector Group	Network	Company Requested Number of Projects	Company Requested Forecast costs £m	Ofgem's DD - Projects Approved*	Ofgem's DD - Projects Not Approved	Ofgem's DD - Cost adjustment £m	Ofgem's DD - Allowances £m
National Grid Electricity Transmission	NGET	8	85.24	8	-	-29.03	56.21
Scottish Hydro Electric Transmission	SHET	-	-	-	-	-	-
SP Transmission	SPT	2	11.82	2	-	-0.29	11.53

**We refer to draft determinations as 'Ofgem's DD'. Projects approved also include partial approval.*

2.2 **Table ET2** below summarises our allowances for the individual MSIP projects submitted in January 2024. Chapter 3 sets out the details and our assessment of each of the projects.

Table ET2 Draft Determinations on the MSIP Projects in 2024

Sector Group	Network	Company Requested Project	Company Requested Forecast costs £m	Ofgem's DD* - Cost adjustment £m	Ofgem's DD - Allowances £m
National Grid Electricity Transmission	NGET	NGET MSIP Pathfinder 1 - Stalybridge (stage 2)	4.97	+0.14	5.10
National Grid Electricity Transmission	NGET	NGET MSIP Pathfinder 2 - Stocksbridge (stage 2)	5.36	+0.27	5.64
National Grid Electricity Transmission	NGET	NGET MSIP Pathfinder 3 - Bradford West (stage 2)	4.86	-0.43	4.43
National Grid Electricity Transmission	NGET	NGET Leiston Demand Connection (Stage 2)	6.58	-1.50	6.12
National Grid Electricity Transmission	NGET	NGET Elland (NPG)	0.10	-0.03	0.08
National Grid Electricity Transmission	NGET	NGET Willesden 66kV SEPD	4.81	-0.58	4.23
National Grid Electricity Transmission	NGET	NGET Willesden & Kensal Green Microsoft Data Centre Connection	1.75	-0.10	1.66
National Grid Electricity Transmission	NGET	NGET Hylton Castle	56.80	-27.84	28.97
SP Transmission	SPT	SPT Constraint Management - Modification of Anglo-Scottish Operational Tripping Scheme (OTS)	1.03	-0.03	1.00
SP Transmission	SPT	SPT SPT-RI-237 Enoch Hill Collector Substation and Associated 132kV Circuit (stage 2)	10.79	-0.26	10.53

**We refer to draft determinations as 'Ofgem's DD'.*

2.3 For the LOTI re-opener, our draft determination is to approve the Final Needs Case for the Gremista GSP project submitted by SHET. Chapter 4 sets out the details and our assessment of this project.

3. MSIP Re-opener applications

Questions

ET.Q1. Do you agree with our assessment of the needs case for the 2024 MSIPs?

ET.Q2. Do you agree with our assessment of the preferred option for the 2024 MSIPs?

ET.Q3. Do you agree with our assessment of the efficient costs of individual MSIPs?

Assessment process

3.1 In their January 2024 MSIP Re-opener submissions (2024 MSIPs), NGET and SPT set out their plans to deliver the following MSIPs in **Table ET3**. SHET did not submit any MSIP Re-Opener application in 2024.

Table ET3 MSIPs submitted in 2024 window

Sector Group	Project Name	Project Description
National Grid Electricity Transmission	NGET MSIP Pathfinder 1 - Stalybridge (stage 2)	To provide new shunt reactor at Stalybridge
National Grid Electricity Transmission	NGET MSIP Pathfinder 2 - Stocksbridge (stage 2)	To provide new shunt reactor at Stocksbridge
National Grid Electricity Transmission	NGET MSIP Pathfinder 3 - Bradford West (stage 2)	To provide new shunt reactor at Bradford West
National Grid Electricity Transmission	NGET Leiston Demand Connection (Stage 2)	To connect a new demand for Sizewell C at Leiston 132kV Substation
National Grid Electricity Transmission	NGET Elland (NPG) Connection	To connect a new Battery Energy Storage Solution of Northern Powergrid (NPG) at Elland Substation
National Grid Electricity Transmission	NGET Willesden 66kV SEPD Connection	To connect Southern Electric Power Distribution (SEPD) via two 66kV connections at Willesden substation
National Grid Electricity Transmission	NGET Willesden & Kensal Green Microsoft Data Centre Connection	To connect Microsoft's new data centre at Kensal Green 400kV and Willesden 400kV and 66kV substation
National Grid Electricity Transmission	NGET Hylton Castle Connection	To connect the new International Advanced Manufacturing Park (IAMP) at Hylton Castle substation
SP Transmission	SPT Constraint Management - Modification of Anglo-Scottish Operational Tripping Scheme (OTS)	To extend the OTS in response to an STCP 16-1 planning request received from NGESO in respect of the B6 Constraint Management Pathfinders
SP Transmission	SPT SPT-RI-237 Enoch Hill Collector Substation and Associated 132kV Circuit (stage 2)	To connect contracted wind generation at Enoch Hill Collector substation

3.2 We consider these projects to be eligible for MSIP applications under SpC 3.14 of the ETOs' Licences as they are related to one or more activities as listed under SpC 3.14.6 as shown in **Table ET4**. The MSIP applications also comply with the Re-opener Guidance and Application Requirements Document, as required under SpC 9.4.

Table ET4 Eligibility of projects under MSIP

Sector Group	Project Name	Eligibility under SpC 3.13.6
National Grid Electricity Transmission	NGET MSIP Pathfinder 1 - Stalybridge (stage 2)	A system operability project requested by the System Operator under 3.14.6(f)
National Grid Electricity Transmission	NGET MSIP Pathfinder 2 - Stocksbridge (stage 2)	A system operability project requested by the System Operator under 3.14.6(f)
National Grid Electricity Transmission	NGET MSIP Pathfinder 3 - Bradford West (stage 2)	A system operability project requested by the System Operator under 3.14.6(f)
National Grid Electricity Transmission	NGET Leiston Demand Connection (Stage 2)	A 0MW connection project or substation work under 3.14.6(f)
National Grid Electricity Transmission	NGET Elland (NPG) Connection	A 0MW connection project or substation work under 3.14.6(f)
National Grid Electricity Transmission	NGET Willesden 66kV SEPD Connection	A 0MW connection project or substation work under 3.14.6(f)
National Grid Electricity Transmission	NGET Willesden & Kensal Green Microsoft Data Centre Connection	A 0MW connection project or substation work under 3.14.6(f)
National Grid Electricity Transmission	NGET Hylton Castle Connection	A customer connection project under 3.14.6(b), with £28m variance between the funding from demand volume driver and the estimated direct cost, which is higher than the threshold of £11.84m
SP Transmission	SPT Constraint Management - Modification of Anglo-Scottish Operational Tripping Scheme (OTS)	A system operability project requested by the System Operator under 3.14.6(f)
SP Transmission	SPT SPT-RI-237 Enoch Hill Collector Substation and Associated 132kV Circuit (stage 2)	A generation connection project under 3.14.6(a), with £5.68m variance between the funding from volume driver and the estimated direct cost, which is higher than the threshold of £4.24m

Needs case assessment

3.3 As part of their submissions, the ETOs set out the following:

- Needs case and preferred option
- Stakeholder engagement and whole system opportunities
- Cost information
- Cost benefit analysis (CBA) and engineering justifications.

3.4 They also submitted the detail behind their plans relating to the engineering justification, including the needs case, optioneering and (if appropriate) the associated CBA which underpins the proposed option.

3.5 In accordance with the Re-opener Guidance, the ETOs also set out the detail on how the proposed expenditure aligns with their future business strategy, including consideration of how it relates to their RIIO-2 licence obligations or to other statutory obligations. For instance, some projects are required to meet their obligations to provide timely connections to new generation or demand.

3.6 The engineering justification acts as a robust decision support tool, open to scrutiny and challenge in conjunction with other appropriate means of justification for investment decisions. They should be transparent about options scope, and which risks, costs and benefits were considered by the ETO as part of the analysis to inform the need for intervention and their proposed solutions.

3.7 The applications have been subjected to bespoke assessment of their needs cases.

3.8 The needs case for the investment is demonstrated by the provision of an explanatory narrative and evidence to support the need for investment. Supporting evidence includes asset condition and performance data, degradation projections, boundary power flow assessments, and references to the outputs of other industry standard assessment methodologies (eg. NGESO's Network Options Assessment processes).

