

National Electricity Transmission (NET) Frodsham Customer Connection and Lister Drive Customer Connection

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We¹ are consulting on two customer connection projects proposed by NET. The first is a 400kV connection at its Frodsham substation near Runcorn, Cheshire; the second is a 275kV connection at its Lister Drive substation in Liverpool. We would like views from people with an interest in electricity transmission and distribution networks. We would also welcome responses from other stakeholders and the public.

This document outlines the scope, purpose and questions of the consultation and how you can get involved. Once the consultation is closed, we will consider all responses. We want to be transparent in our consultations. We will publish the non-confidential responses we receive alongside a decision on next steps on our website at [Ofgem.gov.uk/consultations](https://www.ofgem.gov.uk/consultations). If you want your response – in whole or in part – to be considered confidential, please tell us in your response and explain why. Please clearly mark the parts of your response that you consider to be confidential, and if possible, put the confidential material in separate appendices to your response.

¹ The terms 'we', 'us', 'our' refer to the Gas and Electricity Markets Authority (the Authority). Ofgem operates under the direction and governance of the Authority.

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1. Executive summary

- 1.1. We are consulting on our assessment of the needs case, optioneering and efficient costs for two customer connections in Frodsham and Lister Drive proposed by National Grid Electricity Transmission under its Medium Sized Investment Projects (MSIP) Re-opener submission made in January 2022.
- 1.2. The MSIP Re-opener allows the electricity transmission companies to request new funding during the RIIO-2 price control period for projects that meet certain conditions in their licence and cost less than £100m.
- 1.3. One of the biggest challenges to the National Grid Electricity System Operator's (NGESO) transition towards a Net Zero network is a loss in grid inertia. Grid inertia is the ability to respond quickly to changes in demand. The loss in grid inertia is being caused by several drivers, such as the closure of large thermal power stations, the increase in embedded generation, a decline in reactive power absorption and periodic low-loading levels on the transmission system.
- 1.4. To address these challenges, the NGESO runs 'pathfinder' tender rounds to procure market solutions to manage network conditions and maintain system stability through long term reactive power services. Through this pathfinder process, NGESO selected MRPL's connection proposal at Frodsham substation and Statkraft's connection² to Lister Drive substation as the most cost-effective solutions to provide ancillary services.
- 1.5. MRPL and Statkraft have made an application to National Grid Electricity Transmission (NGET) for these new connections and NGET is required by its licence to provide connections for customers.
- 1.6. Based on our assessment, we are satisfied that NGET's analysis of the current and future challenges for NGESO's Net Zero transition are valid and that the proposed intervention will contribute to system stability. Moreover, we accept that NGET's licence obligation is sufficient to justify the proposed interventions.

² Synchronous Compensators provide grid inertia services, they can also provide a range of other functions including voltage control.

- 1.7. We also consider that NGET’s proposals to use an existing bay for Frodsham connection and to use a tee’d connection for Lister Drive project are likely to be more cost efficient compared to other alternatives.
- 1.8. We have assessed NGET’s proposed costs for the Frodsham and Lister Drive customer connections. We consider that NGET’s proposed direct activity costs for the projects are efficient and are minded-to adjust NGET’s price control allowances for these. However, we consider that NGET included some indirect activity costs in its MSIP funding applications which we propose to remove. Instead, NGET will receive an automatic funding uplift from an allowance escalator included in its price control specifically to cover the costs of indirect activities on new projects.
- 1.9. The rest of this document summarises NGET’s MSIP submissions and explains our findings to support our minded-to position.

2. Introduction

What are we consulting on?

- 2.1. We are consulting on the needs case, optioneering and indicative efficient costs for two customer connection Medium Sized Investment Projects (MSIP) proposed by National Grid Electricity Transmission (NGET) under its MSIP Re-opener submission made in January 2022.³
- 2.2. The MSIP licence condition⁴ allows the electricity transmission companies to make Re-opener submissions during the RIIO-2 price control period for projects that meet certain conditions in their licence and cost less than £100m.
- 2.3. NGET considers that these MSIP submissions meet the relevant criteria set out in SpC 3.14 (f) of the licence condition and that it is made in accordance with the RIIO-2 Re-opener Guidance and Applications Requirements⁵ which provides how licensees must prepare their Re-opener applications pursuant to SpC 9.4 (Re-opener Guidance and Application Requirements Document). We agree with NGET that these projects meet the MSIP eligibility criteria and we have provided a summary of our assessment in Appendix 2.

Consultation approach

- 2.4. In its MSIP Re-opener submissions, NGET provided Ofgem with supporting evidence that the Frodsham and Lister Drive customer connection projects are driven by the respective outcomes from the National Grid Electricity System Operator's (NGESO) High Voltage Pathfinder in Mersey and the NGESO's Stability Pathfinder – Phase 1 for Lister Drive.⁶ NGET will connect both customers, Mersey Reactive Power Limited (MRPL) at Frodsham and Statkraft UK at Lister Drive, in order that they can provide ancillary services to NGESO to operate the transmission system.

³ We note NGET made the request to redact some information from this publication on the grounds of commercial sensitivity. We partially accepted the request to redact some information, but do not consider information published in this competition breaches competition law.

⁴ [Statutory consultation on modifications to the RIIO-2 Transmission, Gas Distribution and Electricity System Operator licence conditions | Ofgem](#)

⁵ [Re-opener Guidance and Application Requirements Document \(ofgem.gov.uk\)](#)

⁶ <https://www.nationalgrideso.com/future-energy/projects/pathfinders>

- 2.5. NGET also provided Ofgem with information to justify its proposed connection solutions and the associated costs of its preferred options. Although NGET made two standalone MSIP Re-opener submissions, one for each customer connection project, we agreed with NGET to publish a combined consultation for the Frodsham and Lister Drive projects because they both have an ESO-driven needs case.
- 2.6. This consultation sets out our minded-to position on the Frodsham and Lister Drive projects in the following areas:
- the needs case
 - the alternative options and the justification for the proposed project, and
 - the efficient costs for the proposed project.

Context and related publications

- 2.7. The scope of this consultation is limited to NGET's Frodsham and Lister Drive MSIP project. Additional information on these MSIP projects can be found in Frodsham and Lister Drive MSIP Re-opener application documents.⁷⁸

Consultation stages

- 2.8. This consultation will open on 24 May 2022 for 28 days and close on 22 June 2022. We will review and publish the responses 14 days after the consultation closes. We will publish our decision in 2022.

How to respond

- 2.9. We want to hear from anyone interested in this consultation. Please send your response to the person or team named on this document's front page.

⁷ [A4 simple report 1-col no divider Nov 2019 \(nationalgrid.com\)](#)

⁸ [A4 simple report 1-col no divider Nov 2019 \(nationalgrid.com\)](#)

2.10. We've asked for your feedback in relation to each of the questions in Chapters 2-4. Please respond to each one as fully as you can.

