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Introduction

Plantlife stands as a voice for wild plants and fungi – the unsung heroes of our ecosystems. For over three decades, we've worked tirelessly to rescue threatened habitats, from the vanishing wildflower meadows that once painted our countryside to the fragile remnants of Britain's temperate rainforests. Our work is rooted in science, delivered by experts, and powered by over 20,000 members and 2,400 volunteers who share our passion for a greener future.

Across the UK, approaches to biodiversity uplift are evolving rapidly. England has introduced mandatory Biodiversity Net Gain (BNG) as a central tool for environmental recovery, Scotland is following suit with voluntary BNG, and in Wales, government is exploring how a Net Benefit for Biodiversity approach could best be applied. Underpinning these initiatives is a growing recognition that ecological damage must not only be minimised but actively compensated for — reflecting the 'polluter pays' principle that is steadily moving up the policy and business agenda.

Plantlife is well placed to support this transition. With decades of experience and a proven track record, we combine technical rigour – from baseline ecological surveys to Habitat Management and Monitoring Plans (HMMPs) – with on-the-ground delivery that creates lasting change. Our landmark partnership with National Highways, which restored species-rich grasslands and delivered more than 600 Biodiversity Units, illustrates how transparent, science-led approaches can generate genuine, long-term benefits for nature. That same expertise can help ensure that whichever framework is used – mandatory, voluntary, or emerging – biodiversity outcomes remain credible, measurable, and ambitious.

Plantlife occupies a unique role in this landscape. As one of the few charities designated as a Responsible Body for Conservation Covenants under the Environment Act 2021, we don't just advocate for high standards; we help enforce them. Every habitat bank we oversee is subject to ecological and financial due diligence, with binding protections secured through conservation covenants so that gains endure for generations. In Scotland, Plantlife also has the power to create Conservation Burdens under Scottish law, providing a parallel mechanism to guarantee long-term protection and delivery of biodiversity outcomes.

But BNG is more than a metric – it's an opportunity to rebuild natural resilience. Through our work with farmers, infrastructure providers, and communities, we've seen how well-designed schemes can lock in benefits far beyond biodiversity: carbon storage, flood mitigation, and spaces where people and nature reconnect. This consultation comes at a pivotal moment, and we're pleased to share lessons from the frontline of habitat recovery – and ideas to ensure BNG delivers on its promise.

Plantlife Combined Response to OVQ2 ETQ9. ETQ11

OVQ2: *Do you agree with our proposed position on the Environmental Action Plan and Annual Environmental Report ODI-R for RIIO-3?*

ETQ9. *What are your views on our consultation positions for the TOs' EAP commitments in RIIO-ET3?*

ETQ11. *Do you have any views on our proposed approach to biodiversity funding, notably whether it is appropriate or not for consumers to fund biodiversity outputs beyond legislative requirements?*

Introduction: The Nature and Climate Crisis: RIIO-ET3 Is Not Meeting the Moment

Plantlife welcomes this consultation as a vital opportunity to align the energy transition with the UK's ambitious climate and nature goals. We appreciate Ofgem's challenging role in balancing consumer costs with strategic environmental outcomes and offer this response in a constructive spirit to help shape a regulatory framework that enables both.

This response addresses the common themes across consultation questions OVQ2, ETQ9, and ETQ11 regarding Ofgem's draft position to not support a suite of critical biodiversity programmes. These programmes are:

1. **Biodiversity Net Gain (BNG) on Permitted Development (PD)** (proposed by National Grid)
2. **Marine Restoration and location-specific species work** (proposed by SHET)
3. **Temperate Rainforest Restoration within the LEI** (originally proposed by Ofgem)

Hereafter, the latter two will be referred to as the '**Biodiversity Programmes**'.

We are deeply concerned that Ofgem's current RIIO-ET3 draft determinations fail to meet the scale and urgency of the climate and ecological crises. This is exemplified by the collective rejection of these critical environmental measures, which we believe represents a significant missed opportunity and is misaligned with the strategic direction of UK environmental policy.

