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To: Scottish Hydro Electric Transmission

Date: 06 November 2026

Direction issued by the Gas and Electricity Markets Authority ("the Authority") under Special Condition ("SpC") 3.15 of the Electricity Transmission Licence held by Scottish Hydro Electric Transmission plc to adjust existing funding for projects eligible for the Pre-Construction Funding Re-opener

1. Scottish Hydro Electric Transmission plc ('the Licensee') 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. SpC 3.15 provides re-opener mechanism by which the Licensee's may apply to adjust existing funding allowances or seek additional funding during the RIIO-3 price control period for pre-construction works associated with load-related projects. It also allows the Authority to direct a final value to reflect efficiently incurred expenditure, when full costs for the projects are established in SpC 3.18.
3. The Licensee submitted four Eligibility Letters under SpC 3.18 in May 2026. The Authority publicly consulted on its Draft Determinations between 27 August 2026 and 24 September 2026. This document included a draft of the text of the proposed direction, as required by Part K of SpC 3.15.
4. We received nine representations and have placed all non-confidential responses on our website. Having considered those responses, we have decided to proceed with making this direction.
5. This direction is issued pursuant to SpC 3.15 and sets out approved funding, adjustments to the value of relevant terms ($PCFA_t$ and PCF_t), the Regulatory Years to which that adjustment relates, approved outputs and the delivery dates. These are set out in Annex 1 of this direction.
6. This direction will take effect immediately. This Direction constitutes notice stating the reasons for the purposes of section 49A(2) of the Act.

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Yours Sincerely,

Anita Payne

Deputy Director, Network Price Controls

For and on behalf of the Authority **06 November 2026**

The Office of Gas and Electricity Markets
10 South Colonnade, Canary Wharf, London, E14 4PU **Tel** 020 7901 7000
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Annex 1: Scottish Hydro Electric Transmission Plc, Electricity transmission licence, Special Condition values and tables

New text is double underscored and text removed is double struck through.

Appendix 1 of Special Condition 3.15 Pre-Construction Funding allowance ($PCFA_t$) (£m)

Total: ~~492.33~~606.67

Appendix 2 of Special Condition 3.15 Pre-Construction Funding Price Control Deliverable Allowance (PCF_t) (£m)

EJP OSR	Output	Delivery date	2026/27	2027/28	2028/29	2029/30	2030/31	Total Allowance
SHT20313	Dundee City Strategy Phase 1	31 March 2031	0.91	0.90	0.89	0.89	0.88	4.48
SHT20314	Dundee City Strategy Phase 1	31 March 2031	3.23	3.20	3.16	3.13	3.10	15.83
SHT20629	Dundee City Strategy Phase 1	31 March 2031	0.34	0.33	0.33	0.33	0.32	1.64
SHT20368	East Coast Network Investment	31 March 2031	7.89	7.81	7.73	7.66	7.58	38.67
SHT20346	Taynuilt – Creag Dhubh Reinforcement	31 March 2031	2.60	2.57	2.54	2.52	2.49	12.72
SHT20069	Coire Glas PSH Connection	31 March 2031	4.10	4.06	4.02	3.98	3.94	20.11
SHT20073	Coire Glas PSH Connection	31 March 2031	0.89	0.88	0.88	0.87	0.86	4.38
SHT20150	Coire Glas PSH Connection	31 March 2031	0.25	0.24	0.24	0.24	0.24	1.21
SHT20068 9	Coire Glas PSH Connection	31 March 2031	0.04	0.04	0.04	0.04	0.04	0.19
SHT20083	Melgarve Cluster	31 March 2031	0.47	0.46	0.46	0.45	0.45	2.29

SHT20084	Melgarve Cluster	31 March 2031	0.16	0.16	0.16	0.16	0.16	0.80
SHT20092	Melgarve Cluster	31 March 2031	0.04	0.04	0.04	0.04	0.04	0.19
SHT20093	Melgarve Cluster	31 March 2031	0.41	0.41	0.40	0.40	0.39	2.01
SHT20289	Melgarve Cluster	31 March 2031	0.99	0.98	0.97	0.96	0.95	4.85
SHT20071	Strathy Cluster	31 March 2031	0.20	0.20	0.20	0.20	0.20	1.00
SHT20072	Strathy Cluster	31 March 2031	0.45	0.45	0.44	0.44	0.43	2.21
SHT20085	Strathy Cluster	31 March 2031	0.48	0.48	0.47	0.47	0.47	2.37
SHT20086	Strathy Cluster	31 March 2031	0.57	0.56	0.56	0.55	0.54	2.78
SHT20370	Strathy Cluster	31 March 2031	0.45	0.44	0.44	0.44	0.43	2.20
SHT20371	Strathy Cluster	31 March 2031	1.45	1.43	1.42	1.40	1.39	7.08
SHT20101	Mossy Hill	31 March 2031	0.05	0.05	0.05	0.05	0.05	0.26
SHT20102	Mossy Hill	31 March 2031	0.01	0.01	0.01	0.01	0.01	0.06
SHT20522	Mossy Hill	31 March 2031	0.94	0.93	0.92	0.91	0.90	4.60
SHT20327	Tealing Solar and Storage Connection	31 March 2031	0.07	0.07	0.07	0.07	0.06	0.33
SHT20328	Tealing Solar and Storage Connection	31 March 2031	0.07	0.07	0.07	0.07	0.07	0.36
SHT20329	Tealing Solar and Storage Connection	31 March 2031	0.59	0.58	0.58	0.57	0.57	2.90
SHT20088	Clash Gour	31 March 2031	0.11	0.11	0.11	0.11	0.11	0.55

