

30 September 2010

By e-mail and first class post

Hannah Nixon, Partner, Transmission
Ofgem
9 Millbank
London SW1P 3GE

Dear Ms Nixon

Open letter consultation on TPCR5

Thank you for consulting Friends of the Peak District (FPD), the national park society for the Peak District. We represent the Campaign to Protect Rural England (CPRE) in the Peak District National Park and some surrounding areas and we are a registered charity founded in 1924. We are also a part of the Campaign for National Parks. We have a joint (FPD/CPRE) membership of some 1200 supporters and our aim is for a living, working Peak District that changes with the times but remains beautiful forever.

We have a long history of involvement in issues of powerlines (both transmission and distribution), visual amenity and landscape protection. We work closely with CPRE's national office and others (CPRW, NAAONB and Friends of the Lake District) to ensure more sustainable landscape outcomes in relation to the existing electricity distribution and transmission network and new lines, where proposed. We also work with three DNOs (Electricity Northwest; Central Electric; Central Networks) on the OFGEM undergrounding for visual amenity (UVA) scheme. We are also currently involved with the NG-ET stakeholder consultation on the options (including undergrounding) for the long term future of the Stalybridge to Woodhead (4ZO) 400 kV line.

We note the key issues identified so far for review and welcome the flexibility to consider new issues that may emerge during the review. Our key concern is with electricity transmission issues and the environmental challenge of visual amenity considerations, both in relation to existing lines (which also relates to asset replacement work) and any proposed new lines that may infringe on valued countryside and designated landscapes (national parks, NPs, and AONBs).

It is worth repeating that OFGEM and the TOs are of course bound by statute to have regard both to the environment and to the purposes of NPs and AONBs. Like our national office (see letter of 24 September 2010 from CPRE to DECC on the review of the role of OFGEM),

we share the view that these duties – in relation to protecting important areas of landscape – should be given enhanced prominence in OFGEM’s formal remit and its ongoing and future work.

In broad terms we also welcome the potential of the RIIO model to provide appropriate incentives for innovation towards a sustainable energy network. We would request that explicit incentives be considered that allow funding streams to be directed towards reducing the visual impact of the transmission network.

This should move beyond the previous model of a broad opt-in ‘Innovation Funding Initiative’ introduced in TPCR4 (which could theoretically have been used to help reduce the amenity impact of key lines, existing or proposed, through innovative investments). Without labouring the point unduly, it would be logical to link an undergrounding incentive (akin to that offered by OFGEM in DPCR) to stimulate innovation, leading to measurable outputs in terms of reduction of visual impact (or a simple % reduction in the overall distance (km) of intrusive overhead transmission lines in nationally designated landscapes) within a RIIO model.

Moving to specifics, we now go on to answer your key questions, predominantly in relation to the issue of visual amenity.

Primary outputs

We welcome the identification of seeking to minimise the visual impacts of infrastructure as one of four key environmental impact primary outputs. Indeed we believe that there is a clear onus (through existing statute) for OFGEM seeking to minimise and reduce visual impacts, especially in national designated landscape areas. This view is founded in OFGEM’s duty to have regard to both ‘conservation and enhancement’. A measurable primary output would be a proportion of electricity transmission infrastructure placed underground during any TPCR period.

We note on p.4 of the open letter, the indication that research would be undertaken to support the review, garnering customer views and willingness to pay on a variety of issues. We believe further work is required in the area of customer willingness to pay for undergrounding of electricity transmission assets in nationally designated landscape areas. We note the work done by Eftec (June 2006) overviewing the valuation of visual impacts, commissioned by OFGEM during TPCR4. This made clear that there was:

- a lack of primary studies (which hindered analysing transfer benefits);
- that calculating non-use values for types of land such as national parks was vital to assess; and
- *‘that it is difficult to escape the conclusion that more original valuation work is needed’* (Executive Summary, page 3, third bullet, para.2).

It is clear from this that Eftec’s conclusions were limited by the lack of studies they could review and summarise and that a WTP (or WTA) approach should be undertaken which moves away from simplistic householder-based studies where amenity may be affected within a narrow locale (viewshed) to a study of landscapes of national value where visitor experiences are affected by transmission infrastructure. For a more extensive critique of the

Eftec study, see Dr Richard Cowell's analysis appended to Friends of the Lake District's comments on the update proposals for TPCR4 (letter to Robert Hull, OFGEM, dated 12 October 2006 and re-appended to this response for ease of access). The points made by Dr Cowell still stand and should form the basis of discussions on new research required to underpin TPCR5.

Enhanced engagement: PCRf involvement

We consider that at least one representative of third party groups concerned primarily with visual impact issues should be involved in the PCRf. This could either be one of the national bodies (CPRE/CPRW/CNP/NAAONB) or a (possibly rotating seat) representing the wider views of these groups, including ourselves and FLD. We note the call for working group representation by 13 August (which was very short notice) and understand and are pleased that Paul Miner of CPRE's national office has been co-opted to the group working on environmental issues. We are also supportive of the stakeholder engagement approach set out in Annex B and broadly supportive of the draft ToR for the PCRf (please note, bottom bullet on page 8, that 'areas of outstanding natural beauty' (AONBs) is not acceptable shorthand for nationally designated landscapes which comprise both national parks and AONBs). However, under the third purpose we would note that environmental and sustainability issues are not to be treated as 'tradeoffs'; PPS1 makes clear that sustainable development aims should be pursued through integration.


Business plan guidance/milestones

Although not aimed at third party groups such as ourselves, the provision of guidance for best practice business plans seems helpful and we certainly support your encouragement of advice on engagement with stakeholders and joint working (3.20-3.22) which seems both sensible and workable. We also welcome (3.29) the expectation that evidence on cost-benefit implications should be included in consideration of environmental impact outputs.

Finally we note the key milestones proposed in Annex D.

We trust these comments are of use. Please do not hesitate to contact us if you require any clarification or further details.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Andrew Tickle', with a long horizontal line underneath it.

Dr Andrew Tickle
Head of Planning and Campaigning