As Ministers McCarthy and Creagh have powerfully stated:

"Climate change and biodiversity loss are among the greatest challenges of our time. They are deeply interconnected, and so too must be our response. The United Kingdom...is committed to delivering ambitious, coherent action that addresses these challenges – because it's the right choice for today and for future generations." (DEFRA & DESNZ, 2025)

We strongly support this integrated vision. The energy transition presents a unique, one-time opportunity to deliver clean power and meaningful nature recovery in parallel. Realising this opportunity requires comprehensive and coherent approaches, not a framework that leaves large categories of development without a requirement to address their ecological impact such as PD.

We urge Ofgem to reconsider its current position and adopt a more ambitious interpretation of its duties to ensure the energy sector plays its full part in delivering a net-zero, nature-positive future.

This response will demonstrate that:

- A **robust legal duty** exists to facilitate the funding of PD and the Biodiversity Programmes.
- The programmes are **essential** for meeting national and international commitments.
- They can be delivered at **minimal cost to the consumer** while offering **maximal environmental and economic gains**.
- Their rejection creates significant risk – legally, socially, and environmentally.

1. Permitted Development (PD) - The Cumulative Impact Loophole

Ofgem justifies its position by stating that the 10% Biodiversity Net Gain (BNG) requirement for major projects is an improvement over the status quo and thus fulfils its environmental duties. This logic concludes there is no need to approve additional voluntary initiatives—such as those for PD or strategic Biodiversity Programmes.

This reasoning incorrectly assumes that "better than before" is synonymous with "good enough". It is not. Partial progress is not policy coherence. The interconnected climate and biodiversity crises demand comprehensive, systems-level thinking, not a piecemeal approach.

The draft determination creates a dangerous loophole by exempting PD from BNG requirements. This fundamentally misjudges ecological reality. While individual PD projects may be small, their cumulative impact is devastating. A single substation extension may seem insignificant, but dozens or hundreds or thousands of such projects collectively fracture ecological networks at a landscape scale, leading to:

- **Habitat Fragmentation and Degradation:** The incremental erosion and disconnection of ecosystems that are critical for supporting biodiversity, sequestering carbon, and building climate resilience.
- **Loss of Ecosystem Services:** Degraded habitats provide diminished services—including carbon storage, water retention, pollination, and natural pest control—increasing long-term ecological and societal costs.
- **Loss of Public Trust:** This exemption risks eroding confidence in the green energy transition and the UK's commitment to environmental leadership.

Ultimately, a coherent national policy cannot be built on selective application. **Exempting PD creates a two-tier system that ignores cumulative damage and contradicts the UK's core biodiversity goals.** Furthermore, it sets a **damaging precedent** that could trigger a race to the bottom in environmental standards across other sectors.

This regressive approach is inconsistent with Ofgem's own history of environmental leadership¹ and creates an unfair regulatory dichotomy. This is starkly evident when comparing the treatment of Transmission Operators (TOs) with that of Gas Distribution Networks (GDNs)². For GDNs, Ofgem's framework explicitly encourages:

¹ OFEM, over a decade ago was encouraging the use of wider environment goals and the collaboration with biodiversity experts and NGOs.

² Ofgem's response on gas is more nuance than on National Grid: *'We also propose that the GDNs collaborate with biodiversity experts, charities and consultants when preparing their AERs. We agree with the environmental group*

- Collaboration with biodiversity experts and NGOs,
- Pursuing ambitious BNG projects that exceed business-as-usual, and
- Leveraging local insights to enhance outcomes.

By imposing a restrictive, minimal-compliance model on TOs while endorsing a progressive, partnership-based model for GDNs, Ofgem is enforcing a double standard that stifles environmental ambition in the electricity transmission sector.

2. **Direct & Evidence-Based: Ofgem's "Challenging" Justification Contradicted by RIIO-ET2 Evidence of Success.**

Ofgem's assertion that delivering BNG on PD and other Biodiversity Programmes would be "*challenging, irrespective of additional commitments*" is not supported by the evidence. On the contrary, the proven track record from RIIO-ET2 demonstrates that TOs are not only capable but are already successfully delivering significant statutory and non-statutory biodiversity enhancements.

