

Denny to Wishaw 400kV Reinforcement Project - Decision on Early Construction Funding and Modification to Special Conditions of the Electricity Transmission Licence

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Following our consultation in March 2026¹, 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) 3.21 '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 ASTIA term and allowances referenced in Appendix 1 of SpC 3.21².

¹ [Denny to Wishaw 400kV Reinforcement Project: Early Construction Funding | Ofgem](#)

² At time of submission, the special condition number was 3.41. We are now in RIIO-T3 period and with the licences updated, the text can now be found in 3.21.

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Executive summary

In March 2026, we consulted on our minded-to position to adjust allowances (ASTIAt) set out in the ASTI Confidential Annex that is referenced in Appendix 1 of Special Condition (SpC) 3.21 'Accelerated Strategic Transmission Investment Re-opener and Price Control Deliverable term (ASTIRt)'³.

The consultation was carried out under SPT's electricity transmission licence (Part C: Early Construction Funding of SpC 3.21) to reflect SPT's ECF request for the Denny to Wishaw 400kV Reinforcement Project (Network Options Assessment code: DWNO).

This project has been approved for inclusion in our ASTI framework because the network reinforcements it proposes are crucial for the safe, resilient and efficient transmission of electricity through the energy system.

In our consultation, we also included a statutory notice of our proposed modification to adjust the ASTIAt term as referenced in Appendix 1 of SpC 3.21 to give effect to our minded-to position.

Decision

This document confirms our decision to proceed and adjust the allowances set out in Appendix 1 (ASTIAt) of SpC 3.21 'Accelerated Strategic Transmission Investment Re-opener and Price Control Deliverable term (ASTIAt)' in SPT's electricity transmission licence to allow SPT's ECF expenditure request. The term will have the value given in the corresponding updated version of the ASTI Confidential Annex issued to SPT.

As per Special Condition 3.21.8, the Authority hereby directs that the licence limitation for the ECF to not exceed 20% of the total forecast project cost listed in the ASTI Confidential Annex for DWNO is not applicable for the reasons given in this licence modification decision.

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 decision to proceed with the modification. Based on our recent engagement with SPT, we expect an Accelerated Strategic Transmission Investment Project Assessment (ASTI PA) submission request in autumn 2026. We will undertake a full cost assessment, including ECF costs, at the ASTI PA stage and will review the efficiency of ECF expenditure.

³ A copy of SpC 3.21 can be found in Annex II. We note that the number of the condition and relevant paragraphs may differ in the new price controls window starting 1 April 2026

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1. Context

This document confirms our decision on our minded-to position regarding SPT's ECF request for DWNO. The consultation sought stakeholder views on Ofgem's minded-to position on SPT's ECF application for the DWNO project.

Chapter 2 includes a brief description of the project, SPT's ECF application, and our consultation minded-to position.

Chapter 3 summarises the response to our consultation questions and our response to this feedback.

Chapter 4 sets out our decision following consideration of the consultation responses.

Alongside this decision, we are also publishing the amendments to SpC 3.21, which will give effect to our decision. In accordance with section 11A of the Electricity Act 1989, the licence modification will take effect 56 days after the publication of the decision to proceed with the modifications.

Related publications

Denny to Wishaw 400kV Reinforcement Project: Early Construction Funding: [Denny to Wishaw 400kV Reinforcement Project: Early Construction Funding | Ofgem](#)

Decision on accelerating onshore electricity transmission investment: [Decision on accelerating onshore electricity transmission investment | Ofgem](#)

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](#)

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

Decision-making stages

Stage 1 Consultation open: 17 March 2026

Stage 2 Consultation closed. Deadline for responses: 25 April 2026

Stage 3 Responses reviewed, and decision published: 12 May 2026

Stage 4 Licence modification takes effect 56 days after the publication of the licence modification decision

2. Denny to Wishaw 400kV Reinforcement Project: Early Construction Funding Consultation

Section summary

This chapter provides a brief description of the project and SPT's application. It also outlines Ofgem's minded-to position that was set out in our consultation document.

