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Office of Gas & Electricity Markets
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By e-mail to TPCR.responses@ofgem.gov.uk

24 July 2006

Dear Mr Hull

Transmission Price Control Review (TPCR): Initial Proposals

Friends of the Lake District welcomes the opportunity to respond to this further consultation on the Transmission Price Control Review. As noted in earlier responses Friends of the Lake District (FLD) is a registered charity, established in 1934, with the objects of protecting and conserving the landscape of the Lake District and Cumbria. We have a long history of involvement in issues concerning powerlines and transmission of electricity.

FLD represents the Campaign for the Protection of Rural England (CPRE) throughout Cumbria and we are also responding on behalf of the CPRE National Office. CPRE is a registered charity with 60,000 members and supporters. It operates as a network of over 200 district groups, a branch in every county, a group in every region and the National Office. Two thousand parish councils and 800 amenity societies are members. This network enables CPRE to campaign both locally and nationally to protect and enhance our landscape heritage for the benefit of all.

FLD welcomes the recognition of environmental issues but the chapter on environmental considerations omits reference to the environmental duties¹ placed on Ofgem and transmission companies to have regard to purposes of National Parks and Areas of Outstanding Natural Beauty (AONBs) when coming to decisions or carrying out activities relating to or affecting land within these designated areas. FLD believes that this statutory duty should be more explicitly recognised.

In response to consultation question 12.1 a specific concern for FLD is the visual intrusion of overhead wires particularly in designated landscape areas i.e. National Parks and AONBs. It is noted in the initial proposal at 12.11 that 'the value of enhancements of visual amenity will vary widely between different classes of customer'. There is no explanation of what 'different classes of customer' means and we wonder what evidence exists to support this view. Obviously there are other environmental considerations but we would argue that the impact on visual amenity

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¹ Section 11A of the 1949 National Parks and Access to the Countryside Act, as amended by Section 62 of the 1995 Environment Act and Section 85 of the Countryside and Rights of Way Act (CRoW) 2000 (for AONBs).



in designated landscape areas will be of critical concern to many consumers and businesses that depend on high quality environment. FLD acknowledges there is a gap in consumer research directly related to transmission lines however the Ofgem consumer research undertaken as part of DPCR4 showed that 89% of consumers find the landscape impacts of overhead lines unacceptable in National Parks and other designated landscape areas. The same is surely likely to be true of transmission lines as the highest visual impacts arise from the high voltage national grid system, rather than lower voltage distribution lines. Thus we are interested in the comment at 12.28 that a review of academic literature on valuing visual amenity indicates that valuation techniques are highly uncertain, give a very wide range of estimates and indicates that the benefits are much greater when they relate to the installation of a new line as compared to the upgrading of an existing line. The net, additional *economic* costs of undergrounding a new line may be greater than when compared to the *economic* costs of undergrounding an existing line as part of upgrading but FLD are unclear how the value of visual amenity improvements following from undergrounding can be any different. Here is an opportunity to conduct an up-to-date survey, which FLD would be happy to help with.

FLD believes that the option of undergrounding a line is often considered too lightly and dismissed without giving real consideration to the option; there may be sections where the overall environmental impact of undergrounding would be less than the landscape impact of the overhead line. The brief environmental impact assessment at appendix 14 hints at this. It is noted that 'around less than 2% of this passing through National Parks and Areas of Outstanding Natural Beauty'. It may be 2% of the overall network but it is 2% travelling through the most beautiful, wild and open spaces this country possesses. In addition the point made at 12.27 is particularly worrying, that is as transmission towers are installed in more remote locations there are fewer people living in close proximity; the inference being therefore that there is less visual dis-amenity. This misses the point that these areas are designated for the Nation for the very reason that they are distinctive landscapes with special qualities deriving in some part from their remoteness and lack of man-made clutter. They have been designated to protect their landscape character including qualities of wildness, freedom and tranquillity. A Countryside Agency study showed that tranquillity is considered to be a significant asset of landscape². Respondents noted that landscape contributed to a feeling of tranquillity because of beautiful scenery and wild landscapes. Views, far horizons, openness, space and remoteness are all important. We can all be assured that these qualities are destroyed by the addition of electricity pylons striding across that landscape. In short the landscape in designated areas is very sensitive and susceptible to change brought about by development. Pylons have detrimental effects to both landscape character and visual amenity (very reasons for designation).

