RIIO T1

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RIIO-T1 Implementing competition in onshore electricity transmission

Consultation

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Overview:

This document builds on our March 2011 consultation on providing a greater role for third parties in electricity transmission and sets out the critical path activities to implement as a priority to ensure that the regime is in place by April 2013.

In this document we seek views on the code and licence modifications that would be necessary to recognise new third party Transmission Owners (TOs). We also discuss some issues relating to the proposed selection process.

Our next steps will be to initiate the code and licence modifications in our next consultation in early 2012, which at the same time will present our further thinking on the design of the selection process and the roles and responsibilities of third party TOs. We plan to publish our final decisions on these questions in summer 2012 alongside the initial proposals for our new regulatory framework for electricity and gas, RIIO-T1 and RIIO-GD1.

Associated documents

- Providing a greater role for third parties in electricity transmission – Early thinking, March 2011 http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?file=thirdpartyrole.pdf&refer=Networks/Trans/PriceControls/RIIO-T1/ConRes

- Decision on strategy for the next transmission price control - RIIO-T1, March 2011 http://www.ofgem.gov.uk/Networks/Trans/PriceControls/RIIO-T1/ConRes/Documents1/T1decision.pdf

- Handbook for implementing the RIIO model, October 2010 http://www.ofgem.gov.uk/Networks/rpix20/ConsultDocs/Documents1/RIIO%20handbook.pdf

- RIIO: A new way of regulating energy networks, final decision, October 2010 http://www.ofgem.gov.uk/Networks/rpix20/ConsultDocs/Documents1/Decision%20doc.pdf

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Executive Summary

This document sets out the first steps we will take to put in place a regime allowing third parties a greater role in onshore electricity transmission, as set out in the final decision on the RIIO framework[1]. This means that, for appropriate projects, where we have concerns about the efficiency or value for money of proposals put forward by the incumbent Transmission Owner (TO), we could hold a selection process to choose a party to construct and operate new transmission assets. In March 2011, we set out our initial thoughts on the legislative and regulatory framework together with the process for enabling competition in new onshore infrastructure development. This document responds to the feedback received from stakeholders and sets out the timeline for the next consultations and the implementation of aspects of the new regime. We also seek views on the priority activities to establish the regime, in particular:

- modifying the industry codes (and other key industry documents) to recognise third parties;
- amending existing licences as part of the RIIO process by stipulating the pre-construction outputs that should be delivered by the incumbent TO; and
- clarifying the potential licensing arrangements for third party TOs.

In Spring 2012, we intend to initiate the electricity industry code changes to recognise the potential for new third party TOs. We set out in Chapter 4 and Appendix 2 our initial thinking regarding these changes. We intend for the definitional changes to be initiated first while we consult in more detail on the roles and responsibilities of new TOs. Our findings on this will then feed into the code modification process throughout 2012. National Grid Electricity Transmission plc (NGET), as the administrator of the relevant electricity industry codes, has a key role to play in implementing these changes and has indicated that it is prepared to lead this process. We would welcome stakeholders' views on the proposed modifications in this document.

This consultation also sets out our further thinking on three aspects of the development of a competitive regime. Firstly, we seek views on what pre-construction outputs would be required from the incumbent TO for an effective selection process that maximises benefits to the consumer. Secondly, we present our view that third parties might initially have what could be termed a 'light touch' licence until they are participating in electricity transmission. We seek stakeholders' feedback on these issues. Finally, if an incumbent TO wishes to compete for the construction of an asset, we consider whether any arrangements to separate their bid from their other regulated activities may need to be in place.

[1] OFGEM, RIIO: A new way of regulating energy networks, October 2010
http://www.ofgem.gov.uk/Networks/rpix20/ConsultDocs/Documents1/Decision%20doc.pdf

It is difficult to quantify the expected benefits from a greater third party role, but there is scope for benefits in designing, constructing, financing and operating new transmission assets. The extent to which these benefits are realised will depend on the timing of the selection process, with an earlier process allowing more scope for third parties to submit innovative design proposals. However, there is a trade off with an early selection process presenting more uncertainty for bidders over the definition of the project and the availability of key pre-construction outputs such as planning consents. We seek views from stakeholders on this point.

We would welcome stakeholders' detailed views on these issues by 10 February 2012, as we intend to implement the changes throughout 2012. Next year we will present more detailed thinking on the design of the selection process and commercial arrangements and seek views on these issues.

Our aim is that the regime will be in place by April 2013, the start of the RIIO price control review. This means that, if the circumstances are appropriate, we will be able to instigate a selection process for a project, or specific works on a given project where that project comprises multiple elements, where we had concerns that the plans submitted by the company did not represent good value for consumers. Our development of the framework for competition should not be interpreted as an intention to initiate a competition for particular assets at this stage, nor as an indication that we have concerns about specific proposals put forward by incumbent TOs.

We expect that this regime could potentially apply to any wider reinforcement works for which construction funding has not been awarded to date and is not contained in the licensees' RIIO-T1 baseline proposals. For the avoidance of doubt, projects treated as strategic wider works in our RIIO final proposals could be subject to third party delivery.

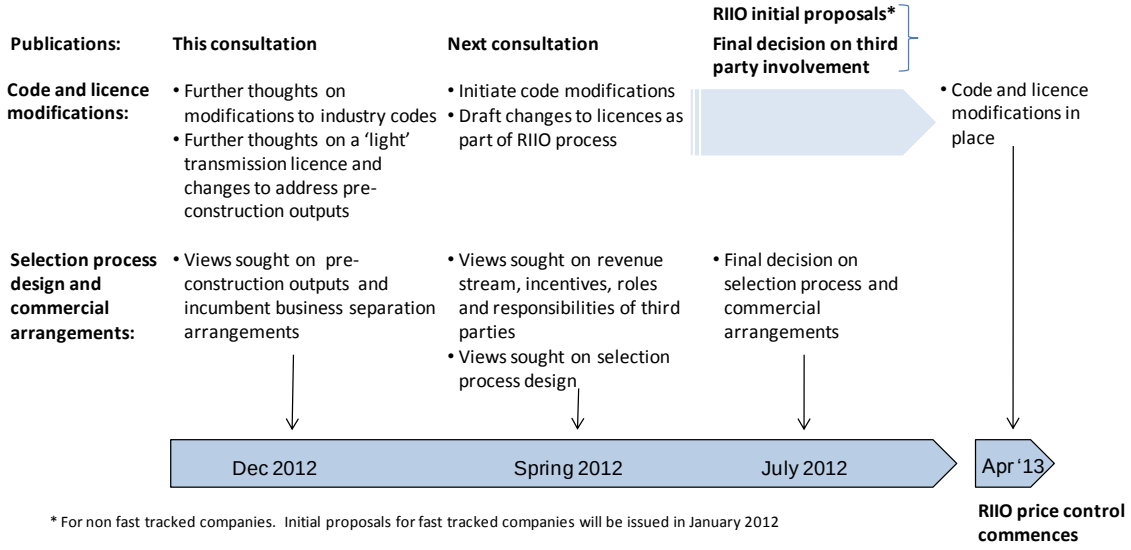
1. Introduction

1.1. The next electricity and gas transmission and gas distribution price controls, RIIO-T1 and RIIO-GD1, will be the first to reflect the new RIIO model. In December 2010, we consulted on our initial strategy for the two price control reviews, and communicated our view that there is a strong case to develop the framework to enable third parties to build, own and operate elements of the electricity transmission network, and that we should work to develop this option for electricity transmission as a priority. Our consultation in March 2011 set out our early thinking in respect of this work.

1.2. Our principal objective is to protect the interests of existing and future consumers. Promoting competition can play a key role in protecting consumer interests. We discuss the potential benefits from greater competition in the next chapter. Competition already plays an important role in the regulation of network companies, both through comparative regulation and at the extremities of the network. In electricity transmission, companies compete to own and operate offshore transmission assets. In distribution, companies compete to install, own and operate extensions to the gas and electricity distribution networks.

1.3. In developing the RIIO framework, we considered whether benefits could be achieved through increasing the role competition plays in network regulation. We concluded that the RIIO framework should increase the role competition plays in three key respects. First, we would expect electricity transmission companies to provide, as part of a well-justified business plan, evidence of efficient procurement. Where we feel a network company has failed to provide robust evidence to support its business plan, we may ask them to supply more evidence, including (potentially) market testing evidence. Finally, we proposed making changes to allow us, in certain circumstances, to consider opening up the delivery of network assets to third parties. This means that, for appropriate projects, where we have concerns about the efficiency or value for money of proposals put forward by the incumbent Transmission Owner (TO), Ofgem could hold a selection process to choose a party to construct and operate new transmission assets. Following our March consultation, this document sets out our further thinking on establishing the regime for this type of competition.

Figure 1: Consultation timeline



1.4. This consultation focuses on the code and licence modifications that will underpin the process for third party involvement in onshore electricity transmission. We plan to start the process to initiate these changes early next year to ensure they are in place for the beginning of the RIIO price control in April 2013. We also present our thoughts on two policy areas: the treatment of pre-construction outputs, and any arrangements to separate the bids of incumbent TOs taking part in the selection process from their other regulated activities.

1.5. Early next year, as well as initiating the process for code and licence modifications, we will seek further views on the design of the selection process and commercial arrangements. This will cover issues such as the revenue stream allowable to third parties, the incentives on third parties and their roles and responsibilities, and relevant European issues. We anticipate that, where appropriate, we will build on the principles set out by the offshore regime[2].

1.6. Our previous consultation set out why we consider electricity transmission to be a priority for the involvement of third parties and the conditions under which the option to involve third parties might be invoked. Some stakeholders noted that there is also potential for the involvement of third parties in other areas, for example local works to enable generator connections. We note this as an area with potential and may consult on the greater involvement of third parties in local works and connections in the future.

[2] Please see the offshore transmission section of our website http://www.ofgem.gov.uk/Networks/offtrans/Pages/Offshoretransmission.aspx

1.7. We would welcome detailed feedback on the questions raised in this consultation, which presents an opportunity to shape policy on third party involvement. We plan to put the regime in place by April 2013. This means that, if the circumstances were appropriate, we would be able to instigate a selection process for a project (or specific works on a given project where that project comprises multiple elements) where we had concerns that the plans submitted by electricity transmission companies did not represent good value for consumers. Our development of the framework for competition should not be interpreted as an intention to initiate a competition for particular assets at this stage, nor as an indication that we have concerns about specific proposals put forward by incumbent TOs.

1.8. We expect that this regime could potentially apply to any wider reinforcement works for which construction funding has not been awarded to date and is not contained in the licensees RIIO-T1 baseline proposals. To clarify, projects treated as strategic wider works in our RIIO final proposals could be subject to third party delivery. Provision of funding for one or more initial phases of these projects does not preclude the possibility of a competitive approach being taken for subsequent phases.

1.9. This consultation begins by responding to stakeholders' requests for more information on the likely benefits from a competitive approach. Our thoughts on these benefits are summarised in Chapter 2. Chapter 3 sets out our proposed modifications to the industry codes and the process for achieving these. In Chapter 4, we set out our thinking regarding the pre-requisites for an effective selection process: the treatment of pre-construction outputs, and the licence changes and possible bid separation arrangements for incumbent TOs. On all these issues, we would welcome detailed stakeholder input so that we can finalise our approach early next year.

2. Likely benefits of competition

Chapter Summary

As set out in our RIIO conclusions document, we intend to use the option to introduce third parties into electricity transmission only when we feel that there are clear benefits to be gained by doing so. These benefits could be through increased innovation, more timely or efficient construction, and lower financing and operating costs. The scope for realising these benefits will partly depend on the design and timing of the selection process. However, experience from the offshore regime suggests that there are potential benefits which could be realised through a competitive approach to appropriate onshore transmission projects.

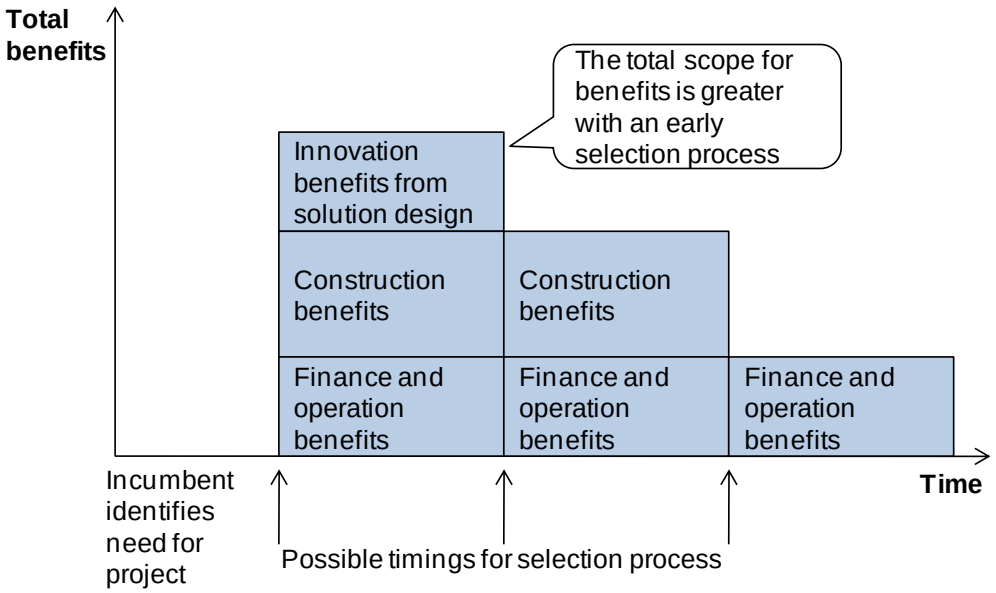
2.1. In our March consultation, we set out why we consider a greater third party role to be a priority for electricity transmission. This focused on the demands of the 2020 and 2050 renewable deployment and carbon abatement targets as drivers for significant investment in electricity transmission. We considered that a number of projects in the future could be potentially suitable for third party delivery according to our criteria:

- the project in question is significant in scale and/or cost
- the project involves assets required for expansion of the network that are not meshed with existing assets, or can be defined in such a way that they are not meshed with existing assets
- giving third parties a greater role in delivery will not pose significant risks to timely delivery, including the timely delivery of emission reduction or renewable targets
- giving third parties a greater role in delivery will not pose significant risks to the safety, security, integrity and quality of energy services
- we can demonstrate the expected potential long-term net benefits
- we are confident that giving third parties ownership of relevant assets will not compromise the legitimate expectations of existing licensees who made investments without knowledge of the possibility of assets potentially being transferred to a third party at a later date
- giving third parties a greater role in delivery will be compliant with domestic and relevant EU legislation, including the third package.

2.2. Depending on how the selection process is designed and when it takes place, there are potential benefits for consumers at different stages. The earlier the

selection process takes place, the greater the scope for overall benefits from the selection process.

Figure 2: Illustrative scope for benefits at different stages of project



2.3. As shown in the diagram above, we consider that there are potential benefits for consumers through reduced network charges through:

- innovation benefits in the design of the network solution
- construction benefits: lower delivery costs and more timely delivery of infrastructure
- finance and operation benefits: lower financing and operating costs.

2.4. The extent to which these benefits are able to be realised will partly depend on the design and timing of the selection process. If a selection process gives third parties the opportunity to contribute to the solution design, there would be scope for innovation which could lower costs. If the selection process is held with a particular solution specified, there is less scope for innovation but third parties could potentially bring savings in construction costs or financing costs. This issue is discussed in more detail in Chapter 4 where we seek views on when the selection process should be held and what level of pre-construction work the incumbent should do.

2.5. Stakeholders have highlighted that in many cases, incumbent TOs already use competitive tendering to select a party to construct new transmission assets which would capture any scope for lower delivery costs offered by third parties. However, a selection process run by Ofgem would open the onshore transmission market to new

entrants with different structures and access to finance and with potentially a lower return on capital requirement. Based on findings from the offshore regime to date, we believe this could potentially be a source of benefits for the consumer.

2.6. Finally, we recognise that there may be cases where an incumbent TO is experiencing significant demand on its resources and where the competitive provision of new assets could actually result in faster delivery than if the incumbent had used its existing resources.

2.7. As an illustration of the benefits available, the offshore regime is forecast to deliver, over 20 years, around £350m of benefits to the consumer relative to an onshore price control approach[3]. These benefits are from competitive tendering for the first transitional tender round (£1.1bn of transmission assets). We anticipate that projects that meet our criteria for competition will have similar characteristics to offshore transmission projects. The National Audit Office (NAO) suggests that competitive tendering can deliver efficiency savings of 10-20% compared to a non-competitive process[4]. This is based on analysis of the benefits of Private Finance Initiative (PFI) projects which compares PFI projects to public bodies procuring under more traditional methods. It must be recognised that the scope for extrapolating these results to electricity transmission may be limited. However, the reasons cited for delivering efficiencies include factors such as better risk allocation, certainty and incentives to deliver or maintain assets which are common to the proposed selection process for onshore electricity transmission.

2.8. We cannot predict at this stage what the benefits would be, but on balance we consider that there will be projects where the overall benefits from a competitive approach make it worthwhile to have in place provisions that will allow a greater third party role. We will only use the option to involve third parties where there is a clear benefit for consumers.

[3] http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?file=AugustOffshorePressNotice.pdf&refer=Media/PressRel

[4] For further discussion see http://www.berr.gov.uk/files/file50576.pdf

3. Changes to industry codes

Chapter Summary

In order to ensure the required modifications to the industry codes are in place by April 2013, we intend to follow a two-phase process. First, the simple definitional changes to the System Operator-Transmission Owner Code (STC) will be raised in early 2012 by National Grid Electricity Transmission plc (NGET) whilst we consult on the roles and responsibilities of third party TOs. Secondly, our conclusions on roles and responsibilities will be fed into the modification process for the STC and, subsequently, the other codes and industry documents.

We would welcome stakeholders' views on the modifications proposed in Appendix 2 and the process for raising these.

Question 1: Do stakeholders consider that we have correctly identified the changes to industry codes that would be required to enable third party involvement in onshore electricity transmission?

Question 2: Do stakeholders have any comments on the changes proposed to the industry codes in Appendix 2?

Question 3: Do stakeholders have further comments on the proposed process and timetable for enabling the industry code modifications?

Introduction to changes proposed to the existing framework

3.1. The industry codes set out the contractual obligations and relationships that underpin participation in the electricity industry. With the potential introduction of new third party licensees, we want to ensure that they are fit for purpose. In our last consultation, we set out our early thinking on the modifications that are likely to be required to each of the codes (and other key industry documents).

- System Operator-Transmission Owner Code (STC): definitional changes to ensure the code's applicability to new transmission licensees. The existing provisions (related to governance, transmission services, planning, payments and billing, communications and dispute resolution) are relatively generic and we consider it likely they will be equally applicable to new as well as existing licensees.

- National Electricity Transmission System Security and Quality of Supply Standard (NETS SQSS or SQSS): within the SQSS there are a number of specific references to NGET, SP Transmission Limited (SPTL) and Scottish Hydro Electric Transmission Limited (SHETL) which largely relate to the areas in which they operate and the differences in terms of technical specification of their respective assets. Our current thinking is that these provisions would not need to be amended. However, some minor changes to the existing

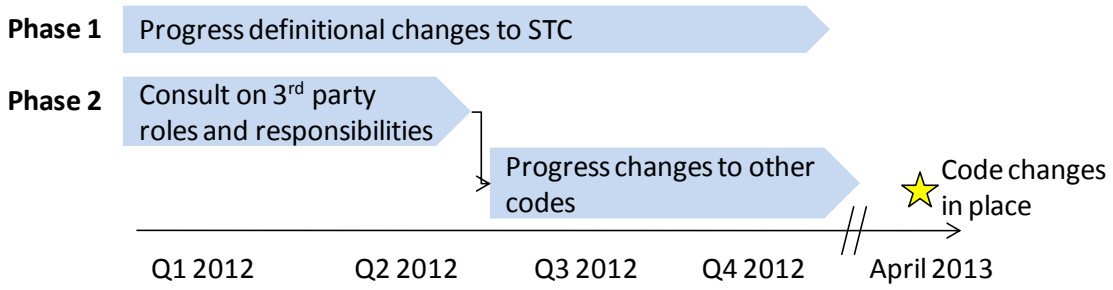
definitions may be needed to ensure that the SQSS is applicable to new electricity transmission licensees.

- Grid Code: we anticipate that to recognise a role for new transmission licensees a number of definitional changes will be required, for example the term 'onshore transmission licensee' used throughout the code is defined specifically to refer to NGET, SPTL or SHETL.

- Connection and Use of System Code (CUSC): the code makes specific reference to the existing licensees in a number of places, for example, when setting out the methodology NGET will use to levy charges on behalf of NGET, SPTL and SHETL. We anticipate these references would need to be updated to reflect a role for future licensees.

3.2. Overall, stakeholders agreed with our initial list of proposed changes set out in our March consultation. We anticipate that, in addition to more straightforward definitional changes, further thinking will be needed to clarify the roles and responsibilities of new third party TOs and their obligations under the relevant codes. We therefore propose a two-phase process that will allow us to consult further on these aspects early next year while immediately enabling the definitional changes to be raised.

Figure 3: Phased changes to the codes



Roles and responsibilities of third party TOs

3.3. The STC has already been amended to recognise a new class of TO – the Offshore Transmission Owner (OFTO). Largely the same obligations were defined for OFTOs as for existing onshore TOs so it is likely that few significant changes would be required to recognise new onshore TOs. However, we note that there are three broad possibilities for a third party TO which need consideration:

- a third party could have the same obligations as a Scottish TO in Scotland and National Grid in England and Wales[5];

- a third party could have the same obligations as a Scottish TO regardless of whether they are in Scotland or England and Wales, or;

- a third party could be more akin to an offshore TO who have, in some ways fewer obligations than a TO in Scotland or England and Wales.

3.4. Our further thinking on this issue will be developed as part of our detailed work on roles and responsibilities next year.

3.5. We propose to prioritise the changes to the STC, as more changes are likely to be required. This should also help ensure consistency across the codes. Appendix 2 outlines these changes in more detail, together with modifications required to the SQSS, Grid Code and CUSC.

Question 1: Do stakeholders consider that we have correctly identified the changes to industry codes that would be required to enable third party involvement in onshore electricity transmission?

Question 2: Do stakeholders have any comments on the changes proposed to the industry codes in Appendix 2?

Timing and process for raising the code modifications

3.6. Our discussions with stakeholders have highlighted that NGET, as the administrator for the relevant electricity industry codes, have a key role to play in raising and progressing the modifications described above. We welcome the fact that NGET have indicated that they are prepared to lead this process.

3.7. In order to allow time to complete the industry process for modifying the industry codes, we believe that there should be a two-phase process:

- Phase one will focus on the more simple definitional changes and will commence in early 2012 with these modifications being raised and taken forward by NGET. At the same time, we will seek views on the roles and responsibilities of third party TOs to inform any further modifications to the codes that may be necessary.

- In phase two, we will feed our conclusions on third party TO roles and responsibilities into the code modification process and initiate the changes to the other codes.

[5] Note – we refer here to NGETs responsibilities as a transmission owner not as system operator.

3.8. We intend for the code modifications to be in place by April 2013.

Question 3: Do stakeholders have further comments on the proposed process and timetable for making the code modifications?

4. Pre-requisites for an effective selection process

Chapter Summary

In this chapter, we explore two issues relating to the selection process: the treatment of pre-construction outputs, and the licence changes and possible business separation arrangements for incumbent TOs. We aim to finalise our proposals on these issues in spring next year and would welcome detailed stakeholder input at this stage.

Question 1: What level of detail would be required for the following pre-construction outputs in order to hold an effective selection process:

- project design
- technical specifications
- route identification
- site studies
- environmental impact assessments and stakeholder consultation?

Question 2: Should planning consents be in place before the selection process?

Question 3: Should land be purchased or wayleaves obtained by the incumbent TO before the selection process?

Question 4: What are stakeholders' views on the desirability of Ofgem seeking independent verification of the needs case and solution proposed by the incumbent TO in advance of any selection process?

Question 5: Do stakeholders have a view on whether pre-construction outputs could be retained by the incumbent TO or transferred to the eventual asset owner? Is there a difference depending on the output in question?

Question 6: What kind of commercial arrangement, if any, should be used to facilitate the sharing or transfer of pre-construction outputs between an incumbent and third party TOs?

Question 7: Do stakeholders consider that the staged approach we have outlined, which would allow interested parties obtain a 'light touch' licence, is appropriate?

Question 8: Do stakeholders agree that some form of bid separation arrangements will be necessary for incumbent TOs?

Question 9: What form of bid separation arrangements do stakeholders feel would be appropriate for incumbent TOs?

Pre-construction outputs

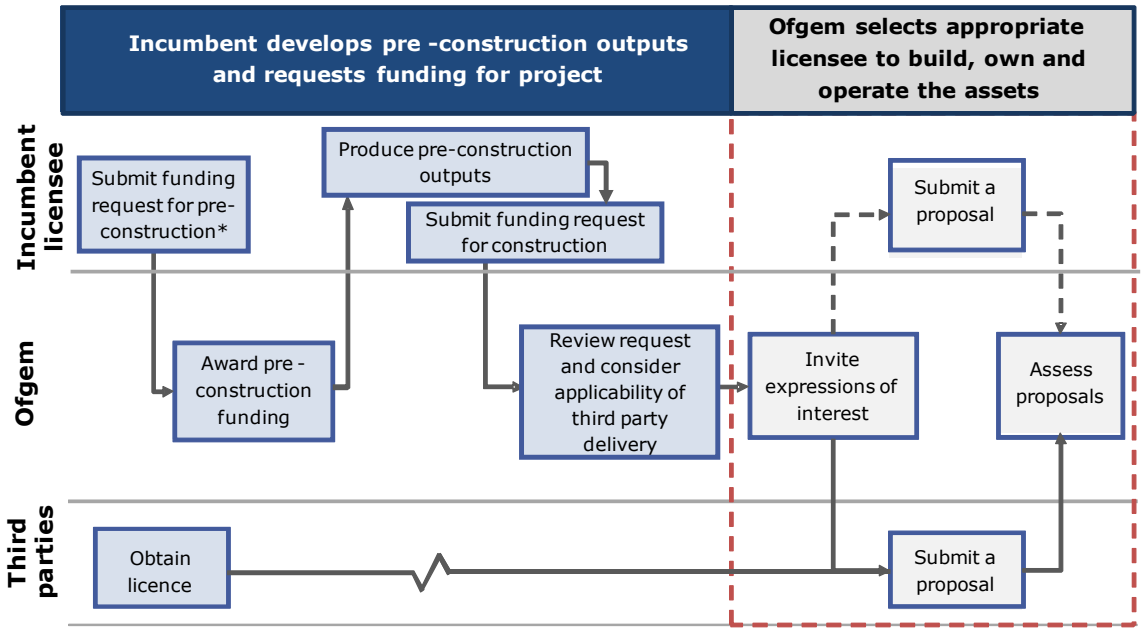
Introduction

4.1. In our last consultation, we asked stakeholders whether it should remain the responsibility of incumbent TOs to identify the need for future network investment. The majority of stakeholders agreed that it should. We will be consulting further on the roles and responsibilities of third party TOs in relation to the duties of incumbent TOs next year.

4.2. In addition to identifying the need for investment, incumbent TOs are also likely to undertake pre-construction works in advance of any selection process. We also highlighted, in our last consultation, the need to avoid duplication of these pre-construction works and establish a fair and efficient process to enable third parties to make use of outputs following a selection process.

4.3. The diagram below illustrates the potential process for an Ofgem-run selection, including the requirement for a third party to obtain an electricity transmission licence prior to taking part in the process. The development of this 'light touch' licence is discussed further in the next section.

Figure 4: Illustrative process for an Ofgem-run selection



* Could be awarded under TII or as part of RIIO-T1 settlement

4.4. The TOs have already received funding for a number of transmission reinforcement projects under our Transmission Investment Incentives (TII) framework, and these are linked to delivery of identified key project milestones as specified in the relevant licence condition.[6] Under RIIO-T1, TOs may receive pre-construction funding, as part of their price control settlement, for any further transmission reinforcement projects that are not part of their baseline. We have asked the TOs to be explicit about the pre-construction outputs that they will produce under this process. However, in this consultation we wish to understand whether there are other approaches to pre-construction outputs that will yield benefits to the consumer, including exploring the potential for introducing benefits from innovation at the project design stage. This will inform our decisions on any new project proposals that come forward during the RIIO-T1 price control period.

Defining pre-construction outputs

4.5. In order to ensure the pre-construction outputs produced are appropriate for third parties to use in a selection process, it may be necessary to specify what needs to be produced together with any quality standards necessary for third parties to base proposals on. Pre-construction outputs could include:

- project design
- technical specifications (for issue to suppliers)
- route identification
- site studies
- environmental impact assessments and stakeholder consultation
- planning consents
- landowner consents (leases, easements, wayleaves etc).

4.6. In order to have an effective selection process, it will be important to ensure that these pre-construction outputs are made available to all third parties on the same basis. This could be done through a condition in the incumbent's transmission licence. For more details, see the section on using pre-construction outputs later in this chapter.

