

Consultation

Consultation on the assessment of initial needs case submissions of two 2023 Medium Sized Investment Projects from NGET

Publication date:	24 July 2023
Response deadline:	21 August 2023
Contact:	Eliska Antosova, Analyst
Team:	Price Control Operations - Small & Medium Sized Projects
Telephone:	020 7901 7176
Email:	Eliska.antosova@ofgem.gov.uk

We are consulting on two of National Grid Electricity Transmission's (NGET's) initial needs case submissions under the Medium Sized Investment Projects (MSIP) re-opener mechanism. We particularly welcome responses from those with an interest in electricity transmission and distribution networks. We also welcome responses from other stakeholders and the public.

This document outlines the scope and purpose of the consultation, the consultation questions, and explains 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 org/gem.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.

© Crown copyright 2023

The text of this document may be reproduced (excluding logos) under and in accordance with the terms of the Open Government Licence.

Without prejudice to the generality of the terms of the Open Government Licence the material that is reproduced must be acknowledged as Crown copyright and the document title of this document must be specified in that acknowledgement.

Any enquiries related to the text of this publication should be sent to Ofgem at:

10 South Colonnade, Canary Wharf, London, E14 4PU.

This publication is available at www.ofgem.gov.uk. Any enquiries regarding the use and re-use of this information resource should be sent to: psi@nationalarchives.gsi.gov.uk

Contents

1.	Introduction	4
	MSIP submission, assessment, and approval process	5
	What are we consulting on?	
	Context and related publications	7
	Consultation stages	
	How to respond	
	Your response, data and confidentiality	8
	General feedback	
	How to track the progress of the consultation	9
2.		
	NGET's initial needs case submission	
	Our initial view of the initial needs case	11
	Assessment of options and justification for the preferred option	12
	Our draft determination	13
3.	Pathfinders project	14
	NGET's initial needs case submission	14
	Our draft view of the initial needs case	14
	Assessment of options and justification for the preferred option	15
	OPTION 5: Do nothing	19
	Ofgem's view of the potential solutions	19
	Our initial view	20
4.	Conclusion and next steps	21
	Next steps	21
-	opendices	
	opendix 1 – List of Activities under MSIP re-opener	
Αp	ppendix 2 - Consultation Questions	
	Leiston project	
	Pathfinders project	
Αp	opendix 3 – Privacy notice on consultations	
	Personal data	25

1. Introduction

- 1.1 Network companies are natural monopolies. Effective regulation of privatised forprofit monopolies is essential to ensure they cannot unfairly exercise their
 monopoly power to the detriment of their customers. This is particularly
 important in the case of essential utilities, such as energy, where consumers have
 no choice on whether or not to pay what they are charged. It is therefore crucial
 that an effective regulator protects energy consumers by controlling how much
 network companies can charge their customers. Ofgem¹ does this through
 periodic price controls that are designed to ensure network companies are
 properly incentivised to deliver the best possible outcomes for current and future
 energy consumers. This includes ensuring that consumers only pay for
 investments that are needed and do not overpay for those investments.
- 1.2 The current price control model is known as RIIO (Revenue = Incentives + Innovation + Outputs). RIIO-ET2 is the second electricity price control under the RIIO model and runs from 1 April 2021 until 31 March 2026. It includes a range of Uncertainty Mechanisms (UMs) that allow us to assess applications for further funding during RIIO-ET2 as the need, cost or timing of proposed projects becomes clearer. This ensures that consumers fund projects only when there is clear evidence of benefit, and we have clarity on likely costs and cost efficiency. These mechanisms also ensure that the RIIO-ET2 price control has flexibility to adapt as the pathways to Net Zero become clearer.
- 1.3 Where possible, we have set automatic UMs, such as the Generation and Demand Connection Volume Drivers, which provide Electricity Transmission Owners (ETOs) with immediate funding when they are required to undertake new customer connection works. In other areas, where the degree of uncertainty is too great to allow for an automatic mechanism, we set "re-openers" which will allow us to assess ETO proposals robustly, once sufficiently accurate information is made available.
- 1.4 The MSIP re-opener provides ETOs with an annual opportunity to request additional funding for sub £100m projects, many of which may be critical for achieving Net Zero targets. It was developed to ensure that ETOs are able to

 $^{^{1}}$ Ofgem refers to the Gas and Electricity Markets Authority. Ofgem is the office of the Authority. The terms the 'Authority', 'Ofgem', 'we' and 'us' are used interchangeably in this document.

