



PARCIAU CENEDLAETHOL CYMRU
Lle i enaid gael llonydd
NATIONAL PARKS WALES
Britain's breathing spaces

Rachel Fletcher
The Office of Gas and Electricity Markets
9 Millbank
London
SW1P 3GE

By email to: RIIO.ED1@ofgem.gov.uk

2 April 2012

Dear Rachel

Ofgem Consultation on the Way Forward for the next Electricity Distribution Price Control Review – RIIO-ED1

The English National Park Authorities Association (ENPAