

**RIIO-2 Draft Determinations on price controls for 2021-26****A response from the John Muir Trust**

The John Muir Trust is a conservation charity dedicated to the experience, protection and repair of wild places. We own and manage nine estates in some of the more remote and sparsely populated areas of Scotland: Sandwood (North West Sutherland); Quinag (Assynt); Strathaird, Sconser and Torrin (Skye); Li and Coire Dhorrcail (Knoydart); Ben Nevis (Lochaber); East Schiehallion (Perthshire), and Glenlude (Tweeddale). We also manage Glenridding Common (1,000 hectares of common land, including the summit of Helvellyn in the Lake District) on a lease agreement.

With an interest in the protection of wild land, we have provided letters of support to SSEN's VISTA projects, made possible through the RIIO-1 funding programme. SSEN's VISTA projects will significantly improve the landscape at National Scenic Areas at Loch Tummel, Glen Sloy and Glen Falloch, as well as parts of the Cairngorms National Park and Loch Lomond and Trossachs National Park. We have valued having a part in consultation on these VISTA projects and hope to continue to give our support to future amenity projects funded through RIIO-2.

Our response addresses question ETQ7 only.

**ETQ7 consultation question****What are your views on our consultation position for setting the expenditure cap for visual amenity mitigation projects in RIIO-2?**

We welcome and fully support Ofgem's commitment to fund mitigation projects that reduce the visual amenity impacts of existing infrastructure in National Parks, Areas of Outstanding Natural Beauty and National Scenic Areas. Ofgem has a statutory duty to have regard to conserving and enhancing National Parks and AONBs when exercising or performing any functions affecting land within these areas. By providing and administering funding for visual amenity projects Ofgem is able to meet its duty to protect designated landscapes whilst incentivising Transmission Owners to meet their duty also.

At a time of a public health crisis, during which people have sought experiences and adventure in our designated landscapes, for recovery, managing stress and boosting health and happiness, we think there is a national public interest case for Ofgem to increase the proposed funding cap, or at least very clearly stipulate that it is a minimum. The World Health Organisation has identified that the perceived naturalness of a landscape is an important characteristic of its health-giving benefits. A visual amenity fund improves the perceived naturalness and quality of our designated landscapes thereby enabling more health-giving benefits. As more people discover our designated landscapes, more people stand to benefit from them and Ofgem's visual amenity fund has a part in ensuring this is the case.

As more and more renewables connect to the national grid structure more overhead lines and reinforcement of existing lines will be required. With 40 National Scenic Areas and 2 National Parks in Scotland, and Transmission Owners responsible for infrastructure through these areas, some of the qualities of Scotland's designated landscapes are at risk from new infrastructure (example – the proposed Skye Reinforcement Project which is proposed around the edge of the Cuillins National

Scenic Area). We understand that RIIO-2 funding could only be available for mitigating the impacts of existing infrastructure, but this is in our view all the more essential, (and why the proposed cap should be higher or a clear minimum), if nationally we are to avoid overloading our landscapes with grid infrastructure in a drive to meet net zero emission reduction targets.

In our further comments we draw on points made in a report written by Professor Richard Cowell, from Cardiff University's School of Geography and Planning, 'RIIO-2: Price control expenditure cap for visual amenity improvements in designated landscapes', which was commissioned jointly by the Campaign for the Protection of Rural England and several other environmental NGOs. These further points are summarised in our own words as follows:

1. Given that designated landscapes exist to give people experiences of the special qualities of these areas, are protected by law and that Transmission Owner infrastructure interferes with an ability to experience the special qualities of these areas, the starting point for determining the level of ambition for visual amenity projects should be what people are 'Willing To Accept' as compensation for the persistence of environmental harm caused by infrastructure rather than how much they are 'Willing To Pay' to redress the harm after it has been caused. Willingness to Pay produces a more conservative measure that does not fully capture the value that people would place on experiencing a landscape's natural qualities.
2. The three further points of justification for the lowest price cap, outlined in paragraph 2.136 of the Draft Determination, fail to account for the positive value of landscape mitigation to people, local communities and businesses in the tourist and active outdoors sector. In this respect, the points are not well-balanced and appear to be unsubstantiated. Taking each point in turn:
  - 1) The pipeline of potential new projects in the TO's RIIO-T2 business plans – rather than a justification for limiting future funds, this could be a justification for increasing funds under RIIO-2. Where Transmission Owners under RIIO-1 can now demonstrate applied learning and experience as well as ambition (as arguably SSEN have in their RIIO-2 Business Plan by committing to five visual amenity projects, an increase on the three approved by Ofgem in the RIIO-1 price control period), Ofgem should support them to achieve their pipeline projects in addition to other projects that would be considered if additional funding was available. In their 2016/17 VISTA Annual Review SSEN had identified 'ten individual proposals to take forward for further investigation, consisting of four engineering schemes, two in the Loch Lomond National Park and two in the Cairngorms National Park; with a further six landscaping proposals across a number of locations.' As of July 2020 only 3 of these visual amenity projects had been approved by Ofgem. This suggests that there was no lack of ambition on the part of SSEN initially and that SSEN has retained its ambition for visual amenity projects in RIIO-2.
  - 2) The additional costs that consumers will face in the RIIO-2 price control period to facilitate the Net Zero transition in the energy sector – whilst these additional costs need to be recognised, they should arguably include costs for protecting landscape rather than exclude them. Net zero transition and landscape protection are both in the public interest and both are of national importance. Given impacts from ambitious plans for new infrastructure, such as new reinforcement projects in Scotland, which are being

justified by net zero targets, it seems reasonable that similar ambition (not less) should be expected for the removal of existing power lines if Scotland's designated landscapes are to continue to express the wild and natural qualities that sustain Scotland's tourism economy (one of seven growth industries in Scotland, contributing more than £4 billion to the Scottish economy each year) and support the health and wellbeing of people who live and visit.

- 3) The potentially long-lived economic shock arising from the Covid-19 pandemic that could adversely affect the affordability of energy bill increases for many consumers – this fails to acknowledge the UK and Scottish Government's 'Green Recovery' agenda which would more likely align recovery with investment in projects that enhance the nation's environmental assets than not. The evidence as to whether difficult economic situations lead the public to register lower Willingness to Pay for environmental quality is questionable. This is shown by the Willingness to Pay research conducted for previous price control: The Accent research used to inform visual amenity allowances for Distribution Price Control Reviews, in 2008 and 2012, one before and one after the financial crash, show little change in the percentage of respondents not willing to pay anything for undergrounding in designated landscapes.

We support Ofgem's commitment to visual amenity project funding in RIIO-2 and believe the proposed price cap should be considered an absolute minimum with options to increase funding available in response to project proposals from Transmission Owners.