

Decision

Norwich Tilbury - Decision on Early Construction Funding and Modification to special conditions of the electricity transmission licence

Publication date: 9 April 2025

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This document confirms our decision to approve Early Construction Funding (ECF) for the Norwich to Tilbury electricity transmission project.¹ This decision is taken in line with National Grid Electricity Transmission's (NGET) electricity transmission licence (the Licence), Special Condition (SpC) 3.41 'Accelerated strategic transmission investment Re-opener and Price Control Deliverable term (ASTIRt)'.

This document outlines our consultation position, the responses to the consultation, our view of the responses and our final position. Non-confidential responses are published alongside this decision. This decision document and corresponding Statutory Decision Notice of Modification published alongside it confirm our decision to proceed to modify the SpC and to adjust the ASTIRt term and allowances referenced in Appendix 1 of SpC 3.41.

¹ [Norwich Tilbury – Early Construction Funding consultation | Ofgem](#)

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Contents

Norwich Tilbury - Decision on Early Construction Funding and Modification to special conditions of the electricity transmission licence 1

Executive Summary	4
Decision	4
Next steps	4
1. Context	5
2. Related publications	5
Consultation stages	6
3. Norwich to Tilbury Early Construction Funding Assessment	7
Brief description of Norwich to Tilbury	7
Norwich to Tilbury NGET ECF application	8
Consultation position	9
'1. Do you agree with our minded-to position to provide ECF for the project?'	10
'2. Do you agree with our proposed modification to adjust ASTIA in Appendix 1 of SpC 3.41?'	12
4. Our decision	13
5. Next Steps	14

Executive Summary

In August 2024 we consulted on our minded to position to adjust allowances (ASTIAt) set out in the ASTI Confidential Annex that is referenced in Appendix 1 of Special Condition (SpC) 3.41 'Accelerated Strategic Transmission Investment Re-opener and Price Control Deliverable term (ASTIRt)' Part C: Early Construction Funding².

The consultation was carried out under the NGET electricity transmission licence to reflect NGET's ECF request for the Norwich to Tilbury project (NOA codes: AENC (Northeast Anglia) and ATNC (Southeast Anglia)) electricity transmission project, which involves enabling works for network reinforcement and key generation connections on the Northeastern English coastline.

In our consultation we also included the statutory notice of our proposed modification to adjust the ASTIAt term as referenced in Appendix 1 of SpC 3.41 to give effect to our minded to position.

Decision

This document confirms our decision to proceed and adjust the allowances set out in Appendix 1 (ASTIAt) of SpC 3.41 'Accelerated strategic transmission investment Re-opener and Price Control Deliverable term (ASTIAt)' in NGET's electricity transmission licence to allow NGET's ECF expenditure request. The term will have the value given in the corresponding updated version of the ASTI Confidential Annex. It should be noted that our consultation position calculated NGET's ECF expenditure request against the combined total for both AENC and ATNC at 1%. However, the request was submitted for AENC only, and so the correct percentage attributable is 2.93%. This does not change the allowance in the ASTI Confidential Annex.

Next steps

In accordance with section 11A of the Electricity Act 1989, the license modification will take effect 56 days after the publication of the modification. Based on our recent engagement with NGET, we expect an Accelerated Strategic Transmission Investment Project Assessment (ASTI PA) submission request in late 2026/early 2027. We will undertake a full cost assessment, including ECF costs, at the ASTI PA stage and will review the efficiency of ECF expenditure.

² [Norwich Tilbury – Early Construction Funding consultation | Ofgem](#)

1. Context

- 1.1 This document confirms our decision on our minded-to position regarding NGET's ECF request for the Norwich to Tilbury electricity transmission project, involving enabling works for network reinforcement and key generation connections on the Northeastern English coastline.
- 1.2 Chapter 2 sets out related publications and consultation stages.
- 1.3 Chapter 3 describes the Norwich to Tilbury project and summarises our consultation position, the responses we received and our views regarding those responses.³
- 1.4 Chapter 4 sets out our decision considering the consultation responses.
- 1.5 Chapter 5 sets out the next steps concerning the Norwich to Tilbury project.
- 1.6 Alongside this decision we are also publishing the amendments to SpC 3.41 which will give effect to our decision. In accordance with section 11A of the Electricity Act 1989, the licence modification will take effect 56 days after the publication of this decision to proceed with the making of modifications.

