

To:
National Grid Electricity Transmission Plc
SP Transmission Limited
Scottish Hydro Electric Transmission Plc

Electricity Act 1989
Section 11A(1)(a)

Modification of the Standard and Special Conditions of the Electricity Transmission licence held by the licensees listed above

1. Each of the licensees to whom this document is addressed (the licensees') is the holder of an Electricity Transmission licence (the Licence') granted or treated as granted under 6(1)(b) of the Electricity Act 1989 (the Act').
2. Under section 11A (2) of the Act the Gas and Electricity Markets Authority ('the Authority')¹ gave notice on 16 December 2025 (the Notice') that we propose to modify the Licence by:
 - a. removing some existing Special Conditions;
 - b. amending existing Special Conditions;
 - c. inserting new Special Conditions; and
 - d. amending existing Standard Conditions as set out in Annex 1 of this notice.

We stated that any representations to the modification proposal must be made on or before 16 January 2026.

3. A copy of the Notice was sent to the Secretary of State in accordance with section 11A(4)(b) of the Act, and we have not received a direction that the change should not be made.
4. We received 21 responses to the Notice, which we carefully considered. We have placed all non-confidential responses on our website. Our response to these comments is set out at [Modifications to the RIIO-3 licences and associated documents | Ofgem](#)
5. It is necessary to make a number of minor alterations to the modifications set out in the Notice. These alterations are shown in track change for the conditions and the modification text that can be found at [Modifications to the RIIO-3 licences and associated documents | Ofgem](#). The reasons for the differences between the modifications set out in the Notice and the modifications being made are to correct typographical, computational and arithmetical errors and to address minor issues and corrections raised since the issuing of the Notice.
6. The reasons and effects for making the modifications, together with the full text of the proposed modifications can be found at [Modifications to the RIIO-3 licences and associated documents | Ofgem](#) alternatively they are available from foi@ofgem.gov.uk.

¹ The terms "the Authority", "we" and "us" are used interchangeably in this document
The Office of Gas and Electricity Markets

7. These modifications also implement the Authority's decision on the Accelerated Strategic Transmission Investment: Material Scope Change and Early Construction Funding - EGL3, EGL4 and GWNC², which confirmed revised ASTI Outputs, ASTI ODI Target Dates and funding arrangements for Early Construction Funding and Pre-construction Funding following Material Scope Changes to the original network design. We are also giving effect to the project allowance elements of the ASTI Project Assessment Decisions for Eastern Green Link 1³ (EGL1), Eastern Green Link 2⁴ (EGL2), and Yorkshire GREEN⁵.
8. In addition, further details and background on these licence changes are set out in the following documents:
 - a. Statutory consultation for the RIIIO-3 licences;⁶
 - b. RIIIO-3 initial consultation;⁷
 - c. RIIIO-3 Draft Determinations for Electricity Transmission, Gas Distribution and Gas Transmission sectors;⁸ and
 - d. RIIIO-3 Final Determinations for Electricity Transmission, Gas Distribution and Gas Transmission sectors.⁹
9. Where an application for permission to appeal our decision is made to the Competition and Markets Authority (CMA) under section 11C of the Act, Rule 5.6 of the Energy Licence Modification Appeals: Competition and Markets Authority Rules¹⁰ requires that the appellant must send to any relevant licence holders who are not parties to the appeal a non-sensitive notice setting out the matters required in Rule 5.2. The attached Schedule 2 provides a list of the relevant licence holders in relation to this modification. Section 11A(10) of the Act sets out the meaning of 'relevant licence holder'.

Under the powers set out in section 11A(1)(a) of the Act, we hereby modify the Standard Special Conditions of the Electricity Transmission licence of the licensees in the manner specified at [Modifications to the RIIIO-3 licences and associated documents | Ofgem](#). This decision will take effect from 1 April 2026.

The reasons and effect document is our notice of reasons for the purposes of section 49A(2) of the Act and can be found at [Modifications to the RIIIO-3 licences and associated documents | Ofgem](#).

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Steven McMahon
 Duly authorised on behalf of the
 Gas and Electricity Markets Authority

3 February 2026

² [Accelerated Strategic Transmission Investment: Material Scope Change and Early Construction Funding - EGL3, EGL4 and GWNC | Ofgem](#)

³ [Eastern Green Link 1 Project Assessment | Ofgem](#)

⁴ [Eastern Green Link 2 \(EGL2\) project assessment decision | Ofgem](#)

⁵ [Yorkshire GREEN - Project Assessment Decision | Ofgem](#)

⁶ [Modifications to the RIIIO-3 licences and associated documents | Ofgem](#)

⁷ [RIIO-3 initial licence consultation | Ofgem](#)

⁸ [RIIO-3 Draft Determinations for the Electricity Transmission, Gas Distribution and Gas Transmission sectors | Ofgem](#)

⁹ [RIIO-3 Final Determinations for the Electricity Transmission, Gas Distribution and Gas Transmission sectors | Ofgem](#)

¹⁰ [Energy Rules.pdf](#)

Annex 1: Modifications to Standard licence conditions

Condition	Licencees applicable to
Condition B7: Availability of Resources	All above
Condition B10: Credit rating of the licensee and related obligations	All above
Condition B16: Electricity Network Innovation Strategy	All above
Condition B9: Indebtedness	All above