

To:

National Grid Electricity Transmission Plc

Scottish Hydro Electric Transmission Plc

Scottish Power Transmission Plc

Direction under Part E of Special Condition 3.44 (Development Funding Price Control Deliverable and Use It Or Lose It Adjustment (DfT)) to issue the Transitional Centralised Strategic Network Plan 2 Guidance and Submission Requirements Document

1. Each of the companies to whom this direction is addressed is the holder of an electricity transmission licence granted or treated as granted under section 6(1)(b) of the Electricity Act 1989.
2. In accordance with paragraph 3.44.13 of Special Condition 3.44 (Part E: Transitional Centralised Strategic Network Plan 2 Guidance and Submission Requirements Document), on 25 April 2025 the Gas and Electricity Markets Authority ("the Authority")¹ published on its website the text of the proposed Transitional Centralised Strategic Network Plan 2 Guidance and Submission Requirements Document and stated that representations must be made on or before 24 May 2025.
3. We received 3 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 to modify the Price Control Financial Instruments and licence conditions for electricity and gas distribution and transmission, which can be found at <https://www.ofgem.gov.uk/publications/decision-modify-price-control-financial-instruments-and-licence-conditions-gas-and-electricity-transmission-and-distribution>.
4. We have made a number of changes to the proposed text as a result of representations and we have also made some typographical changes, where necessary, to improve drafting. The full text of the Transitional Centralised Strategic Network Plan 2 Guidance and Submission Requirements Document as well as a track change version compared with that published on 25 April 2025 can be found at <https://www.ofgem.gov.uk/publications/decision-modify-price-control-financial-instruments-and-licence-conditions-gas-and-electricity-transmission-and-distribution>.
5. The reason for this direction is to give effect to our Decision to have an Transitional Centralised Strategic Network Plan 2 Guidance and Submission Requirements Document to

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

provide further detail on the electricity transmission licensees' obligations, the information submission requirements and the Authority's assessment approach in respect of Special Condition 3.44 (Development Funding Price Control Deliverable and Use It Or Lose It Adjustment (DFt) and Special Condition 3.45 (Delivery Track Pre-Construction Funding Re-opener, Price Control Deliverable and Use It Or Lose It Adjustment (DTPCFt).

6. This direction is our notice of reasons for the purposes of section 49A of the Electricity Act 1989.
7. Now the Authority pursuant to the provisions of Special Condition 3.41 hereby directs that the Transitional Centralised Strategic Network Plan 2 Guidance and Submission Requirements Document is issued and will have effect from 26 August 2025.

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Beatrice Filkin

Director, Major Projects

Duly Authorised on behalf of the Gas and Electricity Markets Authority (01 July 2025)