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## **RIIO-T1: Initial Proposals for National Grid Electricity Transmission and National Grid Gas**

**Response by the English National Park Authorities Association, National Parks Wales and the National Association of Areas of Outstanding Natural Beauty**

### **Introduction**

1.1 The English National Park Authorities Association (ENPAA) exists to support the policy-making process by co-ordinating input on behalf of the nine English National Park Authorities and the Broads Authority. National Parks Wales (NPW) performs this role on behalf of the three Welsh National Park Authorities. ENPAA is governed by the Chairs of the National Park Authorities in England while NPW is governed by the Chairs and Chief Executives of the Welsh National Park Authorities. This response represents the collective view of officers who are working within the policies established by the National Park Authorities (NPAs) in both countries. Individual National Park Authorities may submit separate comments, which will draw on the specific issues for their particular area. The National Association for Areas of Outstanding Natural Beauty (NAAONB) is a voluntary body whose membership includes the AONB Partnerships and Conservation Boards in England and Wales, many of the Local Authorities with statutory responsibility for AONBs, a Trust which manages AONBs in Northern Ireland, as well as a number of voluntary bodies and individuals with an interest in the future of these nationally designated landscapes. A number of AONB Partnerships have responded individually to this consultation and the comments of the NAAONB should be seen as supportive and supplementary to these.

1.2 We welcome the opportunity to comment on Ofgem's initial proposals for RIIO-T1 National Grid Electricity Transmission and National Grid Gas. Our response is focused on those consultation questions that have most direct bearing on designated landscapes, namely the questions in Chapter 2 of the Outputs, Incentives and Innovation Supporting Document.

1.3 We recognise that 'mitigation' as referred to in this consultation incorporates both undergrounding and other techniques such as tree screening. We support the principle of undergrounding visually intrusive infrastructure in designated landscapes where possible and appropriate; however we also acknowledge that undergrounding will not be the most appropriate solution in all cases as there may be unacceptable impacts in terms of, for example ecology and/or archaeology.

**Question 1: Do you have any comments on our initial proposals on NGET's output and incentives?**

New Infrastructure

2.1 Our comments here will address the proposal for a baseline allowance to deploy undergrounding technologies that is equivalent to 10 per cent of the new transmission lines proposed for delivery in RIIO-T1. We very much welcome this proposal, which will help to enable National Grid to demonstrate its commitment to the 'Approach to the Design and Routeing of New Electricity Transmission Lines'<sup>1</sup> published this year. The 'Outputs, Incentives and Innovation' consultation document makes reference to the need to address visual amenity impacts "where necessary to obtain development consent". While as stated this is consistent with NGET's requirements under the Planning Act 2008, it would be helpful to recognise that by addressing visual amenity impacts in designated landscapes NGET is also fulfilling duties to have regard to the statutory purposes of National Parks, the Broads and AONBs under the relevant legislation<sup>2</sup>.

2.2 We agree with the proposal to introduce a volume driver alongside the baseline 10% allowance, which would enable revenues to be adjusted according to routeing and planning decisions as these are made on a case by case basis.

**Question 2: Do you have any views on our Initial Proposals 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?**

3.1 We very much welcome the proposal to make available an expenditure allowance to address the visual amenity impacts of existing transmission infrastructure in designated areas. The existing allowance available to address visual amenity impacts of distribution infrastructure has enabled many beneficial mitigation schemes to take place in National Parks and AONBs and fostered fruitful dialogues with Distribution Network Operators (DNOs). The opportunity to engage with NGET to address the visual amenity impacts of the larger transmission infrastructure in and near National Parks and AONBs will be welcomed. Our comments below set out our views on particular aspects of the proposed allowance.

Proposed level of expenditure

3.2 National Park Authorities and AONBs were represented at the Talking Networks workshop held on 8<sup>th</sup> August 2012 to discuss the Willingness To Pay (WTP) study commissioned by NGET and carried out by Accent that has informed the proposal for this allowance. Based on the results of the research, NGET proposed a WTP value that would give a total expenditure cap of £1.1 billion for the RIIO-T1 period. We are deeply concerned that Ofgem has not agreed with this assessment and has chosen instead to propose an initial expenditure cap of £100m for the start of the price control. Ofgem has cited methodological concerns over the WTP research and its use of the mean, yet it was explained at the workshop that the current DNO allowance was informed by a similar WTP study

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<sup>1</sup> [Our approach to the design and routeing of new electricity transmission lines](#). National Grid (2012)

<sup>2</sup> Section 11A(2) of the National Parks and Access to the Countryside Act 1949 as amended by Section 62(2) of the Environment Act 1995; Section 17A of the Norfolk and Suffolk Broads Act 1988 as inserted by Section 97 of the Countryside and Rights of Way Act 2000; Section 85 of the Countryside and Rights of Way Act 2000

carried out by Accent that also used the mean. Accent have also suggested that the WTP figures resulting from the research are likely to be conservative given that the survey approach limited the upper range of WTP values that respondents could put forward.

3.3 Given this information, Ofgem's rationale for requiring a median WTP value and discounting the results of the study is not clear. The Accent study represents the most comprehensive and up to date assessment available of consumer WTP for visual amenity mitigation and it does not seem sensible to expect Transmission Owners to undertake further research, requiring further time and cost, in order to establish a median figure. We would note that Ofgem, like National Grid, is a relevant authority with duties to have regard to the statutory purposes of protected landscapes (referred to in 2.1). We hope to see a commitment to fulfilling these duties more truly represented in Ofgem's decision making.