The lessons from this success provide a clear and actionable blueprint for RIIO-ET3, proving that the challenge is not one of feasibility, but of policy enablement:

- **Proven Capacity & Expertise:** TOs have a documented history of successfully implementing complex habitat creation, species protection, and long-term ecological monitoring. This existing expertise confirms that scaling up ambition to include PD and Biodiversity Programmes is not only feasible but is a necessary evolution to meet legally binding environmental targets.
- **Strategic Cost Efficiency:** A holistic approach that integrates BNG across all projects—including PD—is the most cost-effective model. It allows for strategic planning and economies of scale, avoiding the higher costs and inefficiency of fragmented, retrofitted solutions. This ensures maximum ecological impact for every pound spent.
- **Proactive Risk Management:** Embedding BNG from the outset is a fundamental principle of sound project management. It enables TOs to identify and mitigate ecological risks early, minimising habitat disruption and securing more resilient, long-term outcomes for nature.
- **Ensuring Planning Consent and Timely Delivery:** As TOs have indicated, access to pipeline development funding is critical. It enables them to secure offsite biodiversity enhancement schemes in advance, ensuring they are available to meet the specific location, timing, and habitat-type requirements of projects as they are consented. This proactive approach is a fundamental part of responsible project management, as it significantly reduces the risk that a lack of appropriate compensation schemes causes costly delays to planning consent timescales and ultimately, network build-out.

that the GDNs could go beyond their proposed projects and BAU activities to support BNG in RIIO-GD3. Engaging with biodiversity specialists will provide valuable insights into local biodiversity priorities, ensure projects are ambitious and encourage GDNs to identify additional, impactful opportunities to enhance biodiversity within the communities they serve'.

This capability would be further enhanced by actively encouraging partnerships with NGOs—a practice many TOs are already pioneering. Such collaboration provides access to specialised skills, ensures public trust, and delivers better value for money. Rather than framing these essential biodiversity commitments as a constraint, Ofgem should recognise them as a strategic opportunity. By enabling greater cooperation, Ofgem can foster a policy environment where nature recovery is seamlessly embedded, financially efficient, and fully aligned with the UK’s climate and biodiversity statutory duties.

3. Negligible Cost, Substantial Return: The Consumer Case for Comprehensive Biodiversity Funding

It is critical to underscore that the **consumer cost of extending BNG to PD and funding the Biodiversity Programmes is projected to be negligible**. Transmission Operators themselves have confirmed to us that the additional costs involved are minimal when set against their overall capital expenditure. When distributed across the entire consumer base and amortised over the price control period, the impact on household bills will amount to mere pence per year, if that. Independent assessments and regulatory modelling of comparable programmes have consistently shown that such marginal costs are outweighed many times over by the benefits delivered.

This vanishingly small investment stands in stark contrast to the substantial and unavoidable future costs consumers will face if nature continues to degrade — including increased flooding, higher water treatment requirements, and escalating infrastructure damage. In this context, extending BNG represents not just good environmental stewardship but sound economic sense, protecting consumers from far greater costs in the long run

The suggestion that consumers are unwilling to support investment in biodiversity is not supported by robust and recent evidence of public priorities. On the contrary, **a clear body of research demonstrates strong public endorsement for funding nature recovery:**

- **Consumer priorities:** National Grid Energy Transmission’s September 2024 research³ shows that, after network reliability and cost, **protecting and improving wildlife and natural environments is the public’s next highest priority**, above reducing emissions or minimizing visual impacts. Excluding BNG from PD is therefore misaligned with clear, recent, sector-specific public opinion.
- **Willingness to pay:** Studies show consumers actively support environmental action. For example, a 2022 Defra study found participants were willing to pay several hundred pounds per household per year for biodiversity improvements⁴. Social research also indicates⁵:
 - 92% of consumers trust brands that act responsibly toward the environment.
 - 55% are willing to pay more for eco-friendly services.
 - 88% show stronger loyalty to companies supporting environmental causes.

