

To:
Scottish Hydro Electric Transmission
Scottish Power Transmission
National Grid Electricity Transmission

(each an "Electricity Transmission Licensee", and together, the "Electricity Transmission Licensees")

Notice under Part A of Standard Condition B15 (Regulatory Instructions and Guidance) ("SC B15") of the Electricity Transmission Licence (the "Licence") granted to the Licensees under section 6(1)(b) of the Electricity Act 1989 (the "Act").

The Gas and Electricity Markets Authority (the "Authority")¹ hereby gives notice under Part A of SC B15 as follows:

Proposal to modify the Regulatory Instructions and Guidance (RIGs)

1. The Authority proposes to modify the RIIO-2 Network Asset Risk Metric Regulatory Instructions and Guidance ("NARM RIGs") in accordance with SC B15 of the Licence.

The NARM RIGs are the primary means by which the Authority directs the Licensees to collect and provide information to the Authority to enable it to administer the relevant Special Conditions of the Licence, monitor delivery against the RIIO-2 Final Determinations, and support the RIIO-2 NARM closeout process.²

2. In accordance with SC B15, the Authority hereby gives notice to the licensees that it proposes to modify the NARM RIGs in the manner indicated in the documents that can be accessed on its website and are published alongside this Notice.
3. The proposed modifications refer specifically to information required to be submitted to the Authority for the purposes of RIIO-2 NARM in relation to:
 - RIIO-2 NARM Regulatory Instructions and Guidance: version 2; and
 - RIIO-2 NARM Regulatory Reporting Pack / Data Template: Version 2.
4. The proposed modifications are summarised below:
 - amendments to the NARM RIGs to support the collection of RIIO-2 NARM close-out reporting information from licensees, including data required to understand delivery against Baseline Network Risk Outputs (BNRO);
 - amendments to the NARM RRP template to collect information on project and intervention delivery, asset category risk positions, risk movements, asset populations, risk banding, and outturn/forecast Network Risk Outputs;
 - amendments to support reporting of Non-Intervention Risk Changes, normalisation adjustments, methodology or data changes, and other factors affecting movements in monetised risk over RIIO-2;

¹ The "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Office of Gas and Electricity Markets (Ofgem) supports the Authority in its day-to-day work.

² Special Condition 3.1.2, Part D (Requirement to provide a Close-out Report) of the relevant RIIO-2 licence requires the licensee to provide a NARM Close-out Report to the Authority. The RIIO-2 NARM RIGs and RRP support the collection of information required for that close-out process

- amendments to support reporting of Clearly Identifiable Over-Delivery and Clearly Identifiable Under-Delivery(CIOD/CIUD), including the identification of relevant delivery elements and supporting commentary where licensees consider CIOD or CIUD treatment may apply;
 - amendments to require supporting commentary explaining the data submitted in the NARM RRP, including delivery against BNRO, deferred or cancelled delivery, network risk movements, Non-Intervention Risk Changes, CIOD/CIUD, and expected RIIO-2 spend; and
 - general amendments to improve the clarity, consistency, usability and auditability of the NARM RIGs and RRP template, including ensuring that NARM RRP data can be aligned and reconciled with relevant Cost and Volumes RRP information.
5. The purpose of the proposed modifications is to update the existing NARM reporting template for Regulatory Year 5 and to clarify reporting requirements for the licensees for the RIIO-2 NARM close-out process, including the submission of NARM close-out information by 31 October 2026. The reasons for and effect of the modifications are set out in paragraph 5 of this Notice.
6. The Authority proposes that these modifications take effect from July 2026.

Further information

7. The RIIO-2 NARM RIGs document, RIIO-2 NARM close-out reporting template and RIIO-2 NARM Close-out Methodology published alongside this Notice show the proposed modifications as incorporated.
8. Copies of this Notice and the other documents referred to in it are available on the Ofgem website (www.ofgem.gov.uk).
9. The representations on the proposed modifications must be submitted on or before close of business 24 June 2026 to AssetRiskResilience@ofgem.gov.uk.

.....
Pete Wightman, Deputy Director, Network Price Controls
Duly authorised on behalf of the
Gas and Electricity Markets Authority

22nd May 2026