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 of National Grid Electricity Transmissions plc

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 Licence establishes the circumstances in which the Gas and Electricity Markets Authority (the 'Authority')¹, by way of direction, can make changes to the Licensee's Enhancing Pre-existing Infrastructure (EPI) Outputs and associated Allowed Expenditure (EPIE values²) specified in that same condition.
- 3. Part B of Special Condition (SC) 6G also sets out the basis of the determination process 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 18 December 2017³. In summary, the purpose of the modifications is to specify seven EPI Outputs that the Licensee is required to deliver and to specify the associated EPIE values.
- 5. The effect of the proposed modifications is also set out in the Authority's December determination letter. In summary, the effect of these licence modifications is to increase the Licensee's Allowed Expenditure under the electricity transmission price control by £964,179 (2009/10 prices) and to make the Licensee accountable for the delivery of the EPI Outputs by the timescales specified.
- 6. In accordance with the requirements set out in SC 6G, on 18 December 2017, the Authority gave notice of the proposed modifications to Table 1 and Table 2 of SC 6G and specified that any representations concerning the proposed modifications should be made by 18 January 2018.
- 7. The Authority received nine non-confidential responses which it has considered and which all support the Authority's determination and its proposed modification to SC 6G. All of the consultation responses are available on our website. The Authority notes some stakeholders commented on aspects of the licensee's Landscape Enhancement Initiative (LEI) scheme, which are beyond the scope of the licence modification.
- 8. The Authority has made one amendment to the draft licence text set out in Schedule 1 of the notice dated 18 December 2017. The change relates to the Mitigation Activity and Volumes for the EPI Output of the Traditional Boundaries project. The information published in the notice were incorrect. The Authority has amended these with the correct information and the changes are highlighted yellow in Schedule 1 of this direction.

 $^{^1}$ 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.

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

³ https://www.ofgem.gov.uk/publications-and-updates/determination-new-outputs-national-grid-s-electricity-transmission-price-control-0

Now the Authority pursuant to the provisions of SC 6G, **hereby directs** that the EPI Outputs and EPIE values for the Licensee referred to in paragraph 4 are to be modified as shown in track changes in Schedule 1 to this Direction.

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

Steven McMahon

Associate Partner, RIIO Networks, Electricity

Duly authorised on behalf of the Gas and Electricity Markets Authority

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13 February 2018

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

Part B: Assessment of Allowed Expenditure for EPI Outputs

Table 1: EPI Outputs

EPI	Output description	Design	ated Area	Delivery date	
Beautiful Boun	daries project		High Wea	2021	
-	es the visual and landsc ections of existing lines	Beauty	9		
	oints and enhances lan ion and creation of cha es.		and land	of	
EPI Output	Mitigation activity	Volume	existing lines		
Landscape	Coppice gap up and	5.3km	4ZJ.1	25	
enhancement and reduced	fence	3.6km	4ZJ.2	10	
visual impact	New hedge and fence		4ZJ.3	8	
	Plant trees	232	4ZJ.4	13	
	Fence ancient woodland	5.4km	4VM	10	
			4 V IVI	10	
project Project addresse existing bridlewa park users have	Thimbleby Bridleway es visual impacts by upg ey to an all-weather link an alternative route the pre-existing transmissi	grading an k so that at doesn't	North You Moors Na	rkshire tional Park ed visual lscape	2019
project Project addresse existing bridlewa park users have	Thimbleby Bridleway es visual impacts by upg ey to an all-weather link an alternative route the	grading an k so that at doesn't	North You Moors Na Combine and land impact of	rkshire tional Park ed visual lscape	2019

EPI	Output description	Designa	ted Area	De	
entral Longdendale Trails Landscape and nhancements project				Peak District National Park	
hree sections of e-directing view	s visual and landscape existing line through s s, landscape enhancen s to areas to direct atte	creening, nent and	Combined and lands impact of existing li	scape	
EPI Output	Mitigation activity	Volume	4ZO.3	27	
	Path repair	3000m ²	4ZO.4	28	
Reduced	Bridge rebuild	1	4Z0.5	16	
visual impact	Car park improvements	1			
	New benches	15			
Landscape enhancement	Rhododendron control	2500m ²			
e.mancement	Grassland management	2500m ²			
Reduced	Scrub clearance	2000m²			
visual impact and landscape enhancement	Tree management	1550m ²			

EPI	Desig	nated Area	Delivery date		
Project addresses the visual and landscape impacts of the overhead line on publicly accessible viewpoints and enhances the landscape through restoration and creation of traditional boundary features and parkland.			Dee Val Outstan Beauty	n Range and ley Area of iding Natura ned visual	_
EPI output	features and parkland. EPI output Mitigation activity Yolume		impact	ndscape <u>of</u> g lines ⁴	
Landscape enhancement	Hedging and fencing	At least 3000m	<u>4ZB</u>	<u>18</u>	
and reduced visual impact	Veteran tree management	<u>6</u>			
	Scrub clearance	At least 2 ha			
	Heathland management	<u>600 ha</u>			
	Slate and dry stone wall restoration	<u>230m</u>			
	<u>Tree planting</u>	At least 1 ha			
	Improved roadside reserves	<u>2000m</u>			
	Pond creation	<u>1</u>			

⁴ The combined impact scores are from the 2014 Landscape and Visual Impact Assessment report on pre-exisiting transmission lines. Line sections with a measure of 25 or greater denote very high impact, 20 to 24 is assessed as high impact, 10 to 19 as moderate impact and lines with a score of 10 or less have a lower impact.