2.11. We will publish non-confidential responses on our website at www.ofgem.gov.uk/consultations.

Your response, data and confidentiality

2.12. You can ask us to keep your response, or parts of your response, confidential. We'll respect this, subject to obligations to disclose information, for example, under the Freedom of Information Act 2000, the Environmental Information Regulations 2004, statutory directions, court orders, government regulations or where you give us explicit permission to disclose. If you do want us to keep your response confidential, please clearly mark this on your response and explain why.

2.13. If you wish us to keep part of your response confidential, please clearly mark those parts of your response that you *do* wish to be kept confidential and those that you *do not* wish to be kept confidential. Please put the confidential material in a separate appendix to your response. If necessary, we'll get in touch with you to discuss which parts of the information in your response should be kept confidential, and which can be published. We might ask for reasons why.

2.14. If the information you give in your response contains personal data under the General Data Protection Regulation (Regulation (EU) 2016/679) as retained in domestic law following the UK's withdrawal from the European Union ("UK GDPR"), the Gas and Electricity Markets Authority will be the data controller for the purposes of GDPR. Ofgem uses the information in responses in performing its statutory functions and in accordance with section 105 of the Utilities Act 2000. Please refer to our Privacy Notice on consultations, see Appendix 5.

2.15. If you wish to respond confidentially, we'll keep your response itself confidential, but we will publish the number (but not the names) of confidential responses we receive. We won't link responses to respondents if we publish a summary of responses, and we will evaluate each response on its own merits without undermining your right to confidentiality.

General feedback

2.16. We believe that consultation is at the heart of good policy development. We welcome any comments about how we've run this consultation. We'd also like to get your answers to these questions:

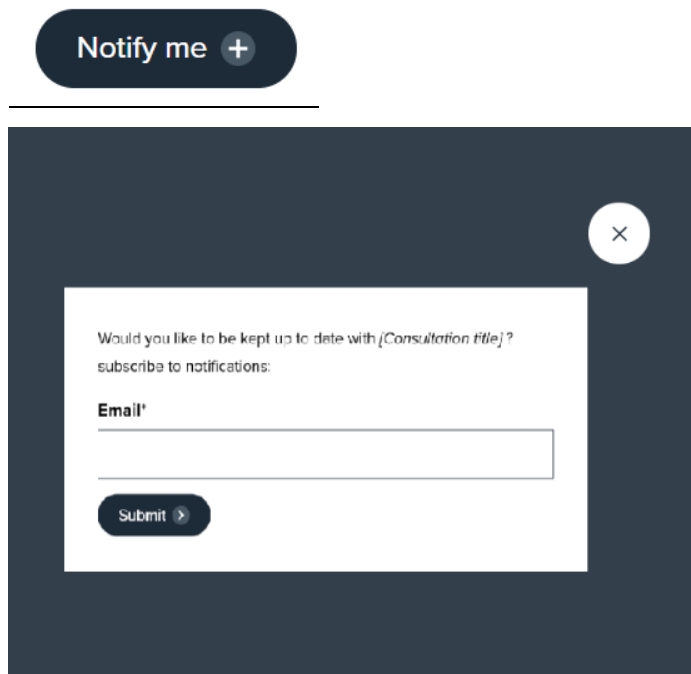
1. Do you have any comments about the overall process of this consultation?
2. Do you have any comments about its tone and content?
3. Was it easy to read and understand? Or could it have been better written?
4. Were its conclusions balanced?
5. Did it make reasoned recommendations for improvement?
6. Any further comments?

Please send any general feedback comments to stakeholders@ofgem.gov.uk

How to track the progress of the consultation

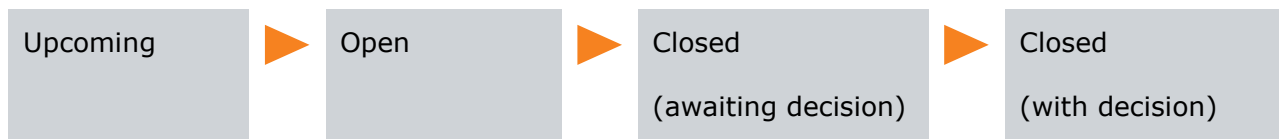
You can track the progress of a consultation from upcoming to decision status using the 'notify me' function on a consultation page when published on our website.

[Ofgem.gov.uk/consultations](https://www.ofgem.gov.uk/consultations).



The image shows a dark blue button labeled 'Notify me' with a white plus sign. Below it is a dark blue modal box with a white 'X' in the top right corner. Inside the modal is a white form with the text 'Would you like to be kept up to date with [Consultation title]?' and 'subscribe to notifications:'. Below this is an 'Email*' label and a text input field. At the bottom of the form is a dark blue 'Submit' button with a white right-pointing arrow.

Once subscribed to the notifications for a particular consultation, you will receive an email to notify you when it has changed status. Our consultation stages are:



3. Needs case for the proposed projects

Section summary

In this section, we summarise the main issues that form the needs case for the Frodsham and Lister Drive customer connection projects.

Consultation Question 1: Do you agree with our 'minded to' view on the validity of the needs case for the Frodsham and Lister Drive customer connection Projects?

- 3.1. NGET has made MSIP funding submissions for the Frodsham and Lister Drive customer connection projects because it does not have baseline funding for these in its RIIO-T2 price control. Both customers applied for a new connection to NGET's network after being confirmed by the National Grid Electricity System Operator (NGESO) as preferred bidders in its Pathfinder tender process⁹ for new transmission ancillary services. NGET is required by its licence to provide connections to customers. As neither project is a typical generation or demand customer connection, the uncertainty mechanisms within NGET's RIIO-T2 price control to fund new connections are not applicable.

Operational challenges and the NGESO's pathfinder tender process

- 3.2. One of the biggest challenges to the NGESO's transition towards a Net Zero network is a loss in grid inertia¹⁰, due to the closure of large thermal power stations, that threatens the stability of the electricity system. Alongside other developments such as the increase in embedded generation, a decline in reactive power absorption and periodic low-loading levels on the transmission system there is a higher risk of high voltage events¹¹ which can result in safety risks and damage to the network.

⁹ [The NGESO invites existing and new providers to tender for providing services to address new service requirements it has identified in specific areas of the network. For more information see here: https://www.nationalgrideso.com/future-energy/projects/pathfinders](https://www.nationalgrideso.com/future-energy/projects/pathfinders)

¹⁰ Grid inertia is the ability to respond to fluctuations in electricity demand quickly and is supplied by the rotating mass found in the turbines and generators driven by the combustion of thermal fuels.

¹¹ System conditions that exceed the upper voltage limits specified by National Electricity Transmission System Security and Quality of Supply Standard (NETS SQSS). The [NETS SQSS](#) sets out criteria and

- 3.3. To address these challenges, the NGESO runs 'pathfinder' tender rounds to procure market solutions to manage network conditions and maintain system stability through long term reactive power services.¹²
- 3.4. Through its pathfinder tender processes, the NGESO selected a bid proposal by MRPL to connect a 400kV shunt reactor at Frodsham substation, and Statkraft's proposal to connect two 65MVA synchronous compensators¹³ to Lister Drive 275kV substation as the most cost-effective solutions to address system stability issues in these locations.
- 3.5. We summarise below the two tender processes the NGESO held for reactive power and stability services.

