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RIIO-3 Sector Specific Methodology Consultation

EDF is the UK's largest producer of low carbon electricity. EDF operates low carbon nuclear power stations and is building the first of a new generation of nuclear plants. EDF also has a large and growing portfolio of renewables, including onshore and offshore wind and solar generation, as well as energy storage. With over five and a half million electricity and gas customer accounts, including residential and business users, EDF aims to help Britain achieve net zero by building a smarter energy future that will support delivery of net zero carbon emissions, including through digital innovations and new customer offerings that encourage the transition to low carbon electric transport and heating.

We welcome the opportunity to respond to this consultation on RIIO-3 Sector Specific Methodology. This consultation focuses on the application of the RIIO-3 price controls for the network companies; whilst EDF is not directly impacted by this consultation we want to highlight the following aspects.

Strategic Investment

Great Britain's transmission network will undergo unprecedented expansion in order to deliver energy security and Net Zero. The July 2022 publication of the Pathway to 2030 Holistic Network Design (HND) set out a single, integrated design to support the large-scale delivery of electricity generated from offshore wind, taking power to where it is needed across Great Britain. This first step towards more centralised, strategic network planning has been built upon by the government's decision in November 2023 to take forward actions to accelerate the delivery of strategic network infrastructure.

EDF fully supports these far-reaching initiatives. We note and welcome Ofgem's new framework to fund major new Electricity Transmission (ET) investments and continue to support Ofgem's approach to consider major investments outside the standard year price control process. The Accelerated Strategic Transmission Investment (ASTI) scheme is very welcome in providing clarity in investment.

We support the development of the Strategic Spatial Energy Plan (SSEP) and the Centralised Strategic Network Plan (CSNP) by the National Energy System Operator (NESO). Therefore, it is critical that the network companies are provided with the right tools and levers to enable them to support the delivery of strategic network infrastructure in shorter timelines.

Resilience

The GB energy system will undergo fundamental reform over the next 5-10 years which will impact how the system is operated. We support the focus on ensuring that the network companies continue to deliver a safe and resilient network that is also efficient and responsive to change.

Resilience planning is critical to match the increased reliance on electricity and there is a strong need to improve the network companies' long-term resilience to climate change and account for the impacts of more extreme and frequent severe weather events on their networks. EDF fully support Ofgem's proposal that network companies apply a set of principles, informed by multiple independent government advisors, to fully embed climate resilience into their energy network and system investments. EDF has been adhering to a similar set of principles in the operation of its nuclear assets for a number of years and it should be in place across all network companies.

Scope of Network Asset Risk Metric (NARM)

We note the proposal to retain and enhance the NARM to be used to assess and justify transmission investment decisions. We believe that the NARM should also fully consider the impacts of disconnection of assets connected to the transmission system.

Nuclear power stations should continue to be considered as priority sites, disconnection could affect most importantly, nuclear safety, but also the wider electricity system operation and station commercial position. We would expect transmission assets that connect nuclear power stations and provide resilience to their nuclear safety case, to have the highest priority in relation to maintenance and monitoring in order to ensure the appropriate level of asset health and performance.

Where applicable these impacts should be reflected in any Cost Benefit Analysis or Engineering Justification Papers to be developed for the purposes of providing the narrative for and explain the network companies' investment decision-making process.

Should you wish to discuss any of the issues raised in our response or have any queries, please contact me or Natasha Ranatunga on natasha.ranatunga@edfenergy.com.

Yours sincerely

AM Cox

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