Brief description of the project

- 2.1 DWNO will establish a new north-to-south double circuit overhead line route through the Scottish Central Belt, with one circuit operating at 400kV and the other at 275kV, alongside associated substation works, uprating and refurbishment of existing assets.
- 2.2 DWNO has been approved for inclusion in our ASTI framework because it is crucial for the safe, resilient, and efficient transmission of electricity through the energy system. SPT has stated that DWNO is one of its most strategically important projects from its onshore portfolio. The proposed solution under DWNO will reduce boundary constraints across the B5 boundary. The NESO 2025 Constraint Cost Report⁴ highlights that the principal B5 constraint incurred £96.4m in costs between April 2024 and March 2025, with a further £4.4m recorded between April and September 2025.
- 2.3 DWNO consists of:
 - A new north–south double-circuit overhead line corridor through the Scottish Central Belt, with one circuit operating at 400kV and the other at 275kV, providing additional transfer capability across the B5 boundary.
 - 400kV overhead line between Bonnybridge and an existing overhead line north of Glenmavis.
 - Extension and reinforcement of existing substations along the route, including works at Wishaw and Bonnybridge to support 400kV operation.
 - Reconductoring and uprating of existing overhead line routes between Easterhouse, Newarthill and Wishaw.
- 2.4 In its January 2022 Network Options Assessment (NOA), the National Grid Electricity System Operator (NGESO⁵) classified DWNO as a 'Required for 2028' project due to the new 400kV double circuit from Bonnybridge to Newarthill and

⁴ [Constraint Breakdown Costs and Volume | National Energy System Operator](#)

⁵ NGESO refers to the former National Grid-owned electricity system operator; NESO is its successor, established in October 2024 as a publicly owned, independent energy system operator with wider electricity and gas planning responsibilities

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recommended to proceed in the associated NOA7 Refresh published in July 2022⁶.

ECF application

- 2.5 Since the original inclusion of the project in our ASTI framework in 2022, SPT has updated the cost estimate of the project. The updated numbers were shared with Ofgem as part of this ECF application. We note that these remain cost estimates and Ofgem has not verified them. The efficiency of these costs will be tested at Project Assessment (PA) stage and is not within the scope of this consultation.
- 2.6 SPT has engaged with Ofgem to explain the rationale behind the additional expenditure that has resulted in higher total project cost estimates. This includes:
- Changes in market prices since original assumptions, including supply-chain constraints that have resulted in increased unit rates.
 - Design evolution and increased design maturity, which has identified a more optimised solution that incorporates modern technologies, allows greater future capacity and can be more efficient in the longer term.
 - Changes arising from overhead line routing and engagement with local communities prior to the consenting process.
 - Revised substation layouts and ratings, which have also led to increased land requirements.
 - The inclusion of additional works to accelerate delivery and reduce risk, e.g. the proposal for an offline build⁷ of the 400kV substation at Bonnybridge which will enable a significantly faster switch over and would reduce project timescales by approximately 6–9 months.
- 2.7 Ofgem’s engineering team has had initial conversations with SPT to discuss the detailed solutions proposed but they have not completed a detailed Technical Assessment for this project at the time of this decision. Our engineering team has not raised immediate concerns with the updated solution, but we defer full judgement to the technical assessment, which will be completed ahead of the PA.
- 2.8 This is the second application for ECF for the DWNO project by SPT. Our decision to approve 15% was published in December 2025⁸. As stated in the decision for SPT’s first ECF request, SPT indicated that it would submit an additional ECF request for the DWNO project in early 2026. We are satisfied that the activities

⁶ [NOA Refresh 2021-22](#)

⁷ “Offline build” refers to building new equipment separately from the existing system, then connecting it once finished so disruption is kept to a minimum.

⁸ [Denny Wishaw – Decision on Early Construction Funding DECEMBER 2025](#)

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requested in the second submission are a continuation of the activities set out in SPT's first ECF application and reflect that the project has advanced further, and that SPT has identified more opportunities to accelerate and minimise delivery risk. We will undertake a full cost assessment, including of all ECF costs, at the ASTI PA stage.