NGESO's Network Option Assessment (NOA) High Voltage Pathfinder - Mersey

- 3.6. In November 2019, NGESO invited tenders for the provision of reactive power absorption services through its NOA High Voltage Pathfinder – the Mersey tender process.
- 3.7. In May 2020, the NGESO selected MRPL's proposal of delivering power absorption services at Frodsham for nine years as the preferred solution for being best value for the consumer. MRPL's proposed solution involves the connection of a 200MVAR 400kV shunt reactor¹⁴ connecting to the existing Frodsham 400kV substation located in the Mersey area of England.
- 3.8. In its pathfinder tender requirements, NGESO identified the Frodsham substation as the optimal connection point for enhancing reactive power level in the Mersey area (see Figure 1). Although the Frodsham substation is space constrained for expansion by the river Weaver and Weaver Navigation, there is an existing spare bay that NGET

methodologies for planning and operating the GB Transmission System.

¹² Reactive power services are how the NGESO makes sure voltage levels on the system remain within a given range, above or below nominal voltage levels. Managing voltage levels comes from maintaining a balance between elements on the system, which either absorb reactive power (decreasing voltage) or generate reactive power (increasing voltage).

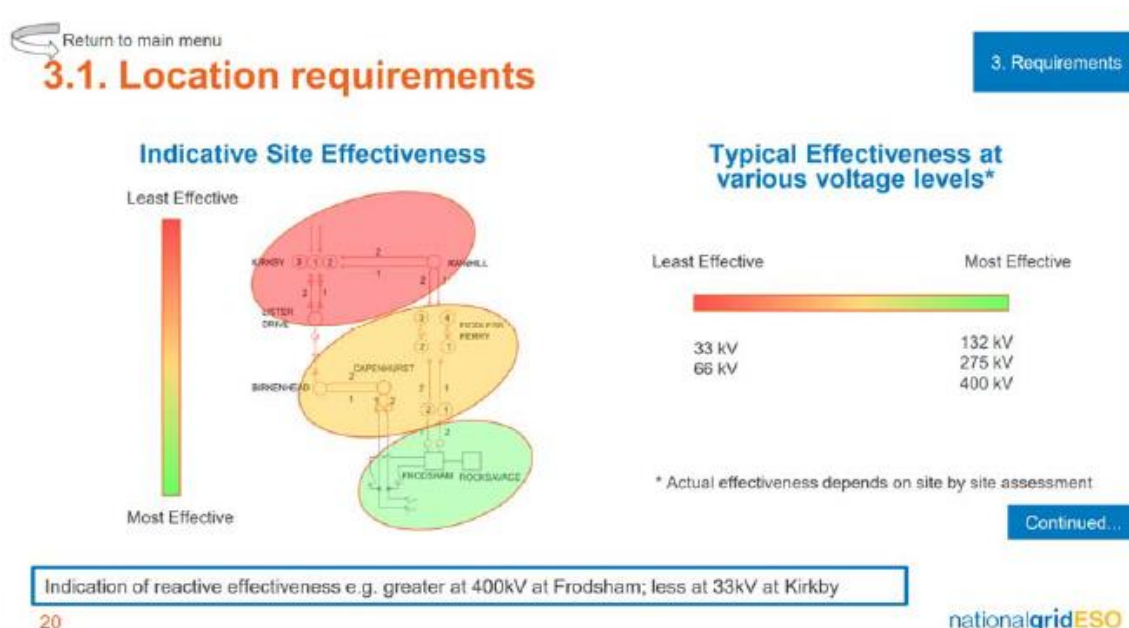
¹³ Synchronous Compensators provide grid inertia services, they can also provide a range of other functions including voltage control.

¹⁴ Shunt reactors (SRs) are used in high voltage energy transmission systems to control the voltage during load variations. Depending on the voltage requirement needs, shunt reactors are switched on or off to provide reactive power compensation.

can use to connect MRPL's shunt reactor. Appendix 3 provides more detailed information on Frodsham's location and structure.

3.9. A connection date for MRPL's solution was agreed to be 31/03/2022.

Figure 1: NGESO's pathfinder analysis on Frodsham's effectiveness as a connection location



NGESO's Stability Pathfinder - Phase 1

3.10. In November 2019, NGESO invited tenders for the provision of stability services which includes inertia, dynamic voltage support and short circuit level contribution, through its Stability Pathfinder Phase 1 project.

3.11. In January 2020, the NGESO selected Statkraft's proposal as the most appropriate option for enhancing reactive power level in the Liverpool area and providing the greater value for the consumer. Statkraft's proposed solution included two 65MVA synchronous compensators connecting to the existing Lister Drive substation with energisation start date of 01/04/2021 (the assumed date for all tender participants). Statkraft's agreement specified a connection date of 17/12/2021, but due to encountering some delays, the current forecasted connection date is 28/06/2022.

3.12. Lister Drive substation is located in Liverpool and is part of the Mersey 275kV ring transmission system. The substation is connected to Birkenhead and Kirkby

substations via a 275kV single and double underground circuit respectively. There are neither spare bays nor available spaces for construction of new bays within Lister Drive substation. Appendix 4 provides more detailed information on Lister Drive's location and structure.

Technical requirements

3.13. MRPL's and Stakraft's proposed connections do not increase the generation or demand volumes at the Frodsham and Lister Drive substations respectively. As a 0MW connections, the design requirements of the proposed connections are not defined in the National Electricity Transmission System Security of Supply Standard (NETS SQSS).¹⁵

3.14. In lieu of defined minimum design standards for these projects, NGET has provided the same level of design standards to both customers as would have applied to a TO owned reactive compensation asset.

3.15. We agree with NGET's decision on the application of these technical standards to both projects.

NGET's licence obligation

3.16. NGET is required by its licence to provide connections for customers. Prior to the start of RIIO-T2 period, NGET has secured investment for certain connections through its baseline RIIO-T2 business plan. For any new connections or changes on existing customers within the price control period, NGET can apply for new funding through RIIO-T2 uncertainty and Re-opener mechanisms.

Demonstration of needs case

3.17. The needs case for both projects is driven by two factors. The first is MRPL's and Statkraft's connection applications to NGET and NGET's licence obligation to provide new connections for customers.

¹⁵ The Security and Quality of Supply Standard sets out the criteria and methodology for planning and operating the National Electricity Transmission System (NETS).

- 3.18. The second driver is the need from NGET to provide each customer a timely and efficient/economic connection to enable stability services within the timescales the NGESO has specified.

Our initial view of the needs case

- 3.19. There is certainty on the need and timing of the connection projects as both customers have contracts with the NGESO to provide ancillary services starting in 2022. NGET has a licence obligation to deliver the customer connections. Overall, we consider that the needs case for the customer connection put forward by NGET is valid.
- 3.20. NGET has considered several options to address the needs case and has provided detailed information on its analysis for the two shortlisted options. We set out in the following chapter our view on the optioneering carried out by NGET.

