



**Chilterns Conservation Board Comments on the RIIO-T1: Initial Proposals for National Grid Electricity Transmission and National Grid Gas – Overview consultation by OFGEM**

**Conservation Boards**

A Conservation Board is a statutory independent corporate body set up by Parliamentary Order under the provisions of Section 86 of the Countryside and Rights of Way (CRoW) Act 2000.

Section 87 of the CRoW Act sets out the purposes of a conservation board as:

- a) the purpose of conserving and enhancing the natural beauty of the area of outstanding natural beauty, and
- b) the purpose of increasing the understanding and enjoyment by the public of the special qualities of the area of outstanding natural beauty

But if it appears to the board that there is a conflict between those purposes, they are to attach greater weight to the purpose mentioned in paragraph (a).

Furthermore “A conservation board, while having regard to the purposes mentioned in subsection (1) [of Section 87], shall seek to foster the economic and social well-being of local communities within the area of outstanding natural beauty, and shall for that purpose co-operate with local authorities and public bodies whose functions include the promotion of economic or social development within the area of outstanding natural beauty.”

Section 85 of the CRoW Act states under “General duty of public bodies etc”

“(1) In exercising or performing any functions in relation to, or so as to affect, land in an area of outstanding natural beauty, a relevant authority shall have regard to the purpose of conserving and enhancing the natural beauty of the area of outstanding natural beauty.”

The Board is grateful for the opportunity to comment on the document that is the subject of consultation and trusts that its comments are taken on board. The attached response has been prepared by Colin White, Planning Officer, under delegated powers and will be presented for approval to the Conservation Board’s Planning Committee which meets on 28<sup>th</sup> November 2012. Any further comments made at that meeting will be duly forwarded.

Should you require any further information do not hesitate to contact the writer. Please note that the Board has only commented on those elements of the consultation document that are considered to have implications for the Chilterns AONB and the need to conserve and enhance its natural beauty.

## Response of the Chilterns Conservation Board

1. The Board is grateful for the opportunity to comment on the RIIO-T1: Initial Proposals for National Grid Electricity Transmission and National Grid Gas – Overview. The Board understands that RIIO stands for ‘Revenue = Incentives + Innovation + Outputs’ and that the consultation is concerned with the transmission price controls for National Grid Electricity Transmission (NGET) and National Grid Gas (NGGT) from 1<sup>st</sup> April 2013 to 31<sup>st</sup> March 2021. The Board is interested in the NGET aspect and Question 2 that is detailed in the ‘outputs, incentives and innovation’ supporting document. We are asked: ‘Do you have any views on our Initial Proposal on setting an expenditure cap for the start of RIIO-T1 in relation to addressing the visual amenity impacts of existing infrastructure in designated areas?’
2. The Board welcomes the new initiative to provide an allowance to transmission operators to underground existing transmission lines which impact on designated landscapes. The Board considers that this will complement the existing initiative that is currently being delivered by the distribution networks. The Board also understands that there will be a similar scheme for proposed lines. This is also welcomed and supported. However, the Board is concerned that there appears to be a lack of collaborative working between those delivering projects relating to undergrounding existing cables and those dealing with proposed new lines.
3. We consider that it will be important to ensure that the wording in the final document relates to addressing the visual amenity impacts of existing infrastructure ‘on’, as opposed to ‘in’, designated areas as the impacts generated by pylons do not just stop at the boundaries of the designated areas.
4. It appears that there is a significant willingness to pay (WTP) by the public, but there is lack of clarity about how the ultimate allowance has been determined which is confusing to the stakeholders involved. The WTP research that is mentioned demonstrates that there would be an expenditure cap of £1.1bn based on 2009/10 figures. However, the consultation places a cap at the start of the RIIO period of £110m. The Board trusts that the allowance will have the flexibility to be increased (as detailed in paragraph 2.50 of the supporting document) significantly towards the threshold suggested by the NGET analysis, as the proposed levels are only likely to achieve the undergrounding of about 4 miles of existing powerlines (based on a cost of about £25m per mile as detailed in footnote 12 on page 15 of the supporting document). The Board would like to know how this ceiling will be reviewed and the resultant expenditure monitored.
5. The Board has significant concerns about fact that the allowance is being considered on a ‘use it or lose it basis’. The Board understands the need for setting timescales for delivery, however, given our experience in helping to deliver projects to underground distribution lines, we have found that they sometimes require protracted negotiations with landowners and others. We think it would be safe to assume that similar negotiations would have to be undertaken for transmission lines and that they would be a lot more complicated and therefore time consuming. We are concerned that if projects failed to be delivered within a price review period then the allowance is likely to be lost.
6. The Board is aware that a draft list of proposed schemes has already been published by National Grid. It would be beneficial if there is a much greater degree of transparency in the selection of such schemes. Any proposals should have a greater level of consultation with the relevant designated landscapes bodies built-in to the process, as local knowledge may help the prioritisation of schemes. It would also ensure that those lines targeted would deliver the greatest landscape benefits as opposed to being the most expedient to do.