

Offshore Transmission Licensees  
Other interested parties

*Promoting choice and value for  
all gas and electricity customers*

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Date: 1 February 2013

Dear Colleague

**Modification to the electricity transmission licences held by TC Robin Rigg OFTO Limited, TC Gunfleet Sands OFTO Limited, TC Barrow OFTO Limited, TC Ormonde OFTO Limited, Blue Transmission Walney 1 Limited and Blue Transmission Walney 2 Limited.**

We have today published a modification notice setting out our intention to modify the standard licence condition E12 (amended standard conditions) of the electricity transmission licences held by:

1. TC Robin Rigg OFTO Limited
2. TC Gunfleet Sands OFTO Limited
3. TC Barrow OFTO Limited
4. TC Ormonde OFTO Limited
5. Blue Transmission Walney 1 Limited
6. Blue Transmission Walney 2 Limited

The modification and the reasoning behind it are set out in the modification notice published alongside this letter. In summary we are adding amended standard condition E12-J11 (The Network Innovation Competition) to the existing amended standard conditions held by each of the licensees listed above. The addition of amended standard condition E12-J11 (The Network Innovation Competition) will allow network licensees to lead bids to compete for funding for innovative projects which could deliver low carbon and environmental benefits for consumers. A separate modification notice to add this condition to the licences of *onshore* transmission licensees has been published today.

The proposed addition of this amended standard condition to offshore transmission licences was consulted on in our open letter published on 7 November 2012<sup>1</sup> and in the Section 11A(2) Notice published on 21 December 2012<sup>2</sup>. Two responses were received to the November 2012 consultation and two responses were received to the December 2012 Notice. No responses opposed the proposal to include the Network Innovation Competition condition and none of the responses suggested changes to the wording of the proposed modification. All responses have been published alongside their respective consultation on the Ofgem website.

A supporting document, the Electricity Network Innovation Competition Governance Document ("NIC Governance Document") which derives from the proposed modification has

<sup>1</sup> [Licence Modifications through the RIIO-T1 Price Control – Possible Impacts on Offshore Transmission Owners \(OFTOs\) \(Reference Number 147/12\)](#)

<sup>2</sup> [Notice under Section 11A\(2\) of the Electricity Act 1989 \(Network Innovation Competition\)](#)

been published alongside this letter for information. This NIC Governance Document will apply to both onshore and offshore transmission licensees and has been consulted on alongside the proposed licence condition. Comments raised as part of the consultation on the NIC Governance Document and Ofgem's response to those comments are set out in the RIIO-ET1 modification notice and cover letter<sup>3</sup> which are published on the Ofgem website today.

If you have any queries regarding the information contained within this letter please contact Hannah Evans on 020 7901 7358 or by email [hannah.evans@ofgem.gov.uk](mailto:hannah.evans@ofgem.gov.uk).

Yours faithfully

**Min Zhu**  
**Associate Director, Offshore Transmission**

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<sup>3</sup> [RIIO-ET1 Modifications to the special conditions of the electricity transmission licence held by National Grid Electricity Transmission plc and reasons for decision pursuant to section 11A and 49A of the Electricity Act 1989](#)