T3 Load Re-opener [redacted] High Voltage Project

Eligibility Letter

Document Classification | HIGHLY CONFIDENTIAL - REDACTED

Scottish & Southern Electricity Networks

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Contents

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Executive Summary

This Eligibility Letter, under Special Licence Condition (SpC) 3.18 within our Transmission Licence, sets out our request for Ofgem approval of the needs case and preferred option for the [redacted], and to set a PCD covering Pre-Construction Funding by amending SpC 3.15. In support of the project, SSEN Transmission (SSENT) is requesting an additional PCF allowance of [redacted] under SpC 3.15. The estimated project cost is [redacted].

At RIIO-T3 final determination Ofgem decided that the needs case for SSEN-Transmission [redacted] including [redacted] is justified as these works are required for compliance and have been confirmed as needed via the NESO. Furthermore, Ofgem considered that the optioneering was partially justified as there were concerns around the scope of works planned. Ofgem's view was that this investment was partially justified on the basis of the chosen [redacted].

Without approval of the preferred option, and subsequent release of Pre-Construction Funding, we are unable to progress this project. The reactive compensation is required for multiple drivers in the area including supporting operation of the [redacted] condition and the UK government Clean Power plan and associated connections.

This Eligibility Letter represents the detailed, multi-disciplinary optioneering work undertaken since the February 2025 submission and our response to Ofgem's Draft Determinations for RIIO-T3. Its purpose is to demonstrate how the optimal solution has been identified to meet the approved system need. The need has already been approved by Ofgem at Final Determinations.

[redacted] This analysis ensures compliance [redacted] in accordance with the National Electricity Transmission System Security and Quality of Supply Standard (NETS SQSS). [redacted] to ensure compliance with NETS SQSS voltage limits. [redacted] It was acknowledged that further optioneering would be necessary to determine the most effective and efficient solution.

In reviewing viable options for the location of the [redacted]

[redacted]

[redacted]

The proposed solutions are Pre-Approval of Solutions by Engineering (PASE) Primary options, as we have received letters of support from the National Energy System Operator (NESO). However, the [redacted] for the [redacted]. This document contains extensive optioneering and justification for the progressed solution.

The Need is clear and the Option is justified therefore the project should be placed in Track 2. We ask that Ofgem:

- Confirm eligibility for the LR
- Confirm Track 2 pathway for regulatory funding, progressing straight to Project Assessment
- Amend SpC 3.15 Pre-Construction Funding in line with the Final Determination decision of [redacted]
- Confirm that an ITA [redacted] will not apply

This submission is made in accordance with Special Licence Condition (SpC) 3.15 ("Pre-Construction Funding Re-opener and Price Control Deliverable") of SSEN-T's Licence. The content within this submission is aligned to the requirements in Ofgem's "Re-opener Guidance and Application Requirements Document Version 4" (dated 28th October 2025).

We are applying to Ofgem for a direction to amend the outputs and associated allowances in Appendix 2 of SpC 3.15 of our Licence. This is permissible in respect of new Load Re-opener Outputs. SSEN-T may apply to the Authority for a direction amending the outputs, delivery dates, or associated allowances by submitting an Eligibility Letter for the relevant Load Re-opener as set out in Part D of Special Condition 3.18 Load Re-opener and Price Control Deliverable (LRt).

Reference Table

Project Title:	[redacted]	**Delivery Year**	[redacted]
BPDT/Scheme Reference Number	[redacted]	**Applicable Reporting Tables**	[redacted]
RRP References	[redacted]	**Connections**	[redacted]
Cost (23/24 prices):	[redacted]	**Total MW of Clean Power Generation**	[redacted]
Load Board Reference	[redacted]		
Investment Driver	[redacted]		
PASE alignment	[redacted]		
Outputs	[redacted]		
Extension Cost *(applicable only to substations)*	[redacted]		
Historic Funding Interactions	[redacted]		
Interactive Projects	[redacted]		

Table 1: Project Reference Table

Project Summary Table

Name of Scheme	[redacted]
Solution(s)	[redacted]
PASE Compliance	[redacted]
PASE Evidence Variant Option	[redacted]

