

**To: National Grid Electricity Transmission Plc
SP Transmission plc**

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

**Modification of special conditions of the electricity transmission licence held by
National Grid Energy Transmission Plc and SP Transmission plc**

1. The following licensees are holders of an electricity transmission license ('the Licence') granted or treated as granted under section 6(1)(b) of the Electricity Act 1989 ('the Act'): National Grid Electricity Transmission Plc ('NGET') and SP Transmission plc ('SPT').
2. Under section 11A(2) of the Act, the Gas and Electricity Markets Authority ('the Authority')¹ gave notice on 9 December 2024 ('the Notice') of its proposal to modify special conditions of the Licence, through modification of Appendix 1 of SpC 3.14 (Medium Sized Investment Projects (MSIP) Re-opener and Price Control Deliverable (MSIPRET)) of the Licence.
3. The Authority stated that any representations to be made in respect of the proposed modifications must be made on or before 14 January 2025.
4. A copy of the Notice was sent to the Secretary of State in accordance with section 11A(4)(b) of the Act. The Authority has not received a direction that the change should not be made.
5. The Authority received two representations² with respect to the proposed modifications.
6. The Authority has properly and comprehensively taken account of all representations. Both NGET and SPT have confirmed their support for the proposed modifications.
7. All non-confidential representations have since been published on the Authority's website.
8. Particulars of the aforementioned modifications to the Licence are set out in Schedule 1 (for NGET) and Schedule 2 (for SPT) attached to this Notice.
9. No amendments to the proposed modifications have been made by the Authority upon its consideration of the representations received by the Authority, as to bring about any differences between the modifications which have now been decided upon, and the proposed modifications previously set out in the Notice.

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

² <https://www.ofgem.gov.uk/consultation/statutory-consultation-proposed-modifications-special-conditions-electricity-transmission-licences>

10. We are incorporating the Price Control Deliverables ('PCDs') into Appendix 1 of SpC 3.14, to give effect to the decision of the Authority dated 9 December 2024 to approve funding for NGET's seven and SPT's two MSIP projects respectively, and in the terms set out in that decision.
11. The effect of the modifications is to set PCDs related to NGET's seven and SPT's two MSIP projects and to set the allowances for their delivery. If NGET does not deliver its PCDs or SPT does not deliver its PCDs during the RII0-ET2 price control, then the price control framework enables their respective relevant PCD allowances to be clawed back.
12. Where any application for permission to appeal our decision is made to the Competition and Markets Authority ('CMA') under section 11C of the Act, then Rule 5.6 of the Energy Licence Modification Appeals: Competition and Markets Authority Rules³ requires the appellant to send, to any relevant licence holder(s) which is not a party to the appeal, a non-sensitive notice setting out the matters required in Rule 5.2. Schedule 3 to this Notice, provides a list of relevant licence holders in this instance. Section 11A(10) of the Act sets out the meaning of 'relevant licence holder'.
13. Accordingly, pursuant to the power provided by section 11A(1)(a) of the Act, the Authority has decided to make the modifications in the manner specified in Schedules 1 and 2 attached to this Notice.
14. The modifications will have effect from 9 April 2025.
15. For the purposes of section 49A(2) of the Act, this Notice states the reasons for the Authority's decision to make the aforementioned modifications, so far as the Authority considers appropriate for the purpose of bringing the matters to which the Notice relates to the attention of persons likely to be interested.

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Nathan Macwhinnie
Duly authorised on behalf of the
Gas and Electricity Markets Authority

12 February 2025

³ CMA70 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/655601/energy-licence-modification-appeals-rules.pdf

Schedule 1: Modifications to Appendix 1 in Special Condition 3.14 of the electricity transmission license held by National Grid Energy Transmission Plc

(For the modifications in this decision, new text is double underscored and text removed is double struck through. No amendment was made since the proposed modifications in the Notice.)