Assessment of options and justification for the preferred option

3.9 When we consider that there is a valid need to be addressed, we assess the options development process, including whether all credible options to meet the needs case have been identified. We expect the options considered to include a do nothing or do a minimum option, and where licensee has rejected an option we expect it to provide adequate justification for the rejection. In most cases the case for the licensees preferred option should be supported by robust CBA.

3.10 We have undertaken a technical review of the options considered by both ETOs and are satisfied that both ETOs have suitably considered all viable options as listed in Appendix 3 (except NGET's Hylton Castle Demand Connection). The materials we reviewed comprised of ETOs' submissions under the MSIP re-opener and responses to supplementary questions.

3.11 We have assessed the preferred option from the perspective of efficiency of engineering solutions, ie. whether the preferred option is a proportionate solution to the identified needs case and the scope of the preferred option has not expanded beyond meeting the identified need without further justification.

Cost Assessment of the preferred options

3.12 In accordance with the Re-opener Guidance requirements, both ETOs must provide the rationale for the level of expenditure proposed and why this level should be regarded as being efficient.

3.13 We have assessed the cost information from the perspective of maturity of submitted costs, ie. how well developed the project costings are, for example, whether they are supported by market tested tenders, or whether they are still just at desktop study stage.

3.14 After establishing our view of the justified investment work from each ETO's schemes plus a view on their cost maturity, we then assessed the efficient cost for this work.

3.15 For assessing the asset costs, our primary approach was to apply our benchmark of unit cost for each type of asset, where relevant data is available to us.

3.16 We further assess the delineation of direct and indirect costs in the cost submissions in accordance with the latest Regulatory Instructions and Guidance (RIGs),[15] with details given in paragraphs 3.18 to 3.20 below.

3.17 For risk and contingency costs, our re-opener guidance instructed the companies to separate these out from the asset and activity costs. This was so that we could take a more holistic view of the levels of risk allowance embedded in the network company's submission. Our assessment is detailed in paragraphs 3.21 to 3.25 below.

Closely Associated Indirect (CAI) Costs

3.18 We note that ETO included some CAI costs such as surveys, project management and detailed functional design costs relating to the project. According to the RIIO-

[15] Decision on modifications to the Regulatory Instructions and Guidance (RIGs), Regulatory Reporting Packs (RRPs) and the Price Control Financial Model (PCFM) Guidance: RIIO-ET2 Year 3 - Electricity Transmission | Ofgem

ET2 Final Determinations (FDs), these CAI costs should be funded through the Opex Escalator (OE) mechanism. Details of the OE mechanism are set out in full within FDs.[16]

3.19 We have confirmed the application of the OE in the decision on the statutory consultation published on 6 October 2023.[17] In this decision, we have also set out draft principles for the Opex Escalator (OE) Review Mechanism, which is intended to enable us to award ETOs additional RIIO-ET2 CAI allowances, in cases where an ETO has provided clear empirical evidence that the application of OE has led to material and systematic under-funding. We have published on 1 August 2024 the Initial Policy Consultation on Proposed Opex Escalator (OE) Review Mechanism[18].

3.20 In line with our decision on the application of the OE, our initial view is to adjust the project cost in ETO's funding request by taking out the CAI costs from the direct project cost. It is because surveys, project management and detailed design are CAI activities that fall under the scope of the indirect costs covered by the OE as the appropriate funding mechanism for these costs. The costs for undertaking these CAI activities should not be included in the direct capex of the project.

Risk Allowance

3.21 We also note from the cost breakdown that both ETOs have included a risk allocation within their forecast direct costs. NGET has split risk allowance between its own risks and contractor risks (which are embedded in the contract value). SPT confirmed that there is no risk allocation within individual contracts and anything over and above the contract values will be treated as a variation to the contract and funded via risk.

3.22 The efficient level of risk and contingency is independent on the party bearing the risk. The allocation of risk between the ETO and its contractors is therefore not relevant to consumers and is a matter for the ETO manage. We have therefore combined contractor and ETO risks for the purpose of our assessment and in determining cost allowances.

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[16] RIIO-ET2 FDs – ET Annex, chapter 4, decisions on OE contained in paragraphs 4.42 – 4.48: https://www.ofgem.gov.uk/sites/default/files/docs/2021/02/final_determinations_et_annex_revised.pdf

[17] https://www.ofgem.gov.uk/publications/decision-modify-special-conditions-electricity-transmission-licence-held-national-grid-electricity-transmission-plc

[18] https://www.ofgem.gov.uk/consultation/initial-policy-consultation-proposed-opex-escalator-oe-review-mechanism

3.23 In the MSIP submission, both ETOs provided a risk registers that included potential extra costs in contract award values, outage delays, winter working (weather risk), design or scope uncertainties and remedy to ecological problems.

3.24 We note the total risk allowance for some projects is higher than the average risk across projects at 7.5% of the direct cost as set out in the RIIO-ET2 FDs, while some of them are lower than 7.5%.

3.25 We have explained in the decision on SPT's 2023 MSIP applications[19] that it is appropriate to align the level of risk and contingency allowance in re-opener applications with those provided the baseline allowances set at RIIO-ET2 FDs, i.e. to set reopener allowances at the average rate of 7.5%. This ensures that across the whole RIIO-ET2 portfolio that the level of risk allocation remains at 7.5%. We have applied the same approach in these DDs. This has resulted in risk allowance that in case of some projects is higher that ETOs requested level and in other cases lower than requested.

Costs incurred before 1 April 2021

3.26 In accordance with SpC 3.14.10(c), an application under SpC 3.14.6 must be confined to incurred or expected to be incurred on or after 1 April 2021. We note that NGET has included some costs incurred before 1 April 2021 for the Willesden 66kV SEPD Connection project. We have adjusted the funding by taking out these costs.

[19] Licence modification on SPT's Medium Sized Investment Projects (MSIP) Re-opener | Ofgem

Detailed assessment of individual projects

NGET 2024 MSIPs (8 applications)

3.27 We are satisfied that there is a need for all of the individual projects submitted by NGET in 2024 MSIPs. With the exception of Hylton Castle (as explained in paragraphs 3.49 to 3.54), we are satisfied that NGET has appropriately considered all viable options, and that, from a consumer perspective, its preferred option is the optimal one in relation to each of the projects. Appendix 3 contains outline explanation of the options considered on each project.

3.28 **Table ET5** summarises our views on the needs case and optioneering on the projects with details provided in paragraphs 3.29 to 3.54.

Table ET5 Draft views on Needs Case and Optioneering on NGET's 2024 MSIP's

Project Name	Needs Case	Optioneering
NGET MSIP Pathfinder 1 - Stalybridge (stage 2)	Approve	Approve
NGET MSIP Pathfinder 2 - Stocksbridge (stage 2)	Approve	Approve
NGET MSIP Pathfinder 3 - Bradford West (stage 2)	Approve	Approve
NGET Leiston Demand Connection (Stage 2)	Approve	Approve
NGET Elland (NPG) Connection	Approve	Approve
NGET Willesden 66kV SEPD Connection	Approve	Approve
NGET Willesden & Kensal Green Microsoft Data Centre Connection	Approve	Approve
NGET Hylton Castle Connection	Approve	Rejected

Pennine Pathfinders (Stalybridge, Stocksbridge and Bradford West)

3.29 In the 2024 MSIPs, NGET provided updated detailed cost information for the Pathfinders submission for Stalybridge, Stocksbridge and Bradford West, originally submitted as a stage one needs case in January 2023 MSIP Re-opener window. NGESO had identified the requirement for 500MVAr of reactive Power to be installed

at Stalybridge, Stocksbridge and Bradford West in the West Yorks Region. Following a tender process, NGET was awarded the contract on the 14 January 2022 with an operational deliverable date of April 2024.

3.30 The needs case was originally submitted in January 2023, and we requested resubmission in the 2024 MSIPs with the detailed cost information.

3.31 The only change in the project scope at Stocksbridge is that NGET had originally planned to reuse a bunded area for a new plinth, but has since decided that due to space constraints a dedicated plinth and a new bunded area are required. The associated cost increase is not material enough to change our provisional decisions on the needs case and proposed solution.

3.32 We are proposing to continue to accept the needs case for the Pennine Pathfinders and the preferred option presented by NGET in addressing this needs case. We are also proposing to adjust the funding requests to an efficient level by taking out the indirect cost and calculating the risk allowance as shown in **Table ET2**.

Leiston 132kV Substation Connection

3.33 In the 2024 MSIPs, Leiston Substation is an updated costing for a proposal for a new demand connection for SZC located in Suffolk to undertake a two bay Gas Insulated Switchgear (GIS) extension of Leiston 132kV substation.

3.34 This is a funding update following the first following the original MSIP Re-opener Needs Case submission in January 2023.

3.35 The stage 1 application of the project was assessed last year, there have been no significant changes to the submission that would change the provisional decision on the initial needs case and on the preferred option.

3.36 We are proposing to continue to accept the needs case for the Leiston 132kV Sub Station and the preferred option presented by NGET in addressing this needs case. We are also proposing to adjust the funding requests to an efficient level by taking out the indirect cost and calculating the risk allowance as shown in **Table ET2**.

Elland 132kV Substation Connection

3.37 Elland 132kV Substation Connection project is a proposal, located in West Yorkshire, to provide a connection to existing busbars via a spare bay, enabling Northern Powergrid (NPg) to construct its generation bay equipment.

3.38 The needs case is a retrospective application, and the connection has been made.

3.39 We are proposing to accept the needs case for the Elland 132kV Substation Connection and the preferred option presented by NGET in addressing this needs case. We are also proposing to adjust the funding requests to an efficient level by taking out the indirect cost and calculating the risk allowance as shown in **Table ET2**.

Willesden 66kV SEPD Connection

3.40 Willesden 66kV SEPD Connection project is an investment at Willesden 66kV substation in the north of London to provide two additional 66kV connections for Southern Electric Power Distribution (SEPD), facilitating future data centre connections and supplying the local residential and commercial demand.

3.41 This project fulfils NGET's obligation to facilitate a connection application made by SEPD.

3.42 The needs case is a retrospective application as the connection works have already been delivered.

3.43 We are proposing to accept the needs case for the Willesden 66kV SEPD Connection Project and the preferred option presented by NGET in addressing this needs case. We are also proposing to adjust the funding requests to an efficient level by taking out the indirect cost and calculating the risk allowance as shown in **Table ET2**.

Willesden Microsoft Data Centre

3.44 Willesden Microsoft Data Centre is located in the north of London and is a requirement of NGET's to provide a connection to Microsoft for a 120MVA datacentre, with very specific high resiliency requirements.

3.45 NGET is obliged to provide a minimum viable solution for the connection. However, due to the high resiliency requirements, the final solution costs a lot more than the minimum viable solution. The customer agreed to provide funding to cover all additional requirement. NGET is only seeking funding for the minimum viable solution.

3.46 We agreed that scope of the minimum viable solution proposed by NGET is the least work required to provide a connection to the data centre. Consumers will only need to fund for the minimum viable solution.

3.47 We are satisfied that the preferred option is the most suitable one, in which a majority of works are required to meet the desired resiliency requirements by the customer. We note that the overall technical solution may not be the best approach from a carbon footprint (in which the scale of investment is much more than the minimum viable solution) and from a datacentre resiliency point of view, where additional on-site back up might still be required in the future.

3.48 We are proposing to accept the needs case for the Willesden Microsoft Data Centre and the preferred option presented by NGET in addressing this needs case. We are also proposing to adjust the funding requests to an efficient level by taking out the indirect cost and calculating the risk allowance as shown in **Table ET2**.

Hylton Castle GSP

3.49 Hylton Castle GSP is a proposal for a demand connection for a 255MVA GSP to supply a private network feeding an International Advanced Manufacturing Park (IAMP) in Sunderland in close proximity to West Bolden 275kV substation. IAMP is a joint venture between Sunderland City Council (SCC) and South Tyneside Council, and will involve Nissan EV production (60MVA) and 3 x Envision giga battery production plants (3 x 65MVA) (255MVA total).

3.50 We note from the asset breakdown NGET included a total cost of £20.1m in the funding request for a list of assets which is solely used by the customer. These sole use assets should be funded by the customer. Hence, NGET should take out these costs and reduce their funding request from £56.8m to £36.7m.

3.51 In response to supplementary questions we asked, NGET confirmed that it originally gave no consideration to the future of West Bolden in its design for the proposed Hylton Castle GDP despite concerns related to the lack of scope to expand West Bolden to facilitate likely future connection requirements, or likely future need to address asset health related issues at West Bolden. It also confirmed that Hylton Castle could not serve as a West Bolden replacement in the future due to land boundary limitations. NGET later submitted additional option analysis to compare the proposed Hylton Castle GSP and the redevelopment of West Bolden.

3.52 We consider that the proposed Hylton Castle substation is not futureproofed and is not efficient. It is sized and oriented such that it will only ever serve the IAMP site, noting that SCC has continued to express its intention to expand the IAMP in the future which would utilise the space retained for a fourth Super Grid Transformer (SGT) at the site. We therefore consider that a further substation will likely need to

be built in close proximity in the future to serve as a replacement for West Bolden. This does not represent a holistic future view and is not in the best long-term interests of consumers.

3.53 Although we agree that there is a need to provide demand connection for the IAMP, NGET has not demonstrated that its preferred option would be in the best interests of existing and future consumers, according to the requirements set out under the CBA and engineering justifications in Chapter 3 of the Re-opener Guidance. We are therefore proposing to approve funding to enable NGET to meet the need, but reject NGET's proposed solution (as explained in paragraphs 3.49 to 3.52 above).

3.54 Given that NGET's preferred option will fulfil its obligation to provide connection to a new customer, we propose to cap the funding at the level of the allowance NGET would have received had it been funded through the demand connection volume driver mechanism, i.e. total project allowances of £28.965m.

Summary of Adjustments

3.55 **Table ET6** summarises the proposed adjustments on NGET's 2024 MSIPs as discussed above.

Table ET 6 Summary of Proposed Adjustments on NGET's 2024 MSIPs

Project Name	Funding Request £m	Adjustment – OE £m	Adjustment – Risk £m	Adjustment - Cost before 1 Apr 2021 £m	Adjustment - Sole Use Assets £m	Adjustment – Optioneering £m	Ofgem's DD* £m
NGET MSIP Pathfinder 1 - Stalybridge (stage 2)	4.97	-0.11	0.25				5.10
NGET MSIP Pathfinder 2 - Stocksbridge (stage 2)	5.36	-0.02	0.30				5.64
NGET MSIP Pathfinder 3 - Bradford West (stage 2)	4.86	-0.60	0.18				4.43
NGET Leiston Demand Connection (Stage 2)	6.58	-0.49	0.02				6.12
NGET Elland (NPG) Connection	0.10	-0.02	0.00				0.08
NGET Willesden 66kV SEPD Connection	4.81	-0.12	0.33	-0.79			4.23
NGET Willesden & Kensal Green Microsoft Data Centre Connection	1.75	-0.02	-0.07				1.66
NGET Hylton Castle Connection	56.80				-20.10	-7.74	28.97
Total	85.24	-1.39	1.00	-0.79	-20.10	-7.74	56.21

**We refer to draft determinations as 'Ofgem's DD'.*

Additional views

3.56 Our principal objective is to protect the interests of existing and future consumers. It is therefore essential that all network companies properly consider the long-term interests of existing and future consumers by taking a holistic whole system approach to designing their networks, to fulfilling connection needs, and to asset management. This applies to everything that a network company does, including applications it makes under re-opener mechanisms as specified in the Re-opener Guidance (paragraph 3.22).

3.57 We expect network companies to adopt a holistic approach in formulating any future re-opener applications. We may reject funding applications if a network company fails to sufficiently evidence that its selected option is in the long-term interests of consumers. In such cases we would expect the network company to still meet its customer obligations, even if this means delivering its proposed option without specific additional funding.

SPT 2024 MSIPs (2 applications)

3.58 We are satisfied that there is a need for the individual project submitted by SPT in 2024 MSIPs, that SPT has considered all viable options (details in Appendix 3) and we are satisfied that it has correctly rejected the less optimal options as explained in paragraphs 3.59 to 3.64. The following **Table ET7** summarizes our draft views on the needs case and optioneering for these projects.

