Ofgem,

Re: SSEN Consumer Value Proposition: Life Below Water

I believe the RIIO-ED2 CVP Life Below Water is valuable and should go ahead. However, I have some comments on the metrics and framing of proposal.

**CVP Protecting marine biodiversity below water**

Can I applaud the focus on biodiversity in this CVP.

The United Nations recognise the twin threat of biodiversity loss and climate change. Biodiversity (the unique variety of life on our planet) underpins our cultural, economic and social well-being. Climate change is one of the main drivers of biodiversity loss, with the destruction of ecosystems undermining nature’s ability to regulate greenhouse gas (GHG) emissions and protect against extreme weather. Biodiversity loss is accelerating climate change and increasing our vulnerability to it. The the two crises must be tackled together with holistic policies that address both issues simultaneously and not in silos.

The energy sector can make its biggest contribution to addressing the climate crisis by moving away from fossil fuels, and so I see the focus with this CVP on biodiversity (with all it’s co-benefits - including carbon sequestration, nutrient cycling, sediment stabilisation, fisheries production) as a progressive signal from SSEN to think about its ESG approach holistically.

**SROI**

Again I applaud here the work that has been put into measuring the ‘benefits’ of this CVP.  The approach to calculating benefits here is in line with most of the 'best practice’ that I’ve seen elsewhere. Indeed, I would go as far as to say it is more progressive and holistic than a lot of proposals I see for seagrass restoration which can focus solely/too narrowly on the carbon storage and sequestration ‘benefit’ and ignore the other ‘ecosystem services / benefits’ that healthy seagrass meadows provide. In this CVP the societal benefits that are considered are (1) carbon sequestration, (2) removal of nitrogen and phosphorus from marine ecosystems, (3) increase in commercial fish stocks and (4) biodiversity net gain, and so whilst not perfect, in its current format the CVP is framed ‘*beyond carbon*’ which I see as overwhelmingly positive signal and in line with the direction of travel towards *genuine* best practice in this space.

**Limitations**

However, the limitations of the approach for seagrass restoration really comes down to the fact that *not all seagrass meadows are created equal..*.

For example;

I) Sub-tidal seagrass ecosystems around the Isle of Wight will have different ecosystem service values to the sub-tidal seagrass ecosystems on Orkney (variations in latitude, water temperature, associated fish species etc). We are currently exploring some of these latitudinal variations through [ReSOW UK](https://eur02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.smmr.org.uk%2Ffunded-projects%2Frestoration-of-seagrass-for-ocean-wealth-resow-uk%2F&data=05%7C01%7CRIIOED2%40ofgem.gov.uk%7Ccbdeb1a9690346fbe86908da84fee86e%7C185562ad39bc48408e40be6216340c52%7C0%7C0%7C637968527910208267%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C2000%7C%7C%7C&sdata=Y2XtO8xVCO95zD%2FPW4Ob62t5ViRJaD87My5enw%2BHHlQ%3D&reserved=0).

II) Inter-tidal seagrass meadows such as those found in Montrose Wildlife Basin or the Dornoch Firth offer different ecosystem service values to those subtidal meadows found in the West Coast sea lochs. The intertidal meadows are more important for migratory seabirds where as the subtidal meadows are more valuable for commercial fish stocks

Essentially seagrass meadows (and their associated ecosystem services) are unique to ‘place’, and whilst we are working to ascertain the broad patters here for the UK, there is still a lot of research that needs to be undertaken in this space, not least against the backdrop of warming waters linked to climate change. For this reason the benefits do not fit neatly in the proposed metric. That said,  it’s almost impossible to ‘model’ SROI in this manner, and the attempt made here ’to paint the picture’ of seagrass restoration is very welcomed, and in my opinion actually undersells the benefits of engaging here (i.e. does not fully capture all the benefits of the CVPs proposed approach).

**Opportunities**

Rather than picking apart the approach I would like to endorse it, but add some nuance to the proposal...

**Site selection.**There needs to be a broad geographical approach to site selection. I would suggest that seagrass restoration should reflect the SSEN licence areas as a whole, since seagrass meadow site selection is critical to restoration success and such broad geographies give delivery parters the best chance of a successful outcome. Essentially I suggest the proposal follows the science when it comes to site selection rather than trying to plant seagrass where it simply won’t grow!

**Partnering with delivery specialists and community organisations.**Whilst we need be restoring 1000s of hectares of seagrass around the UK in the coming decades,I would actually favour the proposed ha coverage being at the bottom end of the proposed range (e.g. 11ha, not 17ha) and for the funding to be judiciously deployed between ‘delivery specialists’ and 'community organisations'. The SSEN vision should be to deliver the twin benefits of enhanced restoration science (= improved methods) with on the ground delivery ( = hectares planted). Given the field of marine restoration is still in its early stages the proposed investment needs to strike a balance between improving restoration efficiencies and habitat restoration. The elephant in the room at the moment with seagrass restoration projects is also Water Quality (which Ofwat are very aware of) and so it makes sense to develop the science now so that we can respond at real scale 100s ha when water quality improves more broadly.

