

To the Licensees:

Electricity North West Ltd (ENWL)
Northern Powergrid (Northeast) plc (NPgN)
Northern Powergrid (Yorkshire) plc (NPgY)
London Power Networks plc (LPN)
South Eastern Power Networks plc (SPN)
Eastern Power Networks plc (EPN)
SP Distribution plc (SPD)
SP Manweb plc (SPMW)
Scottish Hydro Electric Power Distribution plc (SSEH)
Southern Electric Power Distribution plc (SSES)
Western Power Distribution (West Midlands) plc (WMID)
Western Power Distribution (East Midlands) plc (EMID)
Western Power Distribution (South Wales) plc (SWALES)
Western Power Distribution (South West) plc (SWEST)

Electricity Act 1989
Section 11A (2)

Notice of statutory consultation on a proposal to modify the Special Licence Conditions (also known as the Charge Restriction Conditions) of the Electricity Distribution Licences held by the Licensees

1. The Gas and Electricity Markets Authority ('the Authority')¹ proposes to modify the electricity distribution licence held by each of the above licensees ("the licensees"), granted or treated as granted under 6(1)(b) of the Electricity Act 1989 by:
 - a. inserting a new Special Condition CRC 3N (Arrangements to exclude Green Recovery Scheme Project Costs from the Totex Incentive Mechanism); and
 - b. making amendments to the ED1 Price Control Financial Instruments.
2. We are proposing these modifications to give effect to our decision on the RIIO-ED1 Green Recovery Scheme.
3. Further detail on the reasons and effects of the proposed modifications and the full text of the modification can be found on our website at <https://www.ofgem.gov.uk/publications-and-updates/statutory-consultation-riio-ed1-green-recovery-licence-modification>, alternatively they are available from foi@ofgem.gov.uk.
4. In addition, further details and the background to the proposed changes are set out in the following documents:
 - a. Open letter on the Energy Network Association Green Recovery Scheme²; and
 - b. Decision on the RIIO-ED1 Green Recovery Scheme³

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

² <https://www.ofgem.gov.uk/publications-and-updates/open-letter-energy-network-association-green-recovery-scheme>

³ <https://www.ofgem.gov.uk/publications-and-updates/decision-riio-ed1-green-recovery-scheme>

5. Any representations with respect to the proposed modifications must be made on or before 25 June 2021 to: Timothy Wood, Office of Gas and Electricity Markets, 10 South Colonnade, Canary Wharf, London, E14 4PU or by email to Timothy.wood@ofgem.gov.uk.
6. 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.
7. If we decide to make the proposed modifications they will take effect not less than 56 days after the date on which our decision is published.

.....
Steven McMahon
Deputy Director
Duly authorised on behalf of the
Gas and Electricity Markets Authority

28/05/2021