

**To: National Grid Electricity Transmission plc**

**Direction issued by the Gas and Electricity Markets Authority under Part C of Special Condition 6G (Mitigating the impact of Pre-existing Transmission Infrastructure on the visual amenity of Designated Areas) to modify the Electricity Transmission Licence to make modifications to the EPI Outputs and Allowed Expenditure**

**Whereas**

1. National Grid Electricity 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. Special Condition (SC) 6G (Mitigating the impact of Pre-existing Transmission Infrastructure on the visual amenity of Designated Areas) of the Electricity Transmission Licence describes the circumstances in which the Gas and Electricity Markets Authority (the 'Authority')<sup>1</sup>, by way of direction, can make changes to the Enhancing Pre-existing Infrastructure (EPI) Outputs and associated Allowed Expenditure (EPI values<sup>2</sup>) specified in that condition.
3. Part B of SC 6G sets out the determination process that the Authority will follow in considering a request from the licensee for an adjustment to the EPIE values in its price control to deliver an EPI Output.
4. The reason why the Authority is making these modifications is explained in its determination letter dated 28 June 2019<sup>3</sup>, as is the effect of the proposed modifications. In summary, the modifications specify five EPI Outputs and associated EPIE values, and the effect of these licence modifications is to increase the Licensee's Allowed Expenditure under the electricity transmission RIIO-ET1 price control by £0.386 million (2009/10 prices) and to make the Licensee accountable for the delivery of the EPI Outputs within the timescales specified.
5. In accordance with requirements set out in SC 6G, on 28 June 2019, the Authority gave notice of the proposed modifications to Table 1 and Table 2 of SC 6G and invited any representations concerning the proposed modifications by 26 July 2019.
6. The Authority received one non-confidential response which it has considered and which supports the Authority's determination and overall its proposed modification to SC 6G. The consultation response is available on our website.

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<sup>1</sup> The "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day to day work.

<sup>2</sup> This is the specific licence term used in SC 6G for Allowed Expenditure associated with EPI Outputs.

<sup>3</sup> <https://www.ofgem.gov.uk/publications-and-updates/determination-new-outputs-national-grid-s-electricity-transmission-price-control-2>

**Now** the Authority pursuant to the provisions of paragraph 6G.16, **hereby directs** that the EPI Outputs and EPIE values for the Licensee referred to in paragraph 4 are to be modified as shown in Schedule 1 to this Direction. New additions are double underlined and omissions have been struck through.

This document is notice of the reasons for the decision to modify the Licence as required by section 49A(2) of the Act.

**Min Zhu**  
**Deputy Director, RIIO Transmission**

**Duly authorised on behalf of the**  
**Gas and Electricity Markets Authority**

**6 August 2019**

**Schedule 1: Modifications to Special Condition 6G of National Grid Electricity Transmission plc's electricity transmission licence**

This modification adds five new rows to existing Table 1: EPI outputs in Part B, as follows:

**Part B: Assessment of Allowed Expenditure for EPI Outputs**

**Table 1: EPI Outputs**

EPI Output description			Designated Area		Delivery date
<p><b><u>Enhancing the Hills</u></b></p> <p><u>Project addresses the impacts of the overhead line by restoring and enhancing key features of the landscape that underpin the AONB's character.</u></p>			<p><b><u>Blackdown Hills Area of Outstanding Natural Beauty</u></b></p>		<p><b><u>2020</u></b></p>
<b><u>EPI output</u></b>	<b><u>Mitigation activity</u></b>	<b><u>Volume</u></b>	<p><b><u>Combined visual and landscape impact of existing line sections</u></b></p>		
<p><u>Landscape enhancement and reduced visual impact</u></p>	<p><u>Hedgerow creation and management</u></p>	<p><u>865 m</u></p>	<p><u>4YA.1</u></p>	<p><u>3</u></p>	
	<p><u>Traditional orchard restoration</u></p>	<p><u>1.2 ha</u></p>	<p><u>4YA.2</u></p>	<p><u>13</u></p>	
	<p><u>Meadow creation and improvement</u></p>	<p><u>5 ha</u></p>	<p><u>4YA.3</u></p>	<p><u>15</u></p>	

EPI Output description			Designated Area	Delivery date								
<p><b><u>Lost Landscapes II</u></b></p> <p>Project addresses the impacts of the overhead line by restoring and enhancing key features of the landscape that underpin the AONB's character.</p>			<p><b><u>Clwydian Range and Dee Valley Area of Outstanding Natural Beauty</u></b></p>	<p><b><u>2022</u></b></p>								
<b><u>EPI output</u></b>	<b><u>Mitigation activity</u></b>	<b><u>Volume</u></b>										
<p><u>Landscape enhancement and reduced visual impact</u></p>	<u>Hedgerow restoration</u>	<u>8,300 m</u>	<table border="1"> <thead> <tr> <th colspan="2"><b><u>Combined visual and landscape impact of existing line sections</u></b></th> </tr> </thead> <tbody> <tr> <td><u>4ZB.1</u></td> <td><u>18</u></td> </tr> <tr> <td><u>ZK.1</u></td> <td><u>17</u></td> </tr> <tr> <td><u>ZK.2</u></td> <td><u>22</u></td> </tr> </tbody> </table>		<b><u>Combined visual and landscape impact of existing line sections</u></b>		<u>4ZB.1</u>	<u>18</u>	<u>ZK.1</u>	<u>17</u>	<u>ZK.2</u>	<u>22</u>
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	<u>ZK.2</u>	<u>22</u>										
	<u>Drystone wall restoration</u>	<u>60 m</u>										
	<u>Woodland planting</u>	<u>0.8 ha</u>										
<u>Pond creation and restoration</u>	<u>6</u>											
<u>Access improvements</u>	<u>0.5 km</u>											
<u>Wetland enhancement</u>	<u>0.5 ha</u>											
<u>Wildflower meadow creation</u>	<u>5.9 ha</u>											