EPI	Output description	Designated Area	Delivery date	
Magical Marshwood Vale project Project reduces the visual and landscape impact of the overhead lines by restoring and managing ancient woodland and introducing alternative recreation opportunities that distract from the electricity infrastructure.			Dorset Area of Outstanding Natural Beauty Combined visual and landscape impact of existing lines	<u>2020</u>
EPI output Landscape enhancement	Mitigation activity Hedge laying	Approx. 1,800m	4YA.1 9 4YA.2 15 4YA.3 14	
and reduced visual impact	Tree planting	Approx. 186 trees		
	Pond restoration	7 ponds		
	Grassland restoration and scrub clearance	Approx. 7 ha		

EPI	Output description	Design	ated Area	Delivery date	
Works and Wild	Woodland Improvements, Infrastructure Works and Wild Play at Holbury Manor/Warren Copse				2021
Project reduces the visual and landscape impact of the infrastructure by restoring and managing ancient woodland and introducing alternative recreation opportunities that distract from the electricity infrastructure.			and land impact of existing	of Llines	
EPI output	Mitigation activity	<u>Volume</u>	4YD.3	<u>14</u> <u>4</u>	
Reduced	<u>Car park</u>	400m ²			
<u>visual impact</u>	New benches	2			
	Wild play materials	Various			
Landscape enhancement and reduced visual impact	New and refurbished fencing and hedge	<u>140m</u>			
	Tree safety work	25% of trees			
<u>Landscape</u> enhancement	Tree thinning	<u>2500m²</u>			
ermancement	Foot bridges	<u>2</u>			
Project aims to e	andscape Restoration in the landscape or ing key landscape features.	e character of	Peak Dis National		2021
will offer screening	ng and filtering of vie om certain locations.	ws of	Combinand land impact existing	<u>of</u>	
EPI output	Mitigation activity	<u>Volume</u>	4Z0.3	<u>27</u>	
	Woodland management	Approx. 7 ha	<u>4ZO.4</u>	<u>28</u>	
Landscape enhancement and reduced	Native woodland creation	Approx. 3 ha	<u>4ZO.5</u>	<u>16</u>	
visual impact	Dry stone wall restoration	<u>450m</u>			

EPI Output description				Design	ated Area	Delive date	
	Dyffryn Ffestiniog East Woodland Restoration and Landscape Improvement project			<u>Snowdon</u> <u>Park</u>	<u>ia National</u>	2021	
Project addresses the visual and landscape impacts of overhead lines by restoring hedgerows and native woodland and managing invasive species.			Combined visual and landscape impact of existing lines				
EPI output	Mitigation activity	<u>Volume</u>		<u>4ZC.1</u>	<u>26</u>		
	New tree planting	Approx. 8,500 trees		<u>4ZC.2</u>	<u>14</u>		
	Spot felling of canopy	Approx. 30% of 12 ha		XO.1 ZK.1	<u>16</u> 22		
<u>Landscape</u> enhancement	Rhododendron control	<u>700ha</u>		<u> </u>	<u> </u>		
and reduced visual impact	Dry stone walling	Approx. 400m ²					
	Restoring hedgerows	<u>Approx.</u> 1,000m					
	Clear-fell of conifer	Approx. 14 ha					

EPI Output description				Designated Area			Delivery date
	Woodland Restoration and Landscape Improvement project			<u>Snowdon</u> <u>Park</u>	<u>ia Nation</u>	<u>al</u>	<u>2021</u>
Project addresses visual and landscape impact of six sections of existing line by restoring native woodland and hedgerows, removing invasive nonnative species to improve patchwork views of landscape from afar and screen lines from close quarters.				Combine visual ar landscar impact of existing sections	nd <u>pe</u> of line		
EPI output	Mitigation activity	<u>Volume</u>		<u>4ZC.1</u>	<u>26</u>		
Landscape enhancement and reduced	Rhododendron control	<u>1,300ha</u>		4ZC.2	<u>14</u>		
visual impact	Restoring hedgerows	<u>2,500m</u>		<u>XO.1</u>	<u>16</u>		
	Dry stone walling	<u>30m</u>		<u>ZK.1</u>	<u>22</u>		
	Re-stocking	8.21ha		<u>ZK.2</u>	<u>13</u>		
	woodlands and thinning conifers			<u>ZK.3</u>	<u>13</u>		
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EPI Outp	EPI Output description				Delivery date	
	Traditional Boundaries project Project addresses visual and landscape impact of			Snowdonia National Park		
Project addresses visual and landscape impact of seven sections of existing line. Addresses impacts on publicly accessible viewpoints and enhances landscape through restoration and creation of characteristic boundary features.			Combined visual and landscape impact of existing line			
Proposed EPI output	Mitigation activity	Volume	sections			
Landscape	Rhododendron	1,300ha	<u>4ZC.1</u>	<u>26</u>		
enhancement and reduced visual	control Hedgerow	3,600m	<u>4ZC.2</u>	<u>14</u>		
<u>impact</u>	works		<u>4ZB.1</u>	<u>19</u>		
Landscape enhancement and	Restoring hedgerows	2,500m 500m	<u>4ZB.2</u>	<u>15</u>		
reduced visual impact	Slate pillar fencing		<u>ZK.1</u>	<u>22</u>		
<u>Landscape</u> <u>enhancement</u>			<u>ZK.2</u>	<u>13</u>		
<u>Landscape</u> enhancement	Dry stone walling	30m	<u>ZK.3</u>	<u>13</u>		
Landscape enhancement and reduced visual impact		<u>440m</u>				
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Part D: Determination of revisions to EPIE values by the Authority

Table 2: EPIE values after modifications in Part C of this condition

	Relevant Year t							
£m (2009/10	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
prices)	0.0	0.0	0.82	0.87	0.209	0.040	0.140	0.0
				<u>0.171</u>	<u>0.562</u>	0.322	<u>0.226</u>	<u>0.033</u>