4.7. The timing of the selection process will determine the stage of development of these pre-construction outputs. This in turn may affect the likely benefits from competition. A selection process held early, for example after the need for a project

[6] Special Condition D11 for NGET and Special Condition J12 for SHETL/SPTL

has been identified but before a specific solution has been chosen, may give rise to benefits through innovative design proposals as well as financing and construction savings. However, a selection process held this early may not provide sufficient certainty of the specification of the project to third parties, and may make it difficult to submit bids with robust cost projections. A selection process held after all of the pre-construction work has been completed would provide more certainty to bidders but lessens the scope for innovation in designing the network solution and could also delay the start of construction. One way to retain the scope for innovation in the latter case could be to seek independent verification of the needs case and the solution proposed by the incumbent before the selection process commences.

4.8. Stakeholders have told us that it would be important to have planning consents in place before the selection process, in order to allow robust plans to be developed. We would welcome stakeholders' views on whether planning consents should be in place before a selection process or whether the likelihood of obtaining consents could be taken into account in the overall package of pre-construction outputs. One important consideration will be whether consents can be obtained in parallel to the running of the selection process in order to mitigate the delay to the start of construction work. A possible approach could be to hold a two-stage selection process. This would involve expressions of interest being submitted in stage one, based on an initial view of whether the project is suitable for competition, and the formal selection process being held by Ofgem in stage two following more detailed pre-construction work by the incumbent and confirmation that there will be a competition.

4.9. We would also welcome views on the degree of completion of other pre-construction outputs required for an effective selection process and to maximise the possible benefits to consumers. In other words, the stage of development the incumbent would need to reach before the outputs are used or passed to the third party licensee. For example, we might expect a level of detail for project plans and site studies equivalent to that set out in projects put out to tender through the Official Journal of the European Union. We recognise that, in many large projects, the delivery of pre-construction outputs takes place alongside the preparation of an invitation to tender, and we would want to take an approach to pre-construction outputs that allows timely construction of the assets.

Question 1: What level of detail would be required for the following pre-construction outputs in order to hold an effective selection process for construction:

- *project design*
- *technical specifications*
- *route identification*
- *site studies*
- *environmental impact assessments and stakeholder consultation?*

Question 2: Should planning consents be in place before the selection process?

Question 3: Should land be purchased or wayleaves obtained by the incumbent TO before the selection process?

Question 4: What are stakeholders' views on the desirability of Ofgem seeking independent verification of the needs case and solution proposed by the incumbent TO in advance of any selection process?

Using pre-construction outputs in a selection process

4.10. As well as determining what pre-construction outputs should be required, the selection process needs to ensure that these outputs are made available to third parties as part of the project specification.

4.11. In our last consultation, we set out two main methods by which pre-construction outputs could be made available to third parties.

- The efficient costs of the pre-construction outputs are recovered by the incumbent developing party, with a licence condition[7] requiring them to make these outputs available to third parties.

- The eventual selection process winner purchases the pre-construction outputs from the incumbent, at a price agreed between the parties.

4.12. Following our last consultation, respondents generally preferred the first option, whereby the efficient costs are recovered by the developing party. There was no support for alternative methods, eg for all interested third parties to collectively fund the pre-construction works. The most important factor cited by stakeholders was that there should be transparency and equity in the way these outputs are made available to third parties. Some stakeholders felt, however, that outputs such as planning consents should be transferred to the winning bidder to reduce the risk faced by the eventual transmission asset owner. This is the preferred approach in the offshore regime, where a transfer agreement is used to enable the transfer of pre-construction outputs. We would welcome stakeholders' views on the necessity of a transfer agreement or other commercial vehicle as a basis for discussions over the sharing or transfer of pre-construction outputs. We aim to have a firmer position on this question when our next consultation is published Spring 2012, including any necessary amendments to the licence conditions of existing TOs.

Question 5: Do stakeholders have a view on whether pre-construction outputs could be retained by the incumbent TO or transferred to the eventual asset owner? Is there a difference depending on the output in question, eg planning consents?

Question 6: What kind of commercial arrangement, if any, should be used to facilitate the sharing or transfer of pre-construction outputs between an incumbent and third party TOs?

[7] Licence condition to be developed as part of the RIIO licence drafting process.

Development of new electricity transmission licences

4.13. In this section, we discuss two issues that need to be addressed to enable the existence of new onshore electricity TOs. The first is the transmission licence that third parties will need to obtain before participating in electricity transmission. We also discuss the arrangements under which an incumbent TO may bid for projects.

4.14. Unlike in the offshore regime, the purpose of the onshore transmission selection process would not be to appoint a new electricity transmission licensee but rather to award a revenue stream necessary to build and operate certain transmission assets. This means that parties wishing to bid to construct and own an onshore transmission project will need to obtain a licence through the normal licence application process[8]. We are currently considering the best timing for such applications – whether this should be before the bid process starts or at a defined point during the selection process.

4.15. Following our last consultation, it appears that most stakeholders are in favour of the development of what might be termed a 'light touch' transmission licence. This would enable less extensive conditions than currently apply to incumbent TOs to be put in place for third party licensees prior to them building transmission assets. After a third party has built and owns operational transmission assets then further conditions would apply.

4.16. We note that there is a need to achieve the right balance in business separation arrangements between creating a level playing field and ensuring the licensing system is not unduly complex. For example, in response to our March 2011 consultation, one respondent expressed concern that the transmission licence arrangements, and in particular the requirement to have different licences for onshore and offshore entities, could create an artificial barrier to efficient and coordinated network development. We do not intend, as part of this project, to fundamentally review the licensing arrangements. Rather we are looking to put in place arrangements for third party licences that fit with the existing approach for onshore and offshore transmission.

A possible 'light touch' transmission licence approach

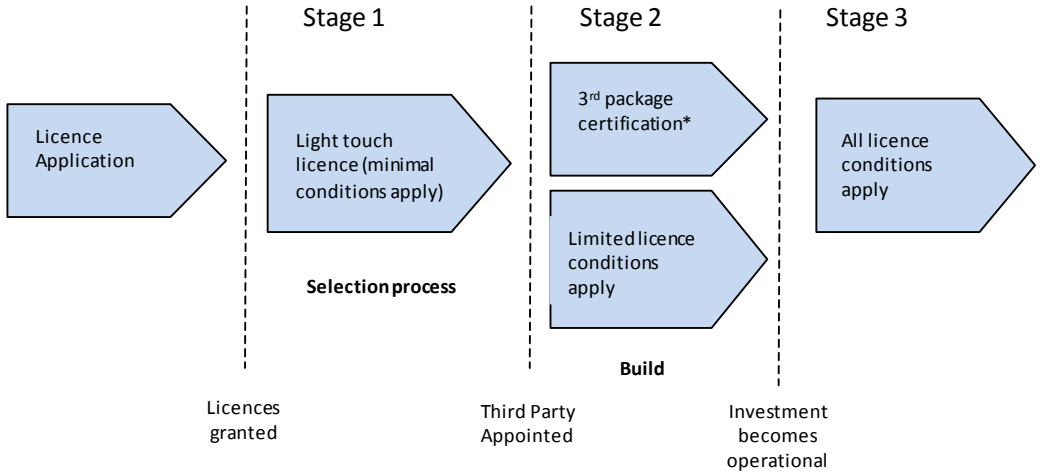
4.17. As we intend that the selection process will lead to the awarding of a revenue stream associated with certain transmission assets, rather than to the granting of a licence, interested parties will need to apply for a transmission licence either in advance of the selection process or as part of this process. We would also need to be convinced that parties could be certified under the European third energy package.