3.4 We understand that the £100m initial allowance proposed by Ofgem is intended to be an initial funding pot to enable work to start, pending further research and feedback. We expect to see this figure increase significantly over the course of the price review period. We very much hope that this will indeed be the case given the difference in scale between this figure and the results of the WTP study. While £100m may achieve a lot in terms of tree screening, the costs associated with undergrounding would only allow a very limited amount to be achieved with this amount of funding. We would welcome further clarity on the mechanism by which increases to the allowance will be decided.

#### Boundaries and setting

3.5 The current DNO allowance gives a 10% tolerance to enable lines that cross boundaries and continue outside of designated areas to be addressed. This recognises that infrastructure outside the boundaries of designated areas may still impact of the setting of the designated landscape, for instance on views into and out of a National Park or AONB. We would like to see a similar flexibility in the transmission infrastructure scheme. A greater degree of flexibility (i.e. a higher percentage of tolerance) would be appropriate given that the scale and significance of transmission infrastructure will generally be larger than that of distribution infrastructure. We would support the inclusion in the scheme of transmission lines that, although they may not pass through the designated landscape itself, pass close to it and so are considered to be impacting on the designated landscape. We suggest that the wording of the proposals be amended so that the final document refers to the visual impacts of existing infrastructure on, as opposed to in, designated areas as this would recognise that the impacts do not stop at the administrative boundaries. This would be consistent with National Policy Statement EN-1 which states that "The duty to have regard to the purposes of nationally designated areas also applies when considering applications for projects outside the boundaries of these areas which may have impacts within them. The aim should be to avoid compromising the purposes of designation and such projects should be designed sensitively given the various siting, operational, and other relevant constraints"<sup>3</sup>.

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<sup>3</sup> Overarching National Policy Statement for Energy (EN-1) p97 para 5.9.12

## Timescales and selection of schemes

3.6 We note that the proposed allowance will be made available over the course of the RIIO-T1 period from 2013 to 2021. We are mindful of the long lead-in time required for identifying and consulting on scheme designs and options for mitigation, including undergrounding. There is existing experience of this process in protected landscapes such as the current Longdendale case in the Peak District. We therefore appreciate the need for a clear and well-focused assessment process that will enable work to get underway in a timely manner for those projects that are identified as priorities.

3.7 We note that a document setting out possible candidate schemes in National Parks and AONBs for the proposed allowance has been made available. There is some limited information in this document about how these schemes have been selected, however we would welcome greater clarity on this and on how stakeholders can expect to be involved in the future selection process. The work of the existing regional steering groups convened for the DNO allowance could help to inform this process. The South West Protected Landscape Forum has run for some years a steering group to assess and prioritise undergrounding of Western Power distribution lines, and a similar group exists in the south east involving both National Park Authorities and AONBs with UK Power Networks. There is therefore good practice established for assessing and selecting schemes. Early consultation with the relevant designated landscape bodies should be part of the process when schemes are being assessed for selection as their local knowledge will assist the process. In addition to landscape impacts, assessment of schemes should take into account benefits such as removing pylons from the skyline of settlements of historic and architectural merit, including conservation areas, and from protected areas of open landscape of high nature conservation value such as Sites of Special Scientific Interest. Other factors that need considering, however, relating to these are the likely higher complexity and cost of undergrounding through historic residential areas; and avoiding or minimising negative impacts on ecology and biodiversity.

3.8 It will be important that the schemes for undergrounding new and existing lines are aligned where appropriate. This will ensure the maximum benefit is achieved in terms of visual amenity and efficiencies (e.g. in public and stakeholder engagement and in use of contractors and equipment). An example would be the new Bramford to Twinstead transmission line through the Dedham Vale AONB and adjoining Stour Valley. The new undergrounded line is currently proposed to run alongside an existing 400kV overhead line. Here the fact that undergrounding work is already planned in the area (and thus there is potential for efficiencies) should be a factor for consideration when assessing the eligibility of the existing line for undergrounding.

3.9 The allowance should not be used to the transmission operators advantage as a means of replacing transmission networks that are due for refurbishment. Claims against the allowance for maintenance should be resisted and safeguards should be put in place to ensure that the allowance is used for the purpose it is intended and the purpose to which the WTP study focussed on, i.e. the improvement to visual amenity. We accept however, that for economic reasons, schemes which involve lines that are due for refurbishment but that also score highly in terms of visual amenity benefits may be prioritised, and that economy will form part of the decision-making process.

3.10 Given the long time period often needed for the development of the schemes, we would not wish for the allowance to be on a 'use it or lose it' basis. While understanding the need to set timescales for delivery, our concern is that a scheme requiring complex negotiations could result in a failure to deliver within the price review period and the allowance could then be lost.

## Relationship with existing DNO allowance for undergrounding infrastructure

4.1 As mentioned in our introductory remarks we welcome the proposed scheme and we consider that it will provide a very helpful complement to the DNO allowance which addresses the smaller-scale distribution infrastructure. We would ask Ofgem in its plans to also consider how a potential gap between the two schemes in designated landscapes might be addressed. Some higher-voltage distribution lines in theory may be eligible for undergrounding via the DNO scheme, but in practice cannot be addressed by this scheme because the costs of doing so are prohibitive given the limited funding available. By their nature these lines tend to be among the most visually intrusive and have significant landscape impacts as they are carried on large pylons. There are, for example, three such locations in the Broads and further examples in the North York Moors and New Forest National Parks. Under the current proposal this type of line will not be addressed as it is neither affordable under the DNO scheme nor eligible under the proposed Transmission Owners scheme. We urge Ofgem to give further consideration to how this anomalous situation can best be addressed.