
Statutory consultation on North London (HWUP) Early Construction Funding application and corresponding proposed modification to Special Condition 3.41 of NGET's electricity transmission licence

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We are consulting on our minded-to position on the Early Construction Funding (ECF) submission application by National Grid Electricity Transmission plc (NGET)¹(for the Hackney Waltham Cross Upgrade North London reinforcement project (North London project) as governed by NGET's electricity transmission licence (the Licence), Special Condition (SpC) 3.41 'Accelerated strategic transmission investment Re-opener and Price Control Deliverable term (ASTIR_t)'. We are also consulting on our corresponding proposed modification to adjust the term ASTIA_t referenced in Appendix 1 of Spc 3.41.

We would like views from people with an interest in new transmission infrastructure, meeting the net zero challenge, and competition in onshore transmission networks. We particularly welcome responses from consumer groups, stakeholders impacted by the project, stakeholders with an interest in the costs of electricity transmission infrastructure, and transmission owners. We would also welcome responses from other stakeholders and the public.

This document outlines the scope, purpose, and questions of the consultation and how you can get involved. Once the consultation is closed, we will consider all responses. We

¹ NGET is a Transmission Owner (TO) and owns and operates the transmission network in England and Wales.

Consultation

want to be transparent in our consultations. We will publish the non-confidential responses we receive alongside a decision on next steps on our website at [ofgem.gov.uk/consultations](https://www.ofgem.gov.uk/consultations).

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Executive summary

Under National Grid Electricity Transmission plc (NGET) electricity transmission licence, Special Condition (SpC) 3.41 'Accelerated Strategic Transmission Investment Re-opener and Price Control Deliverable term (ASTIR_t)' - Part C: Early Construction Funding,² we can provide Transmission Owners (TOs) with Early Construction Funding (ECF). ECF may not exceed 20% of the total forecast project cost listed in the ASTI Confidential Annex (except in exceptional circumstances) in order to enable permitted early construction activities that are required to accelerate projects before and ASTI Project Assessment Decision. The permitted³ early construction activities are:

- Strategic land purchases
- Early enabling works
- Early procurement commitments
- Other activities approved in advance by Ofgem

As part of the ECF re-opener mechanism, we will undertake a high-level assessment of the proposed early construction activities to determine whether costs are reasonable, within the stated 20% threshold of total forecasted project cost and are in line with the mechanism's purpose. We will not undertake a detailed cost assessment at this stage, and we will not form a view on whether the proposed expenditure is efficient. We will undertake this as part of a full cost assessment, including early construction costs, at the Accelerated Strategic Transmission Investment (ASTI) Project Assessment (PA) stage.

In November 2023, in line with SpC 3.41.9⁴ and the ASTI Guidance and Submission Requirements Document,⁵ NGET provided the required minimum eight-week advance notice that it was going to make an ECF application for the North London project.⁶ NGET's application⁷ was made on 19 February 2024.

² [Licences and licence conditions](#), Electricity licences and conditions, Transmission Licence, National Grid Electric Transmission Plc – Special Conditions

³ [Decision to modify the special licence conditions in the electricity transmission licences: Accelerated Strategic Transmission Investment](#), Accelerated Strategic Transmission Investment Guidance And Submission Requirements Document, paragraph 4.13

⁴ [Licences and licence conditions](#), Electricity licences and conditions, Transmission Licence, National Grid Electric Transmission Plc – Special Conditions

⁵ [Decision to modify the special licence conditions in the electricity transmission licences: Accelerated Strategic Transmission Investment](#), Accelerated Strategic Transmission Investment Guidance And Submission Requirements Document, paragraph 3.12

⁶ See paragraph 1.1

⁷ See paragraph 2.2

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Our minded-to position is to amend the allowances set out for the North London project in Appendix 1 (ASTIA_t) of SpC 3.41 'Accelerated strategic transmission investment Re-opener and Price Control Deliverable term (ASTIR_t)' in NGET's electricity transmission licence (the Licence) to reflect most of NGET's ECF expenditure request. The term will have the value given in the corresponding updated version of the ASTI Confidential Annex. The statutory notice of our proposed modification to adjust the ASTIA_t term as referenced in Appendix 1 of SpC 3.41 is included in Appendix 1 of this consultation.

Next steps

We welcome responses to our consultation on the specific questions we have included in Chapter 2. If you would like to respond to this document, then please send your responses to: RIIOElectricityTransmission@ofgem.gov.uk. The deadline for responses is 24 May 2024. We aim to publish our ECF decision and the decision to modify NGET's licence in summer 2024.

1. Consultation

What are we consulting on

- 1.1 This document sets out our minded-to position on NGET's ECF application for the North London project⁸ which has the Network Options Assessment (NOA)⁹ code HWUP (Uprate Hackney, Tottenham & Waltham Cross):
- 1.2 Chapter 2 summarises our view on the ECF application for the North London project at this stage and our minded-to decision. Our consultation questions are:
- Q1: Do you agree with our minded-to position to provide ECF for the project?
 - Q2: Do you agree with our proposed modification to adjust ASTIA_t in Appendix 1 of SpC 3.41?
- 1.3 Our assessment and minded-to position set out in this document are subject to our consideration of any consultation responses and we invite stakeholders to respond using the contact details set out on the front of this document.

