

# Consultation

## Hackney Waltham Cross Upgrade Project – Project Assessment

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We are consulting on our project assessment of the National Grid Electricity Transmission (NGET) Hackney - Waltham Cross Upgrade Project (HWUP). This is a project under the Accelerated Strategic Transmission Investment (ASTI) mechanism in the RII0-2 Price Control Framework. At the Project Assessment (PA) stage, we review and ultimately set revenue and outputs associated with delivery of an ASTI project.

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## Contents

<b>Executive summary</b> .....	<b>4</b>
ASTI framework.....	4
Summary of our minded-to position on the Project Assessment .....	4
Next steps .....	4
<b>1. Introduction</b> .....	<b>6</b>
Purpose of this consultation .....	6
Context and related publications .....	6
Overview of ASTI re-opener mechanism.....	7
Background .....	7
Consultation stages .....	8
How to respond .....	8
Your response, data, and confidentiality.....	8
How to track the progress of a consultation .....	9
<b>2. Requested cost allowances</b> .....	<b>10</b>
Cost summary .....	10
Direct costs.....	10
Indirect costs .....	11
Re-openers.....	11
Cost And Output Adjusting Event .....	11
<b>3. Minded-to position</b> .....	<b>11</b>
Direct costs.....	12
Indirect costs .....	14
Re-openers.....	15
Cost And Output Adjusting Event .....	17
Summary of proposed ASTI Allowances.....	17
<b>4. Conclusions and next steps</b> .....	<b>18</b>
<b>Send us your feedback</b> .....	<b>19</b>
<b>Appendix 1. Consultation Questions</b> .....	<b>20</b>
<b>Appendix 2. Privacy policy</b> .....	<b>20</b>
Personal data .....	20

## Executive summary

### **ASTI framework**

The British Energy Security Strategy set out the Government's ambition to connect up to 50GW of offshore generation to the electricity network by 2030.<sup>1</sup> Facilitating this ambition will require significant reinforcements to the onshore electricity transmission network and ongoing changes to the current regulatory framework in order to accelerate delivery of large projects.

As such, in December 2022 we published a decision to introduce a new Accelerated Strategic Transmission Investment (ASTI) framework.<sup>2</sup> We set out the initial list of ASTI projects, our decision on exempting strategic projects from competition, the new process for assessing and funding ASTI projects and the range of measures being introduced to protect consumers against additional risks that changing the process brings.

HWUP is one of the projects included in the ASTI framework<sup>3</sup> being delivered by NGET. HWUP is also included among the list of major projects<sup>4</sup> to enable the government's Clean Power 2030 Action Plan.<sup>4</sup>

### **Summary of our minded-to position on the Project**

#### **Assessment**

This consultation sets out our minded-to position for the HWUP project following PA. All costs in this document are in 2018/19 prices unless otherwise stated.

We are proposing to set the funding allowance at £627,328,645 to deliver the project.

This includes £512,788,432 of direct costs as well as £114,540,213 of indirect costs and risk. We consider different these funding routes have a role in addressing these, including the existing Cost and Output Adjusting Event (COAE) mechanism, as well as the introduction of a new re-opener.

Lastly, we are minded-to implement a COAE threshold of 5% (equivalent to a threshold of £31,366,432).

#### **Next steps**

In the coming weeks, we will engage on the licence and guidance changes that are necessary to implement our minded-to position on the PA assessment. After considering responses to this consultation, we will publish a full decision on the PA for

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<sup>1</sup> [British energy security strategy | GOV.UK](#)

<sup>2</sup> [Consultation on accelerating onshore electricity transmission investment | Ofgem](#)

<sup>3</sup> [Decision on accelerating onshore electricity transmission investment | Ofgem.](#)

<sup>4</sup> [NESO Clean Power 2030 Annex 2 Final v2.pdf](#)

**Consultation** Hackney Waltham Cross Upgrade Project – Project Assessment

HWUP and our proposed modifications to the ASTI Guidance and NGET's electricity transmission licence to support delivery of HWUP.

## 1. Introduction

This section summarises what we are consulting on and provides an overview of HWUP and background information.

