

RIIO Team
Ofgem
10 South Colonnade
Canary Wharf
London
E14 4PU

Electricity North West
Hartington Road, Preston,
Lancashire, PR1 8AF

Email: enquiries@enwl.co.uk
Web: www.enwl.co.uk

Direct line: 07824321980
Email: Tom.Selby@enwl.co.uk

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Sent by email to: RIIOElectricityTransmission@ofgem.gov.uk

Dear RIIO Team,

Electricity North West response to the Ofgem consultation on accelerating onshore electricity transmission investment

Thank you for the opportunity to respond to consultation on accelerating onshore electricity transmission investment. As we have detailed in our Leading The North West To Net Zero plan¹, we have a long term plan to efficiently deliver the network upgrades to achieve Net Zero in the north west. A big part of this relies on additional capacity being provided at transmission network level for our customers to allow them to connect to our distribution network. We are constantly working collaboratively with NGENO (National Grid Electricity System Operator) and NGET (National Grid Electricity Transmission) on developing the network upgrades required to modernise the GB energy system to meet the needs of current and future customers.

In responding to this consultation, we have looked at this from a customer and deliverability point of view, based on our experience of working with customers and NGET. Our response to the consultation questions is limited as we have focused on certain aspects of proposals. There are other aspects where we haven't responded to the consultation questions, which does not necessarily infer our agreement or disagreement with the questions.

Although specific schemes related to the north west are not named in this consultation, there are several projects in the NGENO NOA² (Network Options Assessment) which we have a strong interest in which we reference in our response. The completion of these projects will allow more customers to connect to our network:

- HAEU Harker supergrid transformer 5 and supergrid transformer 9A banking arrangement (2022)
- MRP2 Additional power control devices at both Harker and Penwortham (2022)
- HAE2 Harker supergrid transformer 6 replacement (2023)

¹ <https://www.enwl.co.uk/about-us/regulatory-information/our-business-plan-2023-2028/>

² <https://www.nationalgrideso.com/document/233081/download>



Our response to the questions in the consultation is in annex 1 one below.

Should you have any questions please do not hesitate to contact me.

Yours sincerely

Tom Selby
Regulation Manager

Annex 1: Electricity North West response to consultation questions

Q1: Do you agree with our criteria for identifying projects in scope for the application of the proposed accelerated delivery framework?

- We agree that these are all strategically important projects, but the focus for the industry should be on reducing the lead time for the identification and construction of network upgrades or freeing up or utilising existing capacity, such as through ANM or intertrip schemes. We support the steps being taken by Ofgem and the industry to speed up this process. We believe that there should be a specific focus on how to do this for customer-driven investments so that customer needs are met quickly and do not result in a drawn out and expensive connections process customer experience.

Q2: Are the 26 projects identified the correct ones to initially focus on?

- The decisions on which projects to deliver should be made on how long they are likely to take to deliver, the cost and the contribution they make to benefits including Net Zero, and the impact this will have on customers waiting to connect to the network. There should be particular focus on connecting the greatest number of customers and tackling long-standing backlogs to connections, particularly taking into account customers connected to distribution networks. It is vitally important that there is a common queue management and prioritisation process between customers regardless of whether they connect to the transmission network or the distribution network. The three Harker-related projects (HAEU, HAE2 and MRP2) should be prioritised due to the pressing need to increase the amount of capacity available for customers, especially noting the repeated long delays these customers have endured. There is a long queue of generators that have been waiting for several years to connect to the network in the north west, and the Harker upgrades when completed would get many of them online in some cases over ten years after their initial applications.

Q3: Do you agree that it is in the consumer interest to consider exempting projects from competition?

- Yes, if this a way to get them connected quickly, and if the benefits are assessed holistically including the benefits of achieving earlier capacity availability compared with any costs or real benefits through competition. There is a danger that through many of the different regulatory and legislative changes taking place at this time that the progress to Net Zero may be significantly hindered due to commercial and regulatory uncertainty for project developers. It is clear that several projects need to take place to increase capacity at particular bottlenecks on the network and adding further delays to these upgrades is not in consumers best interests.

Q4: Which of our options for exempting projects from competition do you favour?

- We do not agree that a blanket exemption should be made simply because it is expected that this will speed up the process, as a proper consumer interest assessment needs to be done for every project. This is particularly important due to the multi-billion-pound cost to deliver these projects, and all opportunities to generate the most benefits for customers should be made. There will still need to be a robust project assessment and review by Ofgem to ensure that costs proposed are economic and efficient for customers for each project, but this process needs to be expedited.

Q5: Do you agree that without upfront certainty that they will be delivering enough of the investment needed for 2030, TOs will face significant difficulties mobilising the supply chain to deliver the works on time?

- Yes, as we have seen in several areas following the end of the COVID-19 pandemic, there are significant skills and labour shortages in several areas affecting network companies, as well as supply chain disruption leading to lengthened delivery lead times for equipment.

Q6: Do you agree that it is in consumer interest to consider streamlining our regulatory processes?

- Yes, planning and project development already takes a long time and it would be advantageous to find a way to quickly assess the proposals put forward by TOs to minimise the time taken to review the TO proposals. In doing this, the process needs to remain appropriately robust to protect consumers and should not be any less stringent.