

## THE ELECTRICITY ACT 1989

### NOTICE UNDER SECTION 49A OF REASONS FOR MODIFICATION OF THE TRANSMISSION LICENCE

#### THE TRANSMISSION LICENCE OF BLUE TRANSMISSION SHERINGHAM SHOAL LIMITED

1. The Gas and Electricity Markets Authority (the 'Authority') granted a transmission licence (the 'Licence') under section 6(1)(b) of the Electricity Act 1989 (the 'Act') to **Blue Transmission Sheringham Shoal Limited** (company number **08085795**) (the 'Licensee') whose registered office is at **Blue Transmission Sheringham Shoal Limited, The American Barns, Banbury Road, Lighthorne, Warwick, Warwickshire, CV35 0AE** on **26 June 2013** authorising it to participate in the transmission of electricity.
2. A copy of the Licence is available from the Ofgem Library, 9 Millbank, London, SW1P 3GE (020 7901 7003) or by email from [library@ofgem.gov.uk](mailto:library@ofgem.gov.uk), or can be obtained from the electronic Public Register at <http://epr.ofgem.gov.uk/>.
3. In granting the Licence the Authority modified the standard conditions of the Licence and the modifications (as proposed) are set out in the Notice under Section 8A(3) of the Act that was published on the Ofgem website at <http://www.ofgem.gov.uk/Networks/offtrans/rott/ss/Pages/ss.aspx> on 14 March 2013.
4. In summary the reasons for the modifications are, in relation to:
  - (a) standard condition E12 (Not Used): to omit from the Licence that standard condition which is "Not Used" and instead to add to the Licence amended standard conditions E12 - A1 (Definitions and Interpretation) to E12 - J11 (The Network Innovation Competition) which provide for the revenue entitlement, performance incentives, business separation requirements, regulatory reporting and other requirements and obligations on the Licensee; and
  - (b) standard condition E13 (System Operator – Transmission Owner Code): to ensure that, if a direction under paragraph 5 of standard condition E13 is issued, a reference to a special condition A1 to J11 in the System Operator – Transmission Owner Code (the 'STC') or the STC Framework Agreement shall be read in relation to the Licence so as to be consistent with the relevant reference to any of amended standard conditions E12 - A1 to E12 - J11 of the Licence,

these reasons being set out in documents published on behalf of the Authority including:

- (i) Notice under Section 11A(1)(a) of the Electricity Act 1989 (The Network Innovation Competition), January 2013;
- (ii) Cover letter - version 0.7 of the draft generic Offshore Transmission Owner Licence, October 2010;
- (iii) Consultation letter on version 0.6 of the draft generic Offshore Transmission Owner Licence, September 2010;

- (iv) Offshore Electricity Transmission: Final Statement on the Competitive Tender Process, 71/09, June 2009;
  - (v) Overview of Great Britain's Offshore Electricity Transmission Regulatory Regime - joint DECC-Ofgem statement, 67/09, June 2009; and
  - (vi) Offshore Electricity Transmission – A Joint Ofgem/DECC Regulatory Policy Update, 153/08, November 2008.
5. One representation was received from Scira, the developer of the Sheringham Shoal wind farm. The response sought to clarify the wording of the contingent event term in amended standard condition E12-J3 (Restriction of Transmission Revenue: Allowed Pass-through Items) and the exclusion to the availability incentive in amended standard condition E12-J4 (Restriction of Transmission Revenue: Annual Revenue Adjustments).
  6. In response to the representation described in paragraph 5 of this notice, the definition of 'contingent event' in amended standard condition E12-J3 and the exclusion to the availability incentive in amended standard condition E12-J4 have both been amended to clarify the intent of each term.
  7. The Authority is of the opinion that the proposed modifications would not cause the Licensee to be unduly disadvantaged in competing with other transmission licence holders and would not cause any other transmission licence holder to be unduly disadvantaged in competing with other holders of transmission licences (including the Licensee).
  8. This document constitutes the Notice under section 49A of the Act of the reasons for the Authority's decision to modify the Licence.

.....

**Stephen Beel**  
**Associate Director, Offshore Transmission**

**Duly authorised on behalf of the**  
**Gas and Electricity Markets Authority**

**Date: 26 June 2013**