

# Decision

## Denny Wishaw – Decision on Early Construction Funding

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Following our consultation in January 2025<sup>1</sup>, this document confirms our decision on the Early Construction Funding (ECF) for the Denny to Wishaw Reinforcement Project (DWNO). This decision is taken in line with SP Transmission Plc's (SPT) 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 confirms our decision to proceed to modify the SpC and to adjust the ASTIAt term and allowances referenced in Appendix 1 of SpC 3.41.

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<sup>1</sup> [Denny Wishaw: Early Construction Funding and proposed modification to electricity transmission licence | Ofgem](#)

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## Executive summary

In January 2025, we consulted on our minded-to position to adjust allowances (ASTIAt) set out in the ASTI Confidential Annex 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 Funding (ECF).<sup>2</sup>

This is governed by the SP Transmission Plc (SPT) electricity transmission licence and the consultation reflected SPT’s ECF request for the Denny to Wishaw reinforcement project (NOA code: DWNO). The project involves a new 400kV overhead line from Bonnybridge substation to an existing overhead line north of Glenmavis, associated substation works, conductor replacement, and uprating on existing routes to establish a fourth north to south double circuit Supergrid overhead line route through the Scottish central belt and crossing the B5 boundary.

## Decision

The consultation included a statutory notice of the proposed modification to adjust the ASTIAt term. Following consideration of responses to our consultation, our decision is to adjust the allowances in Appendix 1 of SpC 3.41 to allow SPT’s ECF expenditure request, with the term value given in the updated ASTI Confidential Annex. This decision also clarifies the ECF allowance requested by SPT which we have approved.

## Next steps

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

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<sup>2</sup> [Denny Wishaw: Early Construction Funding and proposed modification to electricity transmission licence | Ofgem](#)

# 1. Context

This section covers the context for this publication, including the previous publications and the timescales for the decision-making process.

- 1.1 This document confirms our decision on SPT's ECF request for the Denny to Wishaw reinforcement electricity transmission project (NOA code: DWNO). The DWNO project involves the construction of a new 400kV double circuit overhead line (OHL) from Bonnybridge substation to an existing OHL located north of Glenmavis, alongside associated substation works, conductor replacement, and uprating on existing routes to establish a fourth north-to-south double circuit Supergrid overhead line route through the Scottish central belt, crossing the B5 boundary.
- 1.2 Chapter 2 summarises our minded-to position as set out in the January 2025 consultation, the responses we received, our views on those responses, and our final decision considering the consultation feedback.
- 1.3 Chapter 3 outlines the next steps concerning the DWNO project.
- 1.4 Alongside this decision, we are publishing amendments to Special Condition (SpC) 3.41 of SPT's electricity transmission licence, which will give effect to our decision to adjust the ASTIA term and allowances referenced in Appendix 1 of SpC 3.41. In accordance with section 11A of the Electricity Act 1989, the licence modification will take effect 56 days after the publication of the modification.

## Related publications

- 1.5 Decision on accelerating onshore electricity transmission investment: [Decision on accelerating onshore electricity transmission investment | Ofgem](#)
- 1.6 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](#)
- 1.7 Accelerated strategic transmission investment guidance: [Accelerated Strategic Transmission Investment Guidance And Submission Requirements Document.pdf](#)
- 1.8 Early Construction Funding and proposed modification to the special conditions of the electricity transmission licence: [Denny Wishaw: Early Construction Funding and proposed modification to electricity transmission licence | Ofgem](#)

## **Decision-making stages**

**Stage 1** Consultation open: 27/01/2025

**Stage 2** Consultation closes (awaiting decision). Deadline for responses: 24/02/2025

**Stage 3** Responses reviewed and published: 5/12/2025

**Stage 4** Consultation outcome (decision or policy statement): 5/12/2025

## 2. Denny Wishaw Early Construction Funding Assessment

This chapter summarises the DWNO submission, our minded-to position, the consultation responses received and our final decision.

### Overview of Denny Wishaw

- 2.1 The DWNO project is an Accelerated Strategic Transmission Investment (ASTI) project undertaken by SPT. The project involves the construction of a new 400kV double circuit OHL from Bonnybridge substation to an existing OHL north of Glenmavis, spanning approximately 19km, along with associated substation works at Denny North, Cumbernauld, and Wishaw. It also includes conductor replacement and voltage uprating on existing routes to establish a fourth north-to-south double circuit Supergrid overhead line route through the Scottish central belt, crossing the B5 boundary.
- 2.2 The DWNO project aims to enhance the transmission network's capacity to accommodate increased generation in the northern part of the UK, as identified in the Holistic Network Design (HND) and Network Options Assessment (NOA) published in January 2022. This upgrade supports the UK government's ambition to connect an additional 50GW of renewable energy to the grid by 2030, contributing to net zero targets. The project has an Earliest in Service Date (EISD) of October 2029, as we noted in our consultation.

