

To:

National Grid Electricity Transmission Plc

Scottish Power Transmission Plc

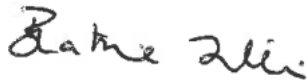
Scottish Hydro Electric Transmission Plc

Direction under Part E of Special Condition 9.21 (Conflict Mitigation Arrangements for Onshore Transmission Tender Exercise) to issue Conflict Management Audit Terms of Reference

1. Each of the licensees to whom this document is addressed is the holder of an Electricity Transmission licence ('the Licence') granted or treated as granted under section 6(1)(b) of the Electricity Act 1989 ('the Act').
2. On 10 December 2024 the Gas and Electricity Markets Authority ("the Authority")¹ published on its website the text of the Conflict Management Audit Terms of Reference and stated that representations must be made on or before 13 January 2025.
3. We received 4 representations, which we have carefully considered. We have placed all non-confidential representations on our website. Our response to these representations is set out in our Decision on Modifications to the special licence conditions in the electricity transmission licences: Early Competition in Onshore Electricity Transmission published alongside this document or can be found on our website at www.ofgem.gov.uk.
4. We have made a number of changes to the proposed text as a result of representations and have also made some typographical changes, where necessary, to improve drafting. The full text of the Conflict Management Audit Terms of Reference as well as the tracked changes version compared with the version published on 10 December 2024 is published alongside this document or can be found on our website at www.ofgem.gov.uk.
5. The reason for this direction is to give effect to our Decision to issue a Conflict Management Audit Terms of Reference which provides the Terms of Reference for the external audit in Special Condition 9.21 Conflict Mitigation Arrangements for Onshore Transmission Tender Exercise.

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

6. This direction is our notice of reasons for the purposes of section 49A of the Electricity Act 1989.
7. The Authority directs pursuant to the provisions of Special Condition 9.21⁽²⁾ that the Conflict Management Audit Terms of Reference is issued. This direction will take effect from 19 June 2025. The Conflict Management Audit Terms of Reference will take effect from 19 June 2025



Beatrice Filkin

Duly authorised on behalf of the Gas and Electricity Markets Authority

24 April 2025

⁽²⁾ In accordance with the notice issued under s 11A(1)(a) of the Electricity Act 1989, Special Condition 9.21 Conflict Mitigation Arrangements for Onshore Transmission Tender Exercise takes effect from 19 June 2025.