4. Assessment of options and justification for the proposed projects

Section summary

We detail our assessment of all the options considered by NGET from a technical viewpoint and its justification for the chosen options. We analyse the relative costs of these options and discuss our minded-to view of their proposed solution.

Consultation Question 2: Do you agree with our technical assessment of the range of solutions to meet the needs case?

Consultation Question 3: Do you agree with our minded-to view of the solution proposed by NGET?

Option Selection

- 4.1. NGET has assessed four different options for each project. The broad options and their variations were:
- Do nothing
 - Whole system / market-based solution
 - Use / enhancement of existing assets, or
 - Construction of new assets.
- 4.2. We have undertaken a technical review of the alternatives considered by NGET for both projects, including engineering justification papers, networks system studies and reports. These were included within NGET's MSIP submission and in subsequent responses to supplementary questions (SQs) raised.
- 4.3. We have summarised below the options that NGET assessed, alongside NGET's view on their viability.

Option 1: Do nothing

- 4.4. NGET considered whether the option of doing nothing was a viable alternative for both projects and rejected this option for two reasons.
- 4.5. Firstly, NGET has a licence obligation to provide a connection for customers and, secondly, there is no alternative for NGET to connect the customer without providing some form of direct access to the transmission system.

Option 2: Whole system / market-based solution

- 4.6. This option was assessed and discounted by NGET from further consideration for both projects.
- 4.7. By virtue of the NGESO pathfinder, we accept NGET's assessment that there are no present market solutions (e.g. existing generators or assets) capable of providing these services to the transmission network for both connections. As these works are required at transmission level, it is unlikely a DNO solution would be possible nor economic and efficient. We therefore believe the whole system option is not applicable in these projects. We agree that the option progressed by NGET to provide a physical connection is the optimum route to deliver the pathfinder outputs.
- 4.8. Moreover, as no additional engineering work is needed beyond the MRPL's and Stakraft's connection points (e.g. replacement of circuit breakers), NGET has not considered any whole system or market-based solutions as alternatives to any infrastructure works beyond connection point of both projects.
- 4.9. In addition, for the Lister Drive project, NGET investigated a connection to a nearby 132kV substation owned by Scottish Power (SP) Manweb as an alternative connection point to the Lister Drive 275kV substation (see Appendix 4). However, NGET rejected this option as the SP Manweb's alternative connection would be less effective. More specifically, Statkraft's bid for Lister Drive was based on a direct connection on to a 275kV circuit while a potential connection to SPEN's 132kV circuit would require additional work into Statkraft's stability assets and the wider transmission system.

Option 3: Use / enhancement of existing assets

- 4.10. NGET considered whether the use or enhancement of existing assets would be an appropriate solution and shortlisted this option as a viable solution for both projects.

Frodsham

- 4.11. NGET explored options to utilise existing assets within Frodsham substation that would lead to reduced costs for consumers and quicker connection date for MRPL. In this case, NGET identified a spare bay without future connection commitments that can be used to make the connection. Based on NGET's application, the connection date will be March 2022, aligned with MRPL's proposed connection date with NGESO.
- 4.12. NGET shortlisted this option because it is more efficient in economic terms, and favourable in terms of delivery date and direct/indirect impacts compared with building a brand new bay within the Frodsham substation (see paragraphs 3.20-3.22 below).

Lister Drive

- 4.13. Option 3 was assessed and shortlisted by NGET as a viable solution. It explored utilising existing assets within Lister Drive substation that would lead to reduced costs for consumers and quicker connection date for Statkraft. However, as there is currently no available spare bay at Lister Drive, NGET investigated two options for delivering the connection:
- A tee'd connection¹⁶ into the Lister Drive – Birkenhead circuit; or
 - A connection to tertiary winding¹⁷ of an existing super grid transformer (SGT).
- 4.14. NGET stated that a tee'd connection to the circuit would offer the same capacity to Statkraft as with a direct connection to the Lister Drive 275kV busbars, but with higher risk of a potential disconnection due to a single fault of the Lister Drive – Birkenhead circuit. Statkraft confirmed that the disconnection risk of a tee'd connection is acceptable and compliant with their connection capacity contract with NGESO. The connection date will be June 2022, in alignment with Statkraft's proposed connection date with NGESO.

¹⁶ A tee'd connection is a single connection to an existing circuit between two points on the network, which is so named because it resembles the letter "T".

¹⁷ A tertiary connection uses an auxiliary connection on a Super Grid Transformer (SGT) and is typically suitable for smaller projects looking to connect directly to National Grid's network.

- 4.15. NGET also investigated the option of proceeding with a connection for Statkraft to tertiary winding of the existing four SGTs at Lister Drive site. This would require separate tertiary connection points for each of the two synchronous compensators to be connected by Statkraft for capacity/security instead of a single connection. Moreover, as two of the SGTs at Lister Drive site have been contracted by other customers for connection (SGTs 2 & 3), this leaves SGTs 1 & 4 available for connection with Statkraft.
- 4.16. NGET noted that there are some issues that make the tertiary connection option challenging and complex, including:
- Access to SGT tertiaries would be complex due to the location on site and the ongoing/future work for SGT 2 & 3 connections, and
 - SP Manweb plans to rebuild the nearby 132kV substation, which will result in highly complex outage planning between SGTs tertiary connections and SP Manweb.
- 4.17. Our review also indicated that planned outages on SGTs for maintenance may limit the access for the Statkraft services at inopportune times.
- 4.18. Due to expected higher costs and additional challenges regarding the planning design, both NGET and Statkraft rejected the tertiary connection solution and have selected the tee'd connection option as the most efficient solution both in economic terms and delivery date. For these reasons, NGET chose to discount the connection to tertiary winding of existing SGTs option and to analyse further the tee'd connection option.

Option 4 - Construction of new assets

- 4.19. NGET considered whether constructing new assets was an appropriate solution for both projects. This option was assessed and discounted by NGET as a solution for both projects for the following reasons.

Frodsham

- 4.20. NGET explored the possibility of constructing a new bay to provide MRPL a connection within Frodsham substation. However, due to the limited available space within

Frodsham substation, NGET noted that the construction of the busbar extension¹⁸ to provide the new bay would also require extending the substation compound. An extension of the Frodsham substation would have significant implications, including:

- MRPL's agreed project with NGESO would require fundamental re-design such as relocating the reactor position or the introduction of a new cable connection if the reactor stayed in the current position. Such a modification would reduce the effectiveness of the shunt reactors' services.
- Modifying and extending flood defences.
- Obtaining additional planning consent for works.
- Risk of additional environmental and ecological impact on sensitive priority habitats close to substation.
- This solution would be in close proximity to a double circuit OHL (Overhead Lines) which would have operational implications for planned maintenance and replacement works in future.

4.21. Another disadvantage of this option is that NGET would need 18-24 months for delivering the new connection, and consequently would not be able to meet MRPL's agreed connection date with NGESO for March 2022.

