

**Ofgem consultation: RIIO-2 Visual Impact Mitigation Re-opener Draft
Determination: National Grid Electricity Transmission's Cotswolds VIP Project
A CPRE response
April 2026**

Introduction

This is a joint submission by the Campaign to Protect Rural England (CPRE) and its county branch, CPRE Gloucestershire, within whose area the Cotswold VIP Project falls. Now in our centenary year, CPRE stands up for the countryside, celebrates its value, and promotes solutions to protect and regenerate it – now and for future generations.

CPRE nationally has had a long involvement with visual impact mitigation projects: campaigning for the establishment of the transmission visual impact mitigation funding in RIIO-1; as a member of National Grid's VIP Stakeholder Advisory Group since its inception; and our local branches, of which CPRE Gloucestershire is the one covering the area affected by the project, have had a key role in local stakeholder groups advising on VIP project development and delivery (Peak East, Wessex Downs and Cotswolds).

Having weighed the arguments carefully, **we disagree** with Ofgem's assessment of National Grid Electricity Transmission's (NGET) visual impact mitigation re-opener application for its Cotswolds VIP project and the proposed decision (draft determination) to reject their application.

Summary

CPRE believes rejecting the scheme will:

- **perpetuate significant landscape damage in a key National Landscape;**
- **undermine the social licence needed to deliver the 'great grid upgrade';**
- **leaves consumers paying for the significant abortive costs of the scheme development (with no benefits delivered); and**
- **disregards strengthened legislative duties in respect of National Landscapes.**

We concur with NGET that the scheme would be strategic enabler of future major infrastructure projects to enable the transition to net zero, rather than undermining it.

We also find that cost efficiency arguments made by Ofgem are overstated and unsubstantiated. Wider benefits to landscape, environment, health and wellbeing and promoting social licence for grid infrastructure have not been properly weighed in the balance. No evidence has been shown that this VIP project would divert resources away from net zero goals or have a significant impact on pace of delivery.

We are clear that the opposite is true: monies spent on enhanced environmental mitigation is in the wider national interest. The current draft determination to reject the

scheme - by taking a 'lowest cost' approach to new electricity transmission infrastructure – is instead counterproductive to delivering a faster transition to clean power.

We expand on these points below.

1. The landscape benefits of the scheme

CPRE fully concurs with NGET's statement that the scheme will 'deliver a substantial and enduring improvement to the nationally protected setting of the Cotswolds landscape through the removal of the overhead line section'.

CPRE Gloucestershire, who were local stakeholders in the development of the project proposal, are clear that the area to be enhanced by the Cotswold VIP Project is a highly sensitive part of the designated Cotswolds National Landscape (formerly the Cotswolds AONB). It includes Cleeve Common, a large area of public land bordering the Cotswold escarpment above Cheltenham which is widely used for recreational purposes, and a section of the Cotswold Way, a National Trail, as well as other rights of way. The present overhead powerlines (OHL) are a very visible and detracting feature of the landscape. Undergrounding of these powerlines would have great environmental benefit and is why, in consultation with the national and local stakeholder groups, this section of OHL was proposed for removal.

If the scheme is rejected by Ofgem and the upgrade of the line completed largely on a like-for-like basis, significant landscape impacts of the OHL on the Cotswolds National Landscape will persist for another 30-40 years at least, damaging local views, tranquillity and tourism.

2. Impact on stakeholding and wider social licence

NGET has been working with the local stakeholder group over many years; the group – including CPRE – helping make the selection of this part of the Cotswolds Natural Landscape as the focus for the visual mitigation. Once the project area had been defined and agreed, extensive work was undertaken to develop detailed project proposals and plans. Landowners and local authorities were consulted and the necessary planning consents obtained. There is therefore a strong democratic mandate for the works, with a clear understanding that the long-term benefits outweigh the costs and temporary disruption. We do not have access to the significant costs to NGET and others of the work already undertaken but, should the project not go ahead, it will have been wasted. These significant abortive costs will in any case be passed on to bill payers but with absolutely no benefits provided in return. At the very least, this is politically damaging and runs counter to a series of 'willingness to pay' (WTP) studies that consistently show a strong preference on the part of a majority of customers for a very small part of their electricity bill to be spent on visual mitigation of existing electricity transmission lines in our finest landscapes.

Ofgem claim that the project is no longer affordable and that it no longer represents value for money. Since the benefit is environmental, we challenge the assertion that it is no longer value for money, an assertion for which Ofgem does not offer any justification. We are clear that a narrowly viewed cost benefit analysis, even gauged through WTP calculations, does not properly reflect the full value of direct benefits, nor wider, intangible benefits relating to tourism, local skills and the rural (business) economy.