Related publications

- 1.4 Decision on accelerating onshore electricity transmission investment:
[Ofgem.gov.uk/publications/decision-accelerating-onshore-electricity-transmission-investment](https://www.ofgem.gov.uk/publications/decision-accelerating-onshore-electricity-transmission-investment)
- 1.5 Decision to modify the special licence conditions in the electricity transmission licences and corresponding Associated Document: Accelerated Strategic Transmission Investment, Accelerated Strategic Transmission Investment Guidance And Submission Requirements Document:
[Ofgem.gov.uk/publications/decision-modify-special-licence-conditions-electricity-transmission-licences-accelerated-strategic-transmission-investment](https://www.ofgem.gov.uk/publications/decision-modify-special-licence-conditions-electricity-transmission-licences-accelerated-strategic-transmission-investment)

⁸ [Decision on accelerating onshore electricity transmission investment](#), Table 2

⁹ [Network Options Assessment \(NOA\)](#)

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Consultation stages

Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
Consultation open	Consultation closes (awaiting decision). Deadline for responses	Responses reviewed and published	Licence modification decision	[if applicable – licence modifications come into effect]
23/04/2024	24/05/2024	Summer 2024	Summer 2024	56 days after the licence modification decision ¹⁰

How to respond

- 1.6 We want to hear from anyone interested in this consultation. Please send your response to the person or team named on this document’s front page.
- 1.7 We have asked for your feedback in each of the questions throughout. Please respond to each one as fully as you can.
- 1.8 We will publish non-confidential responses on our website at www.ofgem.gov.uk/consultations

Your response, data and confidentiality

- 1.9 You can ask us to keep your response, or parts of your response, confidential. We will respect this, subject to obligations to disclose information such as under the Freedom of Information Act 2000, the Environmental Information Regulations 2004, statutory directions, court orders, government regulations or where you give us explicit permission to disclose. If you do want us to keep your response confidential, please clearly mark this on your response and explain why.
- 1.10 If you wish us to keep part of your response confidential, please clearly mark those parts of your response that you *do* wish to be kept confidential and those that you *do not* wish to be kept confidential. Please put the confidential material in a separate appendix to your response. If necessary, we will get in touch with

¹⁰ Section 11A(9) of the Electricity Act 1989

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you to discuss which parts of the information in your response should be kept confidential, and which can be published. We might ask for reasons why.

- 1.11 If the information you give in your response contains personal data under the General Data Protection Regulation (Regulation (EU) 2016/679) as retained in domestic law following the UK's withdrawal from the European Union ("UK GDPR"), the Gas and Electricity Markets Authority will be the data controller for the purposes of GDPR. Ofgem uses the information in responses in performing its statutory functions and in accordance with section 105 of the Utilities Act 2000. Please refer to our Privacy Notice on consultations contained within Appendix 3.
- 1.12 If you wish to respond confidentially, we will keep your response confidential, but we will publish the number (but not the names) of confidential responses we receive. We will not link responses to respondents if we publish a summary of responses, and we will evaluate each response on its own merits without undermining your right to confidentiality.

General feedback

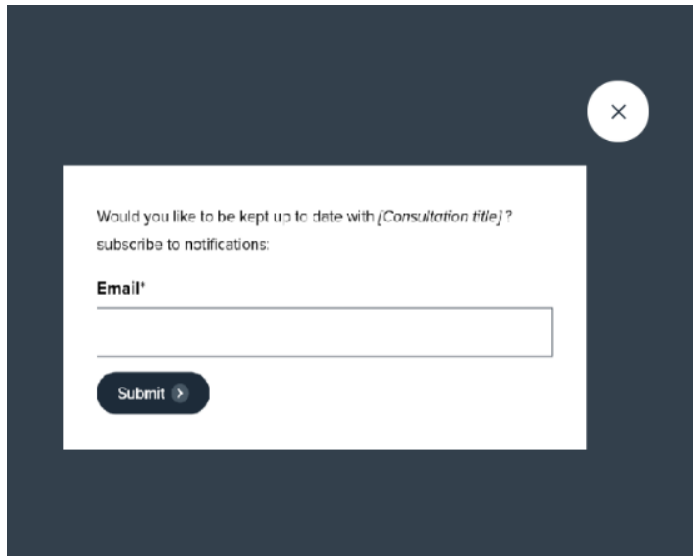
- 1.13 We believe that consultation is at the heart of good policy development. We welcome any comments about how we have run this consultation. We would also like to get your answers to these questions:
- 1) Do you have any comments about the overall process of this consultation?
 - 2) Do you have any comments about its tone and content?
 - 3) Was it easy to read and understand? Or could it have been written better?
 - 4) Were its conclusions balanced?
 - 5) Did it make reasoned recommendations for improvement?
 - 6) Any further comments?
- 1.14 Please send any general feedback comments to stakeholders@ofgem.gov.uk

How to track the progress of the consultation

- 1.15 You can track the progress of a consultation from upcoming to decision status using the 'notify me' function on a consultation page when published on our website, [Ofgem.gov.uk/consultations](https://www.ofgem.gov.uk/consultations)

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Notify me +



A screenshot of a dark-themed notification subscription form. The form is contained within a dark blue rounded rectangle. At the top right of this rectangle is a white circular close button with a black 'x'. The form itself is a white rounded rectangle with the following text: "Would you like to be kept up to date with [Consultation title]?", "subscribe to notifications:", "Email*", a text input field, and a "Submit" button with a right-pointing arrow.

- 1.16 Once subscribed to the notifications for a particular consultation, you will receive an email to notify you when it has changed status. Our consultation stages are:
- 1.17 **Upcoming** > **Open** > **Closed** (awaiting decision) > **Closed** (with decision)

2. North London project (HWUP) Early Construction Funding assessment

Section summary

This chapter sets out NGET's ECF application and our minded-to position.