- 2.9 SPT's application is for 55% of the DWNO project's forecast costs as set out in SPT's licence. We note that the value of the request equals 24% when based on the updated project cost estimate that SPT has shared with us as part of this application.
- 2.10 While we have included the updated cost percentage for contextual and illustrative purposes, our decision is made with reference to the percentage specified in the licence, not the updated cost forecast. We have not completed technical assessments or project assessments to confirm which costs will be accepted as efficient. This will be done at project assessment stage. SPT will only be able to recover efficient costs.
- 2.11 In our ASTI Guidance, we explained that we will consider approving ECF in excess of the 20% cap in exceptional circumstances where expenditure is justified and necessary, and where we are satisfied the consumer benefit of providing additional allowances outweighs the increased risk to consumers should the project not ultimately secure planning permission. We must be confident there are sufficient consumer protections in place to minimise consumer exposure to financial loss in the unlikely event of project cancellation.⁹

	Requested % against the licence	Requested % against updated costs
ECF1	15	7
ECF2	40	17
Cumulative	55	24

Table 1: requested ECF percentage

- 2.12 SPT has explained that this ECF application exceeds the ECF cap of 20% project cost as set out in its licence for the following reasons:
- An industry-wide increase in cost along with wholesale increase in supply-chain costs since the original inclusion of the project in the ASTI framework

⁹ [ASTI Guidance](#), para 4.8

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means that the cost likely to be incurred at ECF stage is greater than anticipated.

- Changes in the original scope of the project to include infrastructure enhancements that create greater capacity require additional construction works and procurement of more materials at early stages.
- Accelerated delivery of the project makes it necessary to incur certain costs earlier due to longer lead time items and constraints in the supply chain.

2.13 As per the ASTI Guidance, we expect TOs to outline for projects that exceed the 20% ECF cap why the proposed additional expenditure is in the consumers' interest when balanced against the risk of financial loss in the event of project cancellation. We also expect the TO to explain how these activities might accelerate delivery. TOs must evidence and substantiate the costs within their submission as described in the ASTI Guidance. We confirm SPT has provided this evidence to inform our assessment. The non-confidential information was summarised in our consultation.

2.14 The activities in this application are:

Strategic land purchases

- King's and Lord Treasurer's Remembrancer (KLTR) land: additional land is required to complete the overhead line conducting which are located on land owned by the Crown.
- Bonnybridge: additional land is required to allow the connection of the new overhead line route at 400kV. This approach allows the uplift to the B5 boundary capacity at an earlier point than would otherwise be the case and also minimises outage time at the site.
- Cumbernauld: the purchase of land is required to allow the siting of a new 275/33kV Supergrid Transformer and associated plant.
- Wishaw: additional land is required to connect the new 400kV circuit from the uprated XR Route to the 400kV GIS Substation.
- Compounds / Working Areas.

Early Enabling Works

- Cumbernauld Substation Platform Extension: SPT will begin works to extend and uprate Cumbernauld 132kV GSP to 275kV, including construction of the new extension platform.
- Substation works within existing sites: these are required to connect the new DWNO circuits into the live network, increase corridor capacity,

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accommodate uprated overhead lines, facilitate customer connections, align works with planned outages, and deliver asset health and system operability improvements.

2.15 SPD Diversion Works and Scottish Water Diversion Works: required to divert a 30” Scottish Water main. These works are required to remove physical and operational constraints created by existing third-party utility assets that conflict with the proposed project design. Without these diversions, key elements of the DWNO scope cannot proceed, or would be subject to unacceptable safety, programme, and cost risk.

- EPC Design Activities: SPT has stated the project has moved beyond high-level concept design into detailed, construction-ready design that must be undertaken early to maintain programme pace and manage risk.

Early procurement commitments

- GIS and GIB: Three bays of Gas Insulated Switchgear and a Bus Section Circuit Breaker for the extension of the 400kV Wishaw substation.
- Supergrid Transformers: Two 400/132kV 360MVA Supergrid Transformers to facilitate the uprating of Bonnybridge 275kV substation to 400kV. Two 275/33kV 90MVA Supergrid Transformers to facilitate the uprating of Cumbernauld 132kV S/S to 275kV.
- Long-Lead Equipment (Air Insulated Switchgear and Protection and Control equipment): Required to deliver essential substation extensions and reconfigurations within existing sites and avoid costly delays to the project.
- OHL Conductor and Accessories: Needed to reconductor and uprate existing overhead line routes and construct new sections of line, increasing thermal capacity, addressing asset health drivers, and enabling higher north–south power transfers across B5.
- Underground Cable: 132kV Underground Cable (UGC) for AA Route undergrounding works and within Bonnybridge 400kV Substation.

Consultation position

2.16 We agreed that the activities proposed by SPT were eligible for ECF. They will help accelerate the delivery of the DWNO project, minimise delivery risk and provide opportunities to secure better value for the items and services procured early. This will also support the government’s Clean Power 2030 targets and deliver the benefits described in both NOA and NESO’s Clean Power 2030 Action Plan.

