

Appendix 4

To: **National Grid North Sea Link Limited**

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 North Sea Link Limited

1. The Gas and Electricity Markets Authority ('the Authority')¹ proposes to modify the electricity interconnector licence held by National Grid North Sea Link Limited ('NGNSL') and granted or treated as granted under section 6(1)(e) of the Electricity Act 1989 by amending the following special conditions:
 - Special condition 1: Definitions and Interpretation
 - Amend the definition of "Force Majeure" to include three additional events (strike, lockout, and other industrial disturbance) in line our May 2020 decision² on changes to our electricity interconnector cap and floor regime to enable project finance solutions;
 - Amend the definition of "Regime Start Date" to include a reference to proposed new standard condition 26A in sub-paragraph (b) of that definition; and
 - Special condition 2: Cap Level and Floor Level
 - Correct a typographical error in paragraph 19 by inserting a missing formula for calculating the value of the RPI_t term; and
 - Special condition 8: Process for determining the value of the Post Construction Adjustment terms
 - Amend provisions with respect to the timeframes within which the licensee is required submit its proposed values for the Post Construction Adjustment (PCA) terms to align them with corresponding provisions in the electricity interconnector licence held by National Grid IFA 2 Limited (NGIFA2)

as specified in Schedule 4 of this notice.
2. Specific details on the reasons for, and effects of, the proposed modifications can be found in Part D of Schedule 5 of this notice.

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

² Decision on proposed changes to our electricity interconnector cap and floor regime to enable project finance solutions: https://www.ofgem.gov.uk/system/files/docs/2020/05/regime_variations_decision.pdf

3. 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.
4. Any representations on the proposed licence modifications may be made on or before 26 April 2021 by email to: Cap.Floor@ofgem.gov.uk
5. 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.
6. 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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Rebecca Barnett
Deputy Director, Offshore Networks and Low Carbon RAB
Duly authorised on behalf of the
Gas and Electricity Markets Authority

24 March 2021