³ <https://www.riiot3.nationalgrid.com/document/30096/download>

⁴ [Valuing the Benefits of Species Recovery in England - BE01124](#)

⁵ [Do Consumers Prefer Sustainable Businesses and Products?](#)

- **Broader public concern:** ONS (2024)⁶ reported 57% of UK adults rank climate and environment among top national issues. Natural England (2024)⁷ found 90% of adults are concerned about environmental threats, with 70% in 2025 advocating stronger action to prevent species loss.
- **Economic and societal benefits:** Savanta research (2024)⁸ found 66% of UK adults consider nature fundamental to economic growth, supporting investments in nature-friendly farming, habitat restoration, and stronger regulation of environmental harm. YouGov (2024)⁹ showed 83% support rewilding initiatives and 75% believe politicians should do more to reverse nature decline.

This collective evidence reveals a powerful and sustained public mandate for accelerated nature recovery.

Overlooking these clear public priorities risks eroding trust and represents a significant missed opportunity to meet the UK's binding climate and biodiversity targets. This is especially critical given that private investment, catalysed by mechanisms like a BNG requirement, is indispensable for closing the UK's multi-billion-pound nature funding gap.

4. Nature-Based Solutions Deliver Tangible, Cost-Saving Value

Biodiversity projects should be viewed not as a simple expense, but as a strategic investment that delivers long-term value through essential nature-based solutions.

We recognise – but reject - Ofgem's concern that funding Biodiversity Programmes and extending BNG to Permitted Development could impose an “*increased cost burden*” on consumers. **However, a broader assessment of value demonstrates that the long-term benefits of this investment—including enhanced ecosystem resilience, significant risk mitigation, and compliance with statutory duties—far outweigh the minimal initial costs.**

The Dasgupta Review¹⁰ established that the UK's economy is fundamentally built upon its natural capital. Funding these programmes is therefore not an expense, but a critical strategic investment that delivers measurable returns and mitigates future risks. The benefits of this investment are extensive and multifaceted:

⁶ [Public and business attitudes to the environment and climate change, Great Britain - Office for National Statistics](#)

⁷ [G6: Environmental attitudes and behaviours](#)

⁸ [New poll shows two-thirds of the public believes nature is fundamental to economic growth, so should the UK Government really be forging ahead at any cost? | The Wildlife Trusts](#)

⁹ [New polling reveals support for rewilding is... | Rewilding Britain](#)

¹⁰ The Dasgupta Review, commissioned by HM Treasury and published in 2021, is a landmark independent, global review on the *Economics of Biodiversity*. Led by Professor Sir Partha Dasgupta. Its core thesis is that biodiversity is a critical form of capital and must be fully integrated into economic and financial decision-making to avoid severe risks to human well-being and economic stability. The review provides the foundational economic rationale for valuing natural capital and investing in biodiversity, making it a pivotal reference for policy. [Final Report - The Economics of Biodiversity: The Dasgupta Review - GOV.UK](#)

- **Climate action:**
 - **Increased carbon sequestration** in restored habitats (species-rich grasslands, peatlands, wetlands, woodlands).
 - **Emission reductions** via intact ecosystems preventing carbon loss.
 - **Flood and drought resilience** through healthy soils and habitats absorbing excess water, reducing downstream flood risk.
- **Stacked ecological co-benefits:**
 - **Pollination support** for agriculture and ecosystems.
 - **Clean air and water** through vegetation filtration and soil health.
 - **Public health gains** via access to biodiverse green spaces.
 - **Agricultural resilience** through improved soil structure, nutrient cycling, and pest control.
- **Long-Term Cost Efficiency:** Nature-based solutions often deliver more durable ecological, social, and economic returns at a lower cost than hard infrastructure. Investing now reduces the future costs passed onto consumers for managing flooding, water treatment, and climate-related infrastructure damage.

We are concerned that the greater burden may ultimately be the long-term economic and social cost of inaction, including the risks associated with further ecosystem degradation and the failure to meet mandatory environmental targets.

Rejecting these programmes is not a prudent cost-saving measure; it is a strategic failure to invest in resilient, nature-positive infrastructure. By refusing to fund this portfolio, Ofgem is not protecting consumers from costs—it is exposing them to the far greater long-term risks and financial liabilities of a degraded environment.