2. Related publications

- 2.1 Early Construction Funding and proposed modification to the special conditions of the electricity transmission licence: [Norwich Tilbury – Early Construction Funding consultation | Ofgem](#)
- 2.2 Decision on accelerating onshore electricity transmission investment: [Decision on accelerating onshore electricity transmission investment | Ofgem](#)
- 2.3 Decision to modify the special licence conditions in the electricity transmission licences: Accelerated Strategic Transmission Investment: [Decision to modify the special licence conditions in the electricity transmission licences: Accelerated Strategic Transmission Investment | Ofgem](#)
- 2.4 Decision to modify the special licence conditions in the electricity transmission licences: Accelerated Strategic Transmission Investment, Accelerated Strategic Transmission Investment Guidance And Submission Requirements Document:

³ The terms 'Ofgem', 'the Authority', 'we' and 'us' are used interchangeably in this document.

Decision –Norwich Tilbury - Decision on Early Construction Funding and Modification to special conditions of the electricity transmission licence

[Decision to modify the special licence conditions in the electricity transmission licences: Accelerated Strategic Transmission Investment | Ofgem](#)

Consultation stages

Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
Consultation open	Consultation closes (awaiting decision). Deadline for responses	Responses reviewed and published	Licence modification decision	Licence modifications come into effect
13 August 2024	10 September 2024	9 April 2025	9 April 2025	56 days after the licence modification decision ⁴

⁴ Section 11A(9) of the Electricity Act 1989

3.Norwich to Tilbury Early Construction Funding Assessment

- 3.1 The Norwich to Tilbury project is comprised of the Northeast Anglia (NOA code: AENC) and Southeast Anglia (NOA Code: ATNC) projects. These projects are being progressed as a single entity to enable delivery in an economic and efficient manner.
- 3.2 Any reference to 'Norwich to Tilbury' and / or 'the Project' in this document is referring to both AENC and ATNC projects. The project codes will remain separable to ensure clear forecasting and reporting and allow for the projects to be separated later, should consents or delivery strategy require.

Brief description of Norwich to Tilbury

- 3.3 Norwich to Tilbury is a project which involves delivering approximately 60km of new 400kV transmission line between Norwich Main and Bramford substations and approximately 120km of new 400kV transmission line between Bramford and Tilbury substations via a new connection substation to be located in the Tendring district. The majority of the reinforcement will consist of steel lattice pylons supporting overhead line, with the use of underground cables through the Dedham Vale Area of Outstanding Natural Beauty (AONB).
- 3.4 Some associated work may be required at substations and elsewhere to connect the reinforcements to the existing network and to ensure the safe construction and operation of the reinforcement.
- 3.5 The Project as currently proposed by NGET is a nationally significant infrastructure project (NSIP) that will trigger the need to submit a Development Consent Order (DCO).⁵




⁵ [Introduction to National Infrastructure Planning Guidance - GOV.UK](#)

Decision –Norwich Tilbury - Decision on Early Construction Funding and Modification to special conditions of the electricity transmission licence



Figure 1: Norwich Tilbury layout

Key

-  ATNC East Anglia Green South Route – Bramford – EACN substation - Tilbury
-  AENC East Anglia Green North Route – Norwich Main – Bramford
-  Approximate Location of the new East Anglia Connection Node Substation

Norwich to Tilbury NGET ECF application

- 3.6 NGET made an application for ECF under Part C of SpC 3.41 of their licence to enable funding of early construction activities for the Norwich to Tilbury project.
- 3.7 It should be noted that our consultation position calculated NGET's ECF expenditure request against the combined total forecast cost for both AENC and ATNC at 1%. However, the request was submitted for AENC only, and so the correct percentage attributable is 2.93%. This does not affect our assessment of the submission or the allowance in the ASTI Confidential Annex.