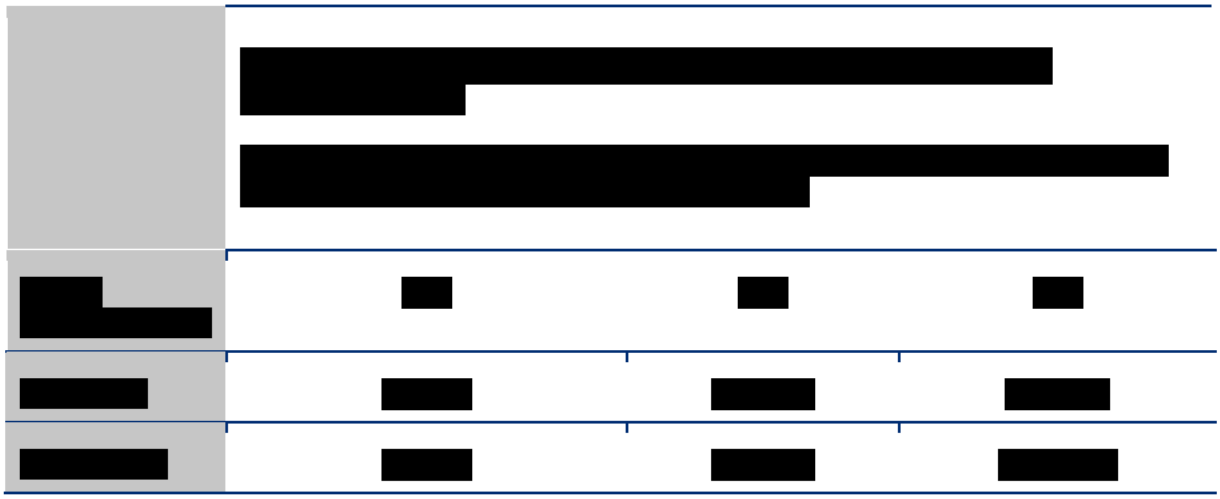

Table 2: Project Summary Table

1. Introduction

This Eligibility Letter sets our request for Ofgem approval of the needs case and preferred option for the [redacted] solution at [redacted] and setting of a PCD covering Pre-Construction Funding.

As part of its statutory and Transmission Licence obligations, SSEN Transmission has several duties including:

- The development and maintenance of an efficient, coordinated and economical system of electricity transmission,
- To facilitate competition in the supply and generation of electricity, and
- Plan the network in accordance with the NETS SQSS to ensure that the security of the network is maintained as the demand and/or generation connections change over time.

This investment will ensure continued safe, secure, and reliable operation of the SSEN Transmission network and contribute to UK Net Zero and Clean Power 2030 targets.

This Eligibility Letter is a follow up to the [redacted] submitted in our Clean Power 2030 Supplementary submission in February 2025, and the addendum submission in response to Draft Determinations and the addendum submitted in April 2026.

At RIIO-T3 final determination Ofgem decided that the needs case for [redacted] including [redacted] is justified as these works are required for compliance and have been confirmed as needed via the NESO. Furthermore, Ofgem considered that the optioneering was partially justified as there were concerns around the scope of works planned. Ofgem's view was that this investment was partially justified on the basis of the [redacted]

2. Regulatory Treatment

2.1. Pre-Construction Funding

This submission is made in accordance with Special Licence Condition (SpC) 3.15 ("Pre-Construction Funding Re-opener and Price Control Deliverable") of SSENT's Licence. The content within this submission is aligned to the requirements in Ofgem's "Re-opener Guidance and Application Requirements Document Version 4" (dated 28th October 2025).

We are applying to Ofgem for a direction to amend the outputs and associated allowances in Appendix 2 of SpC 3.15 of our Licence. This is permissible in respect of new Load Re-opener Outputs. SSEN-T may apply to the Authority for a direction amending the outputs, delivery dates, or associated allowances by submitting an Eligibility Letter for the relevant Load Re-opener as set out in Part D of Special Condition 3.18 Load Re-opener and Price Control Deliverable (LRt).

To support the [redacted] Solution, SSEN Transmission is requesting [redacted] of pre-construction allowances in order to fully fund the development of activities necessary to reach a constructable solution and secure all material planning consents.

To date, pre-construction activities have established the initial basis for the project and support its current outline design maturity position. These activities have included [redacted]

[redacted]

Expected Pre-Construction Activities include [redacted]

In line with SpC 3.15.24 e), The pre-construction work is essential in order to mitigate project and delivery risks including delay and cost overruns during construction. It is essential in order to develop the project to achieve planning approval.