- undertake necessary investments in the transmission network, funding for which has not been provided in RIIO baseline allowances.
- 1.5 An ETO can submit a request for additional funding via the MSIP re-opener during specific "windows" (between 24 and 30 April 2021 and between 25 and 31 January in each subsequent regulatory year of the RIIO-ET2 price control period) where it considers and the Authority agrees that a project is covered under the areas listed in RIIO-ET2 Final Determinations (FDs), as implemented by Special Condition 3.14 of its licence (the Licence) (SC 3.14).² Projects within the scope of that licence condition will be considered and scrutinised by Ofgem to establish the level of efficient costs to be remunerated. For the application covered in this consultation, we have only assessed NGET's initial needs cases and we will assess the full submission (including the final needs cases), including costs, when NGET submits them at a later date.
- 1.6 In the January 2023 reopener window, NGET submitted two applications, which are initial needs case submissions. This document summarises our assessment of the two initial needs case submissions as listed below. We will separately consult on our assessment of the full applications at a later date.
 - Leiston project³: construction of the new 132/11kV substation and installation of the 132kV cables to Leiston
 - 2. Pathfinders project⁴: construction of new shunt reactors connected to the NGET sites.
- 1.7 We welcome views from stakeholders on our draft determinations concerning the projects outlined in Chapter 2 and 3, which propose acceptance of the initial needs cases for the projects.

MSIP submission, assessment, and approval process

1.8 ETOs have a duty to provide connections to users and to develop and maintain an efficient, co-ordinated and economical transmission network. Therefore, it is for an ETO to decide when it is the right time to initiate a new project that may be needed during the RIIO-ET2 price control period.

²https://www.ofgem.gov.uk/sites/default/files/docs/2021/02/final_determination_nget_annex_revised.pdf (Table 12: Areas covered by the MSIP re-opener)

A4 simple report 1-col no divider Nov 2019 (nationalgrid.com)

https://www.nationalgrid.com/electricity-transmission/document/147791/download

⁴ A4 simple report 1-col no divider Nov 2019 (nationalgrid.com)

- 1.9 Transmission projects can be driven by factors outside the direct control of the ETOs, for example where a customer requires a grid connection, and can mean that there is insufficient clarity over project need, optimal solutions, timing, and and/or efficient costs to align with:
 - the fixed business planning timeframes of a periodic price control (such as RIIO-ET2) and
 - the fixed submission window provided for in the licence.

Uncertainty can have a disproportionately adverse impact on development activity and work deemed necessary by ETOs to deliver a connection in a timely manner. Delays to work to progress the connection of low carbon generation, which would contribute towards meeting the Net Zero target, may lead to additional costs for GB consumers or adversely affect GB's ability to meet its targets.

- 1.10 As mentioned above, the MSIP re-opener⁵ has been designed to allow ETOs to submit applications when there is more certainty over both project needs and costs. Initial needs case submissions seek a decision in principle for the initial needs case and preferred option ahead of the full application.
- 1.11 We have not determined the efficient costs of the relevant projects at this stage because the costs provided are only indicative. Efficient costs will be determined following our review of the full application when there will be sufficient information to allow us to assess the final needs case, project costs, associated outputs, and delivery dates. The licensee's full application must include all the information and evidence as set out in Chapter 3 of the Reopener Guidance⁶.
- 1.12 It should be noted that although we accepted and assessed some initial needs case submissions during the 2022 and 2023 MSIP submission windows, we expect that future MSIP submissions will include all the information necessary for us to assess both the need for a project and the efficient costs together.