SHT20089	Clash Gour	31 March 2031	0.04	0.04	0.04	0.04	0.04	0.20
SHT20613	Clash Gour	31 March 2031	2.15	2.13	2.11	2.09	2.07	10.55
SHT20157	D'REAY GILLSBAY 132KV	31 March 2031	2.91	2.88	2.85	2.82	2.80	14.26
SHT20151	TCA Elchies Windfarm	31 March 2031	0.18	0.18	0.18	0.18	0.17	0.89
SHT20074	H1- Elchies Windfarm	31 March 2031	0.81	0.80	0.79	0.79	0.78	3.97
SHT20191	LT000366 - Loch Kemp Pumped Storage - TCA	31 March 2031	0.22	0.22	0.22	0.22	0.22	1.10
SHT20190	LT000367 - Loch Kemp Pumped Storage - H1	31 March 2031	1.07	1.06	1.05	1.04	1.03	5.26
SHT20281	LT000398 - Salamander Offshore Windfarm Connection - TCA	31 March 2031	0.13	0.13	0.13	0.13	0.13	0.64
SHT20282	LT000399 - Salamander Offshore Windfarm Connection - H1 (Sole Use)	31 March 2031	0.00	0.00	0.00	0.00	0.00	0.00
SHT20283	LT000400 - Loch Nan Eun Pumped Storage - TCA	31 March 2031	0.18	0.18	0.18	0.18	0.18	0.90
SHT20284	LT000401 - Loch Nan Eun Pumped Storage - Sole Use (H1)	31 March 2031	1.53	1.51	1.50	1.48	1.47	7.49
SHT20495	LT000499 - Shin - Loch Buidhe OHL Reconductor	31 March 2031	1.54	1.52	1.51	1.49	1.48	7.54
SHT20505	LT000522 - Strathy Switching Station - TORI191	31 March 2031	1.36	1.35	1.33	1.32	1.31	6.66

SHT20156	LEWIS INFRASTRUCTURE	31 March 2031	1.58	1.56	1.55	1.53	1.52	7.73
SHT20306	LT000468 - Glendye Wind Farm TCA	31 March 2031	0.23	0.23	0.22	0.22	0.22	1.12
SHT20307	LT000469 - Glendye Wind Farm H1	31 March 2031	1.02	1.01	1.00	0.99	0.98	5.01
SHT20643	Arnish to Balallan 132 kV second Single Circuit	31 March 2031	1.69	1.67	1.66	1.64	1.62	8.28
SHT20281A	Salamander Tee /Salamander Offshore Windfarm Connection	31 March 2031	1.44	1.43	1.42	1.40	1.39	7.08
SHT20691	Greens 400kV Sync Comp	31 March 2031	2.74	2.71	2.68	2.65	2.63	13.40
SHT20692	Coachford 400kV Sync Comp	31 March 2031	3.03	3.00	2.97	2.94	2.91	14.84
SHT20693	Banniskirk 400kV Sync Comp	31 March 2031	2.84	2.81	2.78	2.75	2.72	13.90
SHT20694	Carnaig 400kV Sync Comp	31 March 2031	2.89	2.86	2.83	2.80	2.78	14.16
SHT20627	0	31 March 2031	0.63	0.62	0.62	0.61	0.60	3.08
SHT20628	0	31 March 2031	3.65	3.61	3.57	3.54	3.50	17.88
tCSNP2	Longside - Peterhead 400kV upgrade	31 March 2031	0.90	0.89	0.88	0.87	0.86	4.39
tCSNP2	Dounreay - Banniskirk 400kV Reinforcement	31 March 2031	4.66	4.61	4.57	4.52	4.48	22.84
tCSNP2	Blackhillock - Cairnford - Kintore 400kV Upgrade	31 March 2031	5.96	5.90	5.84	5.78	5.73	29.21
tCSNP2	Peterhead - Persley - Kintore 400kV Upgrade	31 March 2031	6.52	6.45	6.39	6.32	6.26	31.94

tCSNP2	HNDFUE HVDC Project. Shetland to Aberdeenshire 2GW HVDC link	31 March 2031	20.80	20.59	20.39	20.18	19.98	101.94
SHT20163	Energy Isles (Kergord) Windfarm Connection	31 March 2031	0.181	2.472	1.314	0.000	0.000	3.967
SHT20687 SHT20687A	Knocknagael & Farigaig area voltage management (Shunt Reactor/STATCOM)	31 March 2031	0.640	1.870	8.400	5.045	0.000	15.955
SHT200703 SHT20115 SHT20114	PT001164 - Loch na Cathrach PSH	31 March 2031	11.804	1.152	0.000	0.000	0.000	12.956
SHT20081 SHT200699	Shetland On-Island Infrastructure	31 March 2031	9.432	65.016	7.014	0.000	0.000	81.462