17 November 2010

Our ref: 10/11-046

Stuart Cook Senior Partner, Smarter Grids and Governance The Office of Gas and Electricity Markets 9 Millbank London SW1P 3GE Tel: 020 7901 7000

email: Project.TransmiT@ofgem.gov.uk

Dear Sir

Project Transmit

Thank you for the opportunity to comment on the above public consultation.

Natural England's response is attached. Please contact <u>sally.harries@naturalengland.org.uk</u> if you wish to discuss our comments.

Yours sincerely

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Project Transmit

Response by Natural England

Introduction

- 1. Natural England is a non-departmental public body. We work to ensure that England's unique natural environment, including is flora and fauna, landscapes, geology and soils, is conserved, enhanced and managed for the benefit of present and future generations, thereby contributing to sustainable development.
- 2. Natural England welcomes the direction of Project TransmiT in both seeking to address a charging regime fair to both company and consumer whilst facilitating the drive towards a sustainable low carbon energy system.
- 3. As the Government adviser on the conservation and enhancement of the natural environment, we consider that the project can contribute to:
 - the development of a regulatory regime that recognises and accounts for the importance of the natural environment as an essential building block for a sustainable low carbon future; and
 - enabling real progress on shaping energy networks that can deliver the deep cuts in greenhouse gas emissions that are required.
- 4. We welcome the concept of enhanced stakeholder engagement and openness in hosting a website for shared evidence.

Transmit evidence

We offer a number of observations below, based on our statutory remit:

- 5. Natural England recognises that climate change represents the most serious long term threat to the natural environment. We support the need to move to a low carbon economy, which will require significantly more efficient use of energy and a substantial investment in low carbon and renewable energy technologies for electricity generation, heat and transport fuel.
- 6. We recognise the key objective of Project Transmit to facilitate the timely move to a sustainable, safe and secure low carbon energy sector whilst providing value for money for current and future consumers and would like to emphasise that sustainability includes seeking integration of social and economic objectives with those for the natural environment, not merely an attempt to trade-off any one against any other
- 7. Natural England supports the evidence that use of well designed pricing mechanisms has been shown to support long term, secure and sustainable methods of energy generation; incorporating the costs of any carbon storage requirements.
- 8. Evidence suggests that considering the environmental implications of major new infrastructure early in the design of regulatory and pricing regimes can help to avoid and minimise costs to industry and consumers as well as delays in delivery of infrastructure.
- 9. Ofgem's own evidence has found that consumers value the natural environment and have expressed a degree of willingness to pay for transmission infrastructure that respects the need to protect and enhance wildlife and landscapes. We welcome the responsible approach to strategic planning that this degree of inquiry indicates is being taken by Ofgem.
- 10. Where 'related connection issues' may present the potential for significant impacts on the natural environment, we underline the need to follow the 'avoid, mitigate, compensate' hierarchy. Natural England encourages developers to discuss ideas in respect of specific projects well before the formal consultation phase so that we can help them avoid unnecessary expense and delay which could otherwise occur later in the process of any particular project.

11. More strategically, Natural England would welcome the opportunity to work with Ofgem to agree processes and solutions for the natural environment at an early stage in order to avoid delays and provide clarity for all involved.

Natural England November 2010