⁵ Further details can be found in the MSIP licence condition (<u>Statutory consultation on modifications to the RIIO-2 Transmission</u>, <u>Gas Distribution and Electricity System Operator licence conditions | Ofgem</u>) and in Final Determinations (<u>RIIO-2 Final Determinations - Core Document (REVISED)</u> (ofgem.gov.uk)

⁶ Re-opener Guidance and Application Requirements Document (Version 3), 3rd April 2023: https://www.ofgem.gov.uk/publications/re-opener-guidance-and-application-requirements-document-version-3

What are we consulting on?

- 1.13 The MSIP licence condition⁷ provides for companies to make re-opener applications during the RIIO-2 price control period for projects planned to deliver 11 activities as specified in SpC 3.14.6.⁸ NGET considers that the projects relate to one or more of the specified activities and we agree. NGET's submissions provide evidence that it considers sufficiently demonstrates a need for the projects, and for its preferred options, during RIIO-ET2.
- 1.14 NGET expects to submit the full applications for the projects in the 2024 reopener window. However, ahead of the full applications it has submitted the initial needs cases. We are consulting on the initial needs cases, and preferred options for the projects.

Context and related publications

- 1.15 The scope of this consultation is limited to NGET's initial needs case MSIP submissions listed below. Additional information on these MSIPs can be found in the MSIP re-opener submission documents⁹ on NGET's website.
 - Leiston projects¹⁰: construction of 2 x 132kV GIS (gas-insulated switchgear)
 Bays at Leiston 132kV Substation in Suffolk by August 2024.
 - 2. Pathfinders project¹¹: construction of new shunt reactors connected to the NGET sites.
- 1.16 This document is intended to be read alongside:
 - 1) RIIO-ET2 Re-opener Guidance and Application Requirements Document¹²
 - 2) Special Conditions (SpC 3.14) of the Licence. 13

⁷ SPT Special Licence Conditions can be found in Licence Conditions – Zip File accessible at: Statutory consultation on modifications to the RIIO-2 Transmission, Gas Distribution and Electricity System Operator licence conditions | Ofgem

⁸ The MSIP activities under SpC 3.14.6 are listed in Appendix 1 for reference.

⁹ MSIP Reopeners - SP Energy Networks

¹⁰ A4 simple report 1-col no divider Nov 2019 (nationalgrid.com) https://www.nationalgrid.com/electricity-transmission/document/147791/download

¹¹ A4 simple report 1-col no divider Nov 2019 (nationalgrid.com)

¹² https://www.ofgem.gov.uk/sites/default/files/2023-

^{03/}Reopener%20Guidance%20and%20Application%20Requirements%20Version%203.pdf

¹³ https://www.ofgem.gov.uk/publications/decision-proposed-modifications-riio-2-transmission-gas-distribution-and-electricity-system-operator-licence-conditions-1-april-2022

Consultation stages

1.17 This consultation will open on 24 July 2023 and close on 21 August 2023. We will review and publish the responses a few weeks after the consultation closes. We will endeavour to publish our decision by autumn 2023.

Figure 1: Consultation stages

Stage 1	Stage 2	Stage 3	Stage 4
Consultation open	Consultation closes (awaiting decision). Deadline for responses	Responses reviewed and published	Consultation decision/policy statement
24/07/2023	21/08/2023	summer 2023	autumn 2023

How to respond

- 1.18 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.
- 1.19 We've asked for your feedback on each of the questions throughout. Please respond to each one as fully as you can.
- 1.20 We will publish non-confidential responses on our website at www.ofgem.gov.uk/consultations.

Your response, data and confidentiality

- 1.21 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.
- 1.22 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.
- 1.23 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 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 4.