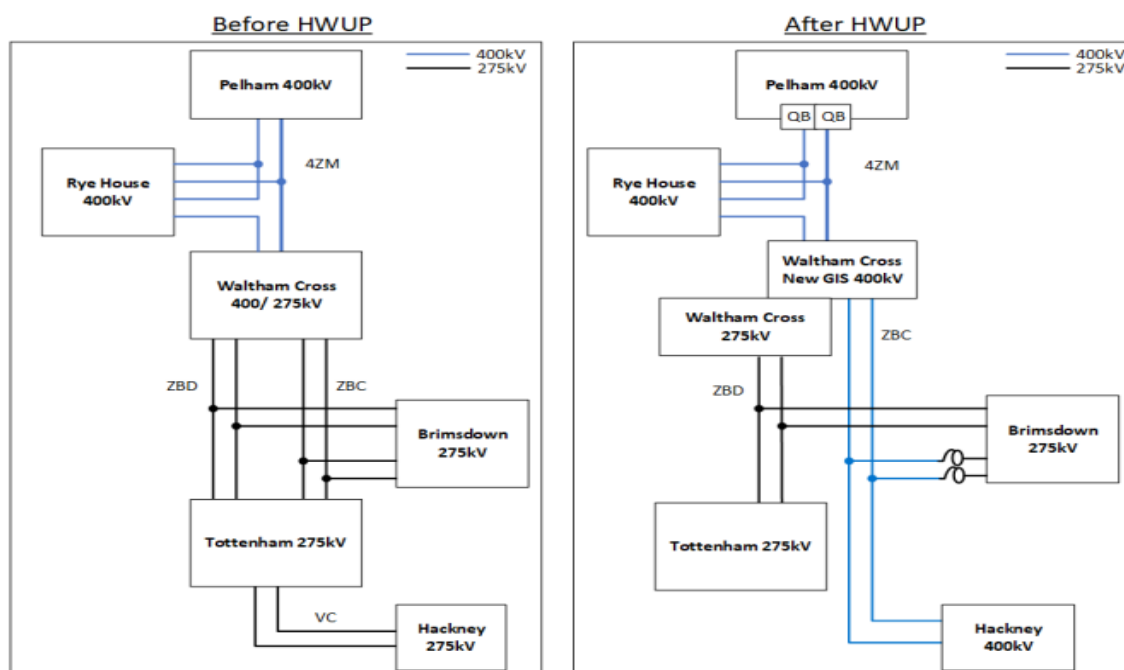
Questions

- Q1. Do you agree with our minded-to position to provide ECF for the project?
- Q2. Do you agree with our proposed modification to adjust ASTIA_t in Appendix 1 of SpC 3.41?

Brief description of the project

2.1 The North London project consists of (1) upgrading 19.5km of overhead lines (OHL) between Hackney, Tottenham and Waltham Cross substation from existing 275kV to 400kV and (2) reconductoring of 29km route between Pelham-Rye house and Waltham Cross.

Figure 1: current and future layout of the North London project:



2.2 The project is triggered by the need to provide reinforcement of the route between Pelham and Hackney substations to accommodate increases in future

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renewable generation. Without reinforcement, the current 275kV circuits feeding London would be overloaded by high levels of offshore wind from East Anglia. This would be worsened where high wind generation coincides with high levels of interconnector exports from locations south of London.

2.3 The project was previously assessed via the Large Onshore Transmission Investments (LOTI) re-opener, and its final needs case was approved on 4th July 2023.¹¹ During this time, it was earmarked for inclusion in the Accelerated Strategic Transmission Investment (ASTI) programme of works in our December 2022 decision¹² as a project that is essential to facilitate the Government’s net zero targets. The ASTI licence modification¹³ is now in force so the North London project will no longer be considered under LOTI but the ASTI framework.

2.4 As part of the original FNC submission NGET also submitted a Pre-Construction Funding (PCF) request. However, this request was withdrawn in light of the ASTI mechanism incorporating a mechanism to recover PCF costs, which NGET plan to use now the ASTI framework is established and fully implemented.

ECF application

2.5 NGET made an application for ECF under Part C of SpC 3.41 of their licence to enable funding of early construction activities for the project. These activities align to early enabling works, and early procurement commitments.

Table 1: ECF application

Funding application (percentages rounded up / down to the nearest whole percent)

Project	Percentage of total project spend	Remainder of cap available
North London (HWUP)	20%	0%

¹¹ [Hackney Waltham Cross Upgrade Project \(HWUP\) - North London FNC Decision | Ofgem](#)

¹² [Decision on accelerating onshore electricity transmission investment | Ofgem](#)

¹³ [Decision to modify the special licence conditions in the electricity transmission licences: Accelerated Strategic Transmission Investment | Ofgem](#)

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Table 2: Summary of activities to be funded by ECF