### **Purpose of this consultation**

- 1.1 This consultation sets out our minded-to position and seeks stakeholder views on the PA of HWUP.
  - Chapter 2 covers the main cost areas of the PA request as submitted by NGET.
  - Chapter 3 sets out our minded-to position on the funding allowance for each of the cost areas.
  - Chapter 4 summarises next steps and our expected timescales for a further publication on our decision.
- 1.2 Our assessment and minded-to position set out in this document are subject to our consideration of any consultation responses and we invite stakeholders to respond using the contact details set out on the front of this document.

### **Context and related publications**

- 1.3 The GB onshore electricity transmission network is planned, constructed, owned and operated by three Transmission Owners (TOs): NGET in England and Wales, Scottish Power Transmission (SPT) in the south of Scotland, and Scottish Hydro Electricity Transmission (SHE-T) in the north of Scotland.
- 1.4 In December 2022, we decided to introduce the new ASTI regulatory framework. This framework assesses, funds and incentivises the accelerated delivery of the large, strategic onshore transmission projects required to deliver government's ambition to connect up to 50GW of offshore wind generation to the network by 2030.
- 1.5 The related publications are set out below:
  - [Decision to modify the Special Conditions in the electricity transmission licences: Accelerated Strategic Transmission Investment | Ofgem](#)
  - [Decision on accelerating onshore electricity transmission investment | Ofgem](#)

## Overview of ASTI re-opener mechanism

- 1.6 The ASTI framework applies to the electricity transmission projects listed in Appendix 1 of our ASTI implementation decision of August 2023<sup>5</sup> as they had been found to meet certain criteria as set out in that publication.
- 1.7 The initial 26 ASTI projects were identified by the National Energy System Operator in the Holistic Network Design<sup>6</sup> (HND) and NOA 7 Refresh<sup>7</sup> as required to deliver the Government’s 2050 net zero ambitions and the ASTI framework applies to HWUP as one of the initial 26 transmission projects identified.
- 1.8 PA is the final stage of the ASTI framework. The PA review determines the efficient allowance to deliver the project, including the efficient costs of construction, risk contingencies, project management and any other elements of delivery.

## Background

- 1.9 The North London project consists of (1) uprating 19.5km of overhead lines (OHL) between Hackney, Tottenham and Waltham Cross substation from existing 275kV to 400kV and (2) reconductoring of 29km route between Pelham-Rye house and Waltham Cross.