Decision –Norwich Tilbury - Decision on Early Construction Funding and Modification to special conditions of the electricity transmission licence

Table 1: Norwich to Tilbury ECF application

Project	Percentage of total project spend	Percentage remainder of cap available
AENC	2.93%	17.07%

Table 2: Summary of works submitted for each of the ECF categories

ECF category	Summary of works
Other activities approved in advance by Ofgem	Commence Front End Engineering Design (FEED), design and build works for the two new Norwich Tilbury bays to take advantage of synergies from interfacing customer connection works

Consultation position

- 3.8 We consulted on our minded-to decision to approve NGET's application for ECF for the Norwich-Tilbury project. Our consultation position was that NGET's ECF application is within the maximum ASTI ECF allowance of 20% of the total forecast project cost as set by SpC 3.41.8.
- 3.9 We considered that the activities identified by NGET fell within the ECF permitted activity areas.⁶
- 3.10 We agreed that delivering the FEED works in line with customer connections works makes sense from a project delivery and efficiency perspective and should significantly de-risk the programme. It facilitates completion by the required Earliest in Service Date (EISD) and assists with achieving a coherent and co-ordinated design in line with the customer connections works. We considered that the ECF activities strike the appropriate balance between assisting acceleration and protecting consumers from potentially excessive cost exposure in the event that the projects do not progress.
- 3.11 Our minded-to position was to approve NGET's request for ECF.

Consultation responses

- 3.12 Six hundred and fifty-two consultation responses were received in the consultation period. We welcome the diverse views and thank respondents for their submissions.

⁶ [Decision to modify the special licence conditions in the electricity transmission licences: Accelerated Strategic Transmission Investment](#), Accelerated Strategic Transmission Investment Guidance And Submission Requirements Document, paragraph 4.13

- 3.13 Many of these were from individual stakeholders and community groups that went beyond the specific questions included in the consultation document.
- 3.14 In this section we have provided a summary of the responses and responded to the views put forward within them.

Our view on the feedback received

'1. Do you agree with our minded-to position to provide ECF for the project?'

- 3.15 Many of the consultation responses felt that alternative options had not been sufficiently considered. Others noted that the project 'should be paused for review whilst need, timings and alternative solutions are investigated more thoroughly'.
- 3.16 Approval of ECF does not constitute a full funding decision on the project. It is also not a relevant consideration or predeterminant of the DCO approval process. ECF enables TOs to secure access to the supply chain, and carry out permitted early construction activities ahead of the project receiving planning permission and/or the final costs for the project being set at the Project Assessment (PA) stage. NGET are expected to submit an Accelerated Strategic Transmission Investment Project Assessment (ASTI PA) submission request in late 2026/early 2027.
- 3.17 Furthermore, while we recognise the impact on communities these projects may have, Ofgem is not the body responsible for designing the GB energy network and does not design projects or determine the type of network reinforcements required. The TOs and the NESO are responsible for designing projects and selecting which projects are needed to meet the network requirements.
- 3.18 Once the future network need has been established, the TOs develop a range of options that can meet the system requirements. The NESO then assesses the different options to reinforce boundaries across the network as part of the Network Options Assessment (NOA) and makes recommendations on a coordinated network design⁷.
- 3.19 As economic regulator, we consider the investment case for transmission projects presented to us and the efficient costs that can be recovered from consumers for delivering these projects. We will take into account the outcome of the planning process in assessing the costs that network companies are allowed to recover from consumers for projects.

⁷ [Network Options Assessment \(NOA\) | National Energy System Operator](#)

- 3.20 For more information on Ofgem’s responsibilities please see our website⁸.
- 3.21 It is important to note that the project is integral to achieving Government’s mission of clean power by 2030. As such we consider that the needs case for the project identified through the ASTI regime in 2022 has been further strengthened by the NESO advice to Government on Clean Power 2030.⁹
- 3.22 Respondents questioned the impact on NGET if ECF is not granted and challenged the argument that it would drive higher expenditure towards the end of the programme or that it would lead to higher levels of delivery risk.
- 3.23 ECF is a key component of the ASTI regulatory framework applicable to the project. By allowing the developing TOs to have earlier access to the supply chain and funding limited facilitating development works, critical projects such as this one can be delivered at an accelerated pace which is beneficial to consumers. The principle under ECF is that this should, in most cases be limited to 20% of the project value to protect consumers against significant spend on projects that may not end up receiving planning permission. Our view remains that delivering the FEED works in line with customer connections works makes sense from a project delivery and efficiency perspective and should significantly de-risk the programme. It facilitates completion by the required Earliest in Service Date (EISD) and assists with achieving a coherent and co-ordinated design in line with the customer connections works.
- 3.24 There was concern raised by some respondents that Ofgem will not conduct a detailed cost assessment of this project. Ofgem’s principal objective is to protect the interests of current and future energy consumers across GB. All project costs, including those accessed through ECF, are subject to cost assessment at the point of PA submission and the review of efficiency of ECF expenditure at this stage, as indicated in our ASTI guidance.¹⁰
- 3.25 Respondents repeated highlighted concerns raised by Ofgem to NGET regarding the risk that design work undertaken now might become abortive if a DCO is not awarded and premature commitment. As noted in the consultation, we are content that the bays will likely be utilised in the event the main project does not receive a DCO and are therefore not surplus to requirements.

