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19/01/2023

Dear Joanna,

Statutory Consultation to modify the electricity distribution licence conditions - RIIO-2 NIA Governance Document V3

We have some comments on the proposed changes to the RIIO-2 NIA Governance Document to add a requirement that final Project Progress Information must contain a net benefits statement (table 6.1, p. 37) for NIA v3 consultation. Our comments relate to the process of producing the required implementation and whether the new requirements will be applied to existing projects or new projects started after this change is implemented.

1. Where we have very low TRL research projects (a significant proportion of projects in GD2), quantification of potential benefits at this stage would be very difficult to quantify outside of general statements of how it can help support the transition. A completion report for such an innovation project will not be able to quantify the benefits should the innovation be progressed up the TRL levels to a stage where practical implementation occurs. Clarification is required on the level of detail required in the net benefit statement and a statement that for low TRL projects the expectation is that the benefits will be more qualitative and with benefits being more quantitative for higher TRL projects.
2. The reference to calculations seems to indicate financial benefits, but there are a variety of benefits that can be more intangible, particularly when referencing vulnerable customers and the just transition. Please will you provide clarification regarding the types of benefits to be recorded.
3. We already complete an Innovation Measurement Framework (IMF) to outline benefits, please can clarification be provided on how the net benefit statement should be presented, that is, is there a set format or template, particularly when compared to the IMF?

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4. Please can clarification be provided on when this change would be expected to take effect that is would we be expected to add the new statement for any projects in flight already, or only those that start after the new licence version is agreed. Our preference would be only those projects starting after the change.

Yours sincerely



Richard Pomroy
Regulation Manager
Wales & West Utilities