Table ET7 Draft Views on Needs Case and Optioneering on SPT's 2024 MSIPs

Project Name	Needs Case	Optioneering
SPT Constraint Management - Modification of Anglo-Scottish Operational Tripping Scheme (OTS)	Approve	Approve
SPT SPT-RI-237 Enoch Hill Collector Substation and Associated 132kV Circuit (stage 2)	Approve	Approve

Operational Tripping Scheme (OTS)

3.59 B6 Constraint Management Pathfinder 2024/25 - Operational Tripping Scheme Modifications is to extend the existing OTS scheme as this meets current and future performance requirements. The extension of the OTS scheme requires SPT to undertake works at the following sites Strathaven 400kV Substation, Middlemuir 132kV Substation, Linnmill 132kV Substation, Moffat 132kV Substation and Arecleoch 132kV Substation.

3.60 The proposal is from a planning request from NGESO in November 2022 for the extension of the existing OTS to add new parties that were successful in the tender process for the B6 CMP.

3.61 We are proposing to accept the needs case for the Pathfinder Operational Tripping Scheme and the preferred option presented by SPT in addressing this needs case. We are also proposing to adjust the funding requests to an efficient level by taking out the indirect cost and adjusting the risk allowance as shown in **Table ET2** above.

Enoch Hill Collector Substation

3.62 Enoch Hill Collector Substation was submitted originally as a needs case in January 2023 for the construction of Enoch Hill 132/33kV Substation to enable connection of 79MW of contracted wind generation.

3.63 The stage 1 application of the project was assessed last year and there have been no significant changes to the submission to warrant a change from our provisional approval of the initial needs case and of the preferred option.

3.64 We are proposing to accept the needs case for Enoch Hill Collector Substation and the preferred option presented by SPT in addressing this needs case. We are also proposing to adjust the funding requests to an efficient level by taking out the indirect cost and adjusting the risk allowance as shown in **Table ET2** above.

Summary of Adjustments

3.65 **Table ET8** summarises the adjustments on SPT's 2024 MSIPs as discussed above.

Table ET8 Summary of Proposed Adjustments on SPT's 2024 MSIPs

Project Name	Funding Request £m	Adjustment – OE £m	Adjustment – Risk £m	Ofgem's DD* £m
SPT Constraint Management - Modification of Anglo-Scottish Operational Tripping Scheme (OTS)	1.03	0.00	-0.03	1.00
SPT SPT-RI-237 Enoch Hill Collector Substation and Associated 132kV Circuit (stage 2)	10.79	-0.12	-0.14	10.53
Total	11.82	-0.13	-0.16	11.53

**We refer to draft determinations as 'Ofgem's DD'.*

4. SHET Gremista GSP Project under LOTI Re-opener

Questions

ET.Q4. Do you agree with the need for investment for the SHET Gremista GSP project?

ET.Q5. Do you agree with our conclusion on the options considered and the CBA?

ET.Q6. Do you agree with our proposal to retain the Gremista GSP project within the LOTI arrangements under RIIO-ET2 as opposed to funding through a late competition model?

ET.Q7. Do you agree with our proposed approach to Large Project Delivery for the Gremista GSP project?

ET.Q8. Do you agree with our draft determination to approve the Final Needs Case of SHET Gremista GSP project?

4.1 This chapter set out the consultation on the Final Needs Case assessment for SHET's Gremista GSP project under SpC 3.13.

4.2 Shetland is currently served by an isolated distribution network, which uses diesel generation and a small wind generation station as main generation source. Enabled by the new Transmission HVDC link, the Gremista project will provide Shetland consumers with a connection to the transmission system. This will allow the local electrical demand to be met primarily from renewable generation and will allow Shetland to import from the mainland GB grid via the HVDC link, providing security of supply to Shetland.

The LOTI process

4.3 For transmission projects over £100m, an ETO may seek approval of eligibility for LOTI applications under SpC 3.13.10 of the Licence.

4.4 The LOTI process for eligible projects has more stages to it than the MSIP process does. The LOTI process stages are:

1. Initial Needs Case submission (INC)
2. Final Needs Case submission (FNC)
3. Project Assessment (PA)

Each of the stages require the ETO to make an application, for Ofgem to assess the application, and for Ofgem to carry out public consultation ahead of a decision.

4.5 Under SpC 3.13.23, an ETO must comply with the LOTI Guidance when making a submission of an INC, seeking approval of a FNC, and making an application for a PA.

Why the project has been brought into the LOTI process

4.6 This section focuses on changes to the Gremista Grid Supply Point (GSP) project proposed by SHET since its original submission under the 2022 MSIP Re-opener mechanism and our current views on those changes.

4.7 On 25 April 2022 we published our view to accept the needs case for the Gremista project,[20] as we consider there is a need to find a suitable alternative to the Lerwick Power Station (LPS) for meeting local demand on Shetland. We also proposed to accept the preferred option presented by SHET for addressing this need.

4.8 Our position was that the establishment of a GSP in Gremista is the most appropriate option for addressing the need, because it would avoid the future need for significant additional investment to maintain the existing LPS which would require procurement of a new enduring solution.

4.9 Since our provisional approval of the needs case,[21] SHET's estimated in January 2024 total project costs have increased to £105.09m which is above the £100m threshold for MSIP applications. SHET confirmed in March 2024 that it has obtained all planning consents for this project. This has been confirmed again in the FNC.

4.10 Alongside the updated cost in January 2024, SHET requested Ofgem to consider moving the project under the LOTI re-opener mechanism for further assessment. We assessed the costs and are satisfied that the updated costs meet the requirement in Chapter 3 of the LOTI Guidance. We agreed that this update of costs should lead to the Gremista project being moved into a LOTI process.

4.11 We have revisited the information submitted under MSIP and our analysis conducted in the MSIP assessment as well as compared the requirements against the requirements in the LOTI Guidance. We consider the October 2022 MSIP needs case provisional approval to be equivalent to INC approval and for SHET to have met all of the requirements set out in both the applicable licence conditions of the Licence and of Chapter 4 of the LOTI Guidance for a LOTI INC.

[20] https://www.ofgem.gov.uk/consultation/consultation-scottish-hydro-electric-transmissions-shets-proposed-gremista-grid-supply-point-project
[21] https://www.ofgem.gov.uk/publications/decision-shets-2022-msip-submissions

4.12 Accordingly, SHET made the formal request in June 2024 for a direction to move the Gremista GSP project under LOTI process. We issued a direction in June 2024 to relieve SHET of the obligation to submit an INC for this project and to proceed to the FNC approval stage without submitting an INC. The issued direction is included in Appendix 4 for reference purposes only.

4.13 We have also issued within the direction relieving SHET of the obligation to submit an INC for this project, a further direction that allows SHET to make an application for pre-construction funding under Special Condition 3.15.7 of the Licence.

The Project drivers

4.14 As discussed in paragraphs 4.6 to 4.13, we considered that the needs case assessment under the MSIP process fulfils the requirement of the INC process under Chapter 4 of LOTI Guidance.

4.15 The key drivers of the need for the project have not changed since the needs case assessment under MSIP in 2022:

- The need to meet the demand need of all Shetland customers with locally produced renewable energy following connection of the Shetland Islands to the mainland GB transmission system.
- The need to ensure SHEPD demand customers will be provided with a connection to the transmission system supporting the transition of Lerwick Power Station into standby mode in 2025 (avoiding significant additional investment that would be needed to maintain the existing Lerwick Power Station by procuring a new enduring solution).
- The need to introduce energy diversification to Shetland and decarbonising the demand network. This helps towards achieving local and national Net Zero ambitions by reducing the need for Lerwick Power Station to operate, therefore resulting in a significant reduction in the burning of diesel fuel.

Options considered and the CBA

4.16 As detailed in Chapter 4 of the consultation on the Gremista GSP project in 2022, [22] four options have been evaluated under the MSIP assessment.

Option 1: Do-nothing

Option 2: A market-based solution

Option 3: A 33kV solution from Kergord

Option 4: GSP at Gremista

4.17 From the high-level assessment, we agreed that only option 4, ie. the Gremista GSP, is viable. We remain of the view that the Gremista GSP proposed by SHET is the only feasible technical option and hence the CBA comparing these different options was not required as the alternative options presented by SHET were not appropriate.

4.18 CBA analysis was therefore conducted to compare the estimated Gremista GSP project costs to a range of other network solutions, including steel lattice towers, NeSTS[23] towers and a full underground cable option. The benefits of all options were considered to be the same.

4.19 At the updated cost of £105.9m, SHET confirmed that there is no material impact on the CBA analysis provided in the MSIP stage because the project cost is still lower than that of the other network solutions considered ranged from £118m to £122m.

