

**THE ELECTRICITY ACT 1989**

**DIRECTION UNDER STANDARD CONDITION 1A (APPLICATION OF SECTION G) OF THE  
ELECTRICITY INTERCONNECTOR LICENCE**

**AND**

**NOTICE OF REASONS UNDER SECTION 49A OF THE ELECTRICITY ACT 1989  
THE ELECTRICITY INTERCONNECTOR LICENCE HELD BY NATIONAL GRID NORTH SEA LINK  
LIMITED**

**WHEREAS**

1. National Grid North Sea Link Limited (the 'Licensee') holds an electricity interconnector licence (the 'Licence') granted by the Gas and Electricity Markets Authority (the 'Authority') under section 6(1)(e) of the Electricity Act 1989 (the 'Act') to participate in the operation of the North Sea Link interconnector.

**NOW**

2. In exercise of its powers under paragraph 2 of standard condition 1A (Application of Section G) of the Licence, the Authority hereby issues a direction to the Licensee that with effect on and from the date stated below the standard conditions in Section G (Cap and Floor Standard Conditions) of the Licence shall have effect in the Licence and the Licensee shall be obliged to comply with the requirements of Section G.
3. The reason for the decision of the Authority to issue this direction is that the Licensee has been granted a cap and floor regime by the Authority and the standard conditions of Section G of the Licence are cap and floor standard conditions which set out requirements and obligations for the holder of an electricity interconnector licence granted the cap and floor regime.
4. This document also constitutes the Notice under section 49A of the Act of the reasons for the Authority's decision to give this direction pursuant to standard condition 1A of the Licence.

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**Mark Copley**  
**Deputy Director, Wholesale Markets & Commercial**

**Duly authorised on behalf of the**  
**Gas and Electricity Markets Authority**

**Date: 23 July 2018**