In line with SpC 3.15.24 c), A full breakdown of our PCF is included within the cost estimate provided in Appendix G provides a detailed summary of the PCF spend to date and forecast broken down into Pre-Construction Works Categories. Table 3 proposes the amendments to be made to Appendix 2 of SpC 3.15 Pre-Construction Funding Price Control Deliverable Allowance. [redacted]

In line with SpC 3.15.24 d), A PCD covering pre-construction activities should be set following approval of this Eligibility Letter. This should be done through modification to SpC 3.15 Pre-Construction Funding, our proposed amendments are listed in the table below.

[redacted]

Table 3: PCF PCD

We expect a PCD covering the energisation of the steady state voltage solutions to be added to SpC 3.18 Load Reopener as part of Project Assessments. The current delivery year is [redacted]

Our preconstruction activities will develop these projects to the point which they can be consented and derisk the design and construction programme such that delivery timelines can be met. We will use preconstruction funding to mitigate the following risks:

[redacted]

[redacted]

2.2. Eligibility

The [redacted] meets the LR criteria:

- Capital expenditure exceeds [redacted]
- The projects costs are [redacted]
- The component parts are not eligible for the volume driver given that there is no shared use [redacted]

We are proposing that the phases [redacted] will be assessed through the Load Reopener in a [redacted] manner. We believe this is the correct regulatory funding pathway because:

- It allows Ofgem to holistically assess the planned investments at [redacted]

2.3. Preferred Project Track

The preferred project track for this scheme is Track 2. [redacted]

The [redacted] is PASE compliant, with a letter for support from the National Energy System Operator (NESO). [redacted] The project has detailed

optioneering and in our view is the project should progress through Track 2 in order to meet delivery timelines.

2.4. Major Projects Output Delivery Incentive

The project does not meet the criteria for application of a Major Projects ODI. The works are not boundary transfer related and their sole purpose is to provide stability solutions to the network. As this project is not part of the CSNP (Centralised Strategic Network Plan) the NESO will not be developing an Optimal Delivery Date (ODD) as there are no constraint costs associated with the development of these schemes.

2.5. Independent Technical Advisor (ITA)

It is our view that the appointment of an Independent Technical Advisor would not provide any benefit to the consumer.

Although there are novel elements to the solutions, including the requirement for [redacted] at [redacted] these projects have achieved need confirmation via the RIIO-T3 Final Determinations and have a letter of support from the NESO.

We see no need for an ITA to assess the solutions being presented as part of this eligibility letter as there is limited consumer risk. All aspects of the project are in line with standard engineering and technical practises on the transmission network. Therefore, the schemes are not complex.

2.6. Interactions with ASTI

[redacted]

[redacted]

3. Needs Case

3.1. Justification of Need

At RIIO-T3 final determination Ofgem decided that the needs case for SSEN-Transmission [redacted] including [redacted] is justified as these works are required for compliance and have been confirmed as needed via the NESO, we have attached NESO letter as appendix H.

[redacted]

In addition to the above [redacted], further analysis was carried out by SSEN Transmission network to understand the need for [redacted]. This is included in separate EJP Lite [redacted]

[redacted]

3.2. Identified Need

[redacted]

[redacted]

[redacted]

In the RIIO-3 final determinations Ofgem determined the needs case was justified.

3.3. Project Benefits

[redacted]

3.4. Economic Benefits

This project will stimulate economic activity in [redacted], as well as throughout the rest of Scotland and the UK through its supply chain interactions. The north of Scotland is rich in natural resources crucial to renewable power generation, making it well placed to benefit from the Just Transition.

As part of our Pathway to 2030 programme SSEN Transmission is making significant investments to reinforce the grid and connect new renewable generation. Like most of the north of Scotland, the [redacted] area is [redacted]

Our projects are also expected to unlock over [redacted]

4. Optioneering

4.1. Environmental Considerations and Stakeholder Engagement

Environmental Considerations

There are numerous environmental features within the area of [redacted]. An environmental impact assessment was submitted as part of [redacted] The features identified in that report included: woodland, protected species, archaeological features and watercourses. A further full assessment will be undertaken as we progress towards planning submission for the [redacted]

As the project progresses through development, environmental considerations at the [redacted] will be assessed. Environmental impacts are anticipated to be limited to noise and traffic, as the [redacted] will be accommodated within the existing [redacted].

Stakeholder Engagement

No external stakeholder engagement has been undertaken to date, reflecting the current stage of the project.