[8] Guidance on the application process can be found on the Ofgem website. http://www.ofgem.gov.uk/Licensing/Work/Documents1/SupplementaryAppendix2-Guidanceforgasnd0electricityapplications.pdf

This certification would take place in advance of the licensee participating in the transmission of electricity[9].

4.18. One option we are considering to ensure that interested parties are not unduly burdened by the need to hold an electricity transmission licence prior to owning and operating transmission assets, is that licences granted would initially be 'light touch' in their nature. This would mean that at the time of granting, most of the licence conditions would be 'switched off' and obligations on the licensee would be kept to a minimum. As the process progresses, the conditions would be 'switched on' at appropriate points to ensure the appropriate level of compliance. By the time the new assets become an operational part of the national electricity transmission system (NETS) the licensee would be subject to the same or similar obligations regarding their assets as other TOs. One option for this process (where interested parties apply for a licence in advance of any bid) is illustrated in Figure 5. This process could be adapted if we were to determine that licence applications are not needed until later in the process.

Figure 5: Potential licence process



*note the timing of 3rd package certification will have to be confirmed

4.19. It might be necessary to implement some minor changes to the existing standard licence conditions in order to ensure that the relevant conditions would apply. These changes would happen alongside licence changes necessary to implement the outcome of RIIO-T1. A 'light touch' licence would only be in place for the purposes of enabling the competitive process and would not replace a full licence for the purposes of owning and operating transmission assets.

Question 7: Do stakeholders consider that the staged approach we have outlined, which would allow interested parties to obtain a 'light touch' licence, is appropriate?

[9] Section 10A of the Electricity Act 1989.

Stage 1 – Selection process

4.20. If licences are granted prior to the bid process, then during the selection process for third party build, we are assuming, for the purposes of this consultation, that the new licensees[10] would have no onshore transmission assets or funding allowances. Many of the standard licence conditions would not be applicable or relevant at this stage.

4.21. However, there are a number of licence conditions which would be applicable from the outset. These conditions relate to how the licence is interpreted and may include specific rules to ensure continued compliance with European requirements. Our initial thinking is that these would need to form part of the 'light touch' licence.

4.22. Alternatively, if we determined that third parties should apply for electricity transmission licences later in the process, it would still be necessary for such licences to be granted before awarding the revenue stream associated with the transmission assets dealt with by the tender. As such, we think it is likely that there would still be a period when the licence will have minimal conditions switched on, as set out above.

Stage 2 – Build

4.23. After a third party licensee has been appointed to build and operate transmission assets a number of additional licence conditions would apply. Our initial view is that these conditions might relate to:

- information to be provided to the Authority and a number of accounting principles[11];
- conditions regarding financing arrangements[12]; and
- conditions relating to the planning of the part of the transmission network they will be constructing[13].

4.24. However, we consider that conditions relating to the operation of the system would not be applicable until the assets are connected to the NETS. Special licence conditions relating to the revenue settlement associated with the new assets would need to be set out at this time.

4.25. Licensees would need to complete the third package certification process prior to completing construction of the assets. We consider that in order to ensure third package compliance this certification process would likely in practice be carried out in parallel with the build process but the exact timing is subject to confirmation.

[10] Except in circumstances where they have previously been awarded a revenue stream.
[11] For example standard conditions B1, B2, B3 and B4
[12] For example standard conditions B5, B6, B7, B8, B9 and B10.
[13] This would include conditions relating to compliance with, among other things, the SQSS.

Stage 3 - Operation

4.26. Our current thinking is that conditions relating to the operation of the NETS[14] would become applicable when the third party's transmission system is connected to the NETS and becomes operational.

4.27. Our current view is that when a third party licensee is the owner of an operational part of the NETS they would be subject to the same or similar licence conditions as other TOs.

Incumbent bid separation arrangements

4.28. Our objective for the selection process is to deliver best value for consumers through delivering the most efficient solution to an investment need. Key to this will be designing a process that encourages bidders to put forward proposals and enables these to be assessed on an objective and transparent basis against those submitted by other parties.

4.29. In our last consultation, we raised the possibility that when parties submit expressions of interest, the incumbent TO, if submitting a bid itself, may be required to ring-fence their bidding activities from their other regulated activities. Stakeholders have indicated that this would be necessary in order to generate assurance among third parties and investors that there is a 'level playing field,' therefore encouraging participation from other bidders in the selection process. We note that the offshore competitive regime requires separate licences for onshore and offshore electricity transmission. However, we do not want to create barriers to entry for incumbent TOs through unnecessarily onerous business separation requirements, particularly as, where no suitable third party proposals are received, the incumbent could be responsible for delivering the project. Indeed, where there is scope for efficiencies that generate lower costs for consumers, we would want those efficiencies to be reflected in bids.

4.30. Options for incumbent TO bid separation include:

- setting up a ring-fencing arrangement within the existing organisation, with the appointment of a compliance officer to monitor and report on the effectiveness of these arrangements

- establishing an entirely separate licensed business, along the lines of the offshore regime.

4.31. We would welcome stakeholders' views on what form of bid separation arrangements would give the incumbent TO a reasonable ability to harness

[14] For example condition D2.

efficiencies elsewhere in their business while maintaining a credible 'level playing field' between all parties in the selection process.

Question 8: Do stakeholders agree that some form of bid separation arrangements will be necessary for incumbent TOs?

Question 9: What form of bid separation arrangements do stakeholders feel would be appropriate for incumbent TOs?

5. Next steps

5.1. We would welcome responses to this consultation by 10 February 2012. Upon receipt of these responses, and following further stakeholder engagement, we plan to issue another consultation to initiate the licence and industry code changes in Spring 2012. We will then consult on the remaining issues relating to the design of the selection process with the intention of finalising these questions in time for the new regime to be in place by April 2013 alongside the next electricity and gas transmission and gas distribution price controls.

Figure 6: Timetable

10 February 2012	Deadline for responses to this consultation
Spring 2012	Further consultation published to: • initiate licence and industry code changes • seek views on revenue stream, incentives, roles and responsibilities of third parties • seek views on selection process design
July 2012	Final decision on third party role published RIIO-T1 and RIIO-GD1 initial proposals published
April 2013	Competitive regime in place Start of RIIO-T1 and RIIO-GD1

Appendices

Index

Appendix 1 - Consultation response and questions

1.1. Ofgem would like to hear the views of interested parties in relation to any of the issues set out in this document.

1.2. We would especially welcome responses to the specific questions which we have set out at the beginning of each chapter heading and which are replicated below.

1.3. Responses should be received by 10 February 2012 and should be sent, preferably by email, to:

Angelita Bradney
Electricity Transmission
Smarter Grids and Governance
Ofgem
9 Millbank
London, SW1P 3GE
020 7901 1825
angelita.bradney@ofgem.gov.uk

1.4. Unless marked confidential, all responses will be published by placing them in Ofgem's library and on its website www.ofgem.gov.uk. Respondents may request that their response is kept confidential. Ofgem shall respect this request, subject to any obligations to disclose information, for example, under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004.

1.5. Respondents who wish to have their responses remain confidential should clearly mark the document/s to that effect and include the reasons for confidentiality. It would be helpful if responses could be submitted electronically. Respondents are asked to put any confidential material in the appendices to their responses.

Next steps

Having considered the responses to this consultation, we intend to issue a consultation on the industry code and licence changes that would be needed. Any questions on this document should, in the first instance, be directed to Angelita Bradney (contact details above).