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	<u>4.468</u>
	b) Refurbishment at Seabank 400kV Substation		-	0.391	1.904	2.03	1.777	<u>6.102</u>
	c) Refurbishment at Sellindge 400kV I Substation		-	0.405	0.762	1.344	0.034	<u>2.545</u>
	d) Refurbishment at West Ham 400kV Substation		-	0.286	1.06	2.755	2.966	<u>7.067</u>
	e) Replacement with HV cable at Monk Fryston 275kV GIB		-	0.034	0.093	4.662	0.018	<u>4.807</u>
	f) Replacement of 427 SF6 filled current transformer listed in the NGET Redacted Information Document		-	-	6.467	7.831	9.544	<u>23.842</u>

MSIP project	Output	Delivery date	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	Total
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	<u>3.0266</u>
Cellarhead Customer Connection	Complete Cellarhead Customer Connection	By 31 March 2023	0.1858	0.2494	0.0062	-	-	<u>0.4414</u>
Frodsham Customer Connection	Complete Frodsham Customer Connection	By 31 March 2023	0.3385	0.1051	-	-	-	<u>0.4436</u>
Lister Drive Customer Connection	Complete Lister Drive Customer Connection	By 31 March 2023	0.6056	0.0905	-	-	-	<u>0.6961</u>
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	<u>8.8065</u>
<u>Pennine Pathfinders</u>	<u>(a) complete 200MVAR shunt reactor project at Stalybridge 400kV substation</u>	<u>(a) By 31 August 2024</u>	<u>0.0</u>	<u>1.368</u>	<u>3.343</u>	<u>0.391</u>	<u>0.0</u>	<u>5.102</u>
	<u>(b) complete 200MVAR shunt reactor project at Stocksbridge 400kV substation</u>	<u>(b) By 31 August 2024</u>	<u>0.0</u>	<u>1.621</u>	<u>3.294</u>	<u>0.721</u>	<u>0.0</u>	<u>5.636</u>
	<u>(c) complete 100MVAR shunt reactor project at Bradford West 275kV substation</u>	<u>(c) By 31 August 2024</u>	<u>0.0</u>	<u>0.806</u>	<u>3.543</u>	<u>0.389</u>	<u>0.0</u>	<u>4.739</u>
<u>Leiston 132kV Substation Connection</u>	<u>Complete demand connection for Sizewell C at Leiston 132kV Substation</u>	<u>By 30 June 2026</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>3.526</u>	<u>1.557</u>	<u>5.083</u>
<u>Elland 132kV Substation Connection</u>	<u>Complete connection to Northern</u>	<u>By 24 October 2023</u>	<u>0.0</u>	<u>0.036</u>	<u>0.041</u>	<u>0.0</u>	<u>0.0</u>	<u>0.077</u>

MSIP project	Output	Delivery date	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	Total
	<u>Powergrid at Elland 132kV Substation</u>							
<u>Willesden 66kV SEPD Connection</u>	<u>Complete demand connection to SEPD at Willesden 66kV substation</u>	<u>By 30 November 2024</u>	<u>2.169</u>	<u>0.503</u>	<u>1.464</u>	<u>0.095</u>	<u>0.0</u>	<u>4.231</u>
<u>Willesden Microsoft Data Centre Connection</u>	<u>Complete demand connection to Microsoft Data Centre at Kensal Green 400kV and Willesden 400kV and 66kV substations</u>	<u>By 30 August 2027</u>	<u>0.0</u>	<u>0.0</u>	<u>0.811</u>	<u>0.845</u>	<u>0.0</u>	<u>1.656</u>

Schedule 2: Modifications to Appendix 1 in Special Condition 3.14 of the electricity transmission licence held by SP Transmission Plc

(For the modifications in this decision, new text is double underscored and text removed is double struck through. No amendment was made since the proposed modifications in the Notice.)

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
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
<u>Constraint Management OTS</u>	<u>Completion of the OTS at Strathaven 400kV Substation, Middlemuir 132kV Substation, Linmill 132kV Substation, Moffatt 132kV Substation and Arcleoch 132kV Substation</u>	<u>31 October 2024</u>	<u>0.0</u>	<u>0.0</u>	<u>0.245</u>	<u>0.755</u>	<u>0.0</u>	<u>1.000</u>
<u>Enoch Hill Collector Substation</u>	<u>Completion of the Enoch Hill 132/33kV Collector Substation</u>	<u>30 May 2025</u>	<u>0.041</u>	<u>0.718</u>	<u>5.352</u>	<u>4.271</u>	<u>0.146</u>	<u>10.529</u>

Schedule 3: Relevant Licence Holders⁴

National Grid Energy Transmission Plc
SP Transmission Plc

⁴ <https://www.ofgem.gov.uk/publications/list-all-electricity-licensees-including-suppliers>