Funding for the project was allocated in the NGET Business Plan, which was approved after widespread national consultation. It would therefore be hugely damaging for the Cotswold VIP Project to be cancelled at this late stage. Given that it was to be part of a wider upgrading of this transmission system (meeting tCSNP criteria), a once-in-a-lifetime opportunity to achieve significant visual improvement in a highly sensitive protected landscape will be missed. It would signal a serious lack of national commitment to landscape improvement opportunities and lead to loss of confidence in the government's wider commitment to UK-wide environmental plans and targets.

It is widely acknowledged that a lack of social licence in relation to the current 'great grid upgrade' jeopardises the speedy delivery of the UK's transition to clean power. Many rural communities are dissatisfied with a 'lowest cost' approach, where grid infrastructure solutions are imposed and 'done to them' rather than 'done with them'. NGET's approach to community engagement for VIP projects has been exemplary in avoiding these pitfalls – taking people along with them, both by the quality of engagement and their responsiveness to local circumstances and by providing much needed landscape and environmental mitigation, including high levels of net biodiversity gain.

This explains the local and national support for such mitigation projects and sets a standard for engagement that will be necessary to replicate in their 'great grid projects' delivered through RII0-3. To abort this project now flies in the face of this key learning experience which will help enable a faster and greener transition to net zero, in terms of the roll out of major grid infrastructure.

3. Disregard of statutory duties under the Levelling Up and Regeneration Act 2023 (LURA)

The original establishment of the visual mitigation funding was in part to satisfy legislative duties of statutory undertakers to 'have regard' to National Parks and Areas of Outstanding Natural Beauty (AONBs, now National Landscapes). This duty has been strengthened in the 2023 LURA (now 'to further the purposes of Protected Landscapes'), making this draft determination appear perverse.

4. The value of the project in helping overall delivery of net zero

NGET have stated their view that delivering the Cotswold VIP scheme is a strategic enabler of their future programme of works, including those in the 'great grid upgrade' – by ensuring, *inter alia*, that 'it is also positioned to play a foundational role in developing NGET's external supply chain readiness for a significant ramp-up in underground cabling activity expected in the future' (NGET Cotswolds VIP Project Visual Impact Mitigation Re-Opener Submission, May 2025, see para. 7.1.2, p.82).

We fail to understand why Ofgem asserts otherwise (see for example draft determination (DD) document, para.3.5, p.18), without evidence and contrary to the applicant – a highly experienced transmission operator. Undergrounding will continue to be a key solution in the 'great grid upgrade' and we have made clear that its increased deployment (outside of

designated landscape; now enabled by National Policy Statement EN-5, para.2.9.14) would be consistent with increased social licence for new transmission networks ‘done well’, expediting their roll out.

We have already stated (see section 2 above) how the VIP projects have also pioneered enhanced stakeholder engagement, another vital new piece in the complex jigsaw of the ‘great grid upgrade’. In our view, based on current experience of new grid roll out, Ofgem’s narrow focus on ‘lowest cost’ (RIIO-3 SSMD ET Annex, para.2.306, bullet 2, p.69) is hugely counterproductive as the mitigations offered are insufficient to properly offset environmental (landscape and nature) harms, in part undermining the willingness of communities to host necessary infrastructure. As the WTP studies indicate, consumers want a ‘greener grid’ and are willing to pay sums that are readily covered by the allocated RIIO-2 VIP expenditure, even in the current economic and energy security climate.

5. Relative cost to consumers

The costs of the scheme have been justified in NGET’s re-opener application, with a well-justified combination of system, tangible and intangible benefits set out in the document. We have alluded above to the recent WTP studies that show – despite the changing economic and energy security impacts on consumer bills – the majority surveyed are willing to pay a little bit more for a greener, less visually impactful grid. The costs of the scheme also need to be put into context in respect of the other components making up UK electricity bills.

Commodity charges (i.e. wholesale costs) make up the major proportion of bills and, due to global market challenges (linked to gas and oil prices), are the main reason for rising bills. Non-commodity charges include network costs (c.23% of electricity bills on average) and policy costs (c.18% of electricity bills), the latter being government environmental and social levies needed to promote renewable energy and help alleviate fuel poverty. Network costs are similarly broken down into distribution, transmission and balancing charges. The latter balancing charges (BSUoS) alone make up c.3% of bills¹ and are currently increasing as network constraints grow, pending new grid infrastructure roll out.

In comparison, the commodity and other non-commodity charge elements dwarf the total allocated cost of VIP funding within RIIO-2 (£465million) and the net costs of the Cotswold scheme (£177million) will be the sole and final claim on this allocation. It is both within the promised allocation and has been shown repeatedly to be within consumers’ willingness-to-pay ‘envelope’, adding a minimal cost in relative terms to future bills.

We therefore ask Ofgem to re-consider its draft determination and allow NGET’s application for this well-justified visual mitigation scheme which is crucial to showing how existing and future grid infrastructure can be ‘done well’.

*Joint submission of CPRE Gloucestershire and CPRE, the countryside charity.
April 2026*

¹ 2024/25 figures taken from NESO’s 2025 Annual Balancing Costs Report, see <https://www.neso.energy/document/362561/download>