

NOTICE UNDER SECTION 9(4) (AS MODIFIED BY SECTION 16 AND SCHEDULE 1) OF THE ENERGY ACT 2023

Appendix 2: updates to the Licence heads of terms published in December 2023

September 2024

This Appendix 2 to the notice under section 9(4) (as modified by section 16 and Schedule 1) of the Energy Act 2023 ("**Notice**") provides a high-level outline of updates in the draft template Licence set out in Appendix 1 ("**draft template Licence**") of the Notice as compared with the heads of terms published in Annex A "Economic Regulatory Regime (ERR) Licence" of the document titled "Carbon Capture, Usage and Storage: An update on the business model for Transport and Storage – explanatory note and indicative heads of terms" and dated December 2023¹ ("**HoTs**").

This Appendix 2 to the Notice is by its nature selective and does not purport to be comprehensive. It should be read in conjunction with the Notice and the draft template Licence in Appendix 1 to the Notice.

Capitalised terms which are used but not defined in this Appendix 2 have the meaning given to them in the draft template Licence.

¹ A copy of this document is available at the following link at the time of publication: <https://assets.publishing.service.gov.uk/media/6581d936fc07f3000d8d4517/ccus-heads-of-terms-december-2023-412234454.1.pdf>

Draft template Licence

1. Standard Conditions

Item	Reference	Topic	Outline of change
1.	Standard Condition A4	Housekeeping Modifications	This is a new condition which was not included in the HoTs and allows the Regulator to make minor changes to the conditions and any Project-Specific Documents by direction (for example, to correct errors).
2.	Standard Condition B2 (HoTs B5)	System Development Statement	This condition has been further developed in the draft template Licence, including to include more detail about the matters that need to be addressed in the System Development Statement.
3.	Standard Condition B3 (HoTs B3)	Access to T&S Network	This condition has been further developed in the draft template Licence, including to provide: <ul style="list-style-type: none"> that the Licensee is entitled to relief from the obligation to make available capacity in the T&S Network to the extent that any relief is provided pursuant to certain relief mechanisms under the Licence (for example, relief in relation to the Availability Incentive); and exceptions to the obligation to offer access or make available capacity in the T&S Network, including where doing so would be likely to involve the Licensee being in breach of any regulations made under section 128 of the Energy Act 2023, Legal Requirements applicable to the T&S Network or the CCS Network Code, or where connection requires expansion and that expansion has not been approved by the Regulator in accordance with the Change in Scope mechanism under the Licence.
4.	Standard Condition B4 (HoTs B2)	Requirement to enter into User Arrangements in conformity with CCS Network Code	This condition has been further developed in the draft template Licence and has been updated to include an exception to the restrictions imposed on the Licensee in relation to entering into User Arrangements. The exception applies in relation to User Arrangements that are an Approved Contract, but only to the extent that such Approved Contract does not entitle the relevant counterparty to connect to and/or deliver

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			carbon dioxide to a Delivery Point on the T&S Network or otherwise impact the entitlement of any User or future User to do so.
5.	Standard Condition B5 (HoTs B6)	CCS Network Code	<p>This condition has been further developed in the draft template Licence, including as follows:</p> <ul style="list-style-type: none"> • inclusion of further detail about the Modification Procedures that apply to the CCS Network Code, which includes the addition of a "Self-Governance Route" process whereby the Licensee may implement Modification Proposals without the Regulator's approval provided that certain conditions are met; and • inclusion of requirements for the Licensee to carry out certain review and reporting requirements in relation to Section E of the CCS Network Code and the Carbon Dioxide Specifications and Measurement Requirements.
6.	Standard Condition B6 (HoTs B1)	Conduct of T&S Business	This condition has been expanded in the draft template Licence to provide that the Licensee must not unduly discriminate between any person or class or classes of persons in providing Use of System, providing connections to the T&S Network or implementing the CCS Network Code.
7.	Standard Condition B7 (HoTs B12)	Independence of the T&S Business and restricted use of Confidential Information	<p>This condition was titled "Business separation" in the HoTs. This condition has been given a new title under the draft template Licence and a revised approach has been adopted. Under the HoTs, this condition was based on business separation from any other business carried out by any Affiliates of the Licensee.</p> <p>The Licensee's obligations under this condition in the draft template Licence have been further developed, including to:</p> <ul style="list-style-type: none"> • impose requirements on the Licensee to maintain the full managerial and operational independence of the T&S Business rather than complete business separation contemplated by the HoTs; and • impose restrictions on Associates of the Licensee from having access to Confidential Information.

