

Appendix 3

To: National Grid Electricity System Operator Limited

**Electricity Act 1989
Section 11A(2)**

Notice of statutory consultation on a proposal to modify special condition 3B of the electricity transmission licence held by National Grid Electricity System Operator Limited

1. The Gas and Electricity Markets Authority ('the Authority')¹ proposes to modify the electricity transmission licence held by National Grid Electricity System Operator Limited ('NGESO') and granted or treated as granted under section 6(1)(b) of the Act by amending the special condition 3B as specified in Schedule 3 of this notice.
2. We are proposing these modifications in order to facilitate the recovery of costs related to the Capacity Allocation and Congestion Management Regulation (the CACM Regulation) from the Transmission Network Use of System (TNUoS) Charges by relevant interconnector licensees.
3. The effect of the proposed modification is to implement our decision on the approach to cost sharing and cost recovery under the CACM Regulation and to allow NGESO to process such payments to relevant interconnector licensees.
4. Specific details on the reasons and effects of the proposed modifications can be found in Part D of Schedule 4 of this notice.
5. Further details and background on this proposed licence modification is set out in our decision on approach to cost sharing and cost recovery under the Capacity Allocation and Congestion Management Regulation².
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 on the proposed licence modifications may be made on or before 31 July 2020 by email to: Ikbai.Hussain@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 However, if you do not wish your response to be made public then please clearly mark it as not for publication.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.

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

² <https://www.ofgem.gov.uk/publications-and-updates/decision-approach-cost-sharing-and-cost-recovery-under-capacity-allocation-and-congestion-management-cacm-regulation>

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

3 July 2020