4.22. Considering the above reasons, NGET decided to not investigate further this solution, as the construction of a new bay will require higher costs, greater environmental impacts and a later connection date for MRPL compared to using an existing spare bay.

¹⁸ Busbar extension is where an existing substation busbar is extended which reuses existing assets as an alternative to either replacement of the existing assets or a separate connection busbar.

Lister Drive

- 4.23. NGET looked at constructing a new bay to provide Statkraft a connection within Lister Drive's substation premises but discounted it for the following reasons.
- 4.24. Due to the lack of available space within Lister Drive site, Option 4 would require extending the building. NGET noted that not only would the planning process for the extension would be highly complex from engineering perspective, but also the construction and long term operational considerations would be impacted due to the oversailing conductors on the OHL.
- 4.25. Another disadvantage of this option is that NGET will need 18-24 months for delivering the connection, and consequently won't meet Statkraft's agreed connection date with NGESO for June 2022.
- 4.26. Based on the above reasons, NGET decided not to investigate this solution further, as the construction of a new bay would be a significantly complex design process that will require higher costs, increased safety measures for its construction and a later connection date for Statkraft compared to using a tee'd connection.

Ofgem's view of the potential solutions

- 4.27. Having considered the range of NGET's analysis on the viable options, we are satisfied that they have considered an appropriate range of options to address the needs case for both the Frodsham and Lister Drive projects.
- 4.28. For both projects, we agree with NGET's decision to discount the options of Do Nothing option (Option 1) and Whole system / market-based solution (Option 2), as they are either not applicable or economic options for delivering the connections. For Lister Drive, we also agree with NGET's decision to discount the SP's Manweb substation connection option (Option 3), as it would not fully deliver NGESO's pathfinder outcome. In both projects, we believe that NGET's approach is the optimal solution to deliver the Pathfinder outputs agreed by NGESO.
- 4.29. We also agree with NGET that option 4 - construction of new assets would be an inefficient choice both from extension design and connection delivery perspective compared to the shortlisted option 3 - use / enhancement of existing assets. Additionally, we consider that the option 4 - construction of new assets would be

significantly expensive choice for NGET to address the needs case, compared with the preferred option, and agreed with NGET's decision to discount this option.

- 4.30. Of the solutions, for Frodsham project we agree that the use of an existing bay (Option 3) is significantly cheaper for the consumer and customer than constructing a new bay (Option 4), is quicker (end of March 2022 connection compared to 18-24 months' connection), while it has less environmental impacts.
- 4.31. Similarly, for Lister Drive project we also agree that the use of a tee'd connection (Option 3) is significantly cheaper for the consumer and the customer (see economic assessment part below) than constructing a new bay or using a tertiary winding connection (Option 4), is quicker (12-14 months vs 18-24 months' connection), while it has less environmental impacts.

Methodology for option selection

- 4.32. Having considered the range of solutions presented by NGET, we are satisfied that they have considered an appropriate set of options to address the needs case for both projects.
- 4.33. Moreover, we are satisfied with NGET's approach on taking forward two viable options for Frodsham and three viable options for Lister Drive for economic assessment.
- 4.34. For Frodsham, the first option is NGET to provide a connection using the existing spare bay at Frodsham. This is the preferred option for NGET. The second option is for NGET to construct a new bay by extending Frodsham's substation.
- 4.35. For Lister Drive, the first option is NGET to provide a tee'd connection into the Lister Drive – Birkenhead circuit. This is the preferred option for NGET. The second option is for NGET to provide connection to Statkraft by using tertiary windings of existing transformers. The third option is for NGET to construct a new bay by extending Lister Drive's substation.

Economic assessment of short-listed options

- 4.36. NGET stated that as its applications were based on Ofgem's Guidance to develop MSIP submissions with proportionality related to scale and cost of the proposed projects. For

that reason, NGET has not conducted and included on its submissions a cost-benefit analysis (CBA) on the options to meet the needs case of both projects.

- 4.37. NGET provided Ofgem with the relative costs of the viable solutions over time. This is summarised below (see also Table 1 for Frodsham and Table 2 for Lister Drive).
- 4.38. We accept NGET's rationale on not providing a CBA on the options to meet the needs case for the Frodsham and Lister Drive projects. Given the low cost materiality of the proposed connections, we agree that NGET's provision of the relative costs is adequate for our analysis.
- 4.39. Of the proposed options that meet the needs case, we have focussed on looking at the relative costs, while also assessing the delivery dates.

Frodsham

- 4.40. Based on NGET's application, the cost for providing a connection using the existing spare bay at Frodsham will be £0.719m and the connection date will be March 2022, in alignment with MRPL's proposed connection date with NGESO.
- 4.41. In contrast, the option of constructing a new bay will cost approximately £1.829m and NGET will need 18-24 months for delivering the connection (see Table 1 below).
- 4.42. We agree with NGET's preferred solution as the use of existing spare bay will have significantly smaller impact on consumers and customer both on cost (£719.4k vs £1.829m) and on connection services' side (March 2022 vs 18-24 months) compared to the solution of constructing a new bay by extending Frodsham substation.

Table 1: Frodsham's options comparison

No	Option	Total Cost in 18/19 price base	Timescale	Selected (Y/N)
1	Do Nothing	n/a	n/a	N
2	Whole System / Market-Based	n/a	n/a	N
3	Existing Assets – Spare Bay	£719.4k*	March 2022	Y

4	New Assets – New Bay	~£1.829m	18-24 months	N
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* Post-submission updated figure.

Lister Drive

- 4.43. Based on NGET's application, the cost for providing a connection using a tee'd connection at Lister Drive will be £1.235m and the connection date will be between 12-14 months, in alignment with Statkraft's proposed connection date with NGESO. NGET also claims that an alternative option of using existing assets by providing a connection to the tertiary windings of existing transformers will cost £11m and it will need 18-24 months for delivery.
- 4.44. The construction of a new bay will cost between £5-7m and NGET will need 18-24 months for delivering the connection (see Table 2 below).
- 4.45. We agree with NGET's preferred option (tee'd connection), as it will have significantly smaller impact on consumers and customer both on cost (£1.231m vs £11m vs £5-7m) and on connection services' side (12-14 months vs 18-24 months) compared to both solutions of a connection of tertiary windings of existing transformers or constructing a new bay by extending Lister Drive substation.

Table 2: Lister Drive's options comparison

No	Option	Total Cost in 18/19 price base	Timescale	Selected (Y/N)
1	Do Nothing	n/a	n/a	N
2	Whole System / Market-Based	n/a	n/a	N
3	Existing Assets – Tee'd Connection	£1.231m*	12-14 months	Y
4	Existing Assets – Tertiary Winding	£11m	18-24 months	N
5	New Assets – New Bay	£5-7m	18-24 months	N

* Post-submission updated figure.

