

Ofgem Call for Evidence on the Electricity Distribution Business Plans for RIIO-2

Having been engage with Electricity North West throughout the development of the RIIO-ED2 Business Plan, we recognise the commitment ENWL have made to Customer and Stakeholder engagement as outlined in the Business Plan (BP) and detailed in Annex 1. We recognise and are supportive of the development, since the publication of the draft BP, of a clear vision to Lead the North West to net zero. As Greater Manchester has set 2038 as the target date for being carbon neutral it is critical that our DNO works with us and as an Anchor institution leads by example if we are to realize this objective. This can be seen both in the BP and Annex X13, the Environmental Action Plan.

The BP and associated annexes form a comprehensive picture of ENWLs strategic, and operational plans for 2023-28, elements of which we would like to comment on below.

1. The Greater Manchester Combined Authority (GMCA) and wider Greater Manchester Family, including Transport for Greater Manchester have been working with ENWL senior and operational staff on a range of strategic initiatives over a number of years. The initiatives include: the Mayors Retrofit Task Force, the Strategic Infrastructure Board which sees the sharing of growth and development data helping to plan infrastructure alongside economic development and housing delivery. These are in addition to the Energy Innovation Challenge Group, Green City Region Partnership and most recently the Energy Innovation Agency, all critical to the Regions transition to net zero. We very much recognise the outcomes of these discussions in the BP and wider annexes.
2. As a region with above average levels of households in fuel poverty we welcome and are supportive of the additional measures ENWL intend to put in place to support those customers in vulnerable circumstances and fuel poverty. We a pleased to see ENWL working with other utilities to share intelligence on priority service customers to make it easier and simpler for customers in vulnerable circumstances to access the support available through the priority services register.
3. We welcome the reduction of the bill from a proposed increase of £2.03 in the Draft BP to a reduction of £12.49 principally through efficiency and the use of uncertainty mechanisms, so ensuring that bill payers will only pay for what is needed. We see the increased use of Uncertainty Mechanisms since the draft business plan as a positive move to ensure bill payers do not pay for investment before it is needed, while at the same time ensuring that the network will be able to meet the evolving demands of our ambition to be net zero by 2038. We note though that as it is highly likely that these mechanisms will be used it is highly probable that the bill reduction will be less than the headline figure. That said, in light of the impact of wider energy supply and Supplier of Last resort costs, such a change it likely to be trivial.
4. We very much welcome, and are highly supportive of the inclusion of the CLASS and Smart Street Projects (Annex's 15b and 15a respectively) as not only will these measures help keep bills down for customers, they will reduce carbon emissions and increase network capacity. Such system level interventions which require no behavioral change from consumers are highly beneficial and will be critical in enabling the realisation of Greater Manchester and wider UK legally binding targets to transition to net zero. We very much commend these initiatives to Ofgem, to enable ENWL to make these investments.
5. The BP notes the whole energy system approach to place based energy transition and the work ENWL undertook with Cadent to develop the Greater Manchester Transition Pathway Report. We welcomed

the production of this document and the commitment in the plan to review the report in ED2. As the current pathways report is currently 18 months old much has changed, and we are soon to publish Local Area Energy Plans for each of our 10 districts, we would welcome this review in early 2023 to ensure alignment of thought.

6. We note in Annex 13 – Environmental Action Plan ENWLs commitment to lead by example and as a member of ENWLs Sustainability Advisory Panel we recognise our input into this Annex. We are particularly supportive of the inclusion of science based targets and scope 3 carbon emissions. As the supply of electricity decarbonizes these scope 3 emissions will become an increasingly important component of the business carbon footprint. Similarly, we note in Goal 5 - Maintain a leakage rate of less than 0.3% for our total bank of sulphur hexafluoride (SF6) equipment, that the mass of SF6 on the network will likely increase in ED2. As SF₆ is the most potent Greenhouse Gas in existence and persists for thousands of years, its leakage will impact both ENWLs and GM carbon budget. While we understand that 'cost effective' solutions may not be currently available, and a network wide approach is needed to stimulate innovation, we strongly urge Ofgem to require all DNOs and the ENA to review, and annually report on progress towards SF₆ free alternatives, and to undertake any cost benefit analysis over the lifetime of the replaced asset to truly capture the detrimental impact this gas has on our climate emergency.
7. We also note and welcome that ENWL have not limited their Environmental Action Plan to the Climate Change agenda, and we very much support the proposed increase in biodiversity across their estate.