5. Strategic Value & Proportionality: Beyond a Narrow Definition of Cost

Ofgem's position—that valuing beyond-compliance environmental action is "challenging"—overlooks a critical evolution in public policy. The definition of "good value" has fundamentally expanded; it is no longer confined to narrow project-level accounting but is now inextricably linked to delivering national strategic goals and mitigating systemic environmental and economic risks.

This section demonstrates that a proportional and valuable investment is one that directly enables the UK to meet its legally binding environmental targets. When this modern framework is applied, the rejected the Biodiversity Programmes and comprehensive BNG are revealed not as discretionary costs, but as fundamental, high-value investments in the nation's infrastructure resilience and environmental security.

- **"Proportionality" is Defined by Strategic Need, Not Minimal Compliance**

The scale of investment is not meant to be proportional to a narrow view of a project's footprint, but to the scale of the ecological and climate crises themselves. The rejected programmes are proportional because they are precisely what is needed to meet the government's own targets:

- Marine restoration is proportional to the UK's commitment to protect 30% of its seas.
- Temperate rainforest recovery is proportional to the legal duty to halt species decline by 2030.

- Comprehensive BNG is proportional to the Environment Act's biodiversity targets.

These programmes are not "add-ons"; they are essential components of a national strategy. Rejecting them based on a minimal-compliance mindset is itself disproportionate to the scale of the challenge.

- **Fulfilling Statutory Duties Is Good Value**

For public bodies, the most fundamental measure of "good value" is compliance with legal duties. The rejected programmes are not discretionary expenses; they are essential investments that enable Ofgem and TOs to fulfil their explicit obligations under a comprehensive legislative framework, including:

England

- Natural Environment and Rural Communities Act 2006
- Environment Act 2021
- Levelling-Up and Regeneration Act 2023

Wales

- Well-being of Future Generations (Wales) Act 2015
- Environment (Wales) Act 2016
- The Welsh Environment Bill (under consideration by the Senedd)

Scotland

- Nature Conservation (Scotland) Act 2004
- Climate Change (Scotland) Act 2009
- Wildlife and Natural Environment (Scotland) Act 2011

International

- These programmes are indispensable for meeting the **UK's binding international commitments under the Kunming-Montreal Global Biodiversity Framework.**

Consequently, failure to invest constitutes the poorest possible value, actively generating legal, reputational, and financial risk by jeopardising compliance. This inaction represents more than a missed opportunity; it constitutes a clear and present legal liability.

This imperative is a core component of the UK's strategic direction, not an isolated regulatory burden—a point recently underscored by Ministers McCarthy and Creagh: *"Climate change and biodiversity loss are among the greatest challenges of our time... [We are] committed to delivering ambitious, coherent action..."* (DEFRA & DESNZ, 2025)

Ofgem's current draft determination, by exempting these key programmes, creates damaging policy incoherence and directly undermines the "ambitious, coherent action" promised by the government, thereby exposing the regulator and the sector to significant risk.

- **Established Frameworks Exist to Quantify Value**

The assertion that measuring environmental value is "challenging" is not a valid justification for inaction. Sophisticated, standardised tools are already operational and

in use across the sector, effectively removing this perceived barrier and enabling rigorous, evidence-based investment decisions.

- **Ecological Proportionality:** Defra's Biodiversity Metric provides a standardised, quantitative tool to ensure ecological compensation is scientifically proportional to development impact, objectively determining the necessary scale of investment for any project.
- **Economic & Social Valuation:** Natural Capital Accounting and Ecosystem Service Valuation translate ecological benefits—such as carbon sequestration, flood mitigation, and water purification—into clear economic and social terms. This provides a robust, quantifiable business case for strategic programmes, demonstrating their true value and return on investment.
- **Proven Operator Capability:** Crucially, TOs already successfully apply these exact tools in their environmental planning and delivery. This demonstrable, on-the-ground capability proves that valuing and delivering nature recovery is not a theoretical exercise but a current, operational reality.

The framework for confident, value-driven decision-making is not a future prospect—it is already here. Therefore, Ofgem's challenge is not one of measurement, but one of adoption and recognition—embracing the tools and frameworks that already exist to fully account for the value these programmes provide.