2.17 We reviewed the activities requested for each category and concluded that all activities were eligible for the following reasons:

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- **Strategic land purchase** – acquiring this land early reduces the risk of construction delays by ensuring sites are available once consents are granted and avoids the need for project redesign if land becomes unavailable. Early acquisition also mitigates exposure to rising land prices, protecting consumers from higher costs. Early Construction Funding is required as the scale and complexity of land interests, including compulsory purchase processes, mean land must be secured in advance to maintain programme momentum. In the event of project cancellation, land can be re-sold with some of the funding recovered.
 - **Early Enabling Works** – these activities are required to align with planned outages, remove physical and operational constraints, and progress the project beyond high-level design. Undertaking them early enables efficient sequencing of construction activities and reduces delivery risk. Early Construction Funding is required because deferring these works would constrain access to outages, delay critical path activities and increase the likelihood of the project missing its delivery date, leading to prolonged system constraints and higher costs for consumers. A substantial proportion of the early enabling works are “no regret” works – meaning they would be transferable for other network upgrades that would be necessary for asset health purposes.
 - **Early Procurement Commitments** – these items are subject to constrained global supply chains and extended manufacturing lead times. Procuring them early secures manufacturing capacity, reduces delivery risk and aligns equipment availability with the construction programme. Early Construction Funding is required to avoid price escalation, mitigate the risk of supply-chain-driven delays and prevent increased constraint costs. Consumer protections are supported through milestone payments and the ability to repurpose standard equipment if required.
- 2.18 Delivering the project on time will reduce boundary constraints across the B5 boundary. Additionally, the project provides material protection against the expected escalation of constraint costs later this decade. Accelerating delivery of DWNO therefore will help alleviate constraint costs that would otherwise be borne by the consumer. Not investing in the activities proposed could result in the project missing its target delivery date, which will come at a cost to the consumer.
- 2.19 We acknowledged that there were benefits to carrying out the activities in each category. We were satisfied that SPT had placed sufficient consumer protections in place to limit the exposure to financial loss in the event of project cancellation.
- 2.20 Our minded-to position was to approve the ECF funding for the DWNO project up to 55% of licence cost, which corresponds to 24% of the updated project forecast cost. This represents the cumulative total for funding granted for ECF. This

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amount was based on the estimated expenditure required up to PA stage, assuming a Q4 2026 PA submission from SPT and a 6-month PA review.

- 2.21 We acknowledge that this is above the 20% threshold, but we consider that delays to the project represent a greater and more certain risk to consumers than early investment in strategically critical assets. Constraint costs are incurred continuously and cannot be recovered, whereas ECF is subject to contractual protections, asset re-use, and resale value detailed in this document. In this context, approving additional ECF for DWNO represents a net reduction in consumer risk when assessed over the system lifecycle.
- 2.22 It is our view that this strikes a fair balance between protecting the consumer from excessive risk, while still promoting acceleration of the project and providing a safe, clean and stable energy network, which is ultimately in the consumer's interest.
- 2.23 We expect SPT to take all reasonable steps to ensure timely and successful delivery of the project and to ensure that consumer risks in every scenario are kept as low as practical.

3. Consultation responses

Section summary

This chapter provides a summary of the responses we received to our consultation.

Questions

- Q1. Do you agree with our minded-to position to provide ECF for DWNO?
- Q2. Do you agree with our proposed modification to adjust ASTIA_t in Appendix 1 of SpC 3.21?

- 3.1 We received one response to our consultation from SPT.
- 3.2 Regarding question one, SPT welcomed our minded-to position to award ECF funding and explained that it is essential to ensure that the DWNO project can continue to develop at pace. SPT reiterated the benefits of the project, such as helping to alleviate constraint costs that would otherwise be borne by the consumer.
- 3.3 Regarding question two, SPT flagged that we referred to SpC 3.41 as the licence condition to which the ASTIA_t Appendix 1 applies. However, we are now in the RIIO-T3 period. For clarity, we confirm that at the time of this ECF submission and subsequent consultation, the number of the Special Condition was 3.41. As noted in our consultation, following the update to conditions, the same condition can be found under SpC 3.21¹⁰.
- 3.4 SPT welcome a commitment to a 6-month project assessment period. We note the value of this ECF allowance was calculated assuming SPT submission in autumn 2026 and a PA review process of 6 months. We will aim to carry out the project assessment at pace, though the final timeline will be subject to high quality and timely PA submission.
- 3.5 We note all activities in this ECF are considered eligible for ECF and some may take place after the assumed 6-month period. If there is a delay in completing the project assessment within the foreseen period due to delay of submission, incomplete submission or need for further evidence, and the expenditure associated with these activities goes beyond the ECF allowance, we anticipate the remainder to be recovered through the PA process. In the event of project cancellation, all activities included in this ECF can be considered recoverable subject to efficiency assessment so long as the total value does not exceed the ECF allowance.

