

Consultation

Statutory consultation on Tilbury Grain Kingsnorth Upgrade Project (TKRE) application and corresponding proposed modification to Special Condition 3.41 of NGET's electricity transmission licence

Publication date:	13 August 2024
Response deadline:	10 September 2024
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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 (NGET) for the Tilbury Grain Kingsnorth Upgrade Project (TKRE), 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 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 (NGET) licence, Special Condition (SpC) 3.41 'Accelerated Strategic Transmission Investment Re-opener and Price Control Deliverable term (ASTIRT)' - Part C: Early Construction Funding 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 ahead of receiving planning permission. The permitted¹ 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 August 2023, in line with SpC 3.41.9² and the ASTI Guidance and Submission Requirements Document,³ NGET submitted the required minimum eight week advance notice that it was going to make an ECF application regarding TKRE.⁴ This application⁵ was made on 05 April 2024.

¹ [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

² [Licences and licence conditions](#), Electricity licences and conditions, Transmission Licence, National Grid Electricity Transmission – 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 3.12

⁴ See paragraph 1.1

⁵ See paragraph 2.2

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Our minded-to position is to amend the allowances set out for this 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 NGET's full 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 10 September 2024. We aim to publish our ECF decision and the decision to modify NGET's licence later in the summer.

1. Consultation

What are we consulting on

- 1.1 This document sets out our minded-to position on NGET's ECF application for ASTI project with Network Options Assessment (NOA)⁶ code TKRE.
- 1.2 Chapter 2 summarises our view on the ECF application for the 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 TKRE 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)

⁶ [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	licence modifications come into effect
13 August 2024	10 September 2024	Autumn 2024	Autumn 2024	56 days after the licence modification decision ⁷

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

⁷ Section 11A(9) of the Electricity Act 1989

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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 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 4.
- 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?

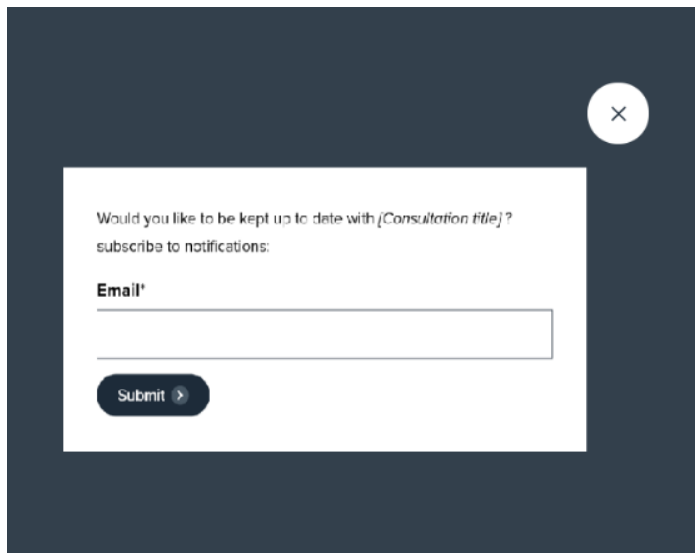
- 1.14 Please send any general feedback comments to stakeholders@ofgem.gov.uk

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 notification subscription form. The form is white and centered on a dark blue background. It contains 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. A close button (X) is located in the top right corner of the form's container.

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. TKRE NGET project 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 TKRE 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 TKRE is a project that involves constructing a new 2.2km tunnel under the Thames Estuary and two new headhouses including the installation of higher capacity High Voltage (HV) cables. Decommissioning of the existing cable tunnel is not within this project scope. It also involves upgrading 27km of existing overhead line (OHL), by reconductoring the existing 4 x 400 ACSR (3326MVA) OHL sections of the Tilbury-Grain/Tilbury-Kingsnorth circuits (A784/A785) to make the entire route 3 x AAAC (3820 MVA).
- 2.2 This upgrade will replace the conductors in the Tilbury to Grain and Tilbury to Kingsnorth circuits with higher-rated conductors. This will enable the transmission of renewable energy to the high demand area of Greater London and facilitate power delivery to and from the interconnectors around the south-east coast when they are respectively exporting and importing power.
- 2.3 A map displaying the existing network and proposed new infrastructure as well as a brief description of the TKRE NGET project is shown below.



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Figure 1: This is the aerial view of the intended connection from Tilbury to Grain. The coloured lines represent the circuits between each substation. Tilbury – Kingsnorth (purple) and Kingsnorth to Grain (yellow). The tunnel is represented with a thick yellow line.

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

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 TKRE project. These activities align to strategic land purchases, early enabling works, and early procurement commitments.

Table 1: TKRE ECF Funding application (percentages rounded up / down to the nearest whole percent)

Project	Percentage of total project spend	Remainder of cap available
TKRE	19.72%	0.28%

Table 2: Summary of works submitted for each of the ECF categories

ECF category	Summary of works
<i>Early procurement commitments</i>	<ul style="list-style-type: none"> • Tunnel Boring Machine (TBM) • HV cables • Site generators • Tunnel moulds • A permanent power supply for both tunnel headhouses • Spoil slurry separation plant equipment
<i>Early enabling works</i>	<ul style="list-style-type: none"> • Detailed design work for the TBM • Site clearance and site set up for the Gravesend headhouse site • Additional site surveys at both headhouse locations • Insurance for third party liability, environmental and early construction risks for the project • Demobilisation costs in case of early termination
<i>Strategic Land purchases</i>	Lease of: <ul style="list-style-type: none"> • 1.8 acres of land from Port of Tilbury for the new tunnel headhouse • 16.5 acres of land for a temporary construction area • 1.6 acres of land from the Royal Society for the Protection of Birds (RSPB) for a temporary construction site at Gravesend

Early procurement commitments

- 2.6 NGET have identified a list of procurement commitments for the long lead items that are required to support a 2028 Earliest in Service Date (EISD). These are only required for the tunnelling element of the project. For the OHL parts of the project, NGET confirmed that these costs will be included in the PA, as these will be taking place much later in the program.

Tunnel Boring Machine

- 2.7 Firstly, the TKRE project will require a TBM to excavate the tunnel. This will be required on site in March 2026 to begin excavation. The design and build of the new TBM has a lead time of between 12 and 18 months. Therefore, NGET will need to place an order in November 2024, so that the TBM is available on site in line with the programme. They expect to make two payments in advance of the PA for the purposes of the TBM.

HV cables

- 2.8 In addition, HV cables will also need to be procured early, to ensure the risk from long lead items is minimised. Although the lead times for HV cables have been historically 6-12 months, in the current market conditions, this could take as long as 2 years. This is the time period that covers manufacture, testing and transport of the cable drums to site for installation.
- 2.9 Based on the above, NGET state that the order for the cables should be placed by November 2024, so as to allow a period of detailed design by the contractor to complete their construction design specification and determine the cable lengths. They believe that early placement of his order will mitigate risks regarding potential delays in the construction programme, in case these long lead items are not delivered on time.

Construction power - generators

- 2.10 The construction of the project will require around 11MVA of power. There are physical constraints in the DNO local area. Because of that, connecting the site to the DNO substation requires crossing the road and conveyor belt; a cable run is unsuitable for this. Alternatives that were considered included additional connections onto local UKPN supply in the area and potential to uprate existing

supplies. However, it was found that these options would still not be sufficient to provide the capacity required by the TBM and Separation Plant (SP).

- 2.11 Therefore, NGET want to procure their own generators by October 2024. The ECF submission included the costs of procuring diesel generators, and they also noted they will explore the option of using Hydrotreated Vegetable Oil (HVO) generators as well. The generators have long lead times due to the amount of MVA needed.

Tunnel segments/moulds

- 2.12 Tunnel moulds are essential in manufacturing tunnel segments, they are bespoke to the tunnel and created from the data provided by the contractor. These need to be ordered at least 6 months in advance of construction, to cover the design and testing period prior to the installation.

Power supply for both head houses

- 2.13 NGET need to uprate the power for the existing and the new headhouse in Gravesend by August 2024. This is to cover the power demand from both headhouses as well as the temporary site accommodation needed for the Gravesend site. They want to procure these works under the ECF funding.

Separation plant

- 2.14 Due to the complexity of the spoil slurry plant, early works to set it up will be required to accommodate this during first site access.

Strategic land purchases

- 2.15 NGET have requested to fund three types of strategic land purchases to meet their 2028 delivery, that are relevant to tunnel works only. NGET are looking to build two headhouses for the purposes of TKRE: one in Tilbury and one in Gravesend.
- 2.16 First, they want to lease 1.8 acres of land for the new headhouse in Tilbury, including a cable sealing end compound on a 150-year lease. This is currently under the Port of Tilbury's ownership.
- 2.17 They also want to temporarily lease 16.5 acres of land to support the construction area of the Tilbury headhouse. This area is also under the Port of Tilbury's ownership. The minimum lease term is five years, but NGET has only requested
-

the first year's lease in the ECF request. If NGET decides to terminate the lease agreement with the Port of Tilbury, it will seek to reduce its lease liability in case the Port of Tilbury manage to develop the land for their commercial use. NGET have stated that they will not commit to the lease until the planning permission is in place. The full lease term will be included in the PA.

- 2.18 In terms of the Gravesend headhouse, this will be built on land already owned by NGET.
- 2.19 The project will need to lease 1.6 acres of land from the RSPB for a temporary construction site that will support the construction of the new Gravesend Headhouse. This land is next to the site of the new headhouse, and it will be used for site laydown and storage, as well as site welfare with minimal parking. This lease is expected to begin in September 2024 to allow first site access for the duration of the project.

Early enabling works request

- 2.20 NGET listed the early enabling works required to support a 2028 EISD.

Detailed design/consents

- 2.21 NGET will need to award a main works contractor by October 2024, so that they progress detailed designs post Town and Country Planning approval, for the tunnel, headhouses and cables. Detailed designs will also be required for the early procurement of the TBM (see 2.7). The main contractor is also expected to progress consents and licenses in line with planning conditions and carry out additional site surveys at both headhouses.

Site clearance and site setup

- 2.22 NGET will commence the site set up in February 2025. The contractor will carry out clearance works for the headhouse at Gravesend, in order to commence setup of the site and any early works to construct the site compound. A temporary road will also need to be constructed at the Tilbury site to allow third party access to other lands and facilitate HGV movements.

Demobilisation

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2.23 NGET asked funding to cover liabilities with the contractor for site de-mobilisation in case the contract has to be terminated (for example, if the required consents are not obtained). This funding also covers the costs for following through and closing out any secondary licences/consents.

Project risk insurance

2.24 NGET requested funding to cover early construction activities for a minimum of one year from the starts of the works (early in 2025). This will cover activities consisting of construction liability, third party liability and environmental impairment liability insurance.

Project Management and risk

2.25 Lastly, NGET requested funding for the staff cost required to support the project during the early enabling works, covering a period from October 2024 to April 2025 (estimated time for contract award). Activities involve detailed design and consents for the tunnel, headhouses and cables along with procurement of licenses with planning conditions for both headhouses.

Our Minded-to position

2.26 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.

2.27 We have engaged further with NGET to understand the reasons behind the request for demobilisation costs (see 2.23). NGET said that they would not normally expect to spend this part of the funding, unless the project is terminated, in which case they will incur extra costs that they will need to recover.

2.28 ECF seeks to enable early construction activities that are required to accelerate the project, thereby helping to safeguard the overall programme and delivery of the project. We believe that the proposed demobilisation costs are not relevant to specific activities needed to progress the project, instead they relate to project cancellation risks.

2.29 We are therefore minded-to not approve the request to fund demobilisation costs as part of the ECF.

- 2.30 We believe that there is another route available for TOs to recover such costs if needed. The guidance includes provision for cases where a project is cancelled at different stages of the ASTI framework.⁸ In the event that TKRE gets cancelled, we expect NGET to follow the guidance and submit efficient costs that will be incurred until demobilisation.
- 2.31 We agree that the rest of the early enabling activities are required to ensure timely progression of the projects' main works, and thus reduce overall schedule and cost risk on the project.
- 2.32 We agree with NGET's proposal to proceed with strategic land purchases wherever possible as part of early construction activities. We recognise that this helps reduce uncertainty, confirms project scope, and de-risks the overall programme. In addition, undertaking strategic land purchase negotiations and agreements at this stage helps ensure that all necessary land purchases are completed ahead of the commencement of construction activities.
- 2.33 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.
- 2.34 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.
- 2.35 Our minded-to position is to approve NGET's request for ECF to the value of 19.29% of the total forecast project cost listed in the ASTI Confidential Annex.

⁸ The ASTI Guidance covers the expectation for cases where a project gets cancelled at different stages of the assessment process:

- after PCF funding, before an output is delivered: 3.40-3.41
 - after ECF has been provided: 4.20-4.23
 - after PA Decision: 4.98-4.101
-

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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 10 September 2024.
- 3.2 We aim to publish our ECF decision in autumn 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

Appendix	Name of appendix	Page no.
1	Notice of statutory consultation to modify SpC 3.41	20-21
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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

1. The Gas and Electricity Markets Authority ('the Authority')⁹ 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 in writing 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
5. The full text of the proposed modification to Appendix 1 of SpC 3.41 is set out below in Appendix 2 with the new text to be inserted shown double underscored.

⁹ The terms "the Authority", "we", "our" and "us" are used interchangeably in this document.

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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 10 September 2024 to: Lina Apostoli, Office of Gas and Electricity Markets, 32 Albion Street, Glasgow, G1 1LH or by email to RIIOElectricityTransmission@ofgem.gov.uk and marked for the attention of Lina Apostoli.
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.

.....
James Dunshea
Head of Large Project Transmission Delivery
Duly authorised on behalf of the
Gas and Electricity Markets Authority

13 August 2024

Appendix 2 – Draft of proposed modifications to Special Condition 3.41 of the electricity transmission licence held by NGET

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.

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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.
- 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.
- 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.

Consultation - Statutory consultation on Tilbury Grain Kingsnorth Upgrade Project (TKRE) application and corresponding proposed modification to Special Condition 3.41 of NGET's electricity transmission licence

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)

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.

Consultation - Statutory consultation on Tilbury Grain Kingsnorth Upgrade Project (TKRE) application and corresponding proposed modification to Special Condition 3.41 of NGET's electricity transmission licence

- 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-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 (ASTIA_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.	

Consultation - Statutory consultation on Tilbury Grain Kingsnorth Upgrade Project (TKRE) application and corresponding proposed modification to Special Condition 3.41 of NGET's electricity transmission licence

New 400 kV double circuit between Bramford and Twinstead (NOA Code: BTNO)	31 December 2029	Have the values given in the ASTI Confidential Annex.	
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.	
Uprate 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.	ECF
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.	<u>ECF</u>

Appendix 2

ASTI Output availability standard

ASTI Output	Minimum circuit availability standard after delivery (%)		
	0-6 months	6-12 months	12-24 months
<p>New 400 kV double circuit in north East Anglia (NOA Code: AENC)</p> <p>New 400 kV double circuit in south East Anglia (NOA Code: ATNC)</p> <p>New 400 kV double circuit between Bramford and Twinstead (NOA Code: BTNO)</p> <p>New 400 kV double circuit between Creyke Beck and the south Humber (NOA Code: CGNC)</p> <p>Eastern subsea HVDC link from Torness to Hawthorn Pit (NOA Code: E2DC)</p> <p>Eastern Scotland to England link: Peterhead to Drax offshore HVDC (NOA Code: E4D3)</p> <p>Eastern Scotland to England 3rd link: Peterhead to the south Humber offshore HVDC (NOA Code: E4L5)</p> <p>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)</p> <p>New Chesterfield to Ratcliffe-on-Soar 400 kV double circuit (NOA Code: EDN2)</p> <p>New 400 kV double circuit between the south Humber and south Lincolnshire (NOA Code: GWNC)</p> <p>Uprate Hackney, Tottenham and Waltham Cross 275 kV to 400 kV (NOA Code: HWUP)</p> <p>New 400 kV double circuit between the existing Norton to Osbaldwick circuit and Poppleton and relevant 275 kV upgrades (NOA Code: OPN2)</p> <p>Pentir to Trawsfynydd cable replacement (NOA Code: PTC1)</p> <p>North Wales reinforcement (NOA Code: PTNO)</p> <p>New Offshore HVDC link between Suffolk and Kent option 1 (NOA Code: SCD1)</p> <p>Eastern subsea HVDC Link from east Scotland to south Humber area (NOA Code: TGDC)</p> <p>Tilbury to Grain and Tilbury to Kingsnorth upgrade (NOA Code: TKRE)</p>			

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](#)"