

To the Company Secretary:

National Grid Electricity Transmission Plc
(Company Number: 02366977)

Direction under paragraph 3F.11 of Part D (Establishment and Modification of the EDR Scheme Guidance) of Special Condition 3F (Adjustment in Respect of the Environmental Discretionary Reward Scheme) of the Electricity Transmission Licence granted or treated as granted to National Grid Electricity Transmission Plc (the "Licensee") under section 6(1)(b) of the Electricity Act 1989

Whereas-

1. The Licensee has been granted an Electricity Transmission Licence (the "Licence") under section 6(1) (b) of the Electricity Act 1989 (the "Act") and is subject to the conditions contained in the Licence.
2. In accordance with paragraph 3F.12 of Part D of Special Condition 3F of the Licence, the Gas and Electricity Markets Authority (the "Authority") gave notice on 18 February 2016 ("the Notice") that it proposed to modify the Environmental Discretionary Reward ("EDR") Scheme Guidance.
3. The Authority's reasons for proposing to modify the EDR Scheme Guidance were set out in the Notice referred to above. The Authority wishes to implement a number of proposed changes and improvements to the EDR Scheme Guidance following analysis of the scoring mechanism and feedback from the licensees and the EDR expert panel in order to better achieve the EDR Scheme's objectives. These include proposed modifications designed to:
 - i. clarify the information and evidence to be provided by applicant licensees; and
 - ii. simplify and improve aspects of the assessment criteria and scoring to ensure that they better accord with the objectives of the EDR Scheme.
4. The Authority requested that any representations with respect to the proposed revised EDR Scheme Guidance be made on or before 17 March 2016. The Authority received no representations in relation to the proposed modifications to the EDR Scheme Guidance. Two minor typographical errors were identified at paragraph 2.13 of the EDR Scheme Guidance and have been corrected.
5. The Authority therefore now directs that the changes and modifications to the EDR Scheme Guidance as set out above shall take effect.
6. A copy of the modified EDR Scheme Guidance is included in the Schedule to this Direction.

Now therefore –

In accordance with paragraph 3F.11 of Part D of Special Condition 3F of the Licence, the Authority hereby directs that the modified EDR Scheme Guidance as set out in the Schedule to this Direction will take effect on and from 31 March 2016.

This document constitutes notice of the reasons for the Direction in accordance with section 49A of the Act.



Geoffrey Randall
Head of RIIIO
Electricity Transmission

Duly authorised on behalf of the Authority
31 March 2016

Schedule to the Authority's Direction dated 31 March 2016

https://www.ofgem.gov.uk/system/files/docs/2016/02/environmental_discretionary_reward_scheme_guidance_revision_3_0.pdf