¹⁰ [Modifications to the RIIO-3 licences and associated documents | Ofgem](#)

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4. Our decision

Section summary

This chapter details our final decision.

- 4.1 We maintain our consultation position that the activities identified by SPT fall within the ECF permitted activity areas as defined in SPT's electricity transmission special licence conditions.
- 4.2 We are confident that there are sufficient consumer protections in place for each activity to minimise consumer exposure to financial loss in the event of project cancellation and that exceeding the 20% cap can be justified.
- 4.3 We maintain our consultation position to approve the ECF funding for the DWNO project up to 55% of licence cost, which corresponds to 24% of the updated project forecast cost. This represents the cumulative total for funding granted for ECF. We consider that this strikes a fair balance between protecting the consumer from excessive risk, while still promoting acceleration of the project and providing a safe, clean and stable energy network, which is ultimately in the consumer's interest.
- 4.4 We maintain our commitment, subject to high quality and timely PA submission, to carrying out the project assessment review at pace. This will ensure that SPT has sufficient funding for the timely delivery of the project.
- 4.5 We have updated any references to SpC 3.21 in this decision and any associated documents to accurately reflect the correct the updated numbering in the RIIO-T3 period.

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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 decision. 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?

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- Do you have any further comments?

Please send your feedback to stakeholders@ofgem.gov.uk.

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Annex I: Notice of decision to modify SpC 3.21

To: SP Transmission Plc

Electricity Act 1989

Section 11A (2)

Notice of decision to modify the Special Conditions of the electricity transmission licence held by SP Transmission Plc

1. SP Transmission Plc (SPT) is the holder of an Electricity Transmission licence (“the Licence”) granted or treated as granted under section 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”)¹¹ gave notice on 17 March 2026 (“the Notice”)¹² that we proposed to amend the allowance value (ASTIAt) referenced in Appendix 1 (ASTI Price Control Deliverable) of Special Condition 3.21¹³ (Accelerated strategic transmission investment Re-opener and Price Control Deliverable term (ASTIRt)) of the Licence. We stated in the Notice that any representations to the modification proposal must be made on or before the 15 April 2026.
3. We received one response to the Notice. We carefully considered this and have published the response on the consultation webpage. A summary of the response and our view on it is set out in Chapter 3 of this decision document.
4. In line with Special Condition (SpC) 3.21.10 and the Accelerated Strategic Investment Guidance and Submission Requirements Document¹⁴, we are making the modification as we are satisfied that SPT’s Early Construction Funding (ECF) request:

¹¹ The terms “the Authority”, “we” and “us” are used interchangeably in this document.

¹² [DWN0 Early Construction Funding and licence modification consultation](#)

¹³ We note that at the time of consultation publication, the number of the Special Condition was 3.41, but following the update to conditions, the same condition can be found under SpC 3.21.

¹⁴ [Accelerated Strategic Transmission Investment Guidance And Submission Requirements Document.pdf](#)

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- a. has provided clear and convincing justification for exceeding the 20% threshold of total forecasted project cost as set by SpC 3.21.8 and has demonstrated the appropriate balance between assisting acceleration and protecting consumers from potentially excessive cost exposure in the unlikely event that the projects do not progress;
 - b. was pre-empted by a notice in writing of SPT's intention to make the application under section 3.21.7 at least 8 weeks before SPT made the application; and
 - c. there is a clear justification for why it is in consumers' interests to provide funding for the activities to take place ahead of our cost assessment as part of the PA process as the early construction activities will aid in accelerating project delivery.
5. As per Special Condition 3.21.8, the Authority hereby directs that the licence limitation for the ECF to not exceed 20% of the total forecast project cost listed in the ASTI Confidential Annex for the project (NOA code DWNO) is not applicable for the reasons given in this licence modification decision.
 6. This modification is to give effect to our final decision to adjust the allowances in the ASTI Confidential Annex as referenced in Appendix 1 (ASTIAt) of SpC 3.21 in the Licence to allow SPT's ECF expenditure request. The addition to the allowances will be reflected in what will now become the latest version of the ASTI Confidential Annex.
 7. For reasons of commercial sensitivity, details of the amended allowance are confidential but will be issued to SPT in the updated ASTI Confidential Annex. Therefore, except for the ASTI Confidential Annex, a copy of the modification and other documents referred to in this Notice have been published on our website (www.ofgem.gov.uk). Alternatively, they are available from information.rights@ofgem.gov.uk
 8. 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

