

To all holders of an electricity
transmission licence and other
interested stakeholders

Email: NTIMailbox@ofgem.gov.uk

Date: 15 January 2021

Dear licensees and stakeholders

Decision on proposed licence modifications for the Hinkley-Seabank project under the Strategic Wider Works (SWW) arrangements

We¹ have decided to modify Special Condition 6I (Specification of Baseline Wider Works Outputs and Strategic Wider Works Outputs and Assessment of Allowed Expenditure) ("**Special Condition 6I**") of National Grid Electricity Transmission plc's ("**NGET**") electricity transmission licence ("**the Licence**").

We proposed this modification in our statutory consultation published on 19 November 2020 (the "**November statutory consultation**"), to which we invited responses by 21 December 2020.² The modification decision is published on our website alongside this letter. The changes, outlined below, will take effect from 14 March 2021.

A Notice under section 11A(2) of the Electricity Act 1989 (the Act) including the modifications to Special Condition 6I is published alongside this letter.

Background

This licence modification follows on from our decision of 22 May 2020 (the "**May decision**")³, our informal licence-drafting consultation of July 2020 (the "**July consultation**")⁴, our first statutory consultation of 28 August 2020 (the "**August statutory consultation**") and our November statutory consultation.

In our May decision, we approved £514.7m of additional allowed expenditure (in 2009/10 prices) for the Hinkley-Seabank project, NGET's technical solution for connecting EDF's Hinkley Point C nuclear power station in Somerset to the GB transmission network (the "**Hinkley-Seabank project**").

¹ References to the "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day to day work. This decision is made by or on behalf of GEMA.

² [Statutory consultation on a proposal to modify the special conditions of the electricity transmission licence held by National Grid Electricity Transmission](#)

³ [Decision on our project assessment for the Hinkley-Seabank electricity transmission project](#)

⁴ [Consultation on a proposal to modify Special Condition 6I of National Grid Electricity Transmission's RIIO1 electricity transmission licence to implement the Hinkley-Seabank decision](#)

Further details of the project and the determination of the SWW output and allowed expenditure are set out in our October 2019 consultation,⁵ our subsequent May decision and our July consultation.

Responses to our November statutory consultation and next steps

We received one response to our November statutory consultation, which was from NGET. We have published this response on our website alongside our November statutory consultation. NGET welcomed the proposed modification as outlined in the November statutory consultation.

After reviewing this response, we have decided to implement the proposed licence modifications, which, in summary, will have the following effects:

1. introduce a new SWW output and allowed expenditure for the Hinkley-Seabank project into Special Condition 6I;
2. modify Part B of Special Condition 6I to reflect changes related to COAE.

The final licence text is set out in Schedule 1 to the Notice accompanying this letter. The licence text remains the same as the text that was proposed as part of our November statutory consultation.

The licence changes will take effect from 14 March 2021.

If you have any questions regarding this letter, please contact us via NTIMailbox@ofgem.gov.uk.

Yours faithfully,

James Norman

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⁵ [Hinkley - Seabank: Consultation on cost assessment](#)