⁸ [Electricity transmission infrastructure: what’s changed | Ofgem](#)

⁹ [Clean Power 2030 Action Plan - GOV.UK](#)

¹⁰ [Accelerated Strategic Transmission Investment Guidance And Submission Requirements Document](#)

- 3.26 Regarding concerns raised by respondents on pre-determining the DCO, Ofgem does not have a role in the DCO decision. More information on the role of Ofgem is available at the link in paragraph 3.20.
- 3.27 Other respondents noted that the proposed Norwich-Tilbury project will help deliver necessary capacity to support customer connections in the East Anglia area and support the government Net Zero objective.
- 3.28 Many respondents felt there was insufficient information for individuals to adequately assess and comment on the proposals in our consultation and highlighted that they did not have access to the ASTI Confidential Annex. Ofgem strive to ensure that our publications are clear and provide relevant information succinctly, to enable stakeholders to make informed responses. With regard to the ASTI Confidential Annex, we have an obligation not prejudice NGET or other third party commercial interests by publishing confidential or commercially sensitive information.
- 3.29 Finally, many respondents also felt there was insufficient time to respond to the consultation. As per Ofgem’s consultation policies, consultations are open for ‘a proportionate amount of time relevant to the nature and impact of the decision being made without unnecessarily delay to policy developments’¹¹. We note that the 4-week period aligns with the consultation period provided by Ofgem in consultations for policy proposals of a similar scope and impact. Additionally, it is set out in the Accelerated Strategic Transmission Investment Guidance And Submission Requirements Document that we will consult on our proposed findings for a period of four weeks.¹²

‘2. Do you agree with our proposed modification to adjust ASTIAt in Appendix 1 of SpC 3.41?’

- 3.30 NGET raised that 1% in the consultation document was a percentage based on the accumulation of the total estimated project costs for both AENC and ATNC. They suggested that the corrected attribution of 2.93% of ECF should be applied, as only funding against AENC was requested. We agree with the point raised, and that therefore 2.93% is the correct attribution which will be reflected.

¹¹ [Ofgem's consultation policy | Ofgem](#)

¹² [Accelerated Strategic Transmission Investment Guidance And Submission Requirements Document](#)

- 3.31 They also noted a number of housekeeping corrections in the licence modification. We agreed with raised points on housekeeping corrections and have made these amendments in the decision notice published alongside this document.

4. Our decision

- 4.1 We maintain our consultation position that the activities identified by NGET fall within the ECF permitted activity areas as set out under the ASTI licence conditions in NGET's electricity transmission licence.¹³
- 4.2 We are satisfied that the ECF NGET have requested will accelerate delivery of the wider Norwich-Tilbury project and that it is in consumers interests for the costs to be incurred early.
- 4.3 We agree with the feedback on the proposed amendments to the modifications to NGET's electricity transmission licence which we set out the decision notice.
- 4.4 After careful consideration of the responses, our decision is to maintain our consultation position to approve NGET's full request for ECF, calculated as 2.93% of the forecast project cost of AENC listed in the ASTI Confidential Annex.

¹³ [Decision to modify the special licence conditions in the electricity transmission licences: Accelerated Strategic Transmission Investment | Ofgem](#)

5.Next Steps

- 5.1 We are publishing alongside this decision the amendments to SpC 3.41 in accordance with section 11A of the Electricity Act 1989.
- 5.2 Please note that other proposals that might affect SpC 3.41 currently being consulted on are not reflected in the drafting.
- 5.3 The modifications to SpC 3.41 and the ASTI Confidential Annex will take effect 56 days after this decision and modification is made.
- 5.4 Based on our recent engagement with NGET, we expect an ASTI PA submission request in late 2026/early 2027. We will undertake a full cost assessment, including ECF costs, at the ASTI PA stage and will review whether ECF expenditure was efficient.