4.2. Optioneering background

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

Figure 1: [redacted]

4.3. Asset and technology optioneering

[redacted]

Option Assessment

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

5. Proposed Solution

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

6. Early Cost Views and Estimates

[redacted]

[redacted]

[redacted]

7. Delivery Timescales and Risks

7.1. Delivery Strategy and Key Milestones

Phase 1 delivery timescales

[redacted]

[redacted]

Phase 2 delivery timescales

[redacted]

[redacted]

7.2. Key Risks

[redacted]

[redacted]

Table 1: Risks

The key risks identified for the programme and their associated mitigating actions are outlined below. The colour coding identifies the level of risk, with green representing low risk, amber representing medium risk and red representing high risk.

7.3. Planning Requirements

Formal planning consent is required to enable the project, as summarised in Table 2 below.

[redacted]

Table 2: Summary of Planning Requirements

7.4. Interactive Projects

[redacted]

8. Conclusion & Next Steps

[redacted]

The need has been previously justified by Ofgem at Final Determinations and by a letter of support from the NESO.

We have undertaken a detailed optioneering assessment and our preferred solution is the most economic and efficient option and presents significant value for money to the end consumer. Our preferred solution satisfies the NETS SQSS and all relevant technical requirements while remained deliverable.

Our preconstruction activities will develop these projects to the point which they can be consented and derisk the design and construction programme such that delivery timelines can be met.

The need is clear and the option is justified therefor the project should be placed in Track 2.

- Confirm eligibility for the LR
- Confirm Track 2 pathway for regulatory funding, progressing straight to Project Assessment
- Amend SpC 3.15 Pre-Construction Funding in line with the Final Determination decision of [redacted]
- Confirm that an ITA [redacted] will not apply

Appendix A Optioneering Justification

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

Appendix B System Design Table

		Current Network	Preferred Solution
Thermal and Fault Design	Voltage	[redacted]	[redacted]
	Continuous Rating	[redacted]	[redacted]
	Fault Rating	[redacted]	[redacted]
ESO Dispatchable Services	MVAR Rating	[redacted]	[redacted]
	GVA.s Rating	[redacted]	[redacted]
System Requirements	Present Demand (if applicable) (MW)	[redacted]	[redacted]
	2050 Future Demand (MW)	[redacted]	[redacted]
	Present Generation (if applicable) (MW)	[redacted]	[redacted]
	Future Generation Count (MW)	[redacted]	[redacted]

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Initial Design Considerations	Limiting Factor	[redacted]	[redacted]
	AIS / GIS	[redacted]	[redacted]
	Busbar Design	[redacted]	[redacted]
	Cable / OHL / Mixed	[redacted]	[redacted]
	Strategic Investment	[redacted]	[redacted]

Table 3: System Design

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Appendix C Single Line Diagrams (SLDs)

[redacted]

[redacted]

Appendix D Risks

There are [redacted] key risks that are outside of our control that may impact our ability to deliver against our programme, these include:

[redacted]

[redacted]

Appendix E Programme

[redacted]

Appendix F Glossary of Terms

Acronym	Definition	Description
ANM	Active Network Management	A control system used in distribution and transmission networks to manage generation and load in real-time. Maintains system parameters such as voltage, power, phase balance, reactive power and frequency within safe limits while allowing additional generation capacity to connect without overloading the network.
[redacted]	[redacted]	[redacted]
ASTI	Accelerated Strategic Transmission Investment	A regulatory framework introduced by Ofgem aimed at expediting the delivery of crucial onshore electricity transmission projects.
BNG	Biodiversity Net Gain	Introduced by the Environment Act 2021 as a way of enhancing biodiversity and contributing to natures recovery through the planning process. SSEN-Transmission is committed to a 10% BNG improvement.
CAI	Closely Associated Indirect	Costs which are more directly tied to construction and operation of network assets such as project management and network design as defined within the Regulatory Instructions and Guidance (RIGs).
CAPEX	Capital Expenditure	The funds allocated to acquire, upgrade and maintain the electricity network.
CBA	Cost Benefit Analysis	A systematic approach used to evaluate benefits and disadvantages of a project.
CP2030	Clean Power 2030	The UK Governments Clean Power by 2030 Plan.
EJP	Engineering Justification Paper	Submission made to Ofgem by ETOs setting out the scope, costs and benefits for projects or aggregated investment programmes.
G2TWQ	Gate 2 to Whole Queue	NESO developed process as part of connection reform, ensuring only projects meeting specific readiness and Strategic alignment criteria progress through the reform queue.
GW	Gigawatt	A unit for measuring electrical power.
[redacted]	[redacted]	[redacted]
GSP	Grid Supply Point	Interface between the transmission network and the distribution network facilitating the supply of electricity at the distribution level.