4.20 SHET confirmed it has obtained all material planning consents. Given the project progress to date, the project and associated design and costs will not further significantly change.

4.21 We consider the technical design proposed by SHET for the Gremista GSP project remains the most cost-effective solution.

[22] Please refer to Chapter 3 (Needs Case for the Project) and Chapter 4 (Justification and Assessment of Options) in our consultation on SHET's Gremista GSP Project under MSIP: https://www.ofgem.gov.uk/consultation/consultation-scottish-hydro-electric-transmissions-shets-proposed-gremista-grid-supply-point-project

[23] NeSTS stands for New Suite of Transmission Structures.

Delivery via a competition model

4.22 We set out in our RIIO-ET2 FDs[24] that all projects that meet the criteria for competition and are brought forward under an uncertainty mechanism will be considered for potential delivery through a late competition model. [25]

4.23 The criteria for a project to qualify for late model competition are as follows: [26]

i. New
ii. Separable
iii. High value – projects of £100m or greater expected capital expenditure.

4.24 Since we consider that the Gremista project meets the criteria for late model competition, we have considered whether it is in the interests of existing and future consumers for the project to be delivered through a late model of competition rather than via the prevailing LOTI mechanism under the RIIO-2 arrangements.

4.25 The late competition models that are available for consideration are:

i. Competitively Appointed Transmission Owner (CATO) Model
ii. Special Purpose Vehicle (SPV) Model
iii. Competition Proxy Model (CPM)

4.26 Below we set out details of each of these models and our initial views on how suitable it would be to apply the model to the Gremista project.

CATO

4.27 Under the CATO model, a competitive tender would be run for the financing, construction, and operation of the proposed assets that make up the project, with a transmission licence provided to the winning bidder setting out the outputs, obligations, and incentives associated with delivering the project.

4.28 The required delivery date proposed for the project is 2026. SHET has already obtained all necessary planning consents and started the construction works. It is likely that implementing the CATO model will result in significant delay to the

[24] https://www.ofgem.gov.uk/decision/riio-2-final-determinations-transmission-and-gas-distribution-network-companies-and-electricity-system-operator (Core Document (REVISED), chapter 9)
[25] Large Onshore Transmission Investments (LOTI) Re-opener Guidance, pages 9-11
[26] Guidance on the criteria for competition

project. For this reason, we do not think it would be appropriate to apply the CATO model to the project.

SPV

4.29 Under the SPV model, SHET would run a tender to appoint a SPV to finance, deliver, and operate a new, separable, and high value project on the licensee's behalf through a contract for a specified revenue period. The allowed revenue for delivering the project would be set over the period of its construction and a long-term operational period (currently expected to be 25 years).

4.30 Given the additional work needed to finalise the SPV model and that SHET's project construction phase has already commenced, we do not consider that the SPV model can be applied to this project without leading to significant delays. For this reason, we consider that the SPV model is not an appropriate model for this project.

CPM

4.31 The CPM involves setting a largely project specific set of regulatory arrangements to cover the construction period and a 25-year operational period for an asset (in contrast with setting arrangements for a portfolio of assets under a price control settlement). It is intended to replicate the efficient project finance structure that tends to be used in competitive tender bids for the delivery and operation of infrastructure projects.

4.32 Importantly, the licensee would retain delivery of the project under CPM. This means that there is not the requirement to allow for the running of a full tender for delivery of the project in the same way as the CATO or SPV models, and the CPM assessment stages follow the same process as the LOTI mechanism.

4.33 In the RIIO-ET2 FDs[27], we explained that due to recent market conditions and our allowed financing arrangements for RIIO-ET2, we may not have sufficient confidence that the application of the CPM to projects that need to start construction at the start of the RIIO-ET2 period would deliver benefits to consumers. This position was informed by our decision on the Hinkley-Seabank project in May 2020[28].

4.34 Since our decision on Hinkley-Seabank, and our RIIO-2 Final Determinations in 2020, we have seen some variability in the cost of debt benchmarks used to set the

[27] RIIO-2 Final Determinations, Core Document (REVISED), Chapter 9, section 9.8
[28] Hinkley - Seabank: Updated decision on delivery model

financing arrangements under CPM. At this stage, we have not seen movements that give us confidence that CPM is likely to deliver a benefit to consumers relative to the financing arrangements under the counterfactual LOTI arrangements under RIIO. Our position remained unchanged in the decisions for the Eastern HVDC project in July 2022, [29] the Argyll and Kintyre project in October 2023,[30] and the Harker project in October 2023.[31]

4.35 We do not consider that implementing either the CATO and SPV models for the Gremista GSP is possible without causing significant delay to project delivery, and we do not have sufficient confidence in the benefits to consumers that could be delivered by applying the CPM. Given this, along with all other relevant considerations set out in paragraph 1.31 of the LOTI Guidance, we propose to retain the Gremista GSP within the LOTI mechanism as part of the RIIO-ET2 price control.

Large project delivery

4.36 In the RIIO-ET2 Final Determinations[32] we set out our approach to late delivery of large projects (i.e. >£100m). The aim of this approach is to ensure that a licensee does not benefit financially from a delay to project delivery.

4.37 We also aim to ensure that consumers are protected from any delay in delivery. To this end, we propose setting a Project Delivery Charge (PDC) for each day a project is delivered late.

4.38 We will consider the appropriate project delivery mechanism and PDC level for the Gremista GSP project at the PA stage. In setting the PDC level we will look to understand the impact of any delay in terms of costs to consumers.

Draft Determination on Final Needs Case

4.39 We consider that SHET's preferred option is reasonable in terms of technical design and provides the most appropriate solution given the project's drivers and background generation projections.

4.40 SHET's FNC did not materially change from the needs case assessment under the MSIP submission. The key drivers for the project are unchanged to deliver security

[29] Eastern HVDC - Consultation on the project's Final Needs Case and Delivery Model | Ofgem
[30] Argyll and Kintyre project – Final Needs Case decision | Ofgem
[31] Harker – Decision on the project's Final Needs Case | Ofgem
[32] RIIO-2 Final Determinations, ET Annex (REVISED), page 32 onwards

of supply to the island and we are satisfied that the preferred option will help deliver Net Zero ambitions for the wider network.

4.41 We are proposing to approve the Final Needs Case for the Gremista GSP project.

5. Conclusion and next steps

Next steps

5.1 We welcome your responses to this consultation, both generally, and in particular on the specific questions in Chapters 3 (for MSIP applications) and 4 (for LOTI application). Please send your response to: ReopenerConsultations@ofgem.gov.uk. The deadline for response is 1 October 2024.

5.2 We will carefully consider all consultation responses and endeavour to conclude our assessment of the 2024 MSIPs and the FNC for Gremista project under LOTI re-opener with a decision by end 2024.

5.3 To implement our decision on the 2024 MSIPs, we will also publish a statutory consultation proposing relevant modifications to NGET and SPT's electricity transmission licences in accordance with section 11A of the Electricity Act 1989. We have included the current proposed modifications (subject to our final determinations) in Appendix 5 (for SPT) and Appendix 6 (for NGET).

5.4 If we decide to approve the FNC of Gremista project, we will proceed with its Project Assessment stage in accordance with SpC 3.13 of the SHET's transmission licence.

Appendices

Index

Appendix 1 List of Activities under MSIP re-opener

The activities listed under MSIP re-opener in SpC 3.14.6 are:

(a) a Generation Connection project, including all infrastructure related to that project, the forecast costs of which are at least £4.24m more or less than the level that could be provided for under Special Condition 3.11 (Generation Connections volume driver);

(b) a Demand Connection project, including all infrastructure related to that project, the forecast costs of which are at least £4.24m more or less than the level that could be provided for under Special Condition 3.12 (Demand Connection volume driver);

(c) a Boundary Reinforcement Project that has received a NOA Proceed Signal in the most recent NOA;

(d) a Flooding Defence Project, the purpose of which is to follow:

i. updates to the Energy Networks Association's report titled 'Engineering Technical Report (ETR138)' guidance on flooding; or

ii. a request from government, or a body which has responsibility for flood prevention, to protect sites from flooding;

(e) an Electricity System Restoration Project following the establishment of an Electricity System Restoration Standard;

(f) a system operability or constraint management project that has been requested by the System Operator;

(g) projects that are needed in order to meet NETS SQSS requirements regarding security, or system operability;

(h) Harmonic Filtering projects that are needed following:

i. requests from the licensee's customers to aggregate and deliver Harmonic Filtering requirements; or

ii. system studies by the System Operator or the licensee showing a need for additional Harmonic Filtering on the National Electricity Transmission System;

(i) protection projects that are needed following:

i. system studies by the System Operator or the licensee showing a need for changes to the protection settings or replacement of protection relay with inadequate range;

ii. system studies by the System Operator or the licensee showing a need for dynamic line ratings; or

iii. system studies by the System Operator or the licensee showing a need for an operational intertrip;

(j) data transformation and improvement projects, to implement recommendations regarding specific outputs required to meet principles developed by industry data working groups;

(k) SF6 asset interventions, where the licensee can demonstrate a well-justified SF6 Intervention Plan;

(l) a project identified by NGESO as required to be delivered by 2030; and

(m) a project required to enable delivery of an ASTI project.