Our minded-to view of the proposed project

- 4.46. Our review found that NGET's shortlisted options for both projects are all technically feasible. However, our minded-to view is that NGET's preferred option on Frodsham (use of existing bay) and Lister Drive (use of tee'd connection) are the optimal solutions.
- 4.47. We agree with NGET that the option of building new assets is sub-optimal to the existing assets option for both connection projects. The level of design complexity required, especially at the Frodsham site, alongside the increased environmental and safety works needed for the substation extensions mean that it would be more costly and would also delay the customer connections compared with the preferred.
- 4.48. Likewise, we agree with NGET's choice to discount the tertiary winding option for Lister Drive. This option it is more expensive for consumers and customer compared to the preferred the tee'd connection, and it has a longer connection delivery time.
- 4.49. Moreover, we agree with NGET as the preferred option for both projects entails a number of benefits:
- it facilitates timely connections that their services will be available to be used by NGESO;
 - it offers the opportunity of utilisation of the existing Frodsham and Lister Drive sites; and
 - it provides value to consumers as it is the most cost-efficient solution.
- 4.50. For the above reasons, we are minded-to accept NGET's proposed connection options for both the Frodsham and Lister Drive projects. We also agree in principle with NGET's proposed evaluative Price Control Deliverable (PCD) for both projects and we will present its final version as part of our Decision.
- 4.51. In the following Chapter we assess the costs that NGET submitted for these projects.

5. Cost assessment of the proposed projects

Section summary

This section sets out our assessment of the submitted costs of the Frodsham and Lister Drive projects. The results represent our current view of an economic and efficient solution.

Consultation Question 4: Do you agree with our cost assessment of NGET's proposed Frodsham and Lister Drive projects?

5.1. NGET's cost submission for both projects were broken down into a combination of:

- Contractor costs
- NGET's commissioning costs
- NGET's contingency costs, and
- NGET's closeout costs.

5.2. Our treatment of each area is as set out below and is based on our treatment of cost submissions for the RIIO-ET2 price control. More generic information on our cost assessment approach can be found in the ET2 Final Determination documents.¹⁹

5.3. We note that as these projects were submitted under the MSIP Reopener, they are subject to the OPEX escalator which provides NGET a pre-determined funding uplift to their Closely Associated Indirects (CAI) allowance.²⁰ This OPEX escalator allowance consists of a 17% uplift on the total efficient Direct Costs allowance assessed for each

¹⁹ [RIIO-2 Final Determinations for Transmission and Gas Distribution network companies and the Electricity System Operator | Ofgem](#)

²⁰ This OPEX escalator allowance calculation is predicated on the view of efficient CAI baseline allowances established at Final Determination (FD) which utilised the relationship between direct capex and CAI and subsequently applies this relationship to any direct capex allowances agreed under a defined list of reopeners.

project. Details of the OPEX escalator approach; the applicable uncertainty mechanisms (UM) and the calculation methodology is set out in full under the UM Chapter of NGET's FD.²¹

Technical scope of the solution

- 5.4. On the summary of works required for the preferred options for both Frodsham and Lister Drive projects, please find more information on Appendix 3 and 4 respectively.

Overview of project costs

Contractor costs

- 5.5. NGET categorized under contractor costs a series of work packages that were fully and solely tendered, such as:

- 1) Site management,
- 2) Detailed Design,
- 3) Procurement and installation,
- 4) Common works,
- 5) Dismantling (only for Lister Drive),
- 6) Commissioning,
- 7) Close out (only for Lister Drive),
- 8) Risk (only for Frodsham), and

²¹ As part of RIIO-2, we have established a mechanistic calculation (OPEX escalator) of the efficient uplift to CAI and NOC allowances for each UM based on the methodology employed in setting CAI baseline allowances in our RIIO-2 Final Determination and the historical relationship observed between NOC and asset additions.

9) Fee.

- 5.6. We have assessed these tendered costs against our reporting protocols we have for RIIO-T2 price control.²²
- 5.7. One element which we propose to adjust is the Site Management and Detailed Design subcategories included in Contractor costs.
- 5.8. Our RIIO-T2 reporting guidance instructs the Transmission Owners (TOs) on defining costs of Direct or the Closely Associated Indirect Activities (CAI). In summary, Direct costs are those which include expenditure attributable to physically delivering works on assets on site. Direct costs do not include works which have no physical interaction with the assets. We asked NGET through SQs to provide more information on what activities have been included in the above two cost subcategories and why they have been categorized as Direct costs instead of CAI.
- 5.9. Based on our analysis, we consider that NGET has miscategorized the contractor's Site Management and Detailed Design subcategories under Direct costs instead of CAI costs. Accordingly, we propose to remove these cost elements from the Direct funding requested by NGET for both projects. Instead, NGET will receive an automatic uplift (OPEX escalator) for its CAI activities. This will ensure that NGET does not receive double funding for the contractor's Site Management and Detailed Design activities.
- 5.10. As part of an SQ response, NGET provided Ofgem with updated figures regarding contractor costs compared with submission's figures. Post-submission changes of costs are diminishing our confidence on tendering works and limits our ability to make clear assessments of proposals. We will carefully consider the impacts of these changes during the review process.

NG Commissioning costs

- 5.11. We have assessed the reasonableness of NGET's proposed commissioning costs for both projects and consider them to be at an efficient level. Consequently, we are

²² The [RIGS Guidance](#) provides instructions on TO's about the information we plan to collect, guide them on how to provide this information and enable licensees to put systems in place to collect the data to the detail we require.

minded to allow these in full. In future we will retain this information to build a range of acceptable commissioning costs for future projects.

Contingency costs

5.12. We have assessed the reasonableness of NGET's proposed contingency costs for both projects and consider them to be at an efficient level due the fact that the projects have been delivered / are in delivery at the time of publication.

5.13. We asked a range of SQs on risks and the issues identified by NGET were those where we believe the mitigations should have reduced the risk further than what was presented to us. In future we will refer to our ET2 accepted 7.5% of Direct costs being used as our initial benchmark for further discussion. Furthermore, in future submissions we would require NGET to provide further details on mitigation efforts for projects that have been delivered / are in delivery at the time of our review.

NG Closeout costs

5.14. We have assessed the reasonableness of NGET's proposed closeout costs for both projects and consider them to be at an efficient level. Consequently, we are minded to allow these in full. We will retain this information to build a range of acceptable commissioning costs for future projects.

5.15. The following tables summarize NGET's total allowance request for Frodsham and Lister Drive projects.

Table 3: Frodsham total allowance request*

Cost type	Activities	Source	Previous Years (£k)	FY22 (£k)	FY23 (£k)	Total Cost (£k)
Indirect	NG Project Management Costs	Estimate based on resources anticipated for the delivery stage of the project	4.1	59.3	18	81.4
Indirect	NG Optioneering / Development costs	Optioneering/Development costs are based on an actual costs for the completion of the development stage	62.4	26.5		88.9
Direct	Contractor Costs	Tendered		418.9	31.4	450.3
Direct	NG Commissionin	Estimate based on previous projects			34.5	34.5

Direct	Contingency value	Estimate based on QRA & previous projects			50.2	50.2
Direct	NG Closeout Costs	Estimate based on previous projects			14.1	14.1
	Total Costs		66.5	506.	148.	719.
		Direct allowances requested		420.5	130.3	549.1

* Post-submission updated figures.