6. Investing in Knowledge: Building Expertise for Effective Delivery

Ofgem's concern regarding TO's funding research and internal capability development in biodiversity overlooks a fundamental reality: **expertise is a prerequisite for delivery, not an optional extra.** Without adequate knowledge, TOs cannot ensure their significant environmental investments are effective, efficient, or legally sound.

Building this essential capability does not necessitate vast in-house teams. Instead, it is achieved through strategic partnerships that deliver value and build sector-wide resilience:

- **Accessing Specialist Expertise:** Collaborating with NGOs (e.g., Plantlife, RSPB, Wildlife Trusts) and research institutions allows TOs to leverage world-class knowledge and best practice, ensuring projects are designed using the latest ecological science without the need for permanent internal expansion.
- **Strengthening Sector-Wide Capacity:** These partnerships are mutually reinforcing. They build capacity within specialist environmental organisations, ensuring skills, monitoring expertise, and ecological knowledge are sustained and grown across the sector, benefiting far more than a single project.
- **Ensuring Efficiency and Value for Money:** Adequate expertise is the key to cost-effectiveness. It ensures biodiversity measures are well-targeted, avoids costly design flaws, and maximises measurable environmental benefits per pound spent. The greatest risk to value for money is *under*-investment in the knowledge required to deliver successfully.
- **Guaranteeing Long-Term Performance:** Investment in knowledge ensures TOs can intelligently manage and maintain habitats for the long term, delivering durable outcomes that align with government targets and public expectations across both statutory and voluntary projects.

In short, funding biodiversity expertise is not an overhead but a **critical investment in minimising risk and maximising impact**. It is the essential foundation for ensuring that the sector's environmental spending delivers transparent, proportionate, and legally robust outcomes.

7. A Pragmatic Framework for Funding Certainty and Delivery

The previous sections have established the legal, strategic, and economic case for funding comprehensive biodiversity programmes. To translate this ambition into reality, the regulatory framework must provide funding certainty and flexibility to manage inherent uncertainties, particularly in cost forecasting and varying regional planning requirements.

We strongly support the Transmission Operators' proposal for a pragmatic and flexible approach to cost treatment, which is essential for effective delivery.

- **Provisional Uplift for Budgetary Certainty:** Applying a standard uplift (e.g., 10%) to project budgets for biodiversity enhancement is a prudent and necessary measure. This provides a realistic provisional budget during the initial costing phase, acknowledging the current uncertainty in biodiversity cost forecasting and ensuring projects are not stalled due to a lack of early-stage funding allocation. This proactive approach mitigates financial risk and supports efficient project planning.
- **Assurance for Devolved Ambition: The Critical Case of Scotland:** The regulatory framework must be adaptable to the different legislative landscapes across Great Britain. This is most acute in Scotland, where the National Planning Framework 4 (NPF4) mandates 'significant enhancement' without a defined numerical threshold, unlike the 10% minimum gain in England.

It is imperative that Ofgem provides explicit assurance that where Scottish planning authorities require BNG exceeding 10%, the associated costs will be fully funded under the RIIO-ET3 framework. Failure to provide this assurance would create a significant financial risk for TOs, potentially disincentivising them from pursuing the ambitious enhancements that Scottish policy encourages and that are ecologically necessary. The framework must not punish ambition or create a postcode lottery for nature recovery.

Adopting this flexible and assured approach to cost treatment is not an additional ask but a fundamental prerequisite for enabling Transmission Operators to confidently deliver the ambitious biodiversity outcomes that national and devolved governments demand.

ETQ23

What are your views on our consultation position for the LEI UIOLI in RIIO-ET3?

Plantlife strongly supports the continuation of the Landscape Enhancement Initiative (LEI) but is deeply disappointed by the decision to set aside Ofgem’s own forward-looking proposal to expand the scheme to support temperate rainforest restoration. This represents a significant missed strategic opportunity.