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Authority Rules ¹⁵ requires that the appellant must send to any relevant licence holder a non-sensitive notice setting out the matters required in Rule 5.2. The attached Annex 3 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’.

9. As per section 11A(1)(a) of the Act, we hereby modify Appendix 1 in SpC 3.41 of SPT’s Licence in the manner specified in the attached Annex 1. This modification will take effect from 08 July 2026.
10. This document is notice to the reasons for the decision to modify the Licence held by SPT, as required by section 49A(2) of the Act.

.....

Thomas Johns

Deputy Director of Major Projects Delivery

Duly authorised on behalf of the Gas and Electricity Markets Authority

12 May 2026

¹⁵ [Energy Licence Modification Appeals: Competition and Markets Authority Rules](#) , CMA70

Annex 2: Special Condition 3.21

Deletions are shown in strikethrough and new text is double underlined.

Special Condition 3.21 Accelerated Strategic Transmission Investment Re-opener and Price Control Deliverable term (ASTIR_t)

Introduction

- 3.21.1 The purpose of this condition is to specify the value of the term ASTIR_t (the accelerated strategic transmission investment Re-opener term). This contributes to the calculation of the Totex Allowance.
- 3.21.2 The effect of this condition is to:
- (a) specify the ASTI Outputs, delivery dates and allowances for the Price Control Deliverable;
 - (b) establish a Re-opener for the licensee to apply for an adjustment to the ASTI Outputs, delivery dates and allowances in Appendix 1 and the minimum circuit availability standard after delivery in Appendix 2;
 - (c) provide for an assessment of the Price Control Deliverable; and
 - (d) establish the Accelerated Strategic Transmission Investment Guidance and Submissions Requirements Document.
- 3.21.3 This condition also sets out the process the Authority will follow when making changes to Appendix 1 as a result of the Re-openers.

Part A: Formula for calculating the accelerated strategic transmission investment Re-opener term (ASTIR_t)

- 3.21.4 The value of ASTIR_t is derived in accordance with the following formula:

$$\text{ASTIR}_t = \text{ASTI}_t - \text{ASTIR}_t$$

where:

ASTI_t means the allowances in Appendix 1; and
ASTIR_t has the value zero unless otherwise directed by the Authority in accordance with Part G.

Part B: ASTI Outputs

- 3.21.5 The licensee must deliver the ASTI Outputs no later than 12 months after the delivery dates specified in Appendix 1.
- 3.21.6 After the ASTI Output has been delivered it must be operational and available for use by the ISOP for the period specified in Appendix 2 after application of the exclusions set out in Chapter 4 of the Accelerated Strategic Transmission Investment Guidance and Submissions Requirements Document.

Part C: Early Construction Funding

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- 3.21.7 The licensee may, in respect of any ASTI Output, apply for an Early Construction Funding decision to adjust ASTIAt.
- 3.21.8 Unless the Authority directs otherwise, the aggregate allowances provided under paragraph 3.21.7 for any ASTI Output may not exceed 20% of the total forecast project cost listed in the ASTI Confidential Annex.
- 3.21.9 The licensee must notify the Authority in writing of its intention to make an application under paragraph 3.21.7 at least eight weeks before making an application, unless the Authority directs otherwise.
- 3.21.10 A modification under this Part will be made under section 11A of the Act.

Part D: ASTI Project Assessment Decision

- 3.21.11 The licensee may, in respect of any ASTI, apply for an ASTI Project Assessment Decision and an associated modification of Appendices 1 and 2 to:
- (a) specify or amend an ASTI Output, a delivery date and associated allowances; and
 - (b) specify the minimum circuit availability standard after delivery for the relevant ASTI Output.
- 3.21.12 Unless the Authority otherwise directs, the licensee may only apply for an ASTI Project Assessment Decision after submission of all material planning consent applications.
- 3.21.13 A modification under this Part will be made under section 11A of the Act.

