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29 October 2026

**DIRECTION UNDER PARAGRAPH 9 OF AMENDED STANDARD CONDITION E12-J4
OF THE OFFSHORE TRANSMISSION LICENCE**

Whereas: -

1. TC Beatrice OFTO Limited (the **Licensee**) is the holder of an offshore transmission licence (the **Licence**) granted under section 6(1)(b) of the Electricity Act 1989 (the **Act**).
2. Unless otherwise defined, capitalised terms in this Direction and its annex shall have the same meaning given to them in the Licence.
3. In accordance with Paragraph 9 of the Amended Standard Condition E12 – J4 (the **Condition**):
 - (a) the Licensee considers that the Event causing the Transmission Service Reduction (**TSR**) on the Licensee's Transmission System that occurred between 5 and 18 March 2025, was caused by an Exceptional Event (as defined in Amended Standard Condition E12-A1 of the Licence);
 - (b) the Licensee notified the Gas and Electricity Markets Authority (the **Authority**) of the Transmission Service Reduction, within 14 days as required by the Licence;

- (c) the Licensee has provided details of the TSR availability that the Licensee considers resulted from the Exceptional Event; and
 - (d) the Authority is satisfied, for the reasons specified in the Annex to this Direction, that the Event notified under sub-paragraph (b) above constitutes an Exceptional Event.
- 4. In accordance with paragraph 10 of the Condition the Authority is satisfied, for the reasons specified in the Annex to this Direction, that the Licensee took steps, consistent with Good Industry Practice, to manage the impact of the event on the availability of services.
 - 5. The Authority gave the required notice in accordance with paragraph 11 of the Condition to the Licensee on 25 September 2026 (the **Notice**).
 - 6. No representations were made by the Licensee in response to the Notice.

Now therefore:

- 7. The Authority directs that the Licensee's reported system incentive performance be adjusted to offset the full duration of the Event: the reported system incentive performance for Incentive Period 6 will be increased by a total of 93,894 MWh to fully offset the impact of this Event.
- 8. This direction constitutes notice pursuant to section 49A(1)(c) of the Act.



Stuart Borland
Deputy Director, Offshore Network Regulation
Duly authorised by the Authority

Annex

**REASONS FOR ACCEPTANCE OF AN EXCEPTIONAL EVENT CLAIM SUBMITTED BY
TC BEATRICE OFTO LIMITED UNDER PARAGRAPH 9 OF AMENDED STANDARD
CONDITION E12 – J4 OF THE OFFSHORE TRANSMISSION LICENCE**

1 Notification

- 1.1 TC Beatrice OFTO Limited (the **Licensee**) notified the Authority of a Transmission Service Reduction (TSR) within the 14-day period required by the Licence (the **Outage**). The Outage ran from 5 March to 18 March 2025.
- 1.2 The Licensee submitted an Exceptional Event claim to the Authority on 12 August 2026.

2 Exceptional Event requirements

- 2.1 Paragraph 9 of the Condition provides that the Authority shall adjust the value of the monthly capacity weighted unavailability to offset the impact of an Exceptional Event where:
- a) the Licensee considers that an Event on its Transmission System that causes a Transmission Service Reduction has been wholly or partially caused by an Exceptional Event;
 - b) the Licensee has notified the Authority that a possible Exceptional Event had occurred, within 14 days of its occurrence;
 - c) the Licensee has provided such information as the Authority may require in relation to the Event; and
 - d) the Authority is satisfied that the notified Event is an Exceptional Event.
- 2.2 An Exceptional Event is defined in Amended Standard Condition E12-A1 of the offshore transmission Licence as follows:

"an Event or circumstance that is beyond the reasonable control of the Licensee and which results in or causes a Transmission Service Reduction and includes (without limitation) an act of God, an act of the public enemy, war declared or undeclared, threat of war, terrorist act, blockade, revolution, riot, insurrection, civil commotion, public demonstration, sabotage, act of vandalism, fire (not related to weather), governmental restraint, Act of Parliament, any other legislation, bye law, or directive (not being any order, regulation or direction under section 32, 33, 34 and 35 of the Act) or decision of a Court of Competent Authority or any other body having jurisdiction over the activities of the Licensee provided that lack of funds shall not be interpreted as a cause beyond the reasonable control of the Licensee. For the avoidance of doubt, weather conditions which are reasonably expected to occur at the location of the Event or circumstance are not considered to be beyond the reasonable control of the Licensee."

The Office of Gas and Electricity Markets

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3 Decision

- 3.1 The Licensee has acted in accordance with the requirements of subparagraphs 9(a) to (c) of the Condition. Pursuant to subparagraph 9(d) of the Condition, the Authority is satisfied that the TSR is an Exceptional Event, for the reasons set out below.

4 Reasons for decision

- 4.1 The Authority has considered the information provided by the Licensee regarding the failure event against both the Licence and the Open Letter of January 2024.¹
- 4.2 Pursuant to Standard Licence Condition E17 of the Electricity Transmission Licence (SLC E17), the Licensee was obliged to enter into a connection agreement with the National Energy System Operator (NESO) to facilitate the connection of Blackhillock Reserve Power (BRP) to the Licensee's offshore transmission system under the Pathfinder arrangements.²
- 4.3 TC Beatrice OFTO Limited (the Licensee) took an Outage to undertake connection works to connect BRP between 5 and 18 March 2025 (the Outage) under the NESO Pathfinder arrangements.
- 4.4 On 6 March 2026, Ofgem published its decision (the Modification) to modify all Offshore Transmission Owner (OFTO) Licences to introduce an additional exclusion to the Availability Incentive to protect OFTOs from incurring a penalty under the Availability Incentive where it is required to take an outage to undertake works to facilitate an agreement with the System Operator, pursuant to SLC E17.³ Had the Outage occurred after the Modification had taken effect, the outage would be excluded from penalty under the availability incentive.
- 4.5 We consider the Licensee was or should have been aware of the licence obligation to connect a new party and that an outage would likely be required to allow the Licensee to undertake the necessary connection works.
- 4.6 However, the timing for the completion of the works and therefore the timing of the Outage was placed upon it by the requirements of the Pathfinder arrangements. We understand from BRP that failure to meet the connection dates agreed as part of the pathfinder arrangements would mean the BRP project would be cancelled and the services that would have been provided by BRP to stabilise the National Electricity Transmission System would not be available.
- 4.7 Had the Licensee been able to control the timing of the Outage, it would have been able to delay the Outage until Ofgem had consulted on (Ofgem had advised the Licensee it would consult on a licence modification) and made a decision on

¹ [Open letter on the Authority's approach towards Exceptional Events for offshore transmission owners](#)

² [National Grid ESO launch Stability Pathfinder phase one | National Energy System Operator](#)

³ <https://www.ofgem.gov.uk/consultation/proposed-modifications-offshore-transmission-ofto-licences>

whether (or not) to modify the Licence to introduce an exclusion that protects OFTOs from incurring a penalty under the availability incentive in such circumstances.

- 4.8 In accordance with Paragraph 10 of the Condition, we consider that the Licensee acted promptly and in accordance with Good Industry Practice in undertaking the Outage.
- 4.9 Therefore, the Authority directs that the value of the Licensee's monthly capacity weighted unavailability be adjusted to offset the full duration of the outage: reported system incentive performance for Incentive Period 6 will be increased by 93,894 MWh to fully offset the impact of this event.