

Ofgem  
10 South Colonnade  
Canary Wharf London  
E14 4PU

10 September 2024

Dear Lina,

**National Grid Electricity Transmission plc response to Ofgem's consultation on Early Construction Funding (ECF) for the Tilbury Grain Kingsnorth (TKRE) upgrade project**

This letter is National Grid Electricity Transmission plc's (NGET's) response to Ofgem's document "Statutory consultation on Tilbury Grain Kingsnorth Upgrade Project (TKRE) Early Construction Funding application and corresponding proposed modification to Special Condition 3.41 of NGET's electricity transmission licence".

**Consultation response**

**1. Do you agree with our minded-to position to provide ECF for the TKRE project?**

We agree with Ofgem's findings that the early construction activities (except for demobilisation), strategic land purchases and early procurement activities are required to ensure the timely progression of the project. We acknowledge that there is an alternative route available for us to recover the demobilisation costs if needed.

**2. Do you agree with our proposed modification to adjust ASTIAt in Appendix 1 of SpC 3.41?**

We agree with Ofgem's proposed modification to adjust ASTIAt in Appendix 1 of SpC 3.41 to 19.29% of the total forecast project cost listed in the ASTI Confidential Annex. In the subsequent section 11A licence modification direction we suggest that two modifications to the section 11A notice are made. Firstly, paragraph 2(b) should refer to "SpC 3.41.9" rather than "section 3.41.7". Secondly, in paragraph 3 we suggest that reference to the version of the ASTI Confidential Annex ("v1.1") is either removed or updated. This is because we are already up to v1.2 (13/8/24) which captures ECF for HWUP, PTC1 and PTNO.

We welcome the approach Ofgem has taken to engagement on the TKRE project to date recognising the complexity of the recent changes to the regulatory environment while also progressing the project. We will continue to engage with Ofgem as the early construction activities progress and more cost information is received from bidders. Given our procurement process has yet to complete, we would appreciate Ofgem's formal agreement that we can be flexible in spending the agreed total ECF spend between the items of expenditure outlined in our original submission.

Yours sincerely,

Josie Turner (by email)  
Regulatory Development Manager, National Grid