Temperate rainforests are a globally rare, nationally iconic habitat found on the west coasts of Scotland, Wales, and England. They are hotspots for unique and threatened biodiversity, harbouring exceptional assemblages of lichens, bryophytes, and ferns. Despite their status, they are highly fragmented and degraded. Their restoration is not a niche concern but a government-backed priority, explicitly highlighted in national and devolved strategies, including the UK Government’s dedicated *Temperate Rainforest Strategy* and the Scottish Government’s *Strategic approach to restoring and expanding Scotland’s rainforest*¹¹.

Restoring temperate rainforests delivers:

- **Exceptional biodiversity gains** and species recovery in globally rare habitats.
- **Climate benefits** through carbon sequestration and adaptation, supporting the UK’s net-zero targets.
- **Public and political support**, aligning with national and devolved government priorities.
- **Additionality**, since rainforest projects rarely overlap with Biodiversity Net Gain (BNG) or Irreplaceable Habitats (IH), leaving a funding gap that LEI is uniquely placed to fill.

There is clear and compelling momentum for rainforest restoration:

- **Private Investment:** The Wildlife Trusts have launched a **100-year Temperate Rainforest Restoration Programme** in partnership with **Aviva**, aiming to restore approximately **1,755 hectares** of this rare habitat across the British Isles. Aviva contributed one of the largest ever private-sector donations for nature-based solutions in the UK—around £38 million—to fund land acquisition, establishment of new rainforest sites, and long-term management¹².
- **Strong Coalitions & A Clear Funding Gap:** The Alliance for Scotland’s Rainforest (ASR)—a coalition of 24 organisations—provides a ready-made, expert partnership model. However, realising its vision to restore and double this globally important yet critically threatened habitat (only 30,000 hectares remain) by 2045 requires an estimated £500 million. Current funding is too limited and short-term. This has created a critical funding gap where vital restoration projects are stalling. The LEI represents a unique, strategic opportunity to provide the stable, long-term investment needed to bridge this gap and accelerate large-scale recovery.
- **Ofgem’s own proposal** recognised that the LEI could evolve from visual mitigation towards ecological resilience.

Excluding rainforests from LEI on the basis of a “visual mitigation” remit is a missed opportunity. Effective environmental mitigation must also prioritise ecological function, resilience, and biodiversity outcomes.

¹¹ [The Scottish Government’s strategic approach to restoring and expanding Scotland’s rainforest](#)

¹² [Temperate Rainforest Restoration | The Wildlife Trusts](#)

Plantlife, as a founding member of the Alliance for Scotland's Rainforest and a leading expert organisation in habitat restoration, is ideally positioned to coordinate delivery for the transmission sector. To ensure a simple, efficient, and high-impact approach, **we propose the establishment of a centralised Rainforest Restoration Fund** and would welcome a discussion about Plantlife's potential role in managing this.

This would operate through a Pooled Fund & Collaborative Governance Model:

- **Pooled Fund:** Each TO would contribute a proportionate share to a central fund managed by Plantlife, creating economies of scale and ensuring resources are directed to the most strategic, high-priority projects across the transmission corridor.
- **Joint Steering Group:** A dedicated steering group, with representation from each TO, OFGEM and Plantlife, would provide strategic oversight, ensure robust governance, and guarantee that spending is transparent, collaborative, and aligned with both ecological and regulatory priorities.

This mechanism offers a turnkey solution for Ofgem and the TOs, providing a transparent, cost-effective, and low-risk pathway to channel LEI resources into large-scale, high-impact temperate rainforest restoration across the west coasts of Scotland, Wales, and England.

Ofgem should reinstate its proposal to expand the LEI by formally including temperate rainforest restoration as an eligible objective. We further recommend that Ofgem endorse the creation of the centralised Rainforest Restoration Fund and Joint Steering Group, with Plantlife coordinating delivery. This decision would ensure the LEI delivers maximum ecological and climate benefits, demonstrate clear sectoral leadership, and fully align the price control with core UK government nature recovery priorities.

Equitable Community Investment Across All Regions: To ensure communities across all transmission areas benefit equitably from the energy transition, the Net Zero Fund (NZF) to align with the parameters of the LEI. Allowing SPT to reallocate its LEI costs to the NZF under the same community-focused objectives would create a consistent and fair approach, ensuring that Scottish communities served by SPT have the same access to direct funding investment for local environmental and community projects as those in other regions. This alignment is a matter of fundamental equity.

