

Advice to Ofgem on the valuation of visual amenity as related to transmission lines

As part of our work on the Transmission Price Control project, Ofgem commissioned a review paper from environmental economic consultants, Eftec, to provide advice on the valuation of changes in visual amenity. Eftec's report to Ofgem has now been published on Ofgem's website. The work was focussed particularly on the valuation of visual amenity as related to overhead electricity transmission lines. The terms of reference for the advice are set out below.

Terms of Reference

Ofgem is seeking advice on the treatment of the valuation of visual amenity in order to assist in its current work in developing the price control arrangements to apply to gas and electricity transmission companies in Great Britain.

The work should comprise a short review paper summarising the literature on valuation as it might relate to transmission lines, drawing on literature specifically dealing with transmission lines, and the conclusions that might be drawn from related research.

Issues to be considered should include (but not limited to):

- current/recent research on the value of visual amenity in the context of electricity and gas transmission;
- characterisation/classification and relative valuation of landscape types in GB;
- consideration of willingness to pay surveys etc (in general terms - as an indicator of value, and in specific terms - who pays - beneficiaries or electricity consumers);
- feasibility of developing general transferable tools that could be used in price controls, and an indication of the form these might take;
- any preliminary evidence regarding the order of magnitude of value as compared to the cost of undergrounding or re-routing of transmission lines;
- the feasibility of deriving threshold values for undergrounding based on cost of undergrounding/re-routing
- net environmental values - trade-off of visual v. potential for leakage, interruption etc.
- existing work on the relative value of alternative transmission tower designs; and
- and any other matters that may be considered relevant.