Table 4: Lister Drive total allowance request*

Classification	Activities	Source	Previous Years (£k)	FY22 (£k)	FY23 (£k)	Total Cost (£k)
Indirect	NG Project Management Costs	Estimate based on resources anticipated for the delivery stage of the project	1.7	128.1	56.7	186.5
Indirect	NG Optioneering / Development costs	Optioneering/Development costs are based on an actual costs for the completion of the development stage	44.8	61.2		106
Direct	Contractor Costs	Tendered		717.8	31.7	749.5
Direct	NG Commissioning	Estimate based on previous projects		58.8	29.2	88
Direct	Contingency value	Estimate based on QRA & previous projects		39.8	43.8	83.6
Direct	NG Closeout Costs	Estimate based on previous projects			17.6	17.6
	Total Costs		46.5	1,009.	179.	1,231
		Direct allowances requested		820.1	122.5	938.7

* Post-submission updated figures.

Summary of costs

5.16. Tables 5 and 6 below details NGET's requested funding, our proposed reductions, and our proposed allowances against each of the components for both Frodsham and Lister Drive. Specifics of the work packages have been redacted for commercial sensitivity.

5.17. As explained in paragraph 5.3, NGET will receive an additional 17% of the proposed total allowances for Direct activities from the OPEX escalator for its CAI activities for both projects.

Table 5: Frodsham project proposed funding and proposed adjustments*

Direct activity	NGET Request (£k)	Ofgem Proposed Adjustments (£k)	Ofgem Proposed Allowances (£k)
Contractor Costs	450.3	-105.5	344.8
NG Commissioning Costs	34.5	0	34.5
Contingency Value	50.2	0	50.2
NG Closeout Costs	14.1	0	14.1
Total	549.1	-105.5	443.6

* Post-submission updated figures.

Table 6: Lister Drive project proposed funding and proposed adjustments*

Direct activity	NGET Request (£k)	Ofgem Proposed Adjustments (£k)	Ofgem Proposed Allowances (£k)
Contractor Costs	749.5	-242.6	506.9
NG Commissioning Costs	88	0	88
Contingency Value	83.6	0	83.6
NG Closeout Costs	17.6	0	17.6
Total	938.7	-242.6	696.1

* Post-submission updated figures.

6. Next Steps

- 6.1. We welcome your responses to this consultation, both generally, and in particular on the specific questions in Chapters 2, 3 and 4. Please send your response to: graeme.barton@ofgem.gov.uk. The deadline for response is 27 June 2022.
- 6.2. We will conclude our assessment of NGET's **Frodsham and Lister Drive** projects with a decision in 2022. If our initial view does not change through the consultation and MSIP assessment processes, our decision will confirm our provisional view that NGET should be funded for the efficient delivery of **Frodsham and Lister Drive** projects.
- 6.3. We are minded to categorise this project as an evaluative Price Control Deliverable (PCD) as we believe there is some flexibility in the manner by which this project can be delivered. Given the potential level of difference in materiality between the delivery modes, we consider it appropriate to protect consumer interests by reviewing the delivery. As such, if we confirm our decision that NGET should be funded for the project, we expect to initiate a statutory consultation to make the relevant changes to the licence required to set explicit deliverables, timescale(s) for delivery and the profile of the project allowances for the PCD.

Appendices

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Appendix 1 – Consultation questions

Consultation Question 1: Do you agree with our 'minded to' view on the validity of the needs case for the Frodsham and Lister Drive connection Projects?

Consultation Question 2: Do you agree with our technical assessment of the range of solutions to meet the needs case?

Consultation Question 3: Do you agree with our minded-to view of the solution proposed by NGET?

Consultation Question 4: Do you agree with our cost assessment of NGET's proposed Frodsham and Lister Drive projects?

Appendix 2 - Assessment on Re-opener application requirements

1.2. In this section, we detail Ofgem’s assessment of NGET’s application for both projects against the Re-opener application requirements in in Special Condition 3.14 and the Re-opener Guidance and Application Requirements Document. (See Table 7 below).

Table 7: Re-opener application requirements.

Document	Requirement	Has the requirement been met?
Special Condition 3.14.6 (f) ²³	The licensee may apply to the Authority for a direction amending the outputs, delivery dates or associated allowances in Appendix 1 of the licence in relation to one or more activities set out in that section. The two projects qualify for submission via the MSIP Reopener under the following: (j) a system operability, constraint management or OMW connection project or substation work which is required to accommodate embedded generation, which in each case has been requested in writing by the System Operator;	Yes
Special Condition 3.14, paragraph 9	Includes a statement setting out what MSIP the application relates to.	Yes
Special Condition 3.14, paragraph 9	To give details of the associated amendments to the outputs, delivery dates or allowances and an explanation of the basis of the calculation for any amendments requested to allowances.	Yes
Special Condition 3.14, paragraph 9	To provide such detailed supporting evidence as is reasonable in the circumstances to justify the technical need including cost benefit analysis,	Yes

²³ More detail is available in the RIIO-ET2 “ET Annex” Final Determinations document, paragraphs 4.19 and 4.20. See link: [RIIO-2 Final Determinations for Transmission and Gas Distribution network companies and the Electricity System Operator | Ofgem](#)

	impact assessments, risk mitigation, and engineering justification.	
Special Condition 9.4.3	Must prepare any applications for Re-openers in accordance with any applicable provisions of the Re-opener Guidance and Application Requirements Document.	Yes
RIIO-2 Re-opener Guidance and Applications Requirements 3.3	Each application must include a table that maps out which sections of the application relate to individual requirements as set out in the relevant Re-opener licence condition and Chapter 3 of RIIO-2 Re-opener Guidance and Applications Requirements.	Yes
RIIO-2 Re-opener Guidance and Applications Requirements 3.4	Where the licensee will not be able to provide the required information listed in the RIIO-2 Re-opener Guidance and Applications Requirements, the licensees must provide a justification for not providing all of the required information.	Yes
RIIO-2 Re-opener Guidance and Applications Requirements 3.8	All Re-opener applications must include a needs case whether or not this is a specified requirement of the relevant Re-opener licence condition or Re-opener Guidance.	Yes
RIIO-2 Re-opener Guidance and Applications Requirements 3.10	The needs case must contain a clear statement of how the proposed expenditure aligns with the licensees' overall future business strategy and commitments, including consideration of how it relates to the licensee's RIIO-2 licence or other statutory obligations and, if relevant, its RIIO-3 business plan.	Yes
RIIO-2 Re-opener Guidance and Applications Requirements 3.11	Must include a clear statement as to the need for the proposed expenditure or the problem the licensee is trying to address in the context of its significance for consumers and network assets. The affected consumers / assets must be identified, and the associated risk being addressed quantified, where possible.	Yes
RIIO-2 Re-opener Guidance and Applications	Must provide the rationale for the level of expenditure proposed and why this level should be regarded as being efficient.	Yes

Requirements 3.12		
RIIO-2 Re-opener Guidance and Applications Requirements 3.13	Must include a clear description of the long and short list of options considered and the selection process undertaken to reach the preferred option.	Yes
RIIO-2 Re-opener Guidance and Applications Requirements 3.14	Must include a clear description of the preferred option, sufficient to allow us to make an informed decision on whether the preferred option is suitable.	Yes
RIIO-2 Re-opener Guidance and Applications Requirements 3.15	Must include a clear statement as to any project delivery and monitoring plan for the preferred option.	Yes
RIIO-2 Re-opener Guidance and Applications Requirements 3.16, 3.17	Must include an explanation of how stakeholder engagement contributed to the identification and design of the preferred option. Where stakeholder engagement may not be necessary because there is no material impact on stakeholders, or where the application is driven by statutory obligations, a brief explanation must be provided as to why stakeholder engagement was not considered appropriate.	Yes
RIIO-2 Re-opener Guidance and Applications Requirements 3.19, 3.20	To provide sufficient cost information to justify: <ul style="list-style-type: none"> - why expenditure is additional to that already provided for by baseline allowances or other mechanisms; and - why the level of costs is efficient. This should be submitted in accordance with the format and detail specified at paragraph 3.20.	Yes
RIIO-2 Re-opener Guidance and Applications Requirements 3.21, 3.22	Where Cost Benefit Analysis and Engineering Justifications Papers are included in an application, these must be consistent with Ofgem's guidance published in September 2019.	Yes

Ofgem has deemed that the submissions from NGET has met the necessary requirements set out in both the applicable Special Licence conditions and the detailed Re-opener application criteria set out in the RIIO-2 Re-opener Guidance as listed in the Table above.

Appendix 3 – Frodsham’s location and summary of works

Frodsham 400kV substation was constructed in early 1960s. It is located in the Mersey area of North West England and is a part of transmission’s system Mersey 400kV ring area.

The substation uses Air Insulated Switchgear (AIS) technology and is a double busbar design. Frodsham substation is enclosed by the river Weaver and Weaver Navigation and there is no available space within premises for possible expansion, save the existing spare bay.

The proposed works to be undertaken from NGET on utilizing the existing spare bay is summarised below:

- Busbar protection modifications to the existing High Impedance busbar protection system to accommodate the existing bay to be used by the customer.
- Extension of the existing 400kV Substation Control System (SCS) to have sufficient capability to accommodate all Alarms, Indications and Analogues associated with the new customer.
- Database Changes in line with proposed construction programme and SRD outage / commissioning sequence.

Appendix 4 – Lister Drive’s location and summary of works

Lister Drive 275 substation was constructed in early 1960s. It is located in the Mersey area of North-West England and is a part of transmission’s system Mersey 400kV ring area. Assets outside of substation’s premises are Super Grid Transformers 1,2,3 and 4, a shunt reactor, a series reactor and associated equipment.

The substation uses Air Insulated Switchgear (AIS) technology. Lister Drive substation is connected to nearby substations at Birkenhead and Kirkby via a 275kV single circuit and 275kV double circuit respectively. The connections to both Birkenhead and Kirkby are predominately via 275kv underground cables.

Currently there is no available spare bays and neither available space for construction of additional new bays within Lister Drive substation building.

The proposed works to be undertaken from NGET on the proposed tee’d connection to Lister Drive – Birkenhead circuit are summarized below:

- Demolition of redundant Post Insulator and disconnector structures and foundation as required (by the User costs not included in NGET submission).
- Design and construction of new foundations for 275kV cable sealing ends and DCB (by the User, costs not included in NGET submission).
- Design and installation of new 275kV DCB and associated busbars between the DCB and adjacent post insulators and cable sealing ends.
- Modifications to existing protection and control and the addition of new protection equipment to accommodate the teed connection and interfaces with protection and control owned by the User for their cable connection and Synchronous Compensators.
- The existing multicore wiring to the relay room will be reused so far as practically possible and additional wiring shall be installed between the 275kV DCB and relay room.
- Substation Control System database change by NGET.

The assets to be delivered from NGET to provide a tee’d connection is summarised below:

- Infrastructure Assets (funded through MSIP)
 - 1 of 275kV disconnecting circuit breaker and conductor connections to OHL section of BIRK feeder circuit.
 - 3 of single-phase current transformers.
 - Database and feeder protection changes for tee'd connection.

Appendix 5 – Privacy notice on consultations

Personal data

The following explains your rights and gives you the information you are entitled to under the General Data Protection Regulation (GDPR).

Note that this section only refers to your personal data (your name address and anything that could be used to identify you personally) not the content of your response to the consultation.

1. The identity of the controller and contact details of our Data Protection Officer

The Gas and Electricity Markets Authority is the controller, (for ease of reference, "Ofgem"). The Data Protection Officer can be contacted at dpo@ofgem.gov.uk

2. Why we are collecting your personal data

Your personal data is being collected as an essential part of the consultation process, so that we can contact you regarding your response and for statistical purposes. We may also use it to contact you about related matters.

3. Our legal basis for processing your personal data

As a public authority, the GDPR makes provision for Ofgem to process personal data as necessary for the effective performance of a task carried out in the public interest. i.e. a consultation.

3. With whom we will be sharing your personal data

(Include here all organisations outside Ofgem who will be given all or some of the data. There is no need to include organisations that will only receive anonymised data. If different organisations see different set of data then make this clear. Be as specific as possible.)

4. For how long we will keep your personal data, or criteria used to determine the retention period.

Your personal data will be held for ***(be as clear as possible but allow room for changes to programmes or policy. It is acceptable to give a relative time e.g. 'six months after the project is closed')***

5. Your rights

The data we are collecting is your personal data, and you have considerable say over what happens to it. You have the right to:

- know how we use your personal data
- access your personal data
- have personal data corrected if it is inaccurate or incomplete
- ask us to delete personal data when we no longer need it
- ask us to restrict how we process your data
- get your data from us and re-use it across other services
- object to certain ways we use your data
- be safeguarded against risks where decisions based on your data are taken entirely automatically
- tell us if we can share your information with 3rd parties
- tell us your preferred frequency, content and format of our communications with you
- to lodge a complaint with the independent Information Commissioner (ICO) if you think we are not handling your data fairly or in accordance with the law. You can contact the ICO at <https://ico.org.uk/>, or telephone 0303 123 1113.

6. Your personal data will not be sent overseas (Note that this cannot be claimed if using Survey Monkey for the consultation as their servers are in the US. In that case use “the Data you provide directly will be stored by Survey Monkey on their servers in the United States. We have taken all necessary precautions to ensure that your rights in term of data protection will not be compromised by this”.

7. Your personal data will not be used for any automated decision making.

8. Your personal data will be stored in a secure government IT system. (If using a third party system such as Survey Monkey to gather the data, you will need to state clearly at which point the data will be moved from there to our internal systems.)

9. More information For more information on how Ofgem processes your data, click on the link to our “[Ofgem privacy promise](#)”.