CHAPTER ONE

There are no questions in this chapter

CHAPTER TWO

There are no questions in this chapter

CHAPTER THREE

Question 1: Do stakeholders consider that we have correctly identified the changes to industry codes that would be required to enable third party involvement in onshore electricity transmission?

Question 2: Do stakeholders have any comments on the changes proposed to the industry codes in Appendix 2?

Question 3: Do stakeholders have further comments on the proposed process and timetable for enabling the industry code modifications?

CHAPTER FOUR

Question 1: What level of detail would be required for the following pre-construction outputs in order to hold an effective selection process:

- project design
- technical specifications
- route identification
- site studies
- environmental impact assessments and stakeholder consultation?

Question 2: Should planning consents be in place before the selection process?

Question 3: Should land be purchased or wayleaves obtained by the incumbent TO before the selection process?

Question 4: What are stakeholders' views on the desirability of Ofgem seeking independent verification of the needs case and solution proposed by the incumbent TO in advance of any selection process?

Question 5: Do stakeholders have a view on whether pre-construction outputs could be retained by the incumbent TO or transferred to the eventual asset owner? Is there a difference depending on the output in question?

Question 6: What kind of commercial arrangement, if any, should be used to facilitate the sharing or transfer of pre-construction outputs between an incumbent and third party TOs?

Question 7: Do stakeholders consider that the staged approach we have outlined, which would allow interested parties obtain a 'light touch' licence, is appropriate?

Question 8: Do stakeholders agree that some form of business separation arrangements will be necessary for incumbent TOs?

Question 9: What form of business separation arrangements do stakeholders feel would be appropriate for incumbent TOs?

CHAPTER FIVE

There are no questions in this chapter

Appendix 2 – Modifications to the industry codes

System Operator-Transmission Owner Code (STC)

Definitions		
Onshore transmission owner	SHETL or SPTL or such other person in relation to whose Transmission Licence the Standard Conditions in Section D (transmission owner standard conditions) have been given effect.	No change if third party TOs will be subject to standard conditions.
Transmission licensees	The holder for the time being of a transmission licence.	No change.
Transmission licence	A transmission licence granted or treated as granted under section 6(l)(b) of the Act.	No change.
Transmission owner	An Onshore TO or an OFTO.	No change.

Provisions of the code		
Section	**Provision**	**Potential change**
Schedule 2	Code procedures.	Definitions need to be amended to include reference to new transmission licensees.
Section B, Section 3.2	Party entry processes – sets out the need for a services capability specification, interface agreements, TO construction agreements, outages proposals and transmission investment plans.	No immediate change required but all of these elements would need to be developed for new transmission licensees.
Section B, paragraph 6.7.3	Groups – sets out that NGET, SPT and SHETL shall cast their votes individually and each Party shall have one vote.	Needs to be amended to recognise the existence of new transmission licensees. We envisage that the new transmission licensees would have a collective vote, similar to the arrangements in place for OFTOs, rather than one vote per party.
Schedule 15	Transmission interface agreement – sets out the provisions for a transmission interface agreement between an OFTO and a TO.	An equivalent interface agreement may need to be developed between an existing and new TO.

Section D, paragraph 8	OFTO construction securities – requires OFTOs to either prove that they meet the NGET credit rating requirement or provide an amount equivalent to 20% of the forecast construction cost/the liquidated damages liability.	Equivalent provisions may be required for new transmission licensees.

Connection and Use of System Code (CUSC)

Definitions		
Relevant transmission licensee	SPTL in south of Scotland, SHETL in north of Scotland and in respect of each Offshore Transmission System the Offshore Transmission Licensee for that Offshore Transmission System.	Amendments to recognise the potential role for new transmission licensees.
Transmission licences	The licence granted to NGET, SPTL and SHETL under the Act.	Amendments to recognise the potential role for new transmission licensees.
Accession to the code (framework agreement)		
Note that SPTL and SHETL are not signatories to the CUSC. This suggests there would not be any need for new transmission licensees to become CUSC signatories.		
Provisions of the code		
Section	**Provision**	**Potential change**
Section 2, paragraph 2.10	Safety rules – requires NGET and users to supply a copy of their safety rules in relation to connection sites in England and Wales. Requires relevant transmission licensees in Scotland to supply a copy of their safety rules in relation to a connection site.	These provisions may need to be extended to recognise the potential role of new transmission licensees.
Section 2, paragraph 2.11	Interface agreement – requires NGET to enter into an interface agreement with a user for connection sites and new connection sites in England and Wales and to procure that relevant transmission licensees enter into equivalent arrangements with users based in Scotland.	These provisions may need to be extended to recognise the potential role of new transmission licensees.
Section 5, paragraphs	Disconnection – 6 months after disconnection NGET may disconnect	These provisions may need to be extended to recognise

5.3.4, 5.4.7, 5.5.5, 5.7.3	user equipment and the user shall remove its equipment from NGET's land in England and Wales or from the relevant transmission licensee's land in the case of Scotland. Equally, within 6 months, NGET shall remove any transmission connection assets from the users land from connection sites in England and Wales and the relevant transmission licensee shall remove any transmission connection assets from the users land in the case of connection sites in Scotland.	the potential role of new transmission licensees.
Section 6, paragraph 6.7.8	Equipment (pulse data) – NGET is also required to procure that relevant transmission licensees shall give users access to this data according to the provisions in the interface agreement in relation to connection sites in Scotland.	These provisions may need to be extended to recognise the potential role of new transmission licensees.
Section 9, paragraph 9.14	Safety rules – requires NGET to procure the relevant transmission licensee in relation to connection sites in Scotland to supply users with a copy of their safety rules and local safety instructions.	These provisions may need to be extended to recognise the potential role of new transmission licensees.
Section 14	Charging methodologies – the introduction sets out that the document describes the methodology that NGET employs to levy charges for the use of the NETS on behalf of NGET, SPT and SHETL. It also includes details of the connection assets that each of the licensees own as a percentage of the total NETS and their published price control average annual opex.	Some changes to these definitions may need to be made to recognise the potential for new transmission licensees to have a role in the delivery and ownership of transmission assets.

Balancing and Settlement Code (BSC)

The definitions within the BSC do not include any reference to the Scottish licensees. It therefore does not seem that any changes to the BSC will be required to accommodate new transmission licensees.

NETS Security and Quality of Supply Standard (NETS SQSS or SQSS)

The specific references to NGET, SPT and SHETL in the SQSS largely relate to the areas in which they operate and the differences in terms of technical specification. It does not therefore seem that many changes to the provisions of this code would be required.

Grid Code

Definitions		
Scottish Transmission System	Collectively SPTL's Transmission System and SHETL's Transmission System and any Scottish Offshore Transmission Systems.	May need to be amended to recognise the potential for new transmission owners, particularly if a third party transmission system could straddle Scotland and England and Wales.
Transmission Site	In England and Wales, means a site owned by NGET in which there is a Connection Point. In Scotland and Offshore, means a site owned by a Relevant Transmission Licensee in which there is a Connection Point.	May need to be amended to recognise the potential for new transmission owners. Could be addressed for Scotland by a change to the definition of relevant transmission licensee.
England and Wales Transmission System	Collectively NGET's Transmission System and any England and Wales Offshore Transmission Systems.	May need to be amended to recognise the potential for new transmission owners.
Onshore Transmission Licensee	NGET, SPT, or SHETL.	May need to be amended to recognise the potential for new transmission licensees.
Relevant E&W Transmission Licensee	As the context requires NGET and/or an E&W Offshore Transmission Licensee.	May need to be amended to recognise the potential for new transmission licensees.
Relevant Scottish Transmission Licensee	As the context requires SPT and/or SHETL and/or a Scottish Offshore Transmission Licensee.	May need to be amended recognise the potential for new transmission licensees.
Relevant Transmission Licensee	Means SPTL in its Transmission Area or SHETL in its Transmission Area or any Offshore Transmission Licensee in its Transmission Area.	This is potentially the biggest amendment needed to recognise the potential for new transmission licensees to have a role in transmission activities.