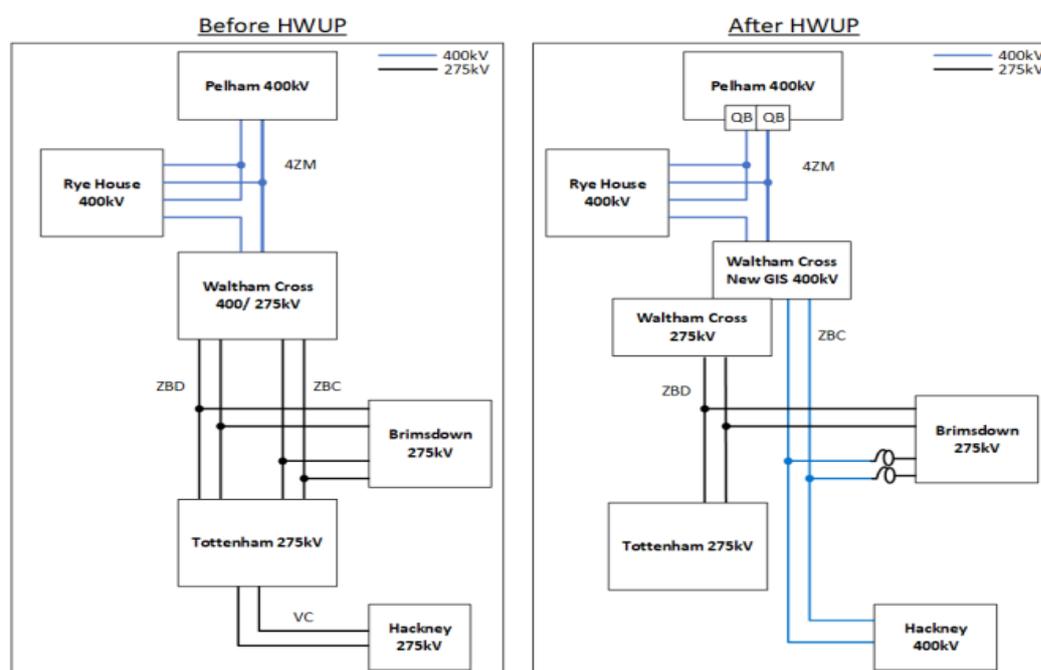


Figure 1: Current and future layout of the North London project

<sup>5</sup> [Decision to modify the special licence conditions in the electricity transmission licences: Accelerated Strategic Transmission Investment | Ofgem](#)

<sup>6</sup> [A Holistic Network Design for Offshore Wind | National Energy System Operator](#)

<sup>7</sup> [NOA Refresh 2021-22.pdf](#)

## **Consultation Hackney Waltham Cross Upgrade Project – Project Assessment**

- 1.10 The project is triggered by the need to provide reinforcement of the route between Pelham and Hackney substations to accommodate increases in future generation. Without reinforcement, the current 275kV circuits feeding London would be overloaded by high levels of power from East Anglia. This would be worsened where generation coincides with high levels of interconnector exports from locations south of London.
- 1.11 The project was previously assessed via the Large Onshore Transmission Investments (LOTI) re-opener, and its final needs case was approved on 4 July 2023.<sup>8</sup> During this time, it was earmarked for inclusion in the ASTI programme of works in our December 2022 decision<sup>9</sup> as a project that is essential to facilitate government’s net zero targets. The ASTI licence modification giving effect to the December 2022 decision is now in force<sup>10</sup> so the North London project will no longer be considered under LOTI but the ASTI framework.

### **Consultation stages**

**Stage 1** Consultation open: 26 February 2026

**Stage 2** Consultation closes (awaiting decision). Deadline for responses: 26 March 2026

**Stage 3** Responses reviewed and published: Spring 2026

**Stage 4** Licence modification decision: Summer 2026

**Stage 5** If applicable, licence modifications come into effect: 56 days after the licence modification decision

### **How to respond**

- 1.12 We want to hear from anyone interested in this consultation. Please send your response to the person or team named on the front page of this document.
- 1.13 We have asked for your feedback in each of the questions throughout. Please respond to each one as fully as you can.
- 1.14 We will publish non-confidential responses on our website.

### **Your response, data, and confidentiality**

- 1.15 You can ask us to keep your response, or parts of your response, confidential. We will respect this, subject to obligations to disclose information. For example, under the Freedom of Information Act 2000, the Environmental Information Regulations 2004, statutory directions, court orders, government regulations, or

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<sup>8</sup> [Hackney Waltham Cross Upgrade Project \(HWUP\) - North London FNC Decision | Ofgem](#)

<sup>9</sup> [Decision on accelerating onshore electricity transmission investment | Ofgem](#)

<sup>10</sup> [Decision to modify the special licence conditions in the electricity transmission licences: Accelerated Strategic Transmission Investment | Ofgem](#)

## **Consultation Hackney Waltham Cross Upgrade Project – Project Assessment**

where you give us explicit permission to disclose. If you do want us to keep your response confidential, please clearly mark this on your response and explain why.

- 1.16 If you wish us to keep part of your response confidential, please clearly mark those parts of your response that you do wish to be kept confidential and those that you do not wish to be kept confidential. Please put the confidential material in a separate appendix to your response. If necessary, we will contact you to discuss which parts of the information in your response should be kept confidential and which can be published. We might ask for reasons why.
- 1.17 If the information you give in your response contains personal data under the General Data Protection Regulation (Regulation (EU) 2016/679) as retained in domestic law following the United Kingdom's withdrawal from the European Union ("UK GDPR"), the Gas and Electricity Markets Authority will be the data controller for the purposes of GDPR. Ofgem uses the information in responses in performing its statutory functions and in accordance with section 105 of the Utilities Act 2000. Please refer to our Privacy Notice on consultations, see Appendix 2.
- 1.18 If you wish to respond confidentially, we will keep your response confidential, but we will publish the number, but not the names, of confidential responses we receive. We will not link responses to respondents if we publish a summary of responses, and we will evaluate each response on its own merits without undermining your right to confidentiality.