Project	Summary
Early Enabling works	<p>Diversion work of UK Power Networks (UKPN) assets in Pelham, Brimsdown and Tottenham substations.</p> <p>Temporary Diversion of Vodaphone fibre to allow the project to reconductor/uprate and install Optical Ground Wire (OPGW).</p> <p>Vegetation needs to be cleared at Waltham Cross, Pelham and Brimsdown substations in preparation for the Main Works Contractor (MWC) to start work.</p> <p>Demolishing a building to the north of the substation to make space for the new cable sealing end compound at Tottenham substation.</p> <p>Post-Development Consent Order (DCO) detailed design for the OHL and Substations and non SF6 Gas Insulated Substation (GIS) equipment.</p> <p>Discharge of DCO Requirements</p>
Early procurement commitments	<p>Procurement of four Super Grid Transformers (SGTs) for installation at Hackney and Brimsdown substations. The first SGTs are needed in April 2026 for installation during the 2026 outage.</p> <p>Procurement of two Quad Boosters (QBs) for installation at Pelham substation by the end of 2026 for installation in the 2027 outage.</p> <p>Procurement of non SF6-GIS equipment for Waltham Cross, Hackney, and Pelham substations for installation in the 2026 and 2027 outages.</p> <p>Procurement of overhead line conductor and fittings which are needed for installation in the 2026 outage window.</p>

2.6 The ECF has been submitted at this stage as NGET is satisfied that their plans have sufficiently progressed to make this submission.

Early enabling works

2.7 NGET states that their enabling work activities are required to support the Earliest In Service Date (EISD), and that failing to complete these would delay the project. As the PA decision is not expected to take place until February 2025 at the earliest, NGET will have the below financial obligations and will require ECF.

2.8 **UKPN diversion works:** All UKPN diversion works must be completed before project work starts. This means that some of the work needs to start in Q2 2024 (Pelham, Tottenham), and some in 2025 (Brimmsdown).

2.9 **Fibre diversion:** two temporary fibre bypasses need to be in operation by April 2025 and July 2025 respectively, ahead of Main Works Contractor (MWC) starting to work on site.

2.10 Vegetation clearance: Vegetation clearance is needed in Waltham, Cross, Pelham, and Brimsdown. This work is needed by early/mid 2024 to allow MWC access, to prepare sites for QBs and enable UKPN diversion work and to allow access to for offline work early. Specific importance to timing of vegetation clearance is that this activity is only allowed in certain ecological windows and hence missing those may lead to several-months delays.

2.11 Building demolition: to make space for new cable sealing end compound in Tottenham substation a building needs to be demolished and the land cleared by mid-2025.

2.12 Detailed design and DCO discharge activities: both OHL MWC and the substation and non SF6 equipment MWC will develop detailed design this year, to enable orders of equipment (see below) to be placed asap. The DCO also included some requirements that will need to be discharged before work can begin, especially offline work which does not require specific outage window and should be progressed as soon as possible.

Early procurement commitments

2.13 NGET states that if the equipment is not received in time for installation in the outage windows (2026 and 2027), the next opportunity for installation will be in the 2028 outage window and the 2027 EISD will not be met. In conversations with Ofgem NGET articulated the need to put in place early procurement commitments to avoid delays as tight supply chain and high demand are resulting in long lead time for procurement of such assets.

2.14 As such, NGET will have financial commitments ahead of the full ASTI Project Assessment, mainly attributed to booking and securing manufacturing slots and appointing the MWC.

2.15 **SGTs:** Early engagement with several suppliers indicated estimated lead time of over 2 years for SGTs. NGET also flagged that some suppliers don't have type registered SGTs, and hence lead time may be longer.¹⁴ To secure timely delivery

¹⁴ Equipment that is connected to the electricity transmission system needs to meet certain relevant technical specifications and comply with certain policies and procedures to ensure reliability and security of the system. Once the asset complies with those, they are considered "type registered". Such process may take several months depending on the equipment.

NGET aims to directly allocate the order to a supplier on its established framework who indicated ability to meet the April 2026 delivery date and has a type registration design.

- 2.16 **QBs:** Two 400kV QBs are needed for installation at Pelham substation. The QBs are needed by the end of 2026 for installation in the 2027 outage. As these are infrequent purchase for NGET there are no framework suppliers that hold a type-registered design. To secure supply chain involvement and drive down costs via competition, NGET engaged early with their framework suppliers, and received several bids which are currently being reviewed. To secure the supply NGET are seeking to place the order in the coming months.
- 2.17 **Non-SF6 GIS equipment:** Non-SF6 GIS equipment is needed for installation in the 2026 and 2027 outages. If either of these outage windows are missed, the next opportunity will be in 2028 and thus the 2027 EISD will not be met. NGET explored the market with a view to procuring equipment directly from manufactures. However, NGET identified that by purchasing through a MWC they will reduce own delivery risk as the MWC could utilise own established commercial arrangement¹⁵ with the manufactures.
- 2.18 **OHL conductors and fittings:** NGET's engagement with suppliers has indicated longer lead times than previously expected for the supply of overhead line conductor and fittings that will potentially increase further. With current estimations of 10-13 months instead of ~three months. To secure the first installation in 2026 outage window NGET are seeking to place orders/reserve production slots in early 2024 to mitigate against risk of delay.

Our Minded-to position

- 2.19 NGET's ECF application is within the maximum ASTI ECF allowance of 20% of the total forecast project cost as set by SpC 3.41.8.

¹⁵ Similar to an Engineering, Procurement and Construction (EPC) contract, the MWC will be responsible to design, procure and deliver the relevant section of the project.

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- 2.20 We consider that the activities identified by NGET fall within the ECF permitted¹⁶ activity areas.
- 2.21 We agree that each of the early enabling work activities are required to ensure timely progression of the projects' main works, and thus reduce overall schedule and cost risk on the project through diversion works, vegetation clearance, building demolition and discharge of DCO requirements.
- 2.22 We also recognise that supply chain procurement of transmission infrastructure is constrained with increased procurement costs and elongated lead times for critical assets. Funding activities that ensure contractor commitment and delivery of long-lead items helps preserve the programme and de-risk the project.
- 2.23 We agree with NGET that there is a risk to the main works contract if ECF is not approved. The changing supply chain situation across Europe has resulted in capacity reservation agreements becoming increasingly common to secure contractor commitment and their continued engagement on projects. ECF will enable early construction activities that are required to accelerate the project, thereby helping to safeguard the overall programme and delivery of the project.
- 2.24 We note that NGET requested the full allowance of 20% of the forecast project cost, however, from the total requested, only 17% of the total forecast project cost was attributed to the specific activities mentioned in the application. NGET stated that making the unassigned request of the remaining 3% allowance will avoid the need for a further ECF submission if there is an additional opportunity to carry out other early construction activities. NGET flagged that any such allowance will only cover activities within the defined ECF activity categories.
- 2.25 We have engaged with NGET flagging that more information is needed to support the additional 3% requested. We would like to better understand what explicit activities can be attributed to the additional funding request. This can include, for example, bringing activities which are currently planned for 25/26 forward ahead of planned PA decision where this will help accelerate and de-risk their programme of works.

¹⁶ [Decision to modify the special licence conditions in the electricity transmission licences: Accelerated Strategic Transmission Investment](#), Accelerated Strategic Transmission Investment Guidance And Submission Requirements Document, paragraph 4.13

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- 2.26 Our minded-to position is to approve NGET's request for ECF to the value of 17% of the total forecast project cost listed in the ASTI Confidential Annex. We will consider updating the allowance in light of additional supporting evidence that will be provided by NGET in the coming weeks.

3. Next steps

Section summary

This chapter sets out the next steps in our assessment under the ASTI framework.

- 3.1 Our consultation on the positions set out in this document will close on 24 May 2024.
- 3.2 We aim to publish our ECF decision in summer 2024 and, subject to the outcome of the consultation, this will be alongside the decision to modify NGET's licence in accordance with section 11A of the Electricity Act 1989.
- 3.3 The proposed modifications to Appendix 1 of SpC 3.41 are set out in Appendix 1 of this consultation and the ASTI Confidential Annex. Please note that other proposals that are currently being consulted on are not reflected in the drafting.

Appendices

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Appendix 1 – Notice of statutory consultation to modify SpC 3.41 of the Licence

To: National Grid Electricity Transmission Plc

Electricity Act 1989 Section 11A(2)

Notice of statutory consultation on a proposal to modify the Special Conditions of the electricity transmission licence held by National Grid Electricity Transmission Plc

1. The Gas and Electricity Markets Authority ('the Authority')¹⁷ proposes to modify the Special Conditions (SpC) of the electricity transmission licence held by National Grid Electricity Transmission Plc (NGET) granted or treated as granted under 6(1)(b) of the Electricity Act 1989 by amending an allowance value (ASTIA_t) referenced in Appendix 1 (ASTI Price Control Deliverable) of SpC 3.41 (Accelerated strategic transmission investment Re-opener and Price Control Deliverable term (ASTIR_t)).
2. In line with SpC 3.41.10 and the Accelerated Strategic Investment Guidance and Submission Requirements Document, we are proposing this modification because we are satisfied that NGET's Early Construction Funding (ECF) application:
 - a. has not exceeded the stated threshold of 20% of total forecasted project cost as set by SpC 3.41.8 and therefore strikes the appropriate balance between assisting acceleration and protecting consumers from potentially excessive cost exposure in the unlikely event that the projects do not progress;
 - b. was pre-empted by a notice of NGET's intention to make the application under section 3.41.7 at least 8 weeks before NGET made the application; and
 - c. there is a clear justification for why it is in consumers' interests to provide funding for the proposed activities to take place ahead of our cost assessment as part of the PA process as the early construction activities will aid in accelerating project delivery.
3. The effect of the proposed modification is to adjust the allowances contained in the ASTI Confidential Annex as referenced in Appendix 1 (ASTIA_t) of Special Condition 3.41 'Accelerated strategic transmission investment Re-opener and Price Control Deliverable term (ASTIA_t)' in NGET's electricity transmission licence to allow NGET's ECF expenditure application. The proposed modification will be reflected in what will become the latest version, v1.1, of the ASTI Confidential Annex.
4. With the exception of the ASTI Confidential Annex, a copy of the proposed modification and other documents referred to in this Notice have been published on our website (www.ofgem.gov.uk). Alternatively, they are available from information.rights@ofgem.gov.uk

¹⁷ The terms "the Authority", "we", "our" and "us" are used interchangeably in this document.

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5. The full text of the proposed modification to Appendix 1 of SpC 3.41 is set out below in Appendix 2 with the text to be deleted marked with strikethrough and new text to be inserted shown double underscored. For reasons of commercial sensitivity, details of the amended allowance are confidential but will be issued to NGET in the updated ASTI Confidential Annex.
6. Any representations with respect to the proposed licence modification must be made on or before 20 May 2024 to: Keren Maschler, Office of Gas and Electricity Markets, 10 South Colonnade, Canary Wharf, London, E14 4PU or by email to RIIOElectricityTransmission@ofgem.gov.uk and marked for the attention of Keren Maschler.
7. 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.
8. If we decide to make the proposed modification, it will take effect not less than 56 days after the decision to modify the licence is published.

.....
Jourdan Edwards
Interim Deputy Director, Onshore Networks
Duly authorised on behalf of the
Gas and Electricity Markets Authority

19 April 2024

Appendix 2 – Draft of proposed modifications to Special Condition 3.41 of the electricity transmission licence held by National Grid Electricity Transmission Plc

Deletions are shown in strikethrough and new text is double underlined.

