

Appendix 1

To: Nemo Link Limited

Electricity Act 1989 Section 11A(2)

Notice of statutory consultation on a proposal to insert new special conditions into 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') and granted or treated as granted under section 6(1)(e) of the Act by inserting into that licence the proposed new special conditions as specified in Schedule 1A of this notice.
2. We are proposing these modifications in order to give effect to our December 2014 decision² to grant Nemo Link a cap and floor regime.
3. The effect of the proposed modifications is to implement Nemo Link's cap and floor regime and reflect the Nemo Link specific elements of the cap and floor regime that are contained in the December 2014 decision.
4. Specific details on the reasons and effects of the proposed modifications can be found in Schedule 1B of this notice.
5. Further details and background on these proposed licence modifications are set out in the following documents:
 - Decision on the cap and floor regime for the GB-Belgium interconnector project Nemo, December 2014; and
 - Our informal consultation on these proposed licence modifications, published on our website on 4 February 2016³.
6. Schedule 1C to this notice contains our responses to the issues raised by stakeholders as part of the February 2016 informal consultation on these proposed licence modifications.
7. 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 our Research and Information Centre, 9 Millbank, London, SW1P 3GE (020 7901 7003).

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

² Decision on the cap and floor regime for the GB-Belgium interconnector project Nemo, December 2014
https://www.ofgem.gov.uk/sites/default/files/docs/2014/12/final_cap_and_floor_regime_design_for_nemo_master_-_for_publication_1.pdf

³ Consultation on proposed changes to the standard conditions of the electricity interconnector licence, licences held by Nemo Link and NGIL and NGET's electricity transmission licence to implement the cap and floor regime and use of revenues compliance <https://www.ofgem.gov.uk/publications-and-updates/consultation-proposed-changes-standard-conditions-electricity-interconnector-licence-licences-held-nemo-link-and-ngil-and-ngets-electricity-transmission-licence-implement-cap-and-floor-regime-and-use-revenues-compliance>

8. Any representations on the proposed licence modifications may be made on or before 23 September 2016 to: Ikbal Hussain Office of Gas and Electricity Markets, 9 Millbank, London, SW1P 3GE or by email to cap.floor@ofgem.gov.uk
9. 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.
10. 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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Stephen Beel
Partner, Competitive Networks
Duly authorised on behalf of the
Gas and Electricity Markets Authority

22 August 2016