

To: National Grid IFA 2 Limited and other interested parties

**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 National Grid IFA 2 Limited

1. The Gas and Electricity Markets Authority (the **Authority**)¹ proposes to modify the electricity interconnector licence held by National Grid IFA 2 Limited (**NGIFA2**) granted or treated as granted under section 6(1)(e) of the Electricity Act 1989 by inserting into that licence 11 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 July 2018 decision² on the Final Project Assessment of the IFA2 interconnector (the **IFA2 FPA**).
3. The effect of the proposed modifications is to implement NGIFA2's cap and floor regime and reflect the NGIFA2's specific elements of the cap and floor regime that are contained in the July 2018 decision.
4. Specific details on the reasons for, 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 IFA2 FPA.
6. 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 foi@ofgem.gov.uk.
7. Any representations with respect to the proposed licence modifications must be made on or before 24 January 2020 to: Andrew Bullimore, Office of Gas and Electricity Markets, 10 South Colonnade, Canary Wharf, London E14 4PU or by email to cap.floor@ofgem.gov.uk
8. 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 However, if you do not wish your response to be made public then please clearly mark it as not for publication.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.
9. If we decide to make the proposed modifications, they will take effect not less than 56 days after the decision is published.

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

² Our FPA decision on IFA2 interconnector is available at: <https://www.ofgem.gov.uk/publications-and-updates/final-project-assessment-ifa2-interconnector-france>



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Tom Corcut
Deputy Director, Wholesale Markets
Duly authorised on behalf of the
Gas and Electricity Markets Authority

18 December 2019