EPI Output description			Designated Area	Delivery date								
<p><b><u>Beautiful Boundaries II</u></b></p> <p>Project addresses the impacts of the overhead line by restoring and enhancing key features of the landscape that underpin the AONB's character.</p>			<p><b><u>High Weald Area of Outstanding Natural Beauty</u></b></p>	<p><b><u>2020</u></b></p>								
<p><b><u>EPI output</u></b></p>	<p><b><u>Mitigation activity</u></b></p>	<p><b><u>Volume</u></b></p>			<p><b><u>Combined visual and landscape impact of existing line sections</u></b></p> <table border="1"> <tr> <td><u>4ZJ.1</u></td> <td><u>28</u></td> </tr> <tr> <td><u>4ZJ.2</u></td> <td><u>10</u></td> </tr> <tr> <td><u>4ZJ.3</u></td> <td><u>11</u></td> </tr> <tr> <td><u>4ZJ.4</u></td> <td><u>13</u></td> </tr> </table>		<u>4ZJ.1</u>	<u>28</u>	<u>4ZJ.2</u>	<u>10</u>	<u>4ZJ.3</u>	<u>11</u>
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<p><u>Landscape enhancement and reduced visual impact</u></p>	<p><u>Coppice gap up and fencing</u></p>	<p><u>3,776 m</u></p>										
	<p><u>Ancient woodland fencing</u></p>	<p><u>1,435 m</u></p>										
	<p><u>New hedge and fencing</u></p>	<p><u>2,774 m</u></p>										
	<p><u>Lay hedge and fencing</u></p>	<p><u>884 m</u></p>										
	<p><u>Woodland planting</u></p>	<p><u>0.4 ha</u></p>										
	<p><u>Wetland habitat restoration</u></p>	<p><u>0.16 ha</u></p>										

EPI Output description			Designated Area	Delivery date								
<p><b><u>Wonderful Woodlands</u></b></p> <p>Project addresses the visual and landscape impact of the overhead line by enhancing and creating open spaces within woodland.</p>			<p><b><u>High Weald Area of Outstanding Natural Beauty</u></b></p>	<p><b><u>2023</u></b></p>								
<p><b><u>EPI output</u></b></p>	<p><b><u>Mitigation activity</u></b></p>	<p><b><u>Volume</u></b></p>			<p><b><u>Combined visual and landscape impact of existing line sections</u></b></p> <table border="1"> <tr> <td><u>4ZJ.1</u></td> <td><u>28</u></td> </tr> <tr> <td><u>4ZJ.2</u></td> <td><u>10</u></td> </tr> <tr> <td><u>4ZJ.3</u></td> <td><u>11</u></td> </tr> <tr> <td><u>4ZJ.4</u></td> <td><u>13</u></td> </tr> </table>		<u>4ZJ.1</u>	<u>28</u>	<u>4ZJ.2</u>	<u>10</u>	<u>4ZJ.3</u>	<u>11</u>
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<p><u>Landscape enhancement and reduced visual impact</u></p>	<p><u>All-weather access improvements</u></p>	<p><u>2,056 m<sup>2</sup></u></p>										
	<p><u>Woodland habitat restoration</u></p>	<p><u>5.5 ha</u></p>										
	<p><u>Ground flora restoration</u></p>	<p><u>5.6 ha</u></p>										
	<p><u>Pond habitat restoration</u></p>	<p><u>3</u></p>										
<p><b><u>Landford Bog Nature Reserve</u></b></p> <p>Project addresses the visual and landscape impacts of overhead lines by enhancing the landscape and habitat and improving access.</p>			<p><b><u>New Forest National Park</u></b></p>	<p><b><u>2021</u></b></p>								
<p><b><u>EPI output</u></b></p>	<p><b><u>Mitigation activity</u></b></p>	<p><b><u>Volume</u></b></p>			<p><b><u>Combined visual and landscape impact of existing line sections</u></b></p> <table border="1"> <tr> <td><u>4YB.3</u></td> <td><u>18</u></td> </tr> </table>		<u>4YB.3</u>	<u>18</u>				
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<p><u>Landscape enhancement and reduced visual impact</u></p>	<p><u>All-weather access improvements</u></p>	<p><u>35 m<sup>2</sup></u></p>										
	<p><u>Boundary improvements</u></p>	<p><u>1370 m<sup>2</sup></u></p>										
	<p><u>Installation of leaky log dams</u></p>	<p><u>2</u></p>										
	<p><u>Rotational pollarding</u></p>	<p><u>0.7 ha</u></p>										

This modification also amends the values in the final three columns of existing Table 2: EPIE values after modifications determined in accordance with Part C of this Condition, in Part D, as follows:

**Part D: Determination of revisions to EPIE values by the Authority**

**Table 2: EPIE values after modifications determined in accordance with Part C of this condition**

£m (2009/10 prices)	Relevant Year t							
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
						9.720	45.085	22.758
	0.166	0.556	0.976	1.271	2.003	<u>9.884</u>	<u>45.236</u>	<u>22.829</u>