1.24 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

- 1.25 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

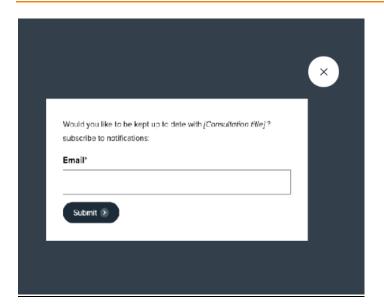
How to track the progress of the consultation

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



Consultation - Consultation on the assessment of initial needs case submissions of two 2023 Medium Sized Investment Projects from NGET



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:

Upcoming > **Open** > **Closed** (awaiting decision) > **Closed** (with decision)

2. Leiston project

Questions

- Q1. Do you agree with our initial view on the needs case for the Leiston project?
- Q2. Do you agree with our initial view on the preferred option proposed by NGET?
- 2.1 Leiston 132kV substation is located in Suffolk in close proximity to the new Sizewell C development. It comprises of five Supergrid Transformers, one located at Leiston and four at Sizewell 400kV substation within the main Sizewell Nuclear complex.
- 2.2 Construction of the new 132/11kV substation and installation of the 132kV cables to Leiston will be done within the new Sizewell C complex. The customer owns the land that the cables will be located on therefore there are no land costs identified.

NGET's initial needs case submission

- 2.3 NGET advised that the purpose of this project is to facilitate construction of the new Sizewell C Nuclear Power Station by providing electrical supplies for the new development during the construction phase.
- 2.4 NGET explained that EDF SZC (Customer) submitted an application for connection for a new supply point from Leiston 132kV Substation in 2017. Prior to the application, the Customer attempted gaining a connection from the DNO (UK Power Networks). This was rejected due to longer (20km) cable connection required from the DNO's 132kV substation at Easton relatively to 1km connection to the NGET's substation at Leiston.
- 2.5 NGET is obligated by the Licence to provide a connection for this Customer, and therefore required to complete works at Leiston substation.

Our initial view of the initial needs case

- 2.6 Our initial view is that the initial needs case put forward by NGET is valid.
- 2.7 We have made this initial assessment for the following reasons:
 - NGET is obligated to provide a connection for the Customer in accordance with the statutory and regulatory requirements¹⁴ under the terms of the Licence.

¹⁴ Statutory duties under section 9(2) of the <u>Electricity Act 1989 (legislation.gov.uk)</u>

 Results of NGET's studies support the proposed solution to use the existing assets to accommodate the new 132kV circuits at the Leiston site.

Assessment of options and justification for the preferred option

- 2.8 To address the needs case drivers discussed in the previous chapter (customer connection to provide supplies for the construction of Sizewell C), NGET has considered the following four options:
 - 1) Do Nothing or Delay
 - 2) Whole system or market-based solutions
 - 3) Use / enhancement of existing assets (NGET's preferred option)
 - 4) Construction of new assets
- 2.9 We have undertaken a technical review of the solutions considered by NGET. The materials we reviewed comprised of NGET's initial submission under SpC 3.14 of the Licence and responses to supplementary questions.

OPTION 1: Do nothing

- 2.10 NGET rejected this option because it does not comply with NGET's licence obligations to provide a connection for the Customer. The connection cannot be facilitated without providing some form of direct access to the transmission system. Therefore this option does not meet the needs case.
- 2.11 We agree with NGET's rationale for rejecting this option as do nothing would not comply with its licence condition to provide access to the transmission network for customer connections.

OPTION 2: Whole system / market-based solution

- 2.12 NGET rejected this option as whole system or market-based solutions do not meet the needs case. The requested connection to the transmission network does not involve any infrastructure works on the local transmission network (eg replacement of circuit breakers due to increased fault levels or increased circuit ratings to manage higher loads).
- 2.13 We agree with NGET's consideration and rationale for rejecting this option.

OPTION 3: Use / enhancement of existing assets (proposed option)

2.14 This option was selected because using the existing future bay provision at the Leiston substation provides the most economical solution. The evidence provided in support of this was lower capital costs (proposed option offers estimated

- capital costs of £4.7m¹⁵), reduced scope of NGET works and reduced timescales for two new 132kV circuit connections.
- 2.15 We agree with NGET's rationale for selecting this option as the preferred option.