### **How to track the progress of a consultation**

1. Find the web page for the call for input you would like to receive updates on.
  2. Click 'Get emails about this page', enter your email address and click 'Submit'.
  3. You will receive an email to notify you when it has changed status.
- 1.19 A consultation has three stages: 'Open', 'Closed (awaiting decision)', and 'Closed (with decision)'.

## 2. Requested cost allowances

This section details the funding requested by NGET in its submission.

### Cost summary

- 2.1 The total allowance requested for HWUP is £ 693,817,297, with direct costs totalling £538,367,778 and indirect costs and risk totalling £155,449,519.
- 2.2 This section sets out the main parts of the funding requested by NGET in its submission. It includes the proposed project allowances regarding direct construction costs, indirect costs and risk, as well as deferred items and re-openers for HWUP.

### Direct costs

#### Direct Engineering, Procurement and Construction

- 2.3 NGET has requested £500,402,826 to fund direct engineering, procurement and construction (EPC) works for HWUP, covering OHL upgrades, substation packages, High Voltage (HV) equipment, and associated infrastructure.

#### Pain/Gain Allowance

- 2.4 Included as part of direct EPC costs is a request for [REDACTED] for the pain element of the target cost contracts (where cost overruns exceeding an agreed target are shared between NGET and the contractor) for the OHL and substation main works through a use-it or lose-it (UIOLI) allowance mechanism.

#### Risk

- 2.5 NGET has also submitted a request for [REDACTED] in risk contingency, based on a P80 confidence level, covering quantified risks across EPC OHL, substation, and HV equipment packages.

#### Direct non-EPC

- 2.6 NGET has requested £37,964,952 for direct non-EPC costs, which include land acquisition, planning consent discharge, minimum costs for flood remediation, community benefits, and Biodiversity Net Gain (BNG) delivery.

#### Community Benefits

- 2.7 NGET has requested in its submission [REDACTED] for activity relating to community benefits.

#### Biodiversity Net Gain

- 2.8 NGET has requested in its submission [REDACTED] for activity relating to BNG.

## Indirect costs

2.9 NGET has requested in its submission [REDACTED] in Closely Associated Indirect (CAI) costs to support project management and execution activities.

## Re-openers

2.10 NGET is requesting approval for four re-openers with a 0% materiality threshold to manage cost uncertainty and deferred items without inflating the overall upfront contingency allowance. These include:

- Price Adjustment Mechanism (PAM) for substation and OHL EPC contracts to account for inflation and commodity price fluctuations.
- BNG implementation costs, proposing alignment with the chosen regulatory recovery mechanism as determined by Ofgem.
- And two deferred items, specifically:
  - flood remediation, due to high variability and complexity in outcomes
  - contaminated land remediation, where costs are difficult to quantify at this stage.

## Cost And Output Adjusting Event

2.11 NGET is requesting that for HWUP, Ofgem lowers the COAE materiality threshold, currently 5%, to align with a COAE needing to have an expenditure impact of £25m or £32m (24/25 prices), which is based on a total project cost of £693,817,297 equating to 3.6%.

## 3. Minded-to position

This section explains our minded-to position on the PA request from NGET. It provides a summary of the total funding we are minded-to allow for the delivery of HWUP.

### Questions

- Q1. Do you agree with our minded-to position on direct costs on HWUP?
- Q2. Do you agree with our minded-to position on Pain/Gain Allowances?
- Q3. Do you agree with our minded-to position on indirect costs on HWUP?
- Q4. Do you agree with our minded-to position on contingency funding on HWUP? If not, could you provide more information on how best to appropriately balance the risk between consumers and the TOs, while incentivising risks to be managed to a level as low as practicable?

Q5. Do you agree with our minded-to position on the deferred items on HWUP? If not, could you provide more information on how best to manage uncertainty on these items, and appropriately balance cost and risk between consumers and the TOs, while incentivising costs to be managed efficiently?

Q6. Do you agree with minded-to position on the COAE threshold?

## Direct costs

### Direct EPC

- 3.1 NGET has requested £500,402,826 to fund direct EPC construction works for HWUP, including OHL upgrades, substation packages, HV equipment, and associated infrastructure.
- 3.2 We are minded-to approve an allowance of [REDACTED] a reduction of [REDACTED] and have set out the reasoning below.

### Pain/Gain Allowance

- 3.3 We are minded-to disallow [REDACTED] from the requested allowance and are not minded-to approve a UIOLI as requested upfront to cover any ‘pain’ costs incurred by NGET under this contract type.
- 3.4 Under a target cost contract, the TO and its contractor will share any under or overspend either side of the agreed target cost, at a rate to be negotiated between them. This means the TO would be exposed to additional cost (‘pain’) or savings (‘gain’) in the event of over or underspend in delivering the project.
- 3.5 TOs have a sharing factor under the Totex Incentive Mechanism (TIM) in their price control which shares any over or underspend against allowances with consumers. This acts as an efficiency incentive and risk management tool to ensure that TOs and consumers each bear an appropriate share of exposure to cost savings and cost overruns. More information on the TIM can be found in our RIIO-ET2 Final Determinations.<sup>11</sup>
- 3.6 As the party responsible for efficient delivery of the project, we similarly consider that TOs should retain an incentive to manage overspend risks and ensure delivery costs are efficient, and it would not be appropriate for consumers to bear the full cost of any overspend against a target cost. Correspondingly they should share in any savings. We therefore consider the risk sharing between TOs and consumers should be more aligned for both the pain and gain elements of target cost contracts. We have not seen evidence to suggest the RIIO-ET3 TIM is not sufficient in these cases.

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<sup>11</sup> Pages 200-204: [RIIO-3-Final-Determinations-ET.pdf](#)

## **Risk**

- 3.7 Ofgem has been clear that ASTI projects should normally be funded to a P50 level of confidence; we judge this to be the most efficient level of funding for risk, providing an incentive to the TOs to proactively manage project risks and seek opportunities without being provided with excessive levels of comfort at a cost to consumers.
- 3.8 Upfront contingency funding is only one element of the mechanisms provided to manage risk under the ASTI framework, alongside the sharing factor under the TIM whereby any over or underspend will be shared between the TO and consumers, and uncertainty mechanisms, notably the COAE mechanism in Part E of SpC 3.41 for events outside of the TO's reasonable control.
- 3.9 Whilst we recognise that HWUP may have greater complexity than a conventional transmission project due to outages being required in North London and high water table conditions, we do not accept there is an automatic requirement for the requested P80 level of funding, and we do not consider it efficient to provide upfront funding for the project at this level as it is above the benchmark that we would expect.
- 3.10 We are minded-to disallow [REDACTED] from the total submitted risk contingency and approve [REDACTED] of risk funding corresponding to the P50 level for HWUP.

## **Direct non-EPC**

- 3.11 In addition, NGET has requested £37,964,952 for Direct Non-EPC costs, which include land acquisition, planning consent discharge, minimum costs for flood remediation, community benefits, and BNG delivery.
- 3.12 We are also minded-to disallow costs of [REDACTED] included under Direct EPC for the minimum early estimates for deferred items at Brimsdown, instead considering these costs in their totality within that reopener mechanism once they are known.
- 3.13 We are minded-to approve an allowance of [REDACTED], a reduction of [REDACTED], and have set out the reasoning below.

## **Community Benefits**

- 3.14 We recognise the need to ensure communities that host infrastructure also obtain benefit from doing so and the key role that good local stakeholder relations can play in successfully delivering a project on time. While community benefit costs should be referenced in PA documentation for completeness, consistent with other pass-through items, they will not be subject to efficiency assessment as part of the PA process. NGET can now claim the community benefit funding

through the Community Benefit Funding Pass-through introduced under RIIO-ET3.<sup>14</sup>

- 3.15 We are minded-to disallow [REDACTED] of community benefits funding from the Indirect Cost allowance, in view of the route available for NGET to recover eligible costs related to community benefits funding through the RIIO-ET3 Community Benefit Funding Pass-through mechanism.

### **Biodiversity Net Gain**

- 3.16 BNG is an approach to development and land management that aims to leave biodiversity in a better state than it was before. It involves calculating biodiversity losses and gains from development projects, with the goal of enhancing the natural environment. NGET's submission states that it has committed to a 10% BNG enhancement across the project, and where possible endeavour to achieve greater than 10%. NGET also commits to 10% in environmental value (including biodiversity) being achieved across all impacted areas of both the substations scope and the OHL scope. NGET has provided BNG estimates as a guide to potential costs of project delivery in its submission but considers true costs may be uncertain during the early stages due to the evolving strategy.
- 3.17 NGET has applied for [REDACTED] to deliver the 10% or greater environmental value BNG. The funding request is considered as a direct early estimate cost to enable the delivery of BNG for the full 30 years of costs. We do not consider it appropriate to fund whole lifecycle costs beyond the initial delivery plus a year of operation at PA stage.
- 3.18 We are minded-to disallow all BNG costs requested in this submission.
- 3.19 We consider that BNG funding requests should be considered through the new Cost Uncertainty Re-opener mechanism, where TOs can evidence efficient costs incurred in complying with BNG legislation and it is efficient and in consumers' interests to provide this.
- 3.20 Where BNG solutions involve ongoing operational costs over 30 years, we are minded-to consider funding for efficient cost incurred in this process beyond the first year through future price controls.

### **Indirect costs**

- 3.21 NGET has requested in its submission [REDACTED] in CAI costs to support project management and execution activities.
- 3.22 We are minded-to approve an allowance of [REDACTED], a reduction of [REDACTED] and have set out the reasoning below.

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<sup>14</sup> [RIIO-3-Final-Determinations-ET.pdf](#)

## Indirect costs

3.23 We are minded-to disallow [REDACTED] of the ASTI Overhead costs as further work is already in progress with NGET to improve our understanding of these costs and the efficiencies associated with implementing an ASTI programme office. We are considering the optimal method of funding eligible, efficient overhead costs.

## Re-openers

3.24 NGET is also requesting approval for four re-openers with a 0% materiality threshold to manage cost uncertainty and deferred items without inflating the overall contingency allowance. These include:

- Price Adjustment Mechanisms (PAMs) for Substation and OHL EPC contracts to account for inflation and commodity fluctuations.
- BNG implementation costs, proposing alignment with the chosen regulatory recovery mechanism.
- Flood Remediation, due to high variability and complexity in outcomes.

Contaminated Land, where mitigation costs are difficult to quantify at this stage.

3.25 We are minded-to consider re-opener submissions for these items under the new Cost Uncertainty Re-opener instead of the suggested 0% materiality threshold re-opener, where TOs can demonstrate there is a need for such a mechanism and it is efficient and in consumers' interests to provide this. We welcome any evidence to inform our thinking on an appropriate materiality level that balances risk and efficiency incentive between TOs and consumers. We plan to consult on this new Cost Uncertainty Re-opener in the near future.

## Price Adjustment Mechanism

3.26 The existing supply chain environment is driving the need for PAMs on several projects, including HWUP. NGET considers that, at present, it is extremely difficult for suppliers to provide firm, long-term costs and commitments for projects. NGET is therefore seeking the inclusion of PAMs to adjust costs where specific commodity prices rise significantly above the prevailing rate of inflation. NGET is looking to use symmetric PAM costs to be allowed through a re-opener to prevent excessive allowances or shortfalls. There is an opportunity for consumers to gain should inflation decrease, and commodity prices come down.

3.27 We consider that PAM funding requests should be considered through the new Cost Uncertainty Re-opener mechanism, where TOs can demonstrate there is a need for such a mechanism and it is efficient and in consumers' interests to provide this. This allows flexibility to adjust allowances based on commodity price movements, for specific costs in contracts between the TO and supplier. We can increase allowances if commodity prices increase or decrease allowances if commodity prices decrease in the future. This approach prevents consumers

from incurring unnecessary costs, and ensures where costs reduce, savings are passed on. It also provides assurance to NGET that there is a mechanism in place for it to request further funding if required under these mechanisms, where efficient and justified. We plan to consult on this new Cost Uncertainty Re-opener in the near future.

- 3.28 For HWUP, this re-opener will allow NGET to submit a further funding request where there is incurred cost via PAMs, as specified in relation to OHL and substation contracts. We will be assessing whether these costs are reasonable and efficient, therefore we expect this to be evidenced by supporting information such as invoices, question and answer logs, and relevant price indices for PAM-related costs from HWUP contractors.

### Biodiversity Net Gain

- 3.29 Our minded-to position for BNG is covered above in paragraph 3.16.

### Deferred items

- 3.30 NGET has identified flood remediation and contaminated lands as having a significant level of complexity and “unknown unknowns” which make the extent, design and cost of solutions difficult to quantify at this stage.

### Flood remediation

- 3.31 NGET states that design modifications may be required to reflect evolving climate models, unforeseen site conditions, or to meet regulatory requirements given that the land adjacent to the Brimsdown substation is in flood zones 2, 3a and 3b. NGET is working to develop a robust design for acceptance by the Lead Local Flood Authority (LLFA).
- 3.32 NGET indicates the cost for this work has been estimated to be in the range of £1.3m - £3m (2024/25 prices) depending on the option identified, but due to the nature of this early estimate, there is a risk that the cost of this work could be higher.

### Contaminated land

- 3.33 NGET state that the new substation at Waltham Cross will be located on a site historically used as a landfill. Additionally, during the remediation works at Tottenham, the level of contamination within the soil waste was found to be too high for disposal via a soil recycling centre.
- 3.34 While initial site investigations have provided some insights into land contamination, the full extent of subsurface conditions remains uncertain, introducing several unknown and interconnected risks that are difficult to quantify. NGET has stated that once the full extent of the ground remediation work required is understood, the HWUP project will provide Ofgem with an accurate

cost estimate that reflects the necessary measures required to safely manage the contaminated land at various substation sites.

#### Summary position

- 3.35 We agree that setting an allowance before understanding the design requirements for flood risk management could result in an estimate that either significantly under or overestimates the actual cost, and that contaminated land uncertainties, such as construction on a former landfill site, mean that mitigation costs can vary significantly depending on the ground conditions encountered.
- 3.36 We are minded-to accept the rationale that inclusion of these in the risk analysis would skew the overall risk allowance which could result in consumers funding inefficient costs and that these items should instead be considered under the new Cost Uncertainty Re-opener.
- 3.37 We will scrutinise any proposals submitted under that mechanism in depth and reserve the option of utilising an independent review to support our assurance of costs and processes. We would expect any submission to provide robust justification of these costs with a clear demonstration of how costs have been controlled to a level as low as practicable.
- 3.38 By doing so, we are also minded-to disallow the minimum expected early estimate costs associated with these items included under Direct EPC, as set out above in paragraph 3.11.

### **Cost And Output Adjusting Event**

- 3.39 We have considered NGET's proposed COAE threshold of 3.6% (equivalent to £24,977,422 of the original funding allowance sought) intended for very low probability, very high impact events. We are minded-to maintain a COAE threshold at 5%, equivalent to £31,366,432 based on our minded-to allowance, which represents 4.5% of the original requested amount.

### **Summary of proposed ASTI Allowances**

- 3.40 In summary, we are minded-to allow £627,328,645 of costs for the overall delivery of HWUP. This includes £512,788,432 on direct costs, and £114,540,213 on indirect costs and risk.

#### Summary of submitted and proposed funding

- 3.41 Table 1 below summarises the proposed cost allowances under the ASTI Re-opener for HWUP.