Appendix 2 Consultation Questions

ET.Q1 Do you agree with our assessment of the needs case for the 2024 MSIPs?

ET.Q2 Do you agree with our assessment of the preferred option for the 2024 MSIPs?

ET.Q3 Do you agree with our assessment of the efficient costs of individual MSIPs?

ET.Q4 Do you agree with the need for investment for the SHET Gremista GSP project?

ET.Q5 Do you agree with our conclusion on the options considered and the CBA?

ET.Q6 Do you agree with our proposal to retain the Gremista GSP project within the LOTI arrangements under RIIO-ET2 as opposed to funding through a late competition model?

ET.Q7 Do you agree with our proposed approach to Large Project Delivery for the Gremista GSP project?

ET.Q8 Do you agree with our draft determination to approve the Final Needs Case of SHET Gremista GSP project?

Appendix 3 MSIP Optioneering

NGET have outlined the following options within their re-opener application:[33]

Pathfinders

Pathfinder 1 – Stalybridge (stage 2):

1. Build a new plinth and bunded area connection at Mesh Corner 1 of Stalybridge 400kV substation and replace existing Circuit Breaker with Point on Wave [option selected in stage 1 submission]
2. Build a new plinth and bunded area connection at Mesh Corner 1 of Stalybridge 400kV substation and provide new Point on Wave Circuit Breaker due to system constraints in relation to ferro-resonance due to long double circuit. [preferred option]

Pathfinder 2 – Stocksbridge (stage 2):

1. Re-use existing plinth and bunded area connection at Mesh Corner 2 of Stocksbridge 400kV substation and replace existing circuit breaker with Point on Wave [option selected in stage 1 submission]
2. Build a new plinth and bunded area connection at Mesh Corner 2 of Stocksbridge 400kV substation and provide new dedicated Point on Wave Circuit Breaker as efficient design allowed bay to be built without extension to existing substation fenceline. [preferred option]

Pathfinder 3 - Bradford West (stage 2):

1. Build a new plinth and bunded area connection at Mesh Corner 1 of Bradford West 275kV substation [option selected in stage 1 submission and remain the preferred option]

NGET Leiston Demand Connection (Stage 2)

1. Do nothing
2. Whole system/Market Based
3. Re-use Existing Assets - Busbar extension and new bays within existing building and associated protection equipment [preferred option]
4. New Assets/Extension – e.g., 2 x new SGT connections from 400kV OHL

[33] https://www.nationalgrid.com/electricity-transmission/who-we-are/riio2-business-plan

NGET Elland (NPG)

1. Do nothing
2. Whole system /market based solution – reinforcement of existing connections to meet needs
3. Use/enhancement of existing assests – connecting on existing assets
4. Loop-in option – looping into the local 132kV cable circuits
5. Construction of new assets via extension of the substation – extend substation, provide busbar connection and protection equipment
6. Construction of new assets within existing site - Provide busbar connection and protection equipment within existing site [preferred option]

NGET Willesden 66kV SEPD

1. Do nothing
2. Option to delay - NGET would delay the agreed connection date at WISD6 66kV substation
3. Use of a spare bay and SEPD double bank two circuits onto UKPN's network - NGET to use ac spare bay and SEPD double bank two circuits onto UKPN's network.
4. In-situ Teed Connections- Utilise existing assets at WISD6 66kV substation.
5. Offline GIS Build - Extension of the existing 66 kV Air Insulated Switchgear (AIS) into a new GIS installation.
6. In-situ GIS Circuit Breaker and Isolator system [preferred option]
    a. Replace the existing Air Blast Circuit Breakers (ABCB)
    b. Remove cable sealing ends,
    c. Replace through wall bushings,
    d. Protection and control modification,
    e. Foundation modifications
    f. Potential to replace cable to grid.
7. In-situ GIS Disconnector system - Similar to option 3, however in this option the existing ABCB is retained.
8. Use of 66kV Spare Bay - Move demand off Acton Lane 22kV substation and onto the Willesden 132kV substation.
9. Offline AIS Build – Three remote switch compounds - Construct three remote AIS switch compounds at Acton Lane.

NGET Willesden & Kensal Green Microsoft Data Centre Connection

1. Do nothing
2. Option to delay
3. Whole system / market-based solution - NGET explores a whole system or market-based solution
4. Connection from Willesden 275kV substation - Utilise existing assets at Willesden 275kV to reduce the cost and timescales for the Microsoft connection.
5. Teeing off an existing bay at Willesden 66kV substation to provide the minimum viable solution - Utilise existing assets at 66kV substation to reduce the cost and timescales for the Microsoft connection.
6. Extending Willesden 400kV substation - The construction of new assets to provide two connections for Microsoft
7. Extending Kensal Green 400kV substation and Willesden 400kV substation. - The construction of new assets at Kensall Green and Willesden to provide a connection for Microsoft. [preferred option]

NGET Hylton Castle

1. Do nothing
2. Option to delay
3. Whole system / market-based solution - Reinforcement of existing connections to meet needs.
4. Extend the existing 275kV West Boldon substation (WBOL) - Extend the existing West Boldon 275kV Substation for the purposes of installing three new 275/132kV SGTs and 132kV cables to the IAMP site.
5. Construction of new assets - Construction of a new 275kV double busbar substation along the ZZA route in the vicinity of the IAMP site, the installation of three new 275/66kV SGTs and three new 66kV cable circuits to the IAMP site. This option includes creation of a forth spare bay to enable a future connection [preferred option]
6. Rebuild the existing WBOL as an AIS double busbar design and provide a connection for IAMP and Northern Power Grid’s 66kV network. - Additional space or accommodation of spare bays could be incorporated into the end design, however for the basis of this short optioneering study, the additional cost of doing so has not been considered within the option at this time.

7. Build Hylton Castle Now, Defer WBOL Replacement for 10 Years
8. Build Hylton Castle Now, Defer WBOL Replacement for 20 Years
9. Build Hylton Castle Now, Defer WBOL Replacement for 30 Years

SPT have outlined the following options within their re-opener application:[34]

SPT Constraint Management - Modification of Anglo-Scottish Operational Tripping Scheme (OTS)

1. Extension of the OTS Scheme [preferred option]
2. Full replacement of the OTS Scheme

SPT SPT-RI-237 Enoch Hill Collector Substation and Associated 132kV Circuit (stage 2)

1. Do nothing or delay
2. New 33kV circuit from Enoch Hill to New Cumnock
3. New 132kV circuit from Enoch Hill to New Cumnock [preferred option]

[34] https://www.spenergynetworks.co.uk/pages/msip_reopeners.aspx

Appendix 4 Direction issued to SHET for the Gremista GSP project

To: Scottish Hydro Electric Transmission plc ('the Licensee')

Direction issued by the Gas and Electricity Markets Authority ('the Authority') under Part F of Special Condition 3.13 (Large onshore transmission investment Re-opener) and Special Condition 3.15 (Special Condition 3.15 Pre-Construction Funding Re-opener and Price Control Deliverable) of the electricity transmission licence held by the Licensee for the Gremista Grid Supply Point project (the '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. Shetland is currently served by an isolated distribution network, which uses diesel generation and a small wind generation station as main generation sources. Enabled by the new Transmission HVDC link, the Project will provide Shetland consumers with a connection to the transmission system.
3. The Licensee requests the Authority's approval of the Project's eligibility to apply for assessment under the Large onshore transmission investment Re-opener (the 'LOTI reopener'). The Project satisfies the criteria for the LOTI reopener, on the basis that:
    a. the estimated costs to construct the project exceed the £100m threshold set out in the Licence.
    b. the Project is wholly load-related.
    c. the Project has not been funded by any other price control mechanisms.
4. The Licensee wishes to seek the Authority's approval of its Final Needs Case ('FNC') under paragraph 3.13.13. Paragraph 3.13.13 of Special Condition 3.13 provides that the Licensee may only seek the Authority's approval of the FNC once it has submitted an Initial Needs Case ('INC') to the Authority in respect of which the Authority has published a response, or the Authority has relieved the Licensee of the requirement to submit an INC by direction.
5. After careful consideration, under paragraph 4.1 of the LOTI Guidance and Submissions Requirements Documents we have decided to relieve the Licensee of the requirement to submit an INC prior to the submission of an FNC for the Authority's approval. This decision has been made on the basis that the original Medium Sized Investment Project

('MSIP') submission and subsequent decision published in October 2022[35] serve the purpose of the LOTI INC.

