

Appendix 3

To: Nemo Link Limited

Electricity Act 1989 Section 11A(2)

Notice of statutory consultation on proposed modifications to the special conditions of the electricity interconnector licence held by Nemo Link Limited

1. The Gas and Electricity Markets Authority ('the Authority')¹ proposes to modify the electricity interconnector licence held by Nemo Link Limited ('Nemo Link'), granted or treated as granted under section 6(1)(e) of the Act by:
 - (a) amending existing Special Condition 1: Definitions and Interpretation;
 - (b) amending existing Special Condition 2: Cap Level and Floor Level;
 - (c) amending existing Special Condition 7: Non-Controllable Costs;
 - (d) amending existing Special Condition 8: Process for determining the value of the Post Construction Adjustment terms;
 - (e) amending existing Special Condition 9: Process for determining the value of the Opex Reassessment Adjustment terms
 - (f) deleting existing Special Condition 11: Nemo Link Cap And Floor Financial Model Protocol, and replacing it with new Special Condition 11: Nemo Link Cap And Floor Financial Model Governanceas specified in Schedule 3A of this notice.
2. We are proposing these modifications in order to:
 - (a) reflect the changes in the governance of, and updates made to, the Nemo Link Cap And Floor Financial Model, and
 - (b) provide clarification and correct minor cross-reference errors in the licence.
3. The effect of the proposed modifications is to implement the updated Cap And Floor Financial Model for Nemo Link and update the specific references to it contained in the electricity interconnector licence held by Nemo Link.
4. Specific details on the reasons and effects of the proposed modifications can be found in Schedule 3B of this notice.
5. A copy of the proposed modifications and other documents referred to in this notice are available on the Ofgem website (www.ofgem.gov.uk). Alternatively, they are available from foi@ofgem.gov.uk.
6. Any representations on the proposed licence modifications may be made on or before 11 October 2019 to: Ikbal Hussain, Office of Gas and Electricity Markets, 10 South Colonnade, Canary Wharf, London E14 4PU or by email to cap.floor@ofgem.gov.uk

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

7. We normally publish all responses on our website. However, if you do not wish your response to be made public then please clearly mark it as not for publication. We prefer to receive responses in an electronic form so they can be placed easily on our website.
8. If we decide to make the proposed modifications, they will take effect not less than 56 days after the decision is published.

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Tom Corcut
Deputy Director, Wholesale Markets
Duly authorised on behalf of the
Gas and Electricity Markets Authority

12 September 2019