 There are a range of benefits that the option brings:
 - It provides the most cost-effective and efficient way to construct a new bay – that is to utilise existing assets and space of the GIS hall.
 - It reduces timescales and the scope of NGET works by utilising existing infrastructure at the Leiston substation.

OPTION 4: Construction of new assets

- 2.16 NGET rejected this option as there is no need to extend the site or build a new site.
- 2.17 We agree with NGET's rationale for rejecting this option.

Our draft determination

- 2.18 We are satisfied that there is a needs case for the Leiston project, that NGET has considered all viable options and that it has correctly rejected all options but one.
- 2.19 We are therefore proposing to accept the needs case for the Leiston project and the preferred option presented by NGET in addressing this needs case.

¹⁵ Detailed cost information is to be provided post tender exercise September 2023.

3. Pathfinders project

Questions

- Q3. Do you agree with our initial view on the needs case for the Pathfinders project?
- Q4. Do you agree with our initial view on the preferred option proposed by NGET?
- 3.1 In its January 2023 MSIP Re-opener submission, NGET set out its plan in the Pathfinders project to connect three new shunt reactors to Stocksbridge 400kV, Stalybridge 400kV and Bradford West 275kV substations respectively. The purpose of the project is to provide reactive compensation to the system, as required by National Grid Electricity System Operator's (NGESO's) Network Options Assessment (NOA) High Voltage Pathfinder in the Pennine region.
- 3.2 We consider the project is eligible for application under the MSIP as it is "a system operability or constraint management project that has been requested by the System Operator" (MSIP specified activity under SpC 3.14.6). 16

NGET's initial needs case submission

- 3.3 The NGESO's System Operability Framework (SOF) highlighted operability risks expected due to the decline in transmission connected synchronous generation over the next decade and an increasing need to absorb reactive power. The NGESO's NOA High Voltage Pathfinder sought to find the most cost-effective way to address high voltage issues on the transmission system.
- 3.4 West Yorkshire is a highly interconnected and complex section of the transmission network containing long cable lengths and is subject to high voltage rise. NGESO identified that there is a requirement to connect a minimum of a total of 500 MVAr of reactive power compensation. NGESO completed a tender exercise in January 2022, and NGET has been awarded the development, design and delivery works of the three shunt reactors in the West Yorkshire region at Stocksbridge 400kV, Stalybridge 400kV and Bradford West 275kV substations respectively.¹⁷

Our draft view of the initial needs case

3.5 Our initial view is that the initial needs case put forward by NGET is valid based on the results of the NGESO tender exercise, in which NGESO has selected the

¹⁶ The MSIP activities under SpC 3.14.6 are listed in Appendix 1 for reference.

¹⁷ NOA Voltage Pathfinder | ESO (nationalgrideso.com)

- most cost-effective ways to address high voltage system issues created by the need to absorb more reactive power on the transmission network.
- 3.6 This position is supported as it enables significant reinforcement in reactive power compensation required to maintain system operability.

Assessment of options and justification for the preferred option

3.7 The project scope is well defined in NGESO's tender exercise, ie to connect the three shunt reactors at specific substations. Therefore, NGET only optioneered each of the three sites (Stocksbridge, Bradford West, Stalybridge) to determine the optimum positioning of the shunt reactors and their associated HV equipment required to make the connections.

Stocksbridge

3.8 Stocksbridge was identified by NGESO as a site that required 200MVAr reactive compensation. NGET has considered two options within the current compound of the Stocksbridge site. Both options plan to use empty plinth and bunded areas that are currently occupied by super grid transformers.

OPTION 1: Adjacent to Mesh Corner 2 (preferred option)

- 3.9 This option was selected as it is not in close proximity to the office building and diesel generator. Costs of both options are noted to be similar (however no cost information has been provided as part of the Initial needs case submission).
- 3.10 This option involves a bund extension and the circuit breaker replacement. The preferred solution will leave only one location within the current substation2for any future connection or development.
- 3.11 We agree with NGET's rationale for selecting this option as the preferred option.