### Overview of the ECF submission

- 2.3 The ECF submission, illustrated in Table 1, included the below key activities:
  - **Procurement of long lead items:** Including four bays of 400kV Gas Insulated Switchgear (GIS) and associated Gas Insulated Busbar (GIB) for Wishaw Substation, two 275/33kV Supergrid Transformers for Cumbernauld Grid Supply Point, and two 400kV Supergrid Transformers for Bonnybridge.
  - **Land acquisition:** Land acquisition to enable substation extensions at Denny North, Cumbernauld, and Wishaw, and to support the uprating of the OHL route.
  - **Early Enabling Works:** Detailed engineering design, environmental analysis, and impact assessments to support planning consent applications for OHL reconductoring, voltage uprating, route diversions, and substation extensions at Denny North, Cumbernauld, and Wishaw.
- 2.4 The project incorporates measures to mitigate environmental impact, such as avoiding the use of SF<sub>6</sub> (a potent greenhouse gas) in line with best available technology. SPT has also outlined strategies to manage residual risks, such as project cancellation, by ensuring that purchased land can be sold, GIS orders can be repurposed for other projects (e.g., Torness-Strathaven 400kV circuit), and

transformers can be redeployed for customer connection works or replacement projects.

**Table 1: DWNO ECF application at consultation stage (percentages rounded up / down to the nearest whole percent)**

<b>Project</b>	<b>Percentage of total project cost requested (%)</b>	<b>Remainder of cap available (%)</b>
DWNO	10	10

## Consultation position

- 2.5 We considered SPT's ECF request for an allowance of 10% of the total forecast project cost for the DWNO project, as set out in the ASTI Confidential Annex referenced in Appendix 1 of SpC 3.41. Our analysis confirmed that the requested funding aligns with the eligible activities outlined in the Accelerated Strategic Transmission Investment Guidance and Submission Requirements Document<sup>3</sup>, paragraph 4.13, including procurement of long lead items, strategic land purchases, and early enabling works such as design and environmental assessments.
- 2.6 Our minded-to position was to approve SPT's ECF request for 10% of the total forecast project cost. We considered this allocation struck an appropriate balance between accelerating project delivery to meet the EISD of October 2029 and protecting consumers from excessive cost exposure in the unlikely event of project cancellation by adopting suitable mitigation measures. We noted the requested allowance did not exceed 20% of the total forecast project cost, as stipulated by SpC 3.41.8 of the Licence.
- 2.7 While an ECF assessment is not an efficiency assessment, we considered SPT's needs case and preferred option for this project prior to making our decision. We note that SPT evaluated four options before selecting the preferred option, ensuring a robust decision-making process. We determined SPT demonstrated a relatively lower capital cost, avoiding the need for extensive 400kV and 275kV cable systems. The project will enhance capacity for new demand and generation connections in the Bonnybridge transmission circuit. We therefore consider it beneficial to the consumer that this project progress at pace.
- 2.8 We considered that the procurement of long lead items, including GIS, Supergrid Transformers, and associated equipment, is necessary to secure production

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<sup>3</sup> [Accelerated Strategic Transmission Investment Guidance And Submission Requirements Document.pdf](#)



facility slots and address potential supply chain constraints, thereby reducing the risk of project delays. Strategic land purchases and enabling works, such as detailed engineering design and environmental assessments, are critical to support planning consent applications expected in September 2026.

- 2.9 We noted SPT's measures to mitigate residual risks, such as the potential for project cancellation. These include provisions to sell purchased land, repurpose GIS for other projects (e.g. Torness-Strathaven 400kV circuit), and redeploy transformers for customer connection works or transformer replacement projects. These measures enhance consumer protection by minimising financial risk exposure.
- 2.10 We were satisfied that the proposed activities will accelerate the delivery of the DWNO project, supporting the UK's net zero targets by facilitating the connection of additional renewable energy. We also noted that a full cost assessment, including ECF expenditure, will be conducted at the ASTI Project Assessment (PA) stage to ensure efficiency, with stakeholders given the opportunity to provide feedback during that consultation.

## **Consultation responses**

- 2.11 We received one non-confidential response to the consultation from SPT. The TO supported Ofgem's proposal to approve 10% ECF for the DWNO project, recognising its importance in meeting Clean Power 2030 targets. The response confirmed the funding will enable timely procurement of long-lead assets and strategic land purchases, helping maintain the current delivery schedule. SPT also confirmed its support of the proposed modification to adjust ASTIAt in Appendix 1 of Special Condition 3.41 of the electricity transmission licence.