Part E: ASTI Cost and Output Adjusting Event

- 3.21.14 The licensee may apply for a modification to the ASTI Outputs and allowances in Appendix 1 where it considers that there has been one or more ASTI Cost And Output Adjusting Event.
- 3.21.15 The licensee may only apply under this Part to modify allowances in Appendix 1 where:
- (a) expenditure has been caused to increase or decrease by at least the percentage specified in, or in accordance with, paragraph 3.21.17, calculated before the application of the Totex Incentive Mechanism, relative to the relevant allowance in Appendix 1 by the event or if there has been more than one event:
 - i. by each event;
 - ii. if the Authority has directed that the events in relation to the relevant ASTI Output should count cumulatively towards the percentage threshold,; and
 - iii. the increase or decrease in expenditure is expected to be efficiently incurred or saved.

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- 3.21.16 The licensee may apply under this Part to modify the ASTI Outputs in Appendix 1 only where there is a material change to the scope of the relevant ASTI project.
- 3.21.17 The percentage referred to in paragraph 3.21.15(a) is:
- (a) 5%; or
 - (b) for the purpose of the ASTI Output E2DC, 1%; or
 - (c) such other percentage as the Authority may specify by direction.
- 3.21.18 An application under this Part must be made in writing and must:
- (a) include detailed supporting evidence that an ASTI Cost And Output Adjusting Event meeting the requirements set out in paragraphs 3.21.15, or where applicable 3.21.16, has occurred;
 - (b) set out the modifications requested to the ASTI Outputs or associated allowances in Appendix 1;
 - (c) explain the basis of the calculation for any proposed modification to the allowances in Appendix 1, which must be designed to keep, so far as is reasonably practicable, the financial position and performance of the licensee the same as if the ASTI Cost And Output Adjusting Event had not occurred; and
 - (d) include a statement from a technical adviser, who is external to and independent from the licensee, whether, considered in the context of the value of the ASTI Output, the proposed modification to the ASTI Output or associated allowances fairly reflects the effects of the ASTI Cost And Output Adjusting Event.
- 3.21.19 The Authority may make a modification under this Part where:
- (a) there has been an application under this Part;
 - (b) there has been an ASTI Cost And Output Adjusting Event in relation to the relevant ASTI;
 - (c) the requirements of paragraphs 3.21.14 to 3.21.18, where applicable, have been met; and
 - (d) the proposed modifications to Appendix 1 have the effect so far as is reasonably practicable of keeping the financial position and performance of the licensee the same as if the ASTI Cost And Output Adjusting Event had not occurred.
- 3.21.20 A modification under this Part will be made under section 11A of the Act.

Part F: Modification of delivery date in Appendix 1 further to an ASTI ODI Penalty Exemption Period decision or ASTI ODI Target Date decision under Part B of Special Condition 4.7 (Accelerated strategic transmission investment output delivery incentive)

- 3.21.21 The Authority will modify the delivery dates in Appendix 1 where it decides under Part B of Special Condition 4.7 (Accelerated strategic transmission

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investment output delivery incentive) to make a modification to the ASTI ODI Penalty Exemption Period or ASTI ODI Target Date in Appendix 1 of Special Condition 4.7.

3.21.22 A modification under this Part will be made under section 11A of the Act.

Part G: Assessment of the Price Control Deliverable (ASTIRAt)

3.21.23 The Authority will, in accordance with the assessment principles set out in Part A of Special Condition 9.3 (Price Control Deliverable assessment principles and reporting requirements), consider directing a value for ASTIRAt where the licensee has not Fully Delivered an output in Appendix 1.

Part H: What process will the Authority follow in making a direction?

3.21.24 Before making a direction under Part G the Authority will publish on the Authority's Website:

- (a) the text of the proposed direction;
- (b) the reasons for the proposed direction; and
- (c) a period during which representations may be made on the proposed direction, which will be up to 28 days unless the Authority determines that a longer period is appropriate.

3.21.25 A direction in respect of Part G will set out:

- (a) the delivery status of the ASTI Output that has not been Fully Delivered;
- (b) the value of the ASTIRt term and the Regulatory Years to which that adjustment relates; and
- (c) the methodology and data that has been used to decide the delivery status and value of any adjustments to the ASTIRt term.