With regard to the other environmental considerations noted, although FLD is not technically competent in this field, we understand that oil-filled cables are an old technology, which cause greater impact and operational difficulty, with greater maintenance costs and risks than XLPE cables. We understand that many transmission companies in Europe (for example in Denmark, Germany and Spain)

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² Understanding tranquillity Research notes CRN 92 March 2005 Countryside Agency



now use cross-linked polyethylene (XPLE) rather than oil filled cables. More local generation and combined heat and power schemes would also reduce electricity losses, though we appreciate this is not directly relevant to this consultation. FLD would agree that an incentive scheme to reduce SF6 should be considered if feasible (question 12.2).

FLD recognises that underground cables are more expensive than overhead lines, though we would wish to see more detailed cost assessments than simple quotes of '15-20 times more expensive' which may exaggerate the differences. In addition the environmental dis-benefits should be more robustly assessed and "charged" to schemes. FLD welcomes Ofgem's environmental work programme objective to understand the scope for quantifying costs and environmental benefits of different forms of transmission investment e.g. overhead line assets as compared to underground cabling and support the intention noted at 12.29 to continue the work to explore the costs and benefits of under-grounding transmission lines in developing Ofgem proposals. It would be helpful for the findings to be shared with all interested parties and for no final decision on the TPCR to be made until this work is completed and published. OFGEM states that transmission charges are a very small percentage of domestic consumers' final electricity bills (3%), so even a small willingness to pay higher bills would translate into resources that could support net increases in undergrounding of higher voltage lines that could make a real difference to valued landscapes.

FLD believes that newer technologies to underground electricity lines should be promoted as they become available. We understand remote drilling and tunnelling technologies are already well established. DC cables offer advantages for long undersea or underground cables. There is also scope to consider lower cost undergrounding within existing transport infrastructure, such as disused railways/cyclepaths or canal towpaths, as has already taken place across the UK. In response to consultation question 12.3 FLD would like to see incentives to encourage technological innovation into alternatives to overhead lines, which provide more cost-effective solutions and cause less impact to the environment, for example, during the construction phase.

Transmission companies ought to consider undergrounding the most intrusive sections of their network when refurbishing the supergrid. Undergrounding new lines and refurbished lines in sensitive landscape areas would reflect the undergrounding of intrusive sections in the 1950s and 1960s when the network was first developed. During the construction of the national grid between the 1950s and the 1970s the (then) Central Electricity Generating Board placed about a dozen significant, rural stretches of high voltage lines underground, where the government minister and/or the Board regarded the environmental circumstances as extenuating. Just as historic opportunities for undergrounding were seized, in the project-planning process, during the construction of the supergrid, so there should be some mechanism to seize the historic opportunity brought with the large-scale refurbishment of the supergrid.

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FLD would reiterate that:

- Price control needs to enable transmission companies to meet their environmental duties effectively. Duties under the 2004 Energy Act, 1989 Electricity Act, 1995 Environment Act and 2000 CRoW Act require action to minimise the net impacts of transmission network on valued landscapes and to achieve demonstrable improvement in these impacts over time
- To meet these duties ought to imply a demonstrable net reduction in the visual impact of overhead transmission networks on designated areas (taken in aggregate) over the price control period
- Reporting system lengths in designated landscape areas is vital, with companies obliged to account for any changes and demonstrate continuous improvement in the treatment of landscape and amenity
- There is a need for much greater transparency in interpreting how transmission operators' investment plans will meet their environmental duties
- Secondary effects and environmental damage caused by a project should be assessed and charged to a project in assessing the different options.

In conclusion FLD believes that the transmission companies must make demonstrable, continuous improvement in the environmental, especially landscape, impacts of their networks, in line with their duties under the relevant Acts. This can be done by supporting and developing cost-effective undergrounding solutions in designated landscape areas, whether for new network developments, or for system refurbishment. In identifying priorities for undergrounding it may be advantageous for all designated areas to work together to identify schemes of greatest value across the UK (rather than assuming that there will be suitable opportunities within each National Park or AONB).

We would like to request a meeting to discuss our views on the TPCR and would hope that a similar roundtable meeting to the one that took place during the DPCR could be organised with FLD and partner organisations such as the Council for National Parks.

FLD hopes that the above response is helpful. Please do not hesitate to contact me should you require clarification of any of the above or any further information.

Yours sincerely

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