6. In accordance with Special Condition 3.13.13 of the Licence, the Authority hereby directs that the Licensee is relieved of the requirement to submit an INC prior to the submission of a FNC for the Authority's approval.

7. The shift in mechanisms for the Project from MSIP to LOTI also means that route for applying pre-construction funding for the Project has changed. In accordance with Special Condition 3.15.8, the Authority hereby directs that the Licensee is allowed to make an application for pre-construction funding under Special Condition 3.15.7. The Licensee should include the pre-construction costs as part of the Project Assessment, with clear differentiation between pre-construction and construction costs.

8. This Direction gives notice of the reasons for the decision to issue this Direction as required by section 49A(2) of the Act.

Nathan Macwhinnie
Deputy Director - Price Control Operations
Duly authorised on behalf of the Gas and Electricity Markets Authority

19 June 2024

[35] Decision on SHET's 2022 MSIP submissions | Ofgem

Appendix 5 Draft Notice of SPT Licence Modification for MSIP Re-opener

To: SP Transmission plc

Electricity Act 1989

Section 11A(2)

Notice of statutory consultation on a proposal to modify the special conditions of the electricity licences held by SP Transmission plc

1. The Gas and Electricity Markets Authority ('the Authority')[36] proposes to modify the special conditions ('SpC') of the electricity licences (the 'Licence') held by SP Transmission plc ('SPT') granted or treated as granted under section 6(1)(b) of the Electricity Act 1989 by amending Appendix 1 of SpC 3.14 (Medium Sized Investment Projects ('MSIP') Re-opener and Price Control Deliverable ('MSIPREt')) of the Licences.

2. We are proposing these modifications to the Licence because adding the Price Control Deliverables ('PCDs') into Appendix 1 of SpC 3.14 of the Licences gives effect to the decision of the Authority dated [to be inserted] to approve funding for SPT's two MSIP projects.

3. The effect of the proposed modifications is to set PCDs related to SPT's two MSIP projects and the allowances for their delivery. If SPT does not deliver its PCDs during the RIIO-ET2 price control, then the price control framework provides for the relevant PCD allowances to be clawed back.

4. The full text of the proposed modifications to SpC 3.14 is set out in Annex 1 to this notice, with the text to be deleted marked with double strikethrough and new text to be inserted shown double underscored. A copy of the proposed modifications and other documents referred to in this notice have been published on our website

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

(www.ofgem.gov.uk). Alternatively, they are available from information.rights@ofgem.gov.uk.

5. Any representations with respect to the proposed modifications to the Licence must be made on or before [date to be inserted] to: Sai Wing Lo, Office of Gas and Electricity Markets, 10 South Colonnade, Canary Wharf, London, E14 4PU or by email to Sai.Lo@ofgem.gov.uk.

6. 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.

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

.....
Nathan Macwhinnie
Duly authorised on behalf of the
Gas and Electricity Markets Authority **[Date]**

Annex 1

SP Transmission plc

Electricity transmission licence

Special Conditions

We have set out the proposed changes to Appendix 1 in SpC 3.14. Text proposed to be added is double underscored and text removed is double struck through.

Appendix 1

Medium Sized Investment Project Price Control Deliverable (£m)

			Regulatory Year					
MSIP project	**Output**	**Delivery date**	**2021 /22**	**2022 /23**	**2023 /24**	**2024 /25**	**2025 /26**	**Total**
Coalburn SGT4	Installation of Coalburn SGT4 (360MVA) and associated works at Coalburn 400/132kV Substation	31 Dec 2024	2.124	4.314	5.147	2.090	0	13.675
Constraint Management Pathfinder – Line End Open (LEO) Modifications and Operational Tripping Scheme (OTS) Modifications	Completion of the extension of the LEO and OTS systems.	31 Dec 2023	0	0.298	1.003	0	0	1.301
Wishaw-Eccles-Torness-Smeaton Operational Intertrip Scheme (WETSS Scheme)	Completion of the WETSS Scheme, including the associated LEO Scheme extension.	31 Dec 2023	0.412	0.087	0.184	0	0	0.683

			Regulatory Year					
MSIP project	**Output**	**Delivery date**	**2021 /22**	**2022 /23**	**2023 /24**	**2024 /25**	**2025 /26**	**Total**
Constraint Management OTS	Completion of the OTS at Strathaven 400kV Substation, Middlemuir 132kV Substation, Linnmill 132kV Substation, Moffat 132kV Substation and Arecleoch 132kV Substation	31 March 2025	0.0	0.0	0.245	0.755	0.0	1.000
Enoch Hill Collector Substation and associated 132kV circuit	Completion of the Enoch Hill 132/33kV Collector Substation and associated 132kV circuit	31 March 2026	0.041	0.718	5.352	4.271	0.146	10.529

Appendix 6 Draft Notice of NGET Licence Modification for MSIP Re-opener

To: National Grid Electricity Transmission Plc

Electricity Act 1989

Section 11A(2)

Notice of statutory consultation on a proposal to modify the special conditions of the electricity licences held by National Grid Electricity Transmission Plc

8. The Gas and Electricity Markets Authority ('the Authority')[37] proposes to modify the special conditions ('SpC') of the electricity licences (the 'Licence') held by National Grid Electricity Transmission Plc ('NGET') granted or treated as granted under section 6(1)(b) of the Electricity Act 1989 by amending Appendix 1 of SpC 3.14 (Medium Sized Investment Projects ('MSIP') Re-opener and Price Control Deliverable ('MSIPREt')) of the Licences.

9. We are proposing these modifications to the Licence because adding the Price Control Deliverables ('PCDs') into Appendix 1 of SpC 3.14 of the Licences gives effect to the decision of the Authority dated [to be inserted] to approve funding for NGET's eight MSIP projects.

10. The effect of the proposed modifications is to set PCDs related to NGET's eight MSIP projects and the allowances for their delivery. If NGET does not deliver its PCDs during the RIIO-ET2 price control, then the price control framework provides for the relevant PCD allowances to be clawed back.

11. The full text of the proposed modifications to SpC 3.14 is set out in Annex 1 to this notice, with the text to be deleted marked with double strikethrough and new text to be inserted shown double underscored. A copy of the proposed modifications and other documents referred to in this notice have been published on our website (www.ofgem.gov.uk). Alternatively, they are available from information.rights@ofgem.gov.uk.

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

12. Any representations with respect to the proposed modifications to the Licence must be made on or before [date to be inserted] to: Sai Wing Lo, Office of Gas and Electricity Markets, 10 South Colonnade, Canary Wharf, London, E14 4PU or by email to Sai.Lo@ofgem.gov.uk.

13. 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.

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

.....
Nathan Macwhinnie
Duly authorised on behalf of the
Gas and Electricity Markets Authority **[Date]**

Annex 1

National Grid Electricity Transmission plc

Electricity transmission licence

Special Conditions

We have set out the proposed changes to Appendix 1 in SpC 3.14. Text proposed to be added is double underscored and text removed is double struck through.

