

Decision

Decision to modify NGET's electricity transmission license – Large Onshore Transmission Investment: Melksham Substation

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In May 2025 we consulted on a modification to Special Condition 3.13 of National Grid Electricity Transmission's (NGET) electricity transmission licence to adjust the delivery date and re-profile allowances for substation at the Melksham related to EDF's Hinkley Point C nuclear power station.

This document sets out our decision on the proposed licence modification following consideration of all consultation responses.

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1.Introduction

Section summary

This section provides background information regarding the substation at Melksham, the current regulatory arrangements and NGET’s rationale for submitting a request asking Ofgem to revise the project delivery date.

Background

- 1.1 As part of the Hinkley Connection Project (HCP) to enable the commissioning of Électricité de France’s (EDF) Hinkley Point C Nuclear Power Station (Hinkley C),¹ NGET is required to deliver circuit transposition substation at the nearby Melksham substation.
- 1.2 NGET was provided baseline funding in RIIO-ET2 to deliver these substation through the Large Onshore Transmission Investment (LOTI)² framework with a delivery date of 31 December 2024, which was set to align with the expected connection of the nuclear generation at Hinkley C. Further details regarding the scope of work can be found in National Grid’s Hinkley Point C connection overview.³
- 1.3 Hinkley C had an original commissioning date of 2017 for the first unit of generation however, through the Modification Application (ModApp) process, EDF has since delayed the commissioning date to 2029 (the currently forecasted date).
- 1.4 NGET has been engaging with Ofgem on the Melksham substation for several years in order to ensure the scope of work originally funded in RIIO-ET2 remains appropriate and that the substation is delivered at an optimal time to maximise consumer value.
- 1.5 Following the delay to commissioning of Hinkley C, NGET undertook a review of its substation programme which concluded that the originally funded scope of work at Hinkley was still appropriate, however delivering the project by 2024 would mean that the assets would remain unused or under-utilised for a number of years before the generation at Hinkley C connects.

¹ [Hinkley Point C | EDF](#)

² [Large Onshore Transmission Investments \(LOTI\) Re-opener Guidance | Ofgem](#)

³ [National Grid Hinkley Point C connection](#)

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- 1.6 NGET’s review also found that delaying delivery of the Melksham substation will allow NGET to deliver additional value to consumers by bringing forward work to:
- Accelerate other customer connection substation by 2 years, bringing 107MW onto the network earlier than expected in support of the transition to Net Zero; and
 - Install a shunt reactor to provide reactive power services to NESO in order to maintain Security and Quality of Supply (SQSS) compliance and reduce constraint costs for consumers via improved voltage control.
- 1.7 NGET did not request any change to the scope of work already funded and did not request any additional allowances to deliver the Melksham substation.

Our decision-making process

- 1.8 We consulted on a proposed licence modification to Appendix 2 of Special Condition 3.13 Large Onshore Investment Re-opener in NGET’s electricity transmission license to amend the delivery date from 31 December 2024 to 31 December 2028 and we received two responses to the consultation, from NGET and Scottish Hydro Electric Transmission (SHET).

Decision-making stages

Date	Stage description
14/05/2025	Stage 1: Consultation open
12/06/2025	Stage 2: Consultation closes (awaiting decision), Deadline for responses
June 2025	Stage 3: Responses reviewed and published
04/07/2025	Stage 4: Consultation decision/policy statement

2. Decision to modify Special Condition 3.13

Section summary

This section outlines the request to modify the license condition as submitted by NGET. It sets out the key points in our consultation and an overview of responses we received to that consultation.

Ofgem consultation position and consultation responses

- 2.1** In May 2025, we consulted on our minded-to position to accept the proposed licence modification request from NGET to amend the delivery date for the Melksham substation from 31 December 2024 to 31 December 2028. Do you agree with our minded-to position on the license modification for Melksham substation?
- 2.2** We received two responses from NGET and SHET both agreed with the proposed licence modification to change the delivery date for the Melksham substation while retaining the existing allowances and Price Control Deliverable (PCD) outputs, with allowances reprofiled to match expected expenditure timelines.

Our decision

- 2.3** Following consideration of all consultation responses we have decided to modify Appendix 2 of Special Condition 3.13 in NGET’s licence as per our consultation proposal without any further revision. Therefore, the delivery date of Melksham substation will now be 31 December 2028 with an unchanged LOTI output.
- 2.4** Although there is no change to the allowances provided to NGET to deliver this PCD, we have decided to reprofile the already-provided allowances so that they match NGET’s expected expenditure on the project. This information is confidential and contained in the NGET Redacted Information Document – we have provided an updated version of this document to NGET.
- 2.5** A revised version of the license condition is published with this document, which will include the following modification⁴ to Appendix 2 of Special Condition 3.13:

⁴ The table below has been extracted from the main license document and does not meet public sector accessibility requirements. If you need this information in an alternative format, please contact us at RIIOElectricityTransmission@ofgem.gov.uk.

Appendix 2

LOTI Outputs and allowances (£m)

LOTI Output	Delivery date	Regulatory Year						
		2021/ 22	2022/ 23	2023/ 24	2024 /25	2025/ 26	2026/ 27	2027/ 28
Hinkley – Seabank, 31 as specified in Table 5 of Special Condition 6I (Specification of Baseline Wider Substation Outputs and Strategic Wider Substation Outputs and Assessment of Allowed Expenditure) of this licence as in force on 31 March 2021.	December 2024 2028	Have the values given in the NGET Redacted Information Document						

Next Steps

- 2.6 Following this decision there is a 56-day implementation period before this licence modification comes into effect, therefore the modification will be in force from 29 August 2025.

General feedback

We believe that consultation is at the heart of good policy development. We are keen to receive your comments about this report. We’d also like to get your answers to these questions:

- 1.1. Do you have any comments about the overall quality of this document?
- 1.2. Do you have any comments about its tone and content?
- 1.3. Was it easy to read and understand? Or could it have been better written?
- 1.4. Are its conclusions balanced?
- 1.5. Any further comments.
- 1.6. Please send any general feedback comments to stakeholders@ofgem.gov.uk