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8.	Standard Condition B8 (HoTs B24)	Requirement for sufficiently independent directors	This condition has been further developed in the draft template Licence, including in respect of additional provisions which clarify that the terms of appointment and/or articles of association of the Licensee must not restrict the ability of the independent directors to vote at board meetings.
9.	Standard Condition B9 (HoTs B10)	Prohibition of cross-subsidy	The prohibition on the T&S Business giving or receiving a cross-subsidy under this condition has been expanded in the draft template Licence to apply to a prohibition on the giving or receiving of cross-subsidy to or from (as applicable) an Associate of the Licensee.
10.	Standard Condition B10 (HoTs B7)	Regulatory Accounts	This condition has been amended in the draft template Licence to reflect that the Licensee must prepare separate Regulatory Accounts for the T&S Business and any other activities to which the Licence relates and to which the Regulator has given its consent in accordance with Standard Condition B13 (Restriction on activity and financial ringfencing). This consolidates and replaces the requirement to prepare separate accounts in relation to Onshore Transportation System, Offshore Pipeline Infrastructure and Terminal(s), the T&S Storage Site(s) and System Operation.
11.	Standard Condition B12 (HoTs B8)	Disposal of assets and restriction on charges	An express restriction on the surrender of tax losses (Group Relief) to any Associate of the Licensee or any other person has been added.
12.	Standard Condition B13 (HoTs B11)	Restriction on activity and financial ringfencing	This condition has been further developed in the draft template Licence, including in respect of the scope of activities which are not prevented by the general prohibition in the condition.

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13.	Standard Condition B14 (HoTs B13)	Availability of resources	<p>In the HoTs, the certificates referred to in this condition were expressed to be an assessment of the Licensee's resource over a 12 month period. In the draft template Licence, this has been amended to be an assessment in relation to the following period:</p> <ul style="list-style-type: none"> • before COD, for the period up to COD or 36 months (whichever is the longer); and • after COD, for the period of 36 months. <p>In addition, this condition has been updated in the draft template Licence to:</p> <ul style="list-style-type: none"> • include a requirement for the Licensee to prepare an Intervention Plan, being a document that would be sufficient to allow a T&S administrator to obtain information on matters such as the financial assets and facilities of the Licensee; and • include a restriction on the ability of the Licensee to make distributions where: <ul style="list-style-type: none"> • the Licensee is required not to declare, make, pay or permit distributions pursuant to the Government Support Package or the GSP Mandated Financing Terms; or • the Licensee is in breach of an obligation under Standard Condition B18 (Financial Resilience and Credit Quality) to comply with the GSP Mandated Financing Terms.
14.	Standard Condition B15	Asset Management Plans	<p>This is a new condition which was not included in the HoTs. This condition sets out the process for the Regulator to publish and update an Asset Management Plan and Reporting Guidance, the Licensee's obligations in respect of the development and amendment of the Asset Management Plans and provides minimum content requirements for Asset Management Plans.</p>
15.	Standard Condition B16 (HoTs B19)	Indebtedness	<p>This condition has been expanded in the draft template Licence to include:</p> <ul style="list-style-type: none"> • additional exceptions to the prohibition of the Licensee to transfer, lease, licence or lend sums, assets, rights or benefits to an Associate of the Licensee;

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			<ul style="list-style-type: none"> an obligation for the Licensee to notify the Regulator of any breaches of any covenants set out in any loan agreement or facility or any agreement entered into with a counterparty, the Government Support Package or the Revenue Support Agreement.
16.	Standard Condition B18 (HoTs B17)	Financial Resilience and Credit Quality	<p>This condition has been further developed in the draft template Licence, including to provide further detail into the carrying-out and consequences of the Indicative Credit Rating Process and to include some additional obligations to strengthen the financial resilience of the Licensee and the Regulator's ability to monitor that resilience. In particular, the condition now provides for:</p> <ul style="list-style-type: none"> a requirement for the Licensee to prepare a Financial Resilience Report and provide it to the Regulator where its financial circumstances have worsened; a requirement for the Licensee to publish its financial results; and an obligation for the Licensee to comply with specific Mandated Financing Terms. <p>Under the draft template Licence, following the expiry of the first Regulatory Period, the Regulator shall be entitled to require the Licensee to use all reasonable endeavours to obtain and maintain an Investment Grade Issuer Credit Rating but only in specified circumstances and by way of a Licence modification in accordance with section 13 of the Act. The Investment Grade Issuer Credit Ratings are BBB- (S&P, Fitch or DBRS Morningstar) or Baa3 (Moody's).</p>
17.	Standard Condition B19 (HoTs B20)	Regulatory Instructions and Guidance (RIGs)	<p>This condition was titled "Regulatory Reporting" in the HoTs. This condition has been given a new title under the draft template Licence and has been further developed to detail the scope, contents and common governance arrangements for the RIGs published by the Regulator. The RIGs are the primary means by which the Regulator directs the Licensee to collect and provide to it the Information that the Regulator needs to administer the special conditions (and such standard conditions as may be relevant) of the Licence.</p>
18.	Standard Condition B20	Data Assurance	<p>This is a new condition which was not included in the HoTs. The condition requires the Licensee to undertake Data Assurance Activities in accordance with guidance published by the Regulator.</p>

