

To: National Grid North Sea Link Limited

**Electricity Act 1989
Section 11A(1)(a)**

**Modification of the special conditions of the electricity interconnector licence
held by National Grid North Sea Link Limited**

1. National Grid North Sea Link Limited ('NGNSL') is the holder of an electricity interconnector licence ('the Licence') granted or treated as granted under section 6(1)(e) of the Electricity Act 1989 ('the Act').
2. Under section 11A(2) of the Act the Gas and Electricity Markets Authority ('the Authority')¹ gave notice on 30 January 2018 ('the Notice') that we propose to modify the Licence by inserting new special conditions as specified in the schedule accompanying the Notice.² We stated that any representations to the modification proposal must be made on or before 1 March 2018.
3. A copy of the Notice was sent to the Secretary of State in accordance with section 11A(4)(b) of the Act, and we have not received a direction that the change should not be made.
4. We received four responses to the Notice, which we carefully considered. We have placed all non-confidential responses on our website. Our response to these comments is set out in the accompanying letter.
5. It is necessary to make a number of minor alterations to the modifications set out in the Notice. These alterations are tracked in the attached Schedule 1. The reasons for any differences between the modifications set out in the Notice and the modifications reflected in Schedule 1 are to correct minor typographical errors and address issues raised in consultation responses.
6. We are making these licence changes in order to implement NGNSL's cap and floor regime and reflect the NGNSL specific elements of the cap and floor regime that are contained in the July 2017 decision.³
7. Further details on the reasons and effect of the modifications can be found in the schedule accompanying the Notice.⁴
8. Where an application for permission to appeal our decision is made to the Competition and Markets Authority (CMA) under section 11C of the Act, Rule 5.7 of the CMA's Energy Licence Modification Appeals Rules⁵ requires that the appellants

¹ The terms "Authority" and "we" are used interchangeably in this document.

² Proposed new special conditions for the electricity interconnector licence held by NGNSL: https://www.ofgem.gov.uk/system/files/docs/2018/01/nsl_licence_special_conditions_2018_final_1.pdf

³ Decision on the Final Project Assessment of the NSL interconnector to Norway (17 July 2017): <https://www.ofgem.gov.uk/publications-and-updates/decision-final-project-assessment-nsl-interconnector-norway>

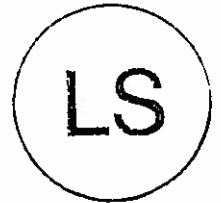
⁴ Reasons and effects of proposed insertion of new special conditions into the electricity interconnector licence held by NGNSL: https://www.ofgem.gov.uk/system/files/docs/2018/01/schedule_1b_-_ngnsl_specials_-_reasons_and_effect.pdf

⁵ The rules were published by the Competition Commission in September 2012. On 1 April 2014, the Competition Commission was abolished and its functions transferred to the CMA.

must send to any relevant licence holders who are not parties to the appeal a non-confidential notice setting out the matters required in Rule 5.2. The relevant licence holder in relation to this modification is NGNSL. Section 11A(10) of the Act sets out the meaning of 'relevant licence holder'.

Under the powers set out in section 11A(1)(a) of the Act, we hereby modify the electricity interconnector licence of NGNSL in the manner specified in attached Schedule 1. This decision will take effect from 28 September 2018.

This document is notice of the reasons for the decision to modify the electricity interconnector licence held by NGNSL as required by section 49A(2) of the Act.



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Mark Copley
Deputy Director, Wholesale Markets & Commercial
Duly authorised on behalf of the
Gas and Electricity Markets Authority

23 July 2018