**Delivering benefits beyond ED2.** Investing in community organisations (a particularly strong route in the Scottish licence area) will enable the seagrass restoration projects to continue beyond 2028 and this will be critical to their longterm success. There is also a significant socio-economic and cultural benefit to this approach. There exists and active [coastal communities network](https://eur02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.communitiesforseas.scot%2F&data=05%7C01%7CRIIOED2%40ofgem.gov.uk%7Ccbdeb1a9690346fbe86908da84fee86e%7C185562ad39bc48408e40be6216340c52%7C0%7C0%7C637968527910364485%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C2000%7C%7C%7C&sdata=EjERyLt61ogZwG4fWzFI2hcpj%2BoBdSySEndH5fJCaI8%3D&reserved=0) in Scotland, one organisation has already been highlighted in this CVP - [Seawilding](https://eur02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.youtube.com%2Fwatch%3Fv%3Dtid73gH2ibA&data=05%7C01%7CRIIOED2%40ofgem.gov.uk%7Ccbdeb1a9690346fbe86908da84fee86e%7C185562ad39bc48408e40be6216340c52%7C0%7C0%7C637968527910364485%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C2000%7C%7C%7C&sdata=8UkeqBg3L%2BL7A7yTCzFA3gm90Kc%2FY2MnYdHQvwejXto%3D&reserved=0), but there are certainly others I know of e.g. [Arran Coast](https://eur02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.arrancoast.com%2F&data=05%7C01%7CRIIOED2%40ofgem.gov.uk%7Ccbdeb1a9690346fbe86908da84fee86e%7C185562ad39bc48408e40be6216340c52%7C0%7C0%7C637968527910364485%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C2000%7C%7C%7C&sdata=9Z24%2BQ3jPlGPWzNkjun1iBzw9YuE8QSrBi2ba5jHNJI%3D&reserved=0) that I think would be in a position to deliver seagrass restoration with some capital and staffing investment.

**Ambitious seagrass planting programme.**The ‘big picture’ here for the UK is that there needs to be continued investment in R&D with respect to the 'route to planting’. Funding is needed to help develop the scale of activity needed in the UK. At Project Seagrass we are adopting a triangulated approach to scaling restoration in the UK, 1 - researching different restoration methods depending on the specific place/geography (e.g. what methods work best on the Isle of Wight, North Wales, Firth of Forth etc), 2 - mechanised seed collection (in order to collect millions of wild seeds each season rather than just what can be picked by hand) and 3 - a seagrass nursery in order to grow seeds at real scale. Some of this work is taking place within the SSEN licence area but most of it is happening outside. Investment in these workflows will have wider benefits with respect to ensuring seed/seedling availability for restoration projects happening within the licence area.

**Licence Areas - a USP?**It strikes me that SSEN are uniquely placed with their licence area to make a significant contribution to seagrass restoration science and management for the whole of the UK. SSEN service both the Isle of Wight and Orkney / Shetland and so their licence area’s effectively ‘bookend’ the UK. There is an opportunity here to fund parallel workflows on Orkney and the Isle of Wight which would help to infer the best restoration methods at these two locations, and to inform the ecosystem services provided by seagrass ecosystems at these two very different latitudes. This would in turn help to inform the management, and help us to understand the resilience of UK seagrass ecosystems against the backdrop of warming waters.

**Final thoughts...**

I personally don’t think that any metric that works on 'area restored' really captures the enormously positive impact that the proposed investment would have within coastal communities or on coastal ecosystems, especially as each ‘ha’ will look different depending on where it is planted. This is particularly over such short time frames (by 2028) since ecosystems will take decades to fully recover and mature,

That being said, I do warmly welcome the excellent proposal by SSEN and applaud them for their timely, progressive and innovative thinking. I think it would be an enormously positive investment into one of the restoration communities that is driving the marine restoration movement [towards seascape thinking more broadly.](https://eur02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.zsl.org%2Fscience%2Fwhats-on%2Fsymposium-ecological-connectivity-across-temperate-coastal-habitats--moving&data=05%7C01%7CRIIOED2%40ofgem.gov.uk%7Ccbdeb1a9690346fbe86908da84fee86e%7C185562ad39bc48408e40be6216340c52%7C0%7C0%7C637968527910364485%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C2000%7C%7C%7C&sdata=1xJDTrqvg%2FUTBES6HKfe2SvESsyq3s8IyxAYX8yOgOY%3D&reserved=0) This CVP is particularly timely, coming during the [UN Decade on Ecosystem Restoration](https://eur02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.decadeonrestoration.org%2F&data=05%7C01%7CRIIOED2%40ofgem.gov.uk%7Ccbdeb1a9690346fbe86908da84fee86e%7C185562ad39bc48408e40be6216340c52%7C0%7C0%7C637968527910364485%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C2000%7C%7C%7C&sdata=w7kID1PDo8gGrK4tmY4Yb885uYsZBLJhhVyCO3oQSUY%3D&reserved=0) (2021-2030) and [UN Decade of Ocean Science](https://eur02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.oceandecade.org%2F&data=05%7C01%7CRIIOED2%40ofgem.gov.uk%7Ccbdeb1a9690346fbe86908da84fee86e%7C185562ad39bc48408e40be6216340c52%7C0%7C0%7C637968527910364485%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C2000%7C%7C%7C&sdata=Rb5DaJHI9HaaYF8cIJ37fi%2B1hOrx9oTmUrjk5LKIdr4%3D&reserved=0) (2021-2030).

Best wishes,

RJ

**Dr RICHARD J. LILLEY**

CEO & Co-Founder