Appendix 1

Medium Sized Investment Project Price Control Deliverable (£m)

MSIP project	Output	Delivery date	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	Total
Sulphur hexafluoride (SF6) Asset Intervention	a) Refurbishment at Barking 400kV Substation	By 31 March 2026		0.058	0.956	1.449	2.005	4.468
	b) Refurbishment at Seabank 400kV Substation		-	0.391	1.904	2.03	1.777	6.102
	c) Refurbishment at Sellindge 400kV I Substation		-	0.405	0.762	1.344	0.034	2.545
	d) Refurbishment at West Ham 400kV Substation		-	0.286	1.06	2.755	2.966	7.067
	e) Replacement with HV cable at Monk Fryston 275kV GIB		-	0.034	0.093	4.662	0.018	4.807
	f) Replacement of 427 SF6 filled current transformer listed in the NGET Redacted		-	-	6.467	7.831	9.544	23.842

	Information Document							
Extreme Weather Resilience	Complete flood protections at 33 sites listed in the NGET Redacted Information Document	By 31 March 2026	0.0	0.5	0.8	0.9	0.8266	3.0266
Cellarhead Customer Connection	Complete Cellarhead Customer Connection	By 31 March 2023	0.1858	0.2494	0.0062	-	-	0.4414
Frodsham Customer Connection	Complete Frodsham Customer Connection	By 31 March 2023	0.3385	0.1051	-	-	-	0.4436
Lister Drive Customer Connection	Complete Lister Drive Customer Connection	By 31 March 2023	0.6056	0.0905	-	-	-	0.6961
Melksham Operational Tripping Scheme Phase 2 Project	Complete Melksham Operational Tripping Scheme Phase 2 Project	By 31 March 2025	0.1145	1.612	4.174	1.259	1.647	8.8065
Pennine Pathfinders	(a) complete 200MVAr shunt reactor project at Stalybridge 400kV substation	(a) By 31 August 2024	0.0	1.368	3.342	0.391	0.0	5.101
	(b) complete 200MVAr shunt reactor project at Stocksbridge 400kV substation	(b) By 31 August 2024	0.0	1.621	3.294	0.721	0.0	5.636
	(c) complete 100MVAr shunt reactor project at Bradford West 275kV substation	(c) By 31 August 2024	0.0	0.616	3.479	0.334	0.0	4.429
Leiston 132kV Substation Connection	Complete demand connection for Sizewell C at Leiston 132kV Substation	By 30 June 2024	0.0	0.002	3.556	1.521	1.039	6.118

Elland 132kV Substation Connection	Complete connection to Northern Powergrid at Elland 132kV Substation	By 21 July 2023	0.0	0.036	0.041	0.0	0.0	0.077
Willesden 66kV SEPD Connection	Complete demand connection to SEPD at Willesden 66kV substation	By 30 November 2024	2.169	0.502	1.464	0.095	0.0	4.231
Willesden Microsoft Data Centre Connection	Complete demand connection to Microsoft Data Centre at Kensal Green 400kV and Willesden 400kV and 66kV substations	By 30 August 2027	0.0	0.0	0.811	0.845	0.0	1.656
Hylton Castle Grid Supply Point	Complete demand connection to International Advanced Manufacturing Park	By 31 March 2026	0.0	6.086	9.124	9.124	4.634	28.965

Appendix 7 Draft Direction for NGET Non-Op IT Capex

Proposed Draft Direction

On 28 May 2024, NGET brought to our attention an error in our direction, which was included in our Non-Operational IT Capex Final Determinations and Directions published on 28 May 2024. The error involved entering the correct figure into the wrong financial year. Specifically, we allocated allowances for the years 2023/24 and 2024/25, whereas NGET had requested them for 2024/25 and 2025/26.

To correct the error, we propose the following direction that includes the corrected figures. In compliance with Special Condition 3.7.12 this will undergo a formal consultation process for 28 days. Once the consultation is closed, we will consider all responses and publish non-confidential responses we receive. Our final direction will take into account the responses received during this consultation.

Proposed direction under Special Condition 3.7.6 of the electricity transmission licence ('the Licence') held by National Grid Electricity Transmission plc ('the Licensee') to correct allowances for Non-Operational IT Capex allocated in the direction dated 28 May 2024

1. National Grid Electricity Transmission plc is the holder of a licence granted or treated as granted under s.6(1)(b) of the Electricity Act 1989 (the 'Act').

2. The Gas and Electricity Markets Authority ('the Authority')[38] issued a direction[39] on 28 May 2024 to amend Special Condition 3.7 Appendix 1: Total Non-operational IT Capex Re-opener allowance (£m) and Appendix 2: Non-Operational IT Capex Price Control Deliverable (£m).

3. The May 24 direction contained an error in setting out the allowances in Appendix 2 of the licence. The correct allowances were added, however, under the wrong financial year.

4. The Authority's intention was to add a total of £5.895m in allowances into the NGET licence, creating a new total of £136.299m. The £5.895m in allowances had Price Control Deliverables (PCDs) attached to them. NGET had requested funding for financial years 2024/25 and 2025/26. However, they were incorrectly entered into financial years 2023/24 and 2024/25.

[38] The terms "the Authority", "we" and "us" are used interchangeably in this document
[39] Non-Operational IT Capex Re-opener Final Determinations (ofgem.gov.uk)

5. The Authority gave notice on 30 August 2024, as required by Special Condition 3.7.12, of a proposed direction to correct the values in Special Condition 3.7 Appendix 1 and Appendix 2 to the award allowances in the correct regulatory year as originally intended.

6. The Authority received [x] confidential representation(s). Having considered these representations, [the Authority has decided to proceed with making this direction].

7. This document constitutes notice of the Authority's reasons for the direction for the purposes of S.49A of the Electricity Act.

8. Pursuant to Special Condition 3.7.6, the Authority hereby directs the changes to Appendix 1 Special Condition 3.7 as set out in Table 1.

Table 1: Total Non-operational IT Capex Re-opener allowance (m)

	Regulatory Year					
	2021/22	2022/23	2023/24	2024/25	2025/26	All years
~~Re-opener Allowance~~	~~3.461~~	~~29.271~~	~~45.905~~	~~28.945~~	~~28.718~~	~~136.299~~
Re-opener Allowance	**3.461**	**29.271**	**42.957**	**28.945**	**31.666**	**136.299**

9. Pursuant to Special Condition 3.7.6, the Authority hereby directs the changes to Appendix 2 Special Condition 3.7 as set out in Table 2.

Table 2: Non Operational IT Capex Price Control Deliverable (£m)

			Regulatory Year					
NOITRE project	Output	Delivery date	2021/22	2022/23	2023/24	2024/25	2025/26	Total
~~Data Portal~~	~~Delivery of the Data Portal Infrastructure (Data Fabric) creating a single connected self-service platform, including the catalogue, portal, data connectivity and dynamic security access components. Utilising Data Product accelerator to create data products which are defined, described and published to an open marketplace that is easily accessible for stakeholders and consumers.~~	~~March-26~~	~~0~~	~~0~~	~~2.948~~	~~2.948~~	~~0~~	~~£5.895~~
Data Portal	**Delivery of the Data Portal Infrastructure (Data Fabric) creating a single connected self-service platform, including the catalogue, portal, data connectivity and dynamic security access components. Utilising Data Product accelerator to create data products which are defined, described and published to an open marketplace that is easily accessible for stakeholders and consumers.**	**March-26**	**0**	**0**	**0**	**2.948**	**2.948**	**£5.895**
Scenario production 1	Creation of scenarios with a functional user interface to	31/03/23	0.023	0.019	0.006	0.006	0.006	0.060

	allow efficient view of outputs and sensitivities started from at least three operational sources							
Scenario production 2	Creation of scenarios with a functional user interface to allow efficient view of outputs and sensitivities with artificial intelligence/learning algorithms started from at least 90% of systems	30/09/23	0.057	0.047	0.015	0.015	0.015	0.150
Scenario production 3	Creation of scenarios with a functional user interface to allow efficient view of outputs and sensitivities with artificial intelligence/learning algorithms started for at least two national scenarios & ten regional scenarios	31/01/24	0.057	0.047	0.015	0.015	0.015	0.150
SVOP	Single view of the plan decommissioned	30/12/26	0.153	0.125	0.041	0.041	0.041	0.400
Scenario modelling tool	The scenario modelling tool can be used to support NOA 2023/24	31/03/24	0.057	0.047	0.015	0.015	0.015	0.150

10. This direction under Special Condition 3.7.6 will take effect immediately.

Yours sincerely,

Nathan Macwhinnie

Deputy Director Price Control Operations

For and on behalf of the Authority

Appendix 8 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 dpo@ofgem.gov.uk

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

No external agencies.

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 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".