

## **Terms of Reference UK Transmission Investment Committee**

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Reference to the “Committee” shall mean the Transmission Investment Committee

Reference to “Transmission” shall mean all Transmission business activities reporting to the Executive Director, Transmission. For the avoidance of doubt, this does not include any business activities relating to Grain LNG or Britned.

Reference to the “TEC” shall mean the Transmission Executive Committee.

### **1. Membership**

1.1 The Committee shall be appointed by the TEC and shall comprise:

Executive Director Transmission  
Finance Director Transmission  
Network Operations Director  
Director of Asset Management  
Commercial Director Transmission  
Director of UK Construction  
UK General Counsel and Company Secretary  
UK Director of Regulation

1.2 The TEC shall appoint the Chairman of the Committee who shall be the Executive Director Transmission, and his/her appointed nominee shall be the Finance Director Transmission. In the absence of the Chairman and his/her appointed nominee to chair the meeting, the remaining members present shall elect a member to chair the meeting.

1.3 If a regular member is unable to attend, he/she may, with the agreement of the Chairman of the Committee, appoint a deputy to attend in his/her place. The deputy shall exercise the full authority of the member, in the Committee.

1.4 The Committee shall be attended (but not as members) by such persons as the members of the Committee may from time to time determine.

### **2. Secretary**

2.1 The Committee will appoint a Secretary to provide the administrative support to enable the Committee to function effectively.

### **3. Quorum**

3.1 The quorum necessary for the transaction of business shall be four. Deputies will count towards a quorate Committee. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested or exercisable by the Committee.

### **4. Frequency of Meetings**

4.1 The Committee shall meet monthly and at such other times as the Chairman of the Committee shall require.

## 5. Notice of Meetings

- 5.1 Meetings of the Committee shall be convened by the Secretary at the request of the Chairman of the Committee
- 5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items and all papers to be discussed, shall be forwarded to each member of the Committee, and any other person required to attend, not less than 2 working days prior to the meeting.

## 6. Operation of Meetings

- 6.1 Agendas will be structured to group items as follows:
  - Items impacting the overall investment plan.
  - IS project approvals including sanctions, resanctions and closures.
  - Electricity project approvals including sanctions, resanctions and closures.
  - Gas project approvals including sanctions, resanctions and closures.
  - Other business for the Committee.
- 6.2 The Chairman should ascertain at the beginning of each meeting, the existence of any conflict of interest. This could include any information being shared which could confer an unfair commercial advantage on any National Grid group business. Any identified instances should be recorded in the minutes and the item either removed from the agenda or those individuals associated with the conflict be asked to leave the meeting for that agenda item. In such cases, the agenda item should be separately minuted and not circulated to the individuals who were asked to leave the meeting.

## 7. Minutes of Meetings

- 7.1 The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- 7.2 Minutes of meetings shall be circulated promptly to all members of the Committee.

## 8. Reports

- 8.1 The Finance Director Transmission shall prepare a monthly report to the TEC.
- 8.2 The Executive Director Transmission shall produce a monthly written report to the National Grid Executive Meeting and to the National Grid Board.
- 8.3 Monthly reports on the UK Transmission investment position will be prepared by Asset Management and provided to the Committee. This is in line with the requirements of the Transmission Investment Sanctioning Procedure.

## 9. Duties

The Committee will provide direction on the development and delivery of UK Transmission capital investment and consider major UK Transmission investments for approval. Within the authorities delegated to it by the TEC, the key tasks of the Committee are to:-

- 9.1 Develop transmission investment strategy for National Grid Executive approval and oversee the development and delivery of the investment plan for UK Transmission in line with this strategy and National Grid's broader business objectives.
- 9.2 Approve and oversee strategies to shape the development and delivery of UK Transmission investment over short term (current year), medium term (up to 5 years) and longer term timescales (5 to 10 years). Strategies will address factors impacting the investment programme such as energy supply developments, customer interaction, procurement, delivery resources etc.
- 9.3 Consider and approve for submission to National Grid Executive, budgets, business plans and quarterly forecasts of UK Transmission investment.
- 9.4 Oversee delivery of the UK Transmission investment plan in line with specific business targets (eg annual capital expenditure, 5 year targets etc).
- 9.5 Review the ongoing investment position against the requirements of National Grid's regulatory settlements for Electricity and Gas Transmission. Oversee the delivery of capex regulatory reporting.
- 9.6 Consider and approve capital and revenue investments for Transmission in accordance with current delegations of authority. This will include investment sanctions, resanctions and customer agreements in line with the requirements of the "Transmission Investment Sanctioning Procedure". This will also include Transmission IS projects greater than £1m in cost that have been considered by the Transmission IS Steering Group.
- 9.7 Where expenditure and other financial commitments are above the authorities delegated to the Committee, make recommendations and agree all papers to be submitted to the National Grid Executive Committee and/or the National Grid Board seeking the necessary approvals.
- 9.8 Approve final completion reports for projects which have been sanctioned by the Committee. (Note - Detailed review of final completion reports can be carried out by the Asset Management Investment Committee chaired by the Director of Asset Management if a summary paper and recommendation are provided to the Committee for approval.)
- 9.9 Where appropriate, request, review and approve Post Investment Appraisals on projects approved by the Committee.
- 9.10 Monitor and approve changes to the Delegations of Authority in respect of investment within UK Transmission.
- 9.11 Consider and approve actions to manage Transmission Owner cost and revenue issues impacting on achievement of financial targets, including but not limited to controllable costs and cost allocation processes.
- 9.12 Consider and approve requests to enter into property leases, on properties where Transmission will pay the majority of the lease.

## 10. Authority

- 10.1 The levels of authority in respect of project approval are in line with current delegations to the Boards of National Grid Electricity Transmission plc and National Grid Gas plc as subsequently delegated to the TEC and the Committee.
- 10.2 The Committee is authorised to delegate any of its powers to a sub-committee or to any individual if it considers it appropriate.