

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 make modifications to specify EPI Outputs and Allowed Expenditure

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 provides that the Gas and Electricity Markets Authority (the 'Authority')¹ may, by way of direction, make modifications to Table 1 in Part B of this condition and to Table 2 in Part D of this condition, in order to add details, including the amount of Allowed Expenditure, of an EPI Output.
3. Paragraph 6G.14 of Part B sets out what the Authority will determine where it receives a notice from the Licensee under paragraph 6G.12.
4. The reasons why the Authority is making these modifications is explained in its determination letter dated 9 January 2019², as is the effect of the proposed modifications. In summary, the modifications specify five EPI Outputs and associated EPIE values, and the effect of these licence modifications is to increase the Licensee's Allowed Expenditure under the electricity transmission RIIIO-ET1 price control by £0.599 million (2009/10 prices) and to make the Licensee accountable for the delivery of the EPI Outputs by the timescales specified.
5. In accordance with paragraph 6G.18, on 9 January 2019, the Authority gave notice of the proposed modifications to Table 1 and Table 2 of SC 6G and invited any representations concerning the proposed modifications by 7 February 2019.
6. The Authority received one non-confidential response which it has considered and which supports the Authority's determination and overall its proposed modification to SC 6G. The response highlighted an error in the proposed licence modification text, which also appeared in the original submission, and proposed a correction. The consultation response is available on our website.
7. The Authority has made three minor amendments to the draft licence text set out in Schedule 1 of the notice dated 9 January 2019. One amendment relates to the Mitigation Activity and Volumes for the EPI Output of the Arncliffe Wood and Scarth Wood Moor Restoration project, and another to the name of the designated area in

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 <https://www.ofgem.gov.uk/publications-and-updates/determination-new-outputs-national-grid-s-electricity-transmission-price-control-1>

which the project will take place. The information published in the proposed modification notice was incorrect. A third amendment adds a decimal point into the 2020/21 EPIE value which was omitted in the proposed modification. The Authority has amended these errors and the changes are highlighted yellow in Schedule 1 of this direction.

Now the Authority pursuant to the provisions of paragraph 6G.16, **hereby directs** that the EPI Outputs and EPIE values for the Licensee referred to in paragraph 4 are to be modified as shown double underlined 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.

Min Zhu
Deputy Director, RIIO Electricity Transmission

Duly authorised on behalf of the
Gas and Electricity Markets Authority

14 February 2019

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

The modification will add five new rows to existing Table 1: EPI outputs, as follows:

Part B: Assessment of Allowed Expenditure for EPI Outputs

Table 1: EPI Outputs

EPI Output description	Designated Area	Delivery date																				
<p><u>High Downs project</u></p> <p><u>Project addresses the impacts of the overhead line by shifting the public focus to enhanced landscapes through restoration and creation of a conservation network.</u></p> <table border="1"> <thead> <tr> <th><u>EPI output</u></th> <th><u>Mitigation activity</u></th> <th><u>Volume</u></th> </tr> </thead> <tbody> <tr> <td rowspan="4"><u>Landscape enhancement and reduced visual impact</u></td> <td><u>Ancient woodland restoration</u></td> <td><u>70 ha</u></td> </tr> <tr> <td><u>Chalk grassland restoration</u></td> <td><u>11 ha</u></td> </tr> <tr> <td><u>Acid grassland and heathland restoration</u></td> <td><u>50 ha</u></td> </tr> <tr> <td><u>Hedgerows and scrubland restoration</u></td> <td><u>15 ha</u></td> </tr> </tbody> </table>	<u>EPI output</u>	<u>Mitigation activity</u>	<u>Volume</u>	<u>Landscape enhancement and reduced visual impact</u>	<u>Ancient woodland restoration</u>	<u>70 ha</u>	<u>Chalk grassland restoration</u>	<u>11 ha</u>	<u>Acid grassland and heathland restoration</u>	<u>50 ha</u>	<u>Hedgerows and scrubland restoration</u>	<u>15 ha</u>	<p><u>Kent Downs Area of Outstanding Natural Beauty</u></p> <table border="1"> <thead> <tr> <th colspan="2"><u>Combined visual and landscape impact of existing line sections</u></th> </tr> </thead> <tbody> <tr> <td><u>ZY.1</u></td> <td><u>20</u></td> </tr> <tr> <td><u>ZY.2</u></td> <td><u>7</u></td> </tr> <tr> <td><u>ZY.3</u></td> <td><u>16</u></td> </tr> </tbody> </table>	<u>Combined visual and landscape impact of existing line sections</u>		<u>ZY.1</u>	<u>20</u>	<u>ZY.2</u>	<u>7</u>	<u>ZY.3</u>	<u>16</u>	<u>2021</u>
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<p><u>North Downs Living Grid project</u></p> <p><u>Project addresses the visual and landscape impacts of overhead line through landscape scale plantings that enhance diversity and character of the AONB.</u></p> <table border="1"> <thead> <tr> <th><u>EPI output</u></th> <th><u>Mitigation activity</u></th> <th><u>Volume</u></th> </tr> </thead> <tbody> <tr> <td rowspan="4"><u>Landscape enhancement and reduced visual impact</u></td> <td><u>New meadowland</u></td> <td><u>5 ha</u></td> </tr> <tr> <td><u>New chalk grassland</u></td> <td><u>4 ha</u></td> </tr> <tr> <td><u>Native woodland</u></td> <td><u>0.5 ha</u></td> </tr> <tr> <td><u>Hedgerow planting</u></td> <td><u>1,800 metres</u></td> </tr> </tbody> </table>	<u>EPI output</u>	<u>Mitigation activity</u>	<u>Volume</u>	<u>Landscape enhancement and reduced visual impact</u>	<u>New meadowland</u>	<u>5 ha</u>	<u>New chalk grassland</u>	<u>4 ha</u>	<u>Native woodland</u>	<u>0.5 ha</u>	<u>Hedgerow planting</u>	<u>1,800 metres</u>	<p><u>Kent Downs Area of Outstanding Natural Beauty</u></p> <table border="1"> <thead> <tr> <th colspan="2"><u>Combined visual and landscape impact of existing line sections</u></th> </tr> </thead> <tbody> <tr> <td><u>ZY.1</u></td> <td><u>20</u></td> </tr> <tr> <td><u>ZY.2</u></td> <td><u>7</u></td> </tr> <tr> <td><u>ZY.3</u></td> <td><u>16</u></td> </tr> </tbody> </table>	<u>Combined visual and landscape impact of existing line sections</u>		<u>ZY.1</u>	<u>20</u>	<u>ZY.2</u>	<u>7</u>	<u>ZY.3</u>	<u>16</u>	<u>2021</u>
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<p><u>Gentleshaw Common in the Future project</u></p> <p><u>Project addresses the visual and landscape impact of the overhead line by restoring and managing lowland heathland restoration.</u></p> <table border="1" data-bbox="188 443 820 826"> <thead> <tr> <th><u>EPI output</u></th> <th><u>Mitigation activity</u></th> <th><u>Volume</u></th> </tr> </thead> <tbody> <tr> <td rowspan="4"><u>Landscape enhancement and reduced visual impact</u></td> <td><u>Bracken and scrub control</u></td> <td><u>60 ha</u></td> </tr> <tr> <td><u>Purple moor grass cutting</u></td> <td><u>7 ha</u></td> </tr> <tr> <td><u>Footpath upgrading</u></td> <td><u>80 m</u></td> </tr> <tr> <td><u>Broadwalk installation</u></td> <td><u>38 m</u></td> </tr> </tbody> </table>	<u>EPI output</u>	<u>Mitigation activity</u>	<u>Volume</u>	<u>Landscape enhancement and reduced visual impact</u>	<u>Bracken and scrub control</u>	<u>60 ha</u>	<u>Purple moor grass cutting</u>	<u>7 ha</u>	<u>Footpath upgrading</u>	<u>80 m</u>	<u>Broadwalk installation</u>	<u>38 m</u>	<p><u>Cannock Chase Area of Outstanding Natural Beauty</u></p> <table border="1" data-bbox="852 383 1142 645"> <thead> <tr> <th colspan="2"><u>Combined visual and landscape impact of existing line sections</u></th> </tr> </thead> <tbody> <tr> <td><u>ZN.1</u></td> <td><u>5</u></td> </tr> <tr> <td><u>ZN.2</u></td> <td><u>5</u></td> </tr> </tbody> </table>	<u>Combined visual and landscape impact of existing line sections</u>		<u>ZN.1</u>	<u>5</u>	<u>ZN.2</u>	<u>5</u>	<p><u>2020</u></p>												
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Part D: Determination of revisions to EPIE values by the Authority

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

£m (2009/10 prices)	Relevant Year t							
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
						9.448	44.881	22.636
						<u>9.720</u>	<u>45.085</u>	<u>22.758</u>
0.166	0.556	0.976	1.271	2.003				22.758