Special Condition 3.41 Accelerated strategic transmission investment Re-opener and Price Control Deliverable term (ASTIR_t)

Introduction

- 3.41.1 The purpose of this condition is to specify the value of the term ASTIR_t (the accelerated strategic transmission investment Re-opener term). This contributes to the calculation of the Totex Allowance.
- 3.41.2 The effect of this condition is to:
- (a) specify the ASTI Outputs, delivery dates and allowances for the Price Control Deliverable;
 - (b) establish a Re-opener for the licensee to apply for an adjustment to the ASTI Outputs, delivery dates and allowances in Appendix 1 and the Minimum circuit availability standard after delivery in Appendix 2;
 - (c) provide for an assessment of the Price Control Deliverable; and
 - (d) establish the Accelerated Strategic Transmission Investment Guidance and Submissions Requirements Document.
- 3.41.3 This condition also sets out the process the Authority will follow when making changes to Appendix 1 as a result of the Re-opener.

Part A: Formula for calculating the accelerated strategic transmission investment Re-opener term (ASTIR_t)

- 3.41.4 The value of ASTIR_t is derived in accordance with the following formula:

$$ASTIR_t = ASTIA_t - ASTIRA_t$$

where:

ASTIA_t means the allowances in Appendix 1; and

ASTIRA_t has the value zero unless otherwise directed by the Authority in accordance with Part G.

Part B: ASTI Outputs

- 3.41.5 The licensee must deliver the ASTI Outputs no later than 12 months after the delivery dates specified in Appendix 1.

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3.41.6 After the ASTI Output has been delivered it must be operational and available for use by NGESO for the period specified in Appendix 2 after application of the exclusions set out in Chapter 4 of the Accelerated Strategic Transmission Investment Guidance and Submissions Requirements Document.

Part C: Early Construction Funding

3.41.7 The licensee may, in respect of any ASTI Output, apply for an Early Construction Funding decision to adjust ASTIA_t.

3.41.8 Unless the Authority directs otherwise, the aggregate allowances provided under paragraph 3.41.7 for any ASTI Output may not exceed 20% of the total forecast project cost listed in the ASTI Confidential Annex.

3.41.9 The licensee must notify the Authority in writing of its intention to make an application under 3.41.7 at least 8 weeks before making an application, unless the Authority directs otherwise.

3.41.10 A modification under this Part will be made under section 11A of the Act.

Part D: ASTI Project Assessment Decision

3.41.11 The licensee may, in respect of any ASTI, apply for an ASTI Project Assessment Decision and an associated modification of Appendices 1 and 2 to:

- (a) specify or amend an ASTI Output, a delivery date and associated allowances; and
- (b) specify the minimum circuit availability standard after delivery for the relevant ASTI Output.

3.41.12 Unless the Authority otherwise directs, the licensee may only apply for an ASTI Project Assessment Decision after submission of all material planning consent applications.

3.41.13 A modification under this Part will be made under section 11A of the Act.

Part E: ASTI Cost And Output Adjusting Event

3.41.14 The licensee may apply for a modification to the ASTI Outputs and allowances in Appendix 1 where it considers that there has been one or more ASTI Cost And Output Adjusting Event.

3.41.15 The licensee may only apply under this Part to modify allowances in Appendix 1 where:

- (a) expenditure has been caused to increase or decrease by at least the percentage specified in, or in accordance with, paragraph 3.41.17, calculated before the application of the Totex Incentive Strength, relative to the relevant allowance in Appendix 1 by the event or if there has been more than one event:
 - i. by each event;

- ii. if the Authority has directed that the events in relation to the relevant ASTI Output should count cumulatively towards the percentage threshold; and
 - (b) the increase or decrease in expenditure is expected to be efficiently incurred or saved.
- 3.41.16 The licensee may apply under this Part to modify the ASTI Outputs in Appendix 1 only where there is a material change to the scope of the relevant ASTI project.
- 3.41.17 The percentage referred to in paragraph 3.41.15(a) is:
- (a) 5%; or
 - (b) such other percentage as the Authority may specify by direction.
- 3.41.18 An application under this Part must be made in writing and must:
- (a) include detailed supporting evidence that an ASTI Cost And Output Adjusting Event meeting the requirements set out in paragraphs 3.41.15, or where applicable 3.41.16, has occurred;
 - (b) set out the modifications requested to the ASTI Outputs or associated allowances in Appendix 1;
 - (c) explain the basis of the calculation for any proposed modification to the allowances in Appendix 1, which must be designed to keep, so far as is reasonably practicable, the financial position and performance of the licensee the same as if the ASTI Cost And Output Adjusting Event had not occurred; and
 - (d) include a statement from a technical adviser, who is external to and independent from the licensee, whether, considered in the context of the value of the ASTI Output, the proposed modification to the ASTI Output or associated allowances fairly reflects the effects of the ASTI Cost And Output Adjusting Event.
- 3.41.19 The Authority may make a modification under this Part where:
- (a) there has been an application under this Part;
 - (b) there has been an ASTI Cost And Output Adjusting Event in relation to the relevant ASTI;
 - (c) the requirements of paragraphs 3.41.14 to 3.41.18, where applicable, have been met; and
 - (d) the proposed modifications to Appendix 1 have the effect so far as is reasonably practicable of keeping the financial position and performance of the licensee the same as if the ASTI Cost And Output Adjusting Event had not occurred.