## **Clarification on the submission and update on our view**

- 2.12 During the course of finalising the DWNO decision, we engaged further with SPT to gain clarity on specific elements of its submission.
- 2.13 SPT's submission required a total of 15% of the project costs to cover ECF related activities, of which it explained 5% was intended to be covered through residual Large Onshore Transmission Investment (LOTI) Pre-Construction Funding (PCF), bringing the net additional ECF request to 10% to fully cover the ECF activities.
- 2.14 In discussions with SPT in March 2025, the TO stated it was a practical approach to use the remaining LOTI funds to partially cover costs related to the activities set out in the ECF request. We note that SPT was transparent about this intention from the outset, and it is clearly set out in its ECF submission.
- 2.15 Upon further consideration, our view is that SPT's proposal to use LOTI PCF funding for ECF activities is not in line with the ASTI guidance. While the guidance and our ASTI decision allows TOs to substitute PCF allowances between projects, this is limited to funding granted under ASTI only and excludes projects in receipt

of LOTI PCF funding (see para 5.23 and 5.27<sup>4</sup> of our ASTI Decision<sup>5</sup> and Chapter 3<sup>6</sup> of the ASTI Guidance<sup>7</sup>).

- 2.16 Consequently, we have decided to incorporate all costs related to the ECF activities within this ECF funding decision to ensure full compliance with the ASTI framework and to accurately reflect the scope of the proposed works. This approach will result in amending the ECF allowance from 10% (minded-to consultation position) to 15% (final decision) of total forecast project costs.
- 2.17 We do not consider further consultation on the amended ECF allowance is required as we are satisfied the activities have already been consulted on and the nature and cost of those activities has not changed. Additionally, we note the adjusted 15% allowance does not exceed 20% of the total forecast project cost, as stipulated by SpC 3.41.8, and the basis for assessment has not changed. Any ECF costs will remain subject to a full efficiency assessment at PA stage. Therefore, the change in the allowance does not alter our rationale for approving the ECF request. We consider that an additional consultation could risk unnecessary delays in providing certainty for the DWNO project, which would not be in the interest of consumers as it could hinder progression.

## Our decision

- 2.18 Based on the above, we have decided to allow ECF of 15% of forecast project costs to SPT for the purposes of the DWNO project, by adjusting the allowances set out in Appendix 1 of SpC 3.41 ASTIRt in SPT's electricity transmission licence. This is in line with the ASTI framework as it accurately reflects the appropriate level of funding for the scope of eligible early construction activities for the DWNO project, which include strategic land purchases, early enabling works, and procurement of long-lead items such as conductors and substation equipment.
- 2.19 In October 2025, SPT indicated that it intends to submit an additional ECF request for the DWNO project in early 2026. We will review any future submissions in

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<sup>4</sup> The TOs are allowed to substitute PCF allowances between ASTI projects, excluding projects for which funding has been, or will be, provided through the LOTI process. See also para 5.27: 'Some projects in the list of ASTI projects have already received PCF under LOTI in RIIO-ET2. Projects that have already received PCF under LOTI are not eligible for additional PCF under ASTI and no further PCF allowances will be provided through the ASTI framework. Substitution of allowances is permitted only between projects that have not yet received PCF under LOTI. With regards to projects that received PCF funding through LOTI, the conditions attached to their PCF still applies. We consider this appropriate as the LOTI PCF allowances were set following a cost assessment by Ofgem and we consider the allowances already provided to be the efficient cost of delivering the PCF output.

<sup>5</sup> [ASTI decision doc - Final\\_Published.pdf](#)

<sup>6</sup> [Accelerated Strategic Transmission Investment Guidance And Submission Requirements Document.pdf](#)

accordance with the licence and ASTI Guidance, taking into account the current decision.

**Table 2: DWNO ECF minded-to consultation vs final decision**

<b>Project</b>	<b>Minded-to consultation ECF (%)</b>	<b>Final decision ECF (%)</b>	<b>Remainder of cap available (%)</b>
DWNO	10	15	5

### 3. Next Steps

This chapter sets out the next steps in our assessment under the ASTI framework.

- 3.1 Alongside this decision, we are also publishing a decision confirming the modification of SpC 3.41 of the Licence in accordance with section 11A of the Electricity Act 1989.
- 3.2 Please note that other proposals that might affect SpC 3.41 currently being consulted on are not reflected in this decision.
- 3.3 The modifications to SpC 3.41 and the ASTI Confidential Annex will take effect on 31/1/2026, 56 days after this decision and modification is published.
- 3.4 Based on our recent engagement with SPT, we expect an ASTI PA submission request in 2026. We will undertake a full cost assessment, including ECF costs, at the ASTI PA stage and will review whether ECF expenditure was efficient.