SHETQ2

Do you agree with our proposal to reject SHET's marine biodiversity EAP commitments?

No. Plantlife respectfully urges Ofgem to reconsider the proposal to reject Scottish Hydro Electricity Transmission's (SHET) marine biodiversity commitments. We believe this work is a vital investment in environmental stewardship that aligns with strategic net-zero and biodiversity goals. Restoring marine habitats like seagrass is essential for biodiversity and directly supports Scotland's Nature Positive targets, serving as a direct mitigation measure for the environmental impact of essential network upgrades.

Our perspective is based on three key considerations:

1. **A Prudent Regulatory Measure:** This work is a necessary component for meeting planning conditions and offsetting project impacts. It represents a practical mechanism for **Ofgem and SHET to fulfil their Biodiversity Duties** under the legislation mentioned previously by proactively addressing environmental effects associated with infrastructure development.
2. **Significant Carbon and Strategic Benefits:** Seagrass meadows are highly valued habitats. They are effective at carbon sequestration ("blue carbon"), contribute to improved water quality, and provide important nursery grounds for marine life. Supporting their restoration is a strategic investment in natural climate solutions and long-term ecosystem health.
3. **Demonstrable Consumer Value:** The associated cost is minimal for billpayers, particularly when compared to the long-term benefits gained. This initiative helps develop a skilled green workforce, builds valuable restoration capacity for the future, and delivers significant public value through carbon capture and healthier marine ecosystems.

We are concerned that rejecting this proposal could inadvertently make it more challenging to meet Scotland's biodiversity goals and represent a missed opportunity to cost-effectively enhance climate resilience.

For further detail on the importance of Ofgem's Biodiversity Duty, strong public support for environmental enhancements, the minimal bill impact, and the cost-effectiveness of these proposals, we refer Ofgem to our full responses to **ETQ11, ETQ9, and OVQ2**.

SHETQ3

Do you agree with our proposal to reject SHET's Species and Habitat UIOLI?

No. Plantlife strongly disagrees with the proposal to reject the Species and Habitat UIOLI. This fund is a vital and necessary mechanism to mitigate the ecological impact of essential network infrastructure on Scotland's most fragile habitats and its unique plant diversity. It represents a strategic investment for Ofgem and SHET to fulfil their legal biodiversity duties, as previously highlighted, and is essential for building the ecological connectivity and resilience required to meet binding national nature targets.

Our position is based on four key reasons:

1. **Essential for Meeting Legal Targets:** This fund is a direct delivery mechanism for Scotland's legally binding targets toon Biodiversity. Without strategic investment in restoring important habitat and species—these targets risk becoming unattainable aspirations.
2. **Fills a Critical Funding Gap:** Standard mechanisms like BNG often fail to value the restoration of certain habitats and species. This fund is crucial for projects that fall through these gaps, ensuring the recovery of Scotland's most threatened habitats, which are vital for carbon storage, water regulation, and supporting pollinators.
3. **Invests in Natural Climate Solutions:** Plant-rich habitats are powerful climate buffers. Sphagnum-dominated peatlands are the UK's largest carbon store. Species-rich grasslands sequester carbon in their soils. Restored heathlands are more resilient to wildfires. This fund directly supports Ofgem's Net Zero duty by investing in these natural solutions, preventing degraded landscapes from emitting carbon and eroding.
4. **Enables a Strategic, Landscape-Scale Approach:** Linear infrastructure can fragment habitats. This fund allows for a proactive, landscape-scale view to enhance ecological networks across Scotland, enabling plant species adaptation and dispersal in the face of climate change. It funds high-value ecological projects that narrow, compliance-driven metrics miss.

Rejecting this proposal would undermine Scotland's biodiversity and climate goals, represent a missed opportunity for strategic environmental investment, and jeopardise the ability of Ofgem and SHET to meet their statutory obligations.

For further detail on the importance of Ofgem's Biodiversity Duty, strong public support, the negligible bill impact, and the cost-effectiveness of these measures, we direct Ofgem to our full responses to **ETQ11, ETQ9, and OVQ2**.