3.41.20 A modification under this Part will be made under section 11A of the Act.

Part F: Modification of delivery date in Appendix 1 further to an ASTI ODI Penalty Exemption Period decision or ASTI ODI Target Date decision under Part B of Special Condition 4.9 (Accelerated strategic transmission investment output delivery incentive)

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3.41.21 The Authority will modify the delivery dates in Appendix 1 where it decides under Part B of Special Condition 4.9 (Accelerated strategic transmission investment output delivery incentive) to make a modification to the ASTI ODI Penalty Exemption Period or ASTI ODI Target Date in Appendix 1 of Special Condition 4.9.

3.41.22 A modification under this Part will be made under section 11A of the Act.

Part G: Assessment of the Price Control Deliverable (ASTIR_t)

3.41.23 The Authority will, in accordance with the assessment principles set out in Part A of Special Condition 9.3 (Price Control Deliverable assessment principles and reporting requirements), consider directing a value for ASTIR_t where the licensee has not Fully Delivered an output in Appendix 1.

Part H: What process will the Authority follow in making a direction?

3.41.24 Before making a direction under Part G the Authority will publish on the Authority's Website:

- (a) the text of the proposed direction;
- (b) the reasons for the proposed direction; and
- (c) a period during which representations may be made on the proposed direction, which will not be less than 28 days.

3.41.25 A direction in respect of Part G will set out:

- (a) the delivery status of the ASTI Output that has not been Fully Delivered;
- (b) the value of the ASTIR_t term and the Regulatory Years to which that adjustment relates; and
- (c) the methodology and data that has been used to decide the delivery status and value of any adjustments to the ASTIR_t term.

Part I: Accelerated Strategic Transmission Investment Guidance and Submissions Requirements Document

3.41.26 The licensee must comply with the Accelerated Strategic Transmission Investment Guidance and Submissions Requirements Document.

3.41.27 The Authority will issue and amend the Accelerated Strategic Transmission Investment Guidance and Submissions Requirements Document by direction.

3.41.28 The Authority will publish the Accelerated Strategic Transmission Investment Guidance and Submissions Requirements Document on the Authority's Website.

3.41.29 The Accelerated Strategic Transmission Investment Guidance and Submissions Requirements Document will make provision about the detailed requirements for Parts C, D, E and F.

3.41.30 The Accelerated Strategic Transmission Investment Guidance and Submissions Requirements Document will also make provision about the detailed requirements under Special Condition 3.40 (ASTI Pre-Construction Funding Re-

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opener, Price Control Deliverable and Use It Or Lose It Adjustment) and Special Condition 4.9 (ASTI output delivery incentive).

- 3.41.31 Before directing that the Accelerated Strategic Transmission Investment Guidance and Submissions Requirements Document comes into effect, the Authority will publish on the Authority's Website:
- (a) the text of the proposed Accelerated Strategic Transmission Investment Guidance and Submissions Requirements Document;
 - (b) the date on which the Authority intends the Accelerated Strategic Transmission Investment Guidance and Submissions Requirements Document to come into effect; and
 - (c) a period during which representations may be made on the text of the proposed Accelerated Strategic Transmission Investment Guidance and Submissions Requirements Document, which will not be less than 28 days.
- 3.41.32 Before directing an amendment to the Accelerated Strategic Transmission Investment Guidance and Submissions Requirements Document, the Authority will publish on the Authority's Website:
- (a) the text of the amended Accelerated Strategic Transmission Investment Guidance and Submissions Requirements Document;
 - (b) the date on which the Authority intends the amended Accelerated Strategic Transmission Investment Guidance and Submissions Requirements Document to come into effect;
 - (c) the reasons for the amendments to the Accelerated Strategic Transmission Investment Guidance and Submissions Requirements Document; and
 - (d) a period during which representations may be made on the amendments to the Accelerated Strategic Transmission Investment Guidance and Submissions Requirements Document, which will not be less than 28 days.

Appendix 1

ASTI Price Control Deliverable

ASTI Output	Delivery Date	Allowance (ASTI_t, £m)	ECF/PA
New 400 kV double circuit in north East Anglia (NOA Code: AENC)	31 December 2031	Have the values given in the ASTI Confidential Annex.	
New 400 kV double circuit in south East Anglia (NOA Code: ATNC)	31 December 2031	Have the values given in the ASTI Confidential Annex.	
New 400 kV double circuit between Bramford and Twinstead (NOA Code: BTNO)	31 December 2029	Have the values given in the ASTI Confidential Annex.	