Item	Reference	Topic	Outline of change
19.	Standard Condition B22 (HoTs B15)	Qualifying Acquisition	This condition has been further developed in the draft template Licence, including to require the Licensee to submit additional supporting information with its notice of Qualifying Acquisition for approval by the Regulator.
20.	Standard Condition B23 (HoTs B21)	T&SCo of Last Resort	This condition has been further developed in the draft template Licence, including to provide that if a T&SCo of Last Resort Direction is issued to the Licensee to "take over" the network of another licensee, then this will be on an enduring basis, rather than only for five years.
21.	Standard Condition B24 (HoTs B22)	Procurement obligations	This condition has been further developed in the draft template Licence, including to introduce additional provisions based on equivalent requirements under the Procurement Act 2023.
22.	Standard Condition B26	Approved Contracts	<p>This is a new condition which was not included in the HoTs. The condition:</p> <ul style="list-style-type: none"> addresses the requirements that apply to Approved Contracts which are contracts which have been designated as such at Licence Award or which are subsequently approved by the Regulator in accordance with the process in Standard Condition B26; requires the Licensee to comply with notice and approval requirements when Approved Contracts are to be amended or new contracts are to be added to the List of Approved Contracts; and provides a process for the Regulator to approve additional contracts as "Approved Contracts".
23.	Standard Condition B27	Project-Specific Documents	<p>This is a new condition which was not included in the HoTs. This condition sets out the status of Project-Specific Documents, which do not form part of the Licence, and governs the process by which Project-Specific Documents may be amended.</p> <p>The term "Project-Specific Documents" is a new term introduced in the draft template Licence and is a reference to the Approved Project Development Plan, the Financial Settlement Document, the Technical</p>

Item	Reference	Topic	Outline of change
			Details Document, the List of Approved Contracts, the Licence Derogations Document, the Price Control Financial Model and the Price Control Financial Handbook. The Approved Project Development Plan, the Financial Settlement Document and the Technical Details Document were previously referenced in the schedules of the HoTs.
24.	Standard Condition B28 (HoTs – Schedule 5)	Licence derogations	<p>The HoTs had contemplated that the Licensee would be granted derogations as at Licence Award. In the draft template Licence, this principle has been further developed to reflect that:</p> <ul style="list-style-type: none"> • the Licensee will be in receipt of certain limited derogations from some requirements under the Licence as at Licence Award as specified in the Licence Derogations Document; and • the Licence Derogations Document may be further reviewed and amended by the Regulator in accordance with new Standard Condition B28.
25.	Standard Conditions C2/D2 (HoTs C3/D3)	Onshore Decommissioning Fund / Offshore Decommissioning Fund	This condition has been further developed in the draft template Licence, including in regards to the Licensee's obligation to contribute to the Onshore Decommissioning Fund / Offshore Decommissioning Fund (and calculation of the Licensee's contribution amount).
26.	Standard Conditions C3/D3 (HoTs C5/D5)	Onshore Metering / Offshore Metering	<p>This condition has been further developed in the draft template Licence, including to:</p> <ul style="list-style-type: none"> • clarify the Licensee's obligations in circumstances where Metering Equipment is installed, maintained and operated by a User in accordance with the CCS Network Code; • apply to all Metering Equipment that may be required across the T&S Network, and impose obligations on the Licensee to ensure the Metering Equipment have a high level of accuracy; • include an obligation on the Licensee to ensure the cost of any verification activities are economic, efficient and effective, including by coordinating any verification activities required by different regulators; and

Item	Reference	Topic	Outline of change
			<ul style="list-style-type: none"> provide the Regulator with the power to require the Licensee to provide evidence of its compliance with this condition.
27.	Terms – Schedule 2 (HoTs – Schedule 2)	Revocation	<ul style="list-style-type: none"> Schedule 2 (which deals with revocation) has been further developed in the draft template Licence, including further development of the Regulator's rights to revoke the Licence.

2. Special Conditions

Item	Reference	Topic	Outline of change
1.	Definitions and Special Conditions J2.3 to J2.13 (HoTs F15, G12 and H24)	Change in Scope	<p>The definition of "Change in Scope" has been updated in the draft template Licence as follows:</p> <ul style="list-style-type: none"> • the definition refers to the Approved T&S Network instead of the Project; • in limb (b), the introduction of reference to an increase in Maximum Flowrates and/or in the Overall Store Capacity or addition of a new Storage Site, and the definition the circumstances where an allocation of a Capex allowance is required (without Ongoing Devex being required as a precursor to settlement of Capex allowance); and • in limb (c), the introduction of reference to cancellation of Ongoing Devex in respect of a change to the scope of the Approved T&S Network. <p>In addition, the draft template Licence includes further developed mechanisms and procedures relating to Changes in Scope, including clarifying:</p> <ul style="list-style-type: none"> • that any Change in Scope determination will be implemented by way of a modification to the Licence in accordance with section 13 of the Act; and • where a cancellation is being implemented by way of a Change in Scope, the ability to direct the Licensee in the treatment of specified assets resulting from the relevant development activities funded by Ongoing Devex.
2.	Special Conditions F2, G2 and G3	Timing of completion of Handover Works, Commissioning Activities and COD Readiness Activities	<p>The draft template Licence introduces the following mechanisms/concepts:</p> <ul style="list-style-type: none"> • flexibility mechanisms that allow for deferring the completion of Handover Works into the Commissioning Period; • flexibility mechanisms that allow for accelerating the undertaking of Commissioning Activities into the Construction Period and/or deferring the completion of Commissioning Activities into the Operational Period as part of the Phase 2 Activities; and

Item	Reference	Topic	Outline of change
			<ul style="list-style-type: none"> a flexibility mechanism for disregarding particular elements of COD Readiness Activities (as defined at Licence Award) for the purposes of establishing COD Readiness (but retaining them as Commissioning Activities, where applicable, for the purposes of System Acceptance).
3.	Special Conditions F6, F7 and G10 (HoTs F6, F8, G4 and G5)	SRAV Capex and Opex	The draft template Licence has further developed the position in respect of the Capex and Opex build up of the SRAV during the Construction and Commissioning Periods, including the development of a cost sharing mechanism in respect of any T&SCo underspends or overspends as against the relevant allowance.
4.	Special Conditions F9, G12 and H6 (HoTs F6, F11, G4, G7, H6 and H12)	Ongoing Devex	The draft template Licence has further developed the position in respect of the Ongoing Devex build up to the SRAV or RAV (as applicable) during the Construction, Commissioning and Operational Periods, including the establishment of an ex ante approach with no cost sharing.
5.	Special Conditions F3.6, G3.9, G6.6, H12.26, I2.19, I2.22, I2.39 and I2.47 (HoTs F3.4, F4.2 and G3.4)	Time periods for Regulator actions	The draft template Licence permits the Regulator to inform the Licensee that it requires additional time to consider and make a determination in relation to certain decision-making functions of the Regulator.

Item	Reference	Topic	Outline of change
6.	Special Conditions F10 and G13	Debt Fees during the Construction Period and Commissioning Period	The draft template Licence includes a new special condition which provides for the accrual of Actual Debt Fee Costs to the SRAV and permits the Regulator to make certain adjustments to the Debt Fee Allowance where the Licensee incurs Actual Debt Fee Costs in relation to certain facilities which are in excess of the Debt Fee Allowance during the Construction and Commissioning Periods.
7.	Special Conditions F11 and G14 (HoTs H14)	Disposals during the Construction Period and Commissioning Period	<p>The HoTs envisaged that Disposals of T&S Assets could occur during the Operational Period and specifically that, where there is a permitted Disposal of a T&S Asset, such Disposal would result in an adjustment to the RAV determined by the Regulator.</p> <p>The Construction Period and Commissioning Period provisions in the draft template Licence have been amended to allow for a similar adjustment to be made to the SRAV where there is a Disposal of a T&S Asset during the Construction Period or Commissioning Period.</p>
8.	Special Conditions F12, G15 and H10 (HoTs F12, G8 and H5)	Return During Construction, Return During Commissioning and Return on Capital	The methodology for the calculation of the Return During Construction, Return During Commissioning and Return on Capital have been further developed in the draft template Licence.
9.	Special Condition G5 (HoTs G2)	Longstop Date	The draft template Licence introduces an obligation on the Licensee to provide updates to the Regulator with regard to the implementation of the Licensee's remedial plan in circumstances where there is delay to achieving System Acceptance by the Longstop Date, which mirrors the process for the completion of Handover Works and Commissioning Activities.
10.	Special Conditions G16 and H2	Post Construction Review/Post Commissioning Review	<p>The provisions in relation to Post Construction Review and Post Commissioning Review have been further developed under the draft template Licence, including as follows:</p> <ul style="list-style-type: none"> • in respect of the Post Construction Review:

Item	Reference	Topic	Outline of change
	(HoTs G10 and H2)		<ul style="list-style-type: none"> ○ the Post Construction Review will include a process to enable the Regulator to calculate the Day1 RAV based on information provided by the Licensee for the Construction Period and the Commissioning Period, including any Phase 2 Activities and Expansion Activities; and ○ the Regulator will calculate the Allowed Revenue for the first and (if applicable) the second Operating Charging Years relying on the forecasted figures provided by the Licensee; and ● in respect of the Post Commissioning Review, a process for the Regulator to reconcile the value of the COD SRAV against the Day1 RAV.
11.	Special Condition G4 (HoTs F4 and F5)	First User Delay	The provisions in relation to First User Delay have been further developed under the draft template Licence, including in relation to the Regulator's determination of (a) where a Delay Notice is served, the categories of costs that the Regulator considers to be Unavoidable Opex and (b) where an Event of First User Delay has occurred, the amount of First User Delay Difference Payments that should have been paid to T&SCo for the purposes of the Revenue Support Agreement.
12.	Special Conditions H4 and H5 (HoTs H6 and H11)	Capex	The draft template Licence has further developed the position in respect of Capex during the Operational Period, including the development of a cost sharing mechanism in respect of any T&SCo underspends or overspends as against the relevant allowance.
13.	Special Condition H12 (HoTs H10)	Opex Building Block	The provisions in relation to Opex have been further developed under the draft template Licence, including as follows: <ul style="list-style-type: none"> ● the development of a cost-sharing mechanism in respect of any T&SCo underspends or overspends as against the relevant allowance;

Item	Reference	Topic	Outline of change
			<ul style="list-style-type: none"> • the inclusion of a process to enable the Opex Allowances for the Operational Period in the First Regulatory Period to be determined by the Regulator 8 months prior to COD; and • the inclusion of new allowance re-openers in respect of (i) energy price and; (ii) the amount of energy used per tonne of CO₂ throughput.
14.	Special Conditions H3.3 to H3.6 and H9.7 to H9.13 (HoTs H5, H6 and H16)	K-Factor and reconciliation processes	<p>The draft template Licence further develops the reconciliation processes included in the HoTs (such as the adjustment to Allowed Revenue for true-ups, corrections and reconciliations and the adjustment to the RAV).</p> <p>More particularly, the draft template Licence includes:</p> <ul style="list-style-type: none"> • a formal reconciliation process for the Allowed Revenue calculated on a two-year lag known as the K-Factor; and • a similar reconciliation process in respect of the value of the RAV during the Operational Period set out in the draft template Licence.
15.	Special Conditions H18 to H21 (HoTs H17 to H19)	Availability	<p>These conditions have been further developed in the draft template Licence including as follows:</p> <ul style="list-style-type: none"> • the Availability Relief Events have been further developed, including the introduction of an Insured Risk Event as an Availability Relief Event; • further development of the process associated with Remediation Plans and Correction Plans; and • the mechanisms associated with Availability-related spend under a Remediation Plan.
16.	Special Condition H22 (HoTs H20)	Storage Site performance	<p>This condition was titled "Store performance" in the HoTs. This condition has been given a new title and has been further developed, including to provide that as part of the first PR Determination, the Regulator will set an incentive in relation to store performance (which will be implemented by way of a modification of the conditions of the Licence in accordance with section 13 of the Act).</p>

Item	Reference	Topic	Outline of change
17.	Special Condition H28	Periodic Reviews	The draft template Licence includes a condition which details the Periodic Review process and clarifies that a PR Determination will constitute a Licence modification in accordance with section 13 of the Act.
18.	Special Condition I2 (HoTs E2)	T&S Network expansion and additional construction, commissioning and operational periods	<p>This condition has been further developed in the draft template Licence, including to further develop or introduce (as applicable) the following mechanisms and concepts:</p> <ul style="list-style-type: none"> • development of Phase 2-related drafting including further detailing the Licensee's obligations with regards to Phase 2 Activities; • introducing the concept of Expansion Activities meaning activities which (among other criteria) have associated SRAV Capex and Opex, Ongoing Capex and/or Opex and do not form part of the Phase 1 Activities or Phase 2 Activities; and • application of the Availability Incentive where the Licensee fails to complete Phase 2 Activities and/or Major Ongoing Capex Activities by the relevant scheduled completion dates, subject to specified relief mechanisms; and an Independent Certifier-led sign off process for Phase 2 Activities and Major Expansion Activities.
19.	Special Conditions J2.14 to J2.21 (HoTs F16, G13 and H25)	Qualifying Change in Law	The Qualifying Change in Law regime has been further developed in the draft template Licence including to clarify the meaning of foreseeability and to provide that any Qualifying Change in Law-related determination will be implemented by way of a modification to the Licence in accordance with section 13 of the Act.
20.	Special Conditions J2.22 to J2.31 (HoTs F17, G14 and H26)	Force Majeure Event	The Force Majeure Event regime has been further developed in the draft template Licence including to clarify the meaning of foreseeability and to provide any Force Majeure Event-related determination will be implemented by way of a modification to the Licence in accordance with section 13 of the Act.

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21.	Special Conditions J2.32 to J2.40	Insured Risk Event	The draft template Licence includes a new provision relating to Insured Risk Events which offers the possibility of relief from specified obligations under the Licence where an Insured Risk Event has occurred.
22.	Special Conditions J2.41 to J2.47 (HoTs F18 and G15)	Relief Event	The definition of Relief Event has been amended in the draft template Licence to clarify the meaning of foreseeability.
23.	Special Condition J3 (HoTs E3)	Independent Certifier	The draft template Licence details the requirements in relation to the appointment, termination and replacement of the Independent Certifier. The Licensee will be responsible for appointing the Independent Certifier within a specified timeframe after Licence Award.
24.	Special Conditions J5 and J6	Additional reopeners	The draft template Licence includes the following additional "re-opener" events which had not been included in the HoTs: <ul style="list-style-type: none"> • an Ongoing Devex Re-opener, which may be triggered by the Licensee upon the completion of each set of Ongoing Devex Stage Check Activities (defined by reference to the APDP and capturing those Development Activities that are not sufficiently certain at Licence Award to enable the setting of full Ongoing Devex Allowances); and • an Uncertain Cost Event Re-opener, which may be triggered by the Licensee where an Uncertain Cost Event (which is addressed on a project specific basis in Schedule 10 (<i>Project-specific conditions</i>) of the Licence) occurs.
25.	Special Condition J7	Variations	The draft template Licence introduces mechanisms that apply where a Change in Scope, Uncertain Cost Event Re-opener and/or Ongoing Devex Reopener constitutes a Variation (as defined in the Liaison

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			Agreement). These re-openers are subject to the Secretary of State's consent to the related Variation under the Liaison Agreement.
26.	Special Condition J8	Regulator review of hedging strategies	The draft template Licence includes a new special condition that relates to the provision by the Licensee, and the approval by Regulator, of the Licensee's Senior Debt Hedging Policy and a process for the Licensee to request adjustments to the PreCOD WACC or PostCOD WACC to account for changes in the Licensee's financing costs resulting from the relevant Senior Debt Hedge.
27.	Special Condition J13	Price Control Financial Model	This is a new condition which was not included in the HoTs. This condition sets out provisions relating to the Price Control Financial Model, including governance, modifications, management of conflicts with the Licence and requirements regarding publication.
28.	Various including Special Conditions F8, G11, H15 and J11 (HoTs F6, G4, H5)	Costs accruing to SRAV, RAV or constituting Allowed Revenue	The draft template Licence further develops the concepts of the costs that would accrue to the SRAV or the RAV or constitute Allowed Revenue, including in relation to: <ul style="list-style-type: none"> • Pass Through Costs; and • the scope of Excluded Project Spend which is not recoverable by the Licensee under the Licence.