Appendix 3 – Summary of responses to previous consultation

5.2. We received eight responses[15] to our March 2011 consultation. Four of these responses came from existing transmission licensees, whilst two were from distribution licensees and two from parties involved in generation and supply. The majority of these respondents were generally supportive of our early thinking on the greater role third parties could play in electricity transmission.

5.3. **Selection process, design and governance:** Four respondents felt that it should remain the responsibility of incumbent transmission owners to identify the need for future investment. One respondent believed that generators or distribution licensees may be able to identify the most appropriate investment in some cases. One party expressed the view that there could be significant conflicts of interest if incumbent TOs were to remain responsible for the design of the offshore network.

5.4. Three respondents noted that although the OFTO revenue model worked well for assets that are already built it would not be appropriate for what is being proposed in the consultation. They considered an approach similar to RIIO would be more appropriate. Another respondent expressed the view that greater consideration of funding arrangements was necessary.

5.5. **Commercial arrangements:** Three respondents considered the existing TO-SO arrangements did not constitute a barrier and that it would not be necessary to review the current separation of boundaries between the NETSO and transmission licensees.

5.6. **Codes:** Three of the respondents expressed the view that there would not need to be significant codes changes beyond those definitional changes already identified by Ofgem. One respondent noted the changes that had already been made to the codes to accommodate offshore transmission licensees and noted that this would in general mean little further change might be needed in order to incorporate third party transmission licensees. This respondent also noted that the need for code changes might vary depending on which competition model was adopted.

5.7. **Licensing:** Four respondents expressly agreed with the concept of a 'light touch' licence outlined in the consultation for third parties. In general, respondents did not consider that this would act as a barrier to entry. One party felt it should not be necessary for third parties to hold a transmission licence to take part in the tender process. They considered that it should only be necessary for the party to

[15] Responses are available on our website http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=86&refer=Networks/Trans/PriceControls/RIIO-T1/ConRes

demonstrate that they are capable of being awarded a licence, and that anything more onerous might present a barrier to entry. One party noted that any 'light touch' licence might usefully set out the basis for third party information requirements regarding design.

5.8. One party suggested that it might be appropriate to replace the existing onshore, offshore and interconnector transmission licences with one transmission licence. They felt this would simplify the process and better facilitate policy. They were concerned that the existing licensing regime creates barriers to the efficient operation of the network.

Appendix 4 - Glossary

A

The Authority (Ofgem)
Ofgem is the Office of Gas and Electricity Markets, which supports the Gas and Electricity Markets Authority (GEMA), the body established by Section 1 of the Utilities Act 2000 to regulate the gas and electricity markets in Great Britain.

C

Cost of capital
This is the minimum acceptable rate of return on capital investment. It includes both the cost of debt to a firm, and the cost of equity.

L

Licence conditions (obligations)
An obligation placed on the network companies to meet certain standards of performance. The Authority (GEMA) has the power to take appropriate enforcement action in the case of a failure to meet these obligations.

N

National Electricity Transmission System (NETS)
The system of high voltage electric lines providing for the bulk transfer of electricity across Great Britain. The NETS comprises both the offshore and onshore transmission systems.

National Grid Electricity Transmission plc (NGET)
The electricity transmission licensee in England & Wales.

National Electricity Transmission System Security and Quality of Supply Standard (NETS SQSS)
As referred to in the electricity Transmission Licence Standard Conditions C17 and D3, this is the standard in accordance with which the electricity transmission licensee must plan, develop and operate the transmission system.

O

Ofgem
See definition of the Authority.

P

Price control (control)
The control developed by Ofgem to set targets and allowed revenues for network companies. We develop the characteristics and mechanisms of a price control taking account of network company performance over the last control period and predicted expenditure in the next.

R

RIIO (Revenue = Incentives + Innovation + Outputs)
Ofgem's new regulatory framework, stemming from the conclusions of the RPI-X@20 project, to be implemented in forthcoming price controls. It builds on the success of the previous RPI-X regime, but better meets the investment and innovation challenge by placing much more emphasis on incentives to drive the innovation

needed to deliver a sustainable energy network at value for money to existing and future consumers.

RIIO-Gas Distribution Price Control Review 1 (RIIO-GD1)
The price control review to be applied to the gas distribution network operators, following GDPCR1. This price control would be expected to run from 1 April 2013 and will be the first transmission price control review to reflect the new regulatory framework, RIIO, resulting from the RPI-X@20 review.

RIIO-Transmission Price Control Review 1 (RIIO-T1)
The price control review to be applied to the electricity and gas transmission network operators, following the TPCR4 rollover. This price control would be expected to run from 1 April 2013 and will be the first transmission price control review to reflect the new regulatory framework, RIIO, resulting from the RPI-X@20 review.

S

Scottish Hydro Electric Transmission Limited (SHETL)
The electricity transmission licensee in northern Scotland.

SP Transmission Limited (SPTL)
The electricity transmission licensee in southern Scotland.

Stakeholder
Stakeholders are those parties that are affected by, or represent those affected by, decisions made by network companies and Ofgem. As well as consumers, this would for example include Government and environmental groups.

T

Third Package (Third Internal Energy Market Legislative Package)
The third package is a key step in implementation of internal EU energy market. It recognises the need for better co-ordination between European network operators and continuing co-ordination between regulators at that level. It continues many of the internal market principles identified above in relation to the earlier First and Second Packages[16]

Transmission Investment Incentives (TII)
TII is a framework for providing interim funding, within the current transmission price control period (TPCR4), for the critical large-scale investments that the Transmission Owners (TOs) (National Grid Electricity Transmission plc (NGET), SP Transmission Ltd (SPTL) and Scottish Hydro Electric Transmission Ltd (SHETL)) identify as being required to support achievement of the Government's 2020 renewable energy targets.

Transmission Owners (TO)
Companies which hold transmission owner licenses. Currently there are three electricity TOs; NGET, SPTL and SHETL. NGG NTS is the gas TO.

[16] See Directive 2009/72/EC of the European Parliament and of the Council and Directive 2009/73/Ec of the European Parliament and of the Council

Transmission Price Control Review 4 (TPCR4)

TPCR4 established the price controls for the transmission licensees covering the years 2007-2012. The review applies to the three electricity transmission licensees, National Grid Electricity Transmission plc, SP Transmission Limited, Scottish Hydro Electric Transmission Limited and to the licensed gas transporter responsible for the gas transmission system, NGG.

Appendix 5 - Feedback Questionnaire

Ofgem considers that consultation is at the heart of good policy development. We are keen to consider any comments or complaints about the manner in which this consultation has been conducted. In any case we would be keen to get your answers to the following questions:

1. Do you have any comments about the overall process, which was adopted for this consultation?
2. Do you have any comments about the overall tone and content of the report?
3. Was the report easy to read and understand, could it have been better written?
4. To what extent did the report's conclusions provide a balanced view?
5. To what extent did the report make reasoned recommendations for improvement?
6. Please add any further comments?

Please send your comments to:

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