



The countryside charity
Peak District and
South Yorkshire

RIIO-3 Team

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Dear RIIO-3 Team

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RIIO-3 Sector Specific Methodology Consultation

CPRE PDSY welcomes the opportunity to comment on the methodology Ofgem proposes to apply for setting the RIIO-3 price controls for electricity transmission networks. We are the national park society for the Peak District (PDNP) and part of the Campaign for National Parks (CNP). Our aim is for a living, working Peak District that changes with time but remains beautiful forever.

Our Background

We have a long history of engagement in issues of powerlines (both transmission and distribution), visual amenity and landscape protection. We work closely with CNP's and CPRE's national offices to ensure more sustainable landscape outcomes for both existing networks and new lines, where proposed. We were involved with the National Grid stakeholder consultation on the options (including undergrounding) for the future of the Stalybridge to Woodhead (4ZO) 400 kV line. More recently we were stakeholders in the development of the Peak East VIP project (the Dunford East section of the Stalybridge to Woodhead line) for undergrounding and the Landscape Enhancement Initiative (LEI) in Longdendale. Before responding to ETQ11, we wish to emphasise a recent legislative change which fundamentally strengthens the approach which must now be taken by statutory undertakers in work that impacts on National Parks and National Landscapes (previously AONBs).

Strengthened duty on public bodies

The Levelling Up and Regeneration Act 2023 (LURA) amended the duty of public bodies with respect to nationally designated landscapes from 'must have regard to their purposes' to 'must seek to further those purposes'. According to Natural England¹ *'The duty to 'seek to further' is an active duty, not a passive one. Any relevant authority must take all reasonable steps to explore how the statutory purposes of the protected landscape can be furthered; the new duty... goes beyond mitigation and like for like measures and replacement... The proposed measures should align with and help to deliver the aims and objectives of the designated landscape's*

¹ <https://infrastructure.planninginspectorate.gov.uk/wp-content/ipc/uploads/projects/TR010062/TR010062-002418-Natural%20England.pdf>
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statutory management plan.’ A legal opinion from Alex Shattock at Landmark Chambers², sought by CNP, echoes Natural England’s view.

The strengthened duty imposes on both OfGEM and transmission operators (TOs) a more onerous requirement than existed previously. It applies to all functions of the statutory bodies, not just to those covered by the Town and Country Planning system. It is not enough for decisions and actions to not conflict with those purposes. The public body must explore all reasonable steps to seek to further the statutory purposes through an outcome based approach.

Natural England invokes the achievement of measures in the designated landscapes statutory management plan as one of the ways the new duty may be realised. For example, the PDNP Management Plan³ aims include (i) reducing signage and overhead wires and removing eyesores; (ii) encouraging a sustainable visitor economy that supports local businesses, cares for the National Park's special qualities and respects the well-being of local communities; and (iii) promoting a flourishing economy in accord with nature recovery and climate change mitigation. By contributing to these outcomes through the VIP project both OfGEM and National Grid would seek to further National Park purposes as required by the LURA duty.

ETQ11. What are your views on retaining funding to support mitigation projects that reduce the visual impacts of existing infrastructure in designated areas?

It is essential, if OfGEM and the TOs are to meet their LURA duty, that funding for mitigation of existing overhead transmission lines is retained.

(a) The VIP project has been successful, both in removing intrusive pylons and overhead lines and reducing their impact through the LEI. Peak East is a good example of the former. It was a model project which created a new enhanced eastern gateway to the Peak District National Park, welcomed by Barnsley Council and the PDNPA, and generated an 18% net gain in biodiversity. The economy of National Parks largely depends on visitors’ enjoyment of its natural beauty, wildlife and cultural heritage. Enhancements to those characteristics increase people’s enjoyment and understanding of the importance of National Parks.

(b) The VIP project also provides extremely good value for money. Out of each household’s average annual electricity bill, £20 goes to National Grid largely to invest in the network and for day to day running. Only 1% of this £20 part of the bill⁴, or 20p, supports incentives to provide

² <https://infrastructure.planninginspectorate.gov.uk/wp-content/ipc/uploads/projects/TR010062/TR010062-002426-Campaign%20for%20National%20Parks.pdf>

³ <https://reports.peakdistrict.gov.uk/nmp2023/docs/aims-and-objectives/aim-three-welcoming-place.html>

⁴ Understanding the consumer bill – Electricity Transmission Calculation methodology – 2022/23 bill November 2023

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additional benefits to consumers, which include the VIP. We understand that rapid grid expansion will result in an increase to an average of £9bn/yr grid investment over the period 2030 — 2050, leading to an increase in grid charges of nearly 50% over that period⁵. Even so, grid charges will remain a relatively small percentage (5%) of household energy bills. A small charge per customer, which is cumulatively significant for the VIP project, could be subsumed into that grid charge.

(c) The VIP has allowed National Grid to develop its skills and approach towards undergrounding of high voltage electricity lines, landscape enhancement and community engagement. An immense amount of work has been undertaken during the last decade to understand the landscape impact of the overhead lines in designated landscapes. To not use it would waste a most valuable investment. National Grid was most responsive to community concerns during the development of Peak East e.g. moving the location of the substation to benefit biodiversity.

(d) One of the four outcomes⁶ against which TOs performance will be measured is facilitating ‘a low-cost, environmentally sustainable, low carbon energy system that enables the transition to net zero, with infrastructure built at pace’. Decarbonisation of energy systems is crucial. However, the wider environment including landscape and the nature crisis should also be reflected in the ‘environmentally sustainable’ outputs to achieve this outcome.

Willingness to Pay (WTP) assessment

Previous WTP studies undertaken for RIIO-T2 indicated strong support for the VIP project from consumers. Two thirds of bill-payers (66%) found it acceptable for its cost to be passed on to consumers, while only one in seven (15%) found it unacceptable (VIP Acceptability, Accent, 2018). An updated Willingness To Pay (WTP) assessment is essential in view of the changed environment for the energy sector with higher prices imposed on consumers. However, it is unreasonable to expect the TOs to seek the views of local communities whilst doing the WTP study. This would be an onerous burden, given the number of potential VIP projects; could raise concerns within local communities before TOs had had a chance to engage effectively with them; and would be a waste of time for candidate schemes that were rejected. The WTP should be a strategic study undertaken at a national level.

Supply chain issues

The consultation refers to the potential risk of the VIP project exacerbating supply chain issues. This risk covers a suite of potential problems from material supplies to practical skills within the

⁵ Energy Transition Outlook UK 2024, a national forecast to 2050’ DNV, February 2024

⁶ Future Systems and Network Regulation Core Document, OfGEM, November 2023



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energy sector, and procurement that demonstrates carbon responsibility through suppliers with robust decarbonisation targets. These issues have long concerned the energy sector and National Grid is addressing them (Sustainable Supply Chain, National Grid, 2022 and the Great Grid Upgrade Partnership, 2023⁷).

In conclusion, we strongly urge OfGEM to continue in RIIO-3 funding stream incentives directed towards reducing the visual impact of the transmission network.

Yours sincerely,

Anne Robinson
Campaigner

⁷ [National Grid seeking supply chain partners for Great Grid Upgrade Partnership | National Grid Group](#)
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