GVA	Gross Value Added	A key economic indicator that measures the value of goods and services produced in an area, industry or sector.
ITA	Independent Technical Advisor	Responsible for providing assurance to Ofgem on design decisions, procurement processes, cost and overall project delivery of selected load projects across all Transmission Owners.
kV	Kilovolt	Unit of electric potential or voltage.
[redacted]	[redacted]	[redacted]
Load UIOLI	Load Use-it-or-lose-It	An uncertainty mechanism in RIIO-ET3 which accelerates funding for lower-materiality load project via an allowance that can be recovered.
LR	The RIIO-T3 Load Re-opener Framework	The Load Re-opener provides Electricity Transmission Owners (ETOs) with a mechanism to request funding for load driven reinforcements.
MITS	Main Interconnected Transmission System (MITS)	Defined within the NETS SQSS comprising all 400kV, 275kV and 132kV elements.
MW	Megawatt	A unit for measuring electrical power.
MVA	Mega Volt-Amperes	A unit of apparent power in electrical systems.
NESO	National Energy System Operator	The independent body responsible for the planning and operation of the electricity system in Great Britain.
NETS SQSS	National Electricity Transmission System Security and Quality of Supply Standard	Sets out the criteria and methodology for planning and operating Great Britains National Electricity Transmission System.
NPF4	National Planning Framework 4	The Scottish Governments national spatial strategy for Scotland. Sets out spatial principles, regional priorities, national developments and national planning policy.
NPV	Net Present Value	The difference between the present value of cash inflows and the present value of cash outflows over a period of time.
ODD	Optimal Delivery Date	Reflects an assessment of the date on which delivery of a project would bring the most benefits for the consumers.
ODI	Output Delivery Incentive	ETO's are eligible for financial rewards if projects are delivered on or before the set date. ETO's are liable for penalties if those projects are delivered late.

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OHL	Overhead Line	Typically, steel lattice towers, steel or wood poles used to carry high voltage conductors over distance.
OSR	Ofgem Scheme Reference Number	The Ofgem provides a unique value for all non-load and load related schemes.
PASE	Pre-approval of solution by Engineering	A framework set by Ofgem. A set of pre-approved optioneering designs, preferred technology types and configurations that are typically efficient, deliver the lowest whole-life cost to consumers and, where applicable, build capacity for future network expansion.
PCD	Price Control Deliverable	Set by Ofgem, PCDs are used to set expectations for the outcomes of projects and to manage the timing and delivery of these outcomes.
PCF	Pre-Construction Funding	Provides Transmission Owners with funding at early stages of project development to continue to design and seek consent for large ET investments.
PSH	Pumped Storage Hydro	Large scale energy storage system that stores energy by moving water between two reservoirs at different elevations.
SF^6	Sulphur Hexafluoride	A synthetic gas that insulates and switches electrical current in switchgear.
Shared Use Works	Shared Use Enabling Works	Transmission Assets that are utilised by multiple customers.
Sole Use Works	Sole Use Enabling Works	Transmission Assets that are exclusively for a specific customers use.
SLD	Single Line Diagram	A simplified schematic representing an electrical power system.
SPA	Special Protected Areas	Areas part of the UK's European site network of protected areas and are designated under the Habitats Regulations.
SSENT	Scottish and Southern Electricity Networks Transmission	Responsible for the electricity transmission network in the north of Scotland.
SSSI	Sites of Special Scientific Interest	A formal conservation designation.
[redacted]	[redacted]	[redacted]
TCA	Transmission Connection Assets	Assets used to connect a customer to the grid. These are paid for by the customer.

TDD	Target Delivery Date	A determined date utilising the P50 delivery date and Optimal Delivery Date (ODD). Part of the Major Projects ODI-F framework.
TOCA	Transmission Owner Connection Agreement	The formal agreement between Transmission Owners, the NESO and the Customer. Outlining the terms and conditions for connecting to the electricity transmission network.
TORI	Transmission Owner Reinforcement Instruction	Projects designed to reinforce the transmission network to facilitate the connection of renewable generation.
UGC	Underground Cable	Insulated conductors used to transfer high voltage electricity below ground. Offers reduced visual impact and utilised when OHL solution is not possible.
Volume Driver	Generation and Demand Connections Volume Drivers	Provide flexible funding for ETOs to invest in the transmission network in response to the uncertain need for new generation or demand customers to connect.

Table 5: Glossary of Terms