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New 400 kV double circuit between Creyke Beck and the south Humber (NOA Code: CGNC)	31 December 2031	Have the values given in the ASTI Confidential Annex.
Eastern subsea HVDC link from Torness to Hawthorn Pit (NOA Code: E2DC)	31 December 2028	Have the values given in the ASTI Confidential Annex.
Eastern Scotland to England link: Peterhead to Drax offshore HVDC (NOA Code: E4D3)	31 December 2030	Have the values given in the ASTI Confidential Annex.
Eastern Scotland to England 3rd link: Peterhead to the south Humber offshore HVDC (NOA Code: E4L5)	31 December 2031	Have the values given in the ASTI Confidential Annex.
400 kV upgrade of Brinsworth to Chesterfield double circuit and Chesterfield to High Marnham double circuit. New High Marnham and Chesterfield 400 kV substations (NOA Code: EDEU)	31 December 2029	Have the values given in the ASTI Confidential Annex.
New Chesterfield to Ratcliffe-on-Soar 400 kV double circuit (NOA Code: EDN2)	31 December 2031	Have the values given in the ASTI Confidential Annex.
New 400 kV double circuit between the south Humber and south Lincolnshire (NOA Code: GWNC)	31 December 2031	Have the values given in the ASTI Confidential Annex.
Upgrade Hackney, Tottenham and Waltham Cross 275 kV to 400 kV (NOA Code: HWUP)	31 December 2028	Have the values given in the ASTI Confidential Annex.
New 400 kV double circuit between the existing Norton to Osbaldwick circuit and Poppleton and relevant 275 kV upgrades (NOA Code: OPN2)	31 December 2028	Have the values given in the ASTI Confidential Annex.
Pentir to Trawsfynydd cable replacement (NOA Code: PTC1)	31 December 2029	Have the values given in the ASTI Confidential Annex.
North Wales reinforcement (NOA Code: PTNO)	31 December 2030	Have the values given in the ASTI Confidential Annex.
New Offshore HVDC link between Suffolk and Kent option 1 (NOA Code: SCD1)	31 December 2031	Have the values given in the ASTI Confidential Annex.
Eastern subsea HVDC Link from east Scotland to south Humber area (NOA Code: TGDC)	31 December 2031	Have the values given in the ASTI Confidential Annex.
Tilbury to Grain and Tilbury to Kingsnorth upgrade (NOA Code: TKRE)	31 December 2029	Have the values given in the ASTI Confidential Annex.

ECF

Appendix 2

ASTI Output availability standard

ASTI Output	Minimum circuit availability standard after delivery (%)		
	0-6 months	6-12 months	12-24 months
New 400 kV double circuit in north East Anglia (NOA Code: AENC)			
New 400 kV double circuit in south East Anglia (NOA Code: ATNC)			
New 400 kV double circuit between Bramford and Twinstead (NOA Code: BTNO)			
New 400 kV double circuit between Creyke Beck and the south Humber (NOA Code: CGNC)			
Eastern subsea HVDC link from Torness to Hawthorn Pit (NOA Code: E2DC)			
Eastern Scotland to England link: Peterhead to Drax offshore HVDC (NOA Code: E4D3)			
Eastern Scotland to England 3rd link: Peterhead to the south Humber offshore HVDC (NOA Code: E4L5)			
400 kV upgrade of Brinsworth to Chesterfield double circuit and Chesterfield to High Marnham double circuit. New High Marnham and Chesterfield 400 kV substations (NOA Code: EDEU)			
New Chesterfield to Ratcliffe-on-Soar 400 kV double circuit (NOA Code: EDN2)			
New 400 kV double circuit between the south Humber and south Lincolnshire (NOA Code: GWNC)			
Uprate Hackney, Tottenham and Waltham Cross 275 kV to 400 kV (NOA Code: HWUP)			

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New 400 kV double circuit between the existing Norton to Osbaldwick circuit and Poppleton and relevant 275 kV upgrades (NOA Code: OPN2)

Pentir to Trawsfynydd cable replacement (NOA Code: PTC1)

North Wales reinforcement (NOA Code: PTNO)

New Offshore HVDC link between Suffolk and Kent option 1 (NOA Code: SCD1)

Eastern subsea HVDC Link from east Scotland to south Humber area (NOA Code: TGDC)

Tilbury to Grain and Tilbury to Kingsnorth upgrade (NOA Code: TKRE)

Appendix 3 – Privacy notice on consultations

Personal data

The Gas and Electricity Markets Authority is the controller ("Ofgem" for ease of reference). The Data Protection Officer can be contacted at dpo@ofgem.gov.uk

The following explains your rights and gives you the information you are entitled to under the General Data Protection Regulation (GDPR).

Note that this section only refers to your personal data (your name address and anything that could be used to identify you personally). It does not refer to the content of your response to the consultation.

1. The identity of the controller and contact details of our Data Protection Officer

The Gas and Electricity Markets Authority is the controller ("Ofgem" for ease of reference). The Data Protection Officer can be contacted at dpo@ofgem.gov.uk

2. Why we are collecting your personal data

Your personal data is being collected as an essential part of the consultation process so that we can contact you regarding your response and for statistical purposes. We may also use it to contact you about related matters.

3. Our legal basis for processing your personal data

As a public authority, the GDPR makes provision for Ofgem to process personal data as necessary for the effective performance of a task carried out in the public interest, i.e. a consultation.

4. With whom we will be sharing your personal data

N/A.

5. For how long we will keep your personal data or the criteria used to determine the retention period

Your personal data will be held for six months after the project is closed.

6. Your rights

The data we are collecting is your personal data and you have considerable say over what happens to it. You have the right to:

- know how we use your personal data,
- access your personal data,
- have your personal data corrected if it is inaccurate or incomplete,
- ask us to delete your personal data when we no longer need it,
- ask us to restrict how we process your personal data,
- get your personal data from us and re-use it across other services,
- object to certain ways we use your personal data,
- be safeguarded against risks where decisions based on your personal data are taken entirely automatically,
- tell us if we can share your personal information with 3rd parties,
- tell us your preferred frequency, content and format of our communications with you,
- lodge a complaint with the independent Information Commissioner's Office (ICO) if you think we are not handling your personal data fairly or in accordance with the law. You can contact the ICO at <https://ico.org.uk/> or telephone 0303 123 1113.

7. Your personal data will not be sent overseas

8. Your personal data will not be used for any automated decision making

9. Your personal data will be stored in a secure government IT system

10. More information

For more information on how Ofgem processes your data, click on "[Ofgem privacy promise](#)"