 There are a range of benefits that the option brings:
 - The existing footprint of the substation provides slightly more space for the preferred option (in comparison with option 2).

OPTION 2: Adjacent to Mesh Corner 1

3.12 This option was rejected due to its proximity to an office building and diesel generator and hence lack of space around the bunded area to extend the bund if needed.

Figure 2: Stockbridge options aerial image



Bradford West

- 3.13 Bradford West was selected by NGET as one of suitable sites to connect 100MVAr shunt reactor to provide reactive compensation. The site was accepted by NGESO at its NOA Voltage Parhfinder tender exercise. ¹⁸
- 3.14 NGET has identified two options for connecting the shunt reactor at Bradford West substation.

OPTION 1: Adjacent to Mesh Corner 1 (preferred option)

- 3.15 This option was selected as it has more space available for HV equipment and easier access.
- 3.16 This solution requires the addition of a new dedicated circuit breaker.
- 3.17 We agree with NGET's consideration and rationale for selecting this option as the preferred option. There are a range of benefits that the option brings:
 - There is more space for construction of preferred option which provides various advantages such as less outages in the construction and accessing the area.

¹⁸ NOA Voltage Pathfinder | ESO (nationalgrideso.com)

OPTION 2

- 3.18 Option 2 was rejected due to a more complicated shunt reactor delivery which may require proximity outages. Costs for this alternative are higher relative to the preferred solution.
- 3.19 We agree with NGET's rationale for rejecting this option.

Figure 3: Bradford West options aerial image



Stalybridge

- 3.20 Stalybridge was identified by NGESO as a site that required 200MVAr reactive compensation. NGET has comprehensively considered four options within the current compound and external to the substation.
- 3.21 Space within the existing footprint of the Stalybridge substation is limited and all options would require a new plinth and bund building. Any proposed solution must include provision for future connection to shunt reactor.

OPTION 1 (proposed option)

- 3.22 This option was selected due to the unsuitability of the other options, some of which would require asset extensions with an estimated cost. Construction is to take place within the existing site and fence line.
- 3.23 The option requires the addition of a new dedicated circuit breaker.

Figure 4: Stalybridge option 1 aerial image



OPTION 2

3.24 This option was rejected due to higher estimated costs in comparison with preferred option. Option 2 involves positioning shunt reactor outside of the current site boundary which would require an extension of the substation, that would incur cost and delay to the energisation date (ecology survey, clearance etc to ground outside of the substation).

Figure 5: Stalybridge option 2 aerial image



OPTION 3

- 3.25 Option 3 considers positioning the shunt reactor in a central location within the substation and would require a cable cross connection to the Mesh Corner 1.
- 3.26 Option 3 was rejected due to the higher initial cost / complexity of additional cables.

Figure 6: Stalybridge option 3 aerial image



OPTION 4:

- 3.27 This option has been rejected on initial cost estimates and risk, programme / complexity of additional cables required for crossing of river. Ecological impact of additional works required for this solution are above the scope of works required for Option 1 (proposed option).
- 3.28 This option would involve constructing outside the fence line which would incur cost and delay to the energisation date.

OPTION 5: Do nothing

- 3.29 NGET rejected this option because it does not satisfy the driver to provide a voltage control on the network in the Pennines region. Therefore, this option was considered invalid.
- 3.30 We agree with NGET's rationale for rejecting this option.

Ofgem's view of the potential solutions

- 3.31 Having considered the range of solutions presented by NGET, we are satisfied that NGET has considered an appropriate set of options to address the needs case.
- 3.32 From our review of the proposed solutions, we concluded that the preferred options for each site represent the optimal solutions.

Our initial view

- 3.33 Our initial view is that there is a needs case for the Pathfinders project, that NGET has considered all viable options and that it has correctly rejected all options but the optimal one for each site.
- 3.34 We are therefore proposing to accept the needs case for the Pathfinders project and the preferred option presented by NGET in addressing this needs case.