**Table 1: Summary of proposed cost allowances under the ASTI Re-opener for the HWUP Project (in 18/19 prices)**

<b>Cost Category</b>	<b>Submitted Cost (£)</b>	<b>Proposed Adjustment (£)</b>	<b>Subject to Re-opener</b>	<b>Proposed Allowance (£)</b>
Indirect Costs and Risk	£155,449,519	-£40,909,306	0	£ 114,540,213
Direct Costs	£538,367,778	-£ 25,579,346	0	£ 512,788,432
<b>Total</b>	<b>£ 693,817,297</b>	<b>-£66,488,652</b>		<b>£ 627,328,645</b>
<b>ASTI Re-opener Funding</b>			<b>Re-opener: PAMS Deferred Items BNG</b>	<b>PAMs: Nil Deferred Items: Nil BNG: Nil</b>
<b>COAE Threshold</b>	<b>3.6%</b>	<b>1.4%</b>		<b>5%</b>

## 4. Conclusions and next steps

- 4.1 We welcome your general responses to this consultation and to our specific questions set out in Chapter 3. Please send your response to: [MajorProjects.LTPD@ofgem.gov.uk](mailto:MajorProjects.LTPD@ofgem.gov.uk). The deadline for responses is 26<sup>th</sup> March 2026. We aim to publish our decision and our proposed modifications to NGET’s licence in summer 2026.

## Send us your feedback

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

- Do you have any comments about the quality of this document?
- Do you have any comments about its tone and content?
- Was it easy to read and understand? Or could it have been better written?
- Are its conclusions balanced?
- Did it make reasoned recommendations?
- Do you have any further comments?

Please send your feedback to [stakeholders@ofgem.gov.uk](mailto:stakeholders@ofgem.gov.uk).

## Appendix 1. Consultation Questions

- Q1. Do you agree with our minded-to position on direct costs on HWUP?
- Q2. Do you agree with our minded-to position on Pain/Gain Allowances?
- Q3. Do you agree with our minded-to position on indirect costs on HWUP?
- Q4. Do you agree with our minded-to position on contingency funding on HWUP? If not, could you provide more information on how best to appropriately balance the risk between consumers and the TOs, while incentivising risks to be managed to a level as low as practicable?
- Q5. Do you agree with our minded-to position on the deferred risks on HWUP? If not, could you provide more information on how best to manage uncertainty on these items, and appropriately balance cost and risk between consumers and the TOs, while incentivising costs to be managed efficiently?
- Q6. Do you agree with minded-to position on the COAE threshold?

## Appendix 2. Privacy policy

### Personal data

The following explains your rights and gives you the information you are entitled to under the General Data Protection Regulation (GDPR).

Note that this section only refers to your personal data (your name address and anything that could be used to identify you personally) not the content of your response to the consultation.

#### **1. The identity of the controller and contact details of our Data Protection Officer**

The Gas and Electricity Markets Authority is the controller, (for ease of reference, “Ofgem”). The Data Protection Officer can be contacted at [dpo@ofgem.gov.uk](mailto:dpo@ofgem.gov.uk)

#### **2. Why we are collecting your personal data**

Your personal data is being collected as an essential part of the consultation process, so that we can contact you regarding your response and for statistical purposes. We may also use it to contact you about related matters.

#### **3. Our legal basis for processing your personal data**

As a public authority, the GDPR makes provision for Ofgem to process personal data as necessary for the effective performance of a task carried out in the public interest. i.e. a consultation.

**4. With whom we will be sharing your personal data**

N/A

**5. For how long we will keep your personal data, or criteria used to determine the retention period.**

Your personal data will be held for six months after the project is closed.

**6. Your rights**

The data we are collecting is your personal data, and you have considerable say over what happens to it. You have the right to:

- know how we use your personal data
- access your personal data
- have personal data corrected if it is inaccurate or incomplete
- ask us to delete personal data when we no longer need it
- ask us to restrict how we process your data
- get your data from us and re-use it across other services
- object to certain ways we use your data
- be safeguarded against risks where decisions based on your data are taken entirely automatically
- tell us if we can share your information with 3<sup>rd</sup> parties
- tell us your preferred frequency, content and format of our communications with you
- to lodge a complaint with the independent Information Commissioner (ICO) if you think we are not handling your data fairly or in accordance with the law. You can contact the ICO at <https://ico.org.uk/>, or telephone 0303 123 1113.

**7. Your personal data will not be sent overseas.**

**8. Your personal data will not be used for any automated decision making.**

**9. Your personal data will be stored in a secure government IT system.**

**10. More information**

For more information on how Ofgem processes your data, click on the link to our “[ofgem privacy promise](#)”.