Part I: ASTI Guidance and Submissions Requirements Document

3.21.26 The licensee must comply with the Accelerated Strategic Transmission Investment Guidance and Submissions Requirements Document.

3.21.27 The Authority will issue and amend the Accelerated Strategic Transmission Investment Guidance and Submissions Requirements Document by direction.

3.21.28 The Authority will publish the Accelerated Strategic Transmission Investment Guidance and Submissions Requirements Document on the Authority's Website.

3.21.29 The Accelerated Strategic Transmission Investment Guidance and Submissions Requirements Document will make provision about the detailed requirements for Parts C, D, E and F.

3.21.30 The Accelerated Strategic Transmission Investment Guidance and Submissions Requirements Document will also make provision about the

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detailed requirements under Special Condition 3.20 (ASTI Pre-Construction Funding Re-opener, Price Control Deliverable and Use It Or Lose It Adjustment) and Special Condition 4.7 (ASTI output delivery incentive).

- 3.21.31 Before directing that the Accelerated Strategic Transmission Investment Guidance and Submissions Requirements Document comes into effect, the Authority will publish on the Authority's Website:
- (a) the text of the proposed Accelerated Strategic Transmission Investment Guidance and Submissions Requirements Document;
 - (b) the date on which the Authority intends the Accelerated Strategic Transmission Investment Guidance and Submissions Requirements Document to come into effect; and
 - (c) a period during which representations may be made on the text of the proposed Accelerated Strategic Transmission Investment Guidance and Submissions Requirements Document, which will be up to 28 days unless the Authority determines that a longer period is appropriate.
- 3.21.32 Before directing an amendment to the Accelerated Strategic Transmission Investment Guidance and Submissions Requirements Document, the Authority will publish on the Authority's Website:
- (a) the text of the amended Accelerated Strategic Transmission Investment Guidance and Submissions Requirements Document;
 - (b) the date on which the Authority intends the amended Accelerated Strategic Transmission Investment Guidance and Submissions Requirements Document to come into effect;
 - (c) the reasons for the amendments to the Accelerated Strategic Transmission Investment Guidance and Submissions Requirements Document; and
 - (d) a period during which representations may be made on the amendments to the Accelerated Strategic Transmission Investment Guidance and Submissions Requirements Document, which will be up to 28 days unless the Authority determines that a longer period is appropriate.

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Appendix 1

ASTI Price Control Deliverable

ASTI Output	Delivery Date	Allowance (ASTIA_t, £m)	ECF/PA
Denny to Wishaw 400 kV reinforcement (NOA Code: DWNO)	31 December 2029	Have the <u>values</u> given in the ASTI Confidential Annex.	ECF
Eastern subsea HVDC link from Torness to Hawthorn Pit (NOA Code: E2DC) consisting of: -2GW additional network capacity, subject to 5% margin. -176km HVDC marine cable (525kV Cross linked polyethylene (XLPE) 2000MW capacity) -17 km HVDC onshore cable -new HVDC Converter station at Hawthorn Pit -new HVDC Converter station at Torness -new 400kV 20 bay GIS (non SF6) substation at Hawthorn Pit - 2 Additional bays at Branxton Gas Insulated Switchgear (GIS) – non sulphur hexafluoride (SF6) substation - Extension of existing Norton substation - Protection changes at existing Offerton substation	31 December 2028	£2,492,205,963	PA
Eastern subsea HVDC link from East Scotland to West Norfolk (EGL4) (NOA Code: TGDC)	31 August 2034	Have the values given in the ASTI	ECF
East Coast Onshore 400 kV Phase 2 reinforcement (NOA Code: TKUP)	31 December 2031	Have the values given in the ASTI Confidential Annex.	<u>ECF</u>

Appendix 2

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ASTI Output availability standard

ASTI Output	0-6m	6-12m	12-24m
Denny to Wishaw 400 kV reinforcement (NOA Code: DWNO)			
Eastern subsea HVDC link from Torness to Hawthorn Pit (NOA Code: E2DC)			
Eastern subsea HVDC link from East Scotland to West Norfolk (EGL4) (NOA Code: TGDC)			
East Coast Onshore 400 kV Phase 2 reinforcement (NOA Code: TKUP)			

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Annex 3. Relevant licence holders

Electricity Transmission
SP Transmission plc (SPT)