.

4. Conclusion and next steps

Next steps

- 4.1 We welcome your responses to this consultation, both generally, and in particular on the specific questions from Chapters 2 and 3. Please send your response to: Eliska.antosova@ofgem.gov.uk. The deadline for response is 21 August 2023.
- 4.2 We will carefully consider all consultation responses and endeavour to conclude our assessment of the NGET's MSIP initial needs case submissions for the projects with a provisional decision in September 2023. If our view does not move away from the draft determination, our provisional decision will confirm that NGET should be funded for the efficient delivery of the projects, subject to receipt of appropriate evidence regarding the project delivery and the associated costs.
- 4.3 Once the full application including project cost with associated outputs, delivery dates and allowances to be detailed as PCDs are submitted in January 2024, we will assess and consult on the final needs case and efficiency of the proposed costs accordingly.

Appendices

Index

Appendix	Name of appendix	Page no.
1	List of Activities under MSIP re-opener	23
2	Consultation questions	24
3	Privacy notice on consultations	25

Appendix 1 – List of Activities under MSIP re-opener

The activities under MSIP re-opener are stipulated in SpC 3.14.6 and are listed below for reference.

- (a) a Generation Connection project, including all infrastructure related to that project, the forecast costs of which are at least £4.24m more or less than the level that could be provided for under Special Condition 3.11 (Generation Connections volume driver);
- (b) a Demand Connection project, including all infrastructure related to that project, the forecast costs of which are at least £4.24m more or less than the level that could be provided for under Special Condition 3.12 (Demand Connection volume driver);
- (c) a Boundary Reinforcement Project that has received a NOA Proceed Signal in the most recent NOA;
- (d) a Flooding Defence Project, the purpose of which is to follow:
 - i. updates to the Energy Networks Association's report titled 'Engineering Technical Report (ETR138)' guidance on flooding; or
 - ii. a request from government, or a body which has responsibility for flood prevention, to protect sites from flooding;
- (e) an Electricity System Restoration Project following the establishment of an Electricity System Restoration Standard;
- (f) a system operability or constraint management project that has been requested by the System Operator;
- (g) projects that are needed in order to meet NETS SQSS requirements regarding security, or system operability;
- (h) Harmonic Filtering projects that are needed following:
 - i. requests from the licensee's customers to aggregate and deliver Harmonic Filtering requirements; or
 - system studies by the System Operator or the licensee showing a need for additional Harmonic Filtering on the National Electricity Transmission System;
- (i) protection projects that are needed following:
 - system studies by the System Operator or the licensee showing a need for changes to the protection settings or replacement of protection relay with inadequate range;
 - ii. system studies by the System Operator or the licensee showing a need for dynamic line ratings; or
 - iii. system studies by the System Operator or the licensee showing a need for an operational intertrip;
- (j) data transformation and improvement projects, to implement recommendations regarding specific outputs required to meet principles developed by industry data working groups; and
- (k) SF6 asset interventions, where the licensee can demonstrate a well-justified SF6 Intervention Plan.

Appendix 2 - Consultation Questions

Leiston project

- Q1. Do you agree with our initial view on the initial needs case for the Leiston project?
- Q2. Do you agree with our initial view on the preferred option proposed by NGET?

Pathfinders project

- Q3. Do you agree with our initial view on the initial needs case for the Pathfinders project?
- Q4. Do you agree with our initial view on the preferred option proposed by NGET?

Appendix 3 – 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.

4. With whom we will be sharing your personal data

No external agencies.

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

Your personal data will be held for six months after the consultation is closed.

6. 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

Consultation - Consultation on the assessment of initial needs case submissions of two 2023 Medium Sized Investment Projects from NGET

- 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.
- 7. Your personal data will not be sent overseas.
- 8. Your personal data will not be used for any automated decision making.
- 9. Your personal data will be stored in a secure government IT system.

10. More information

For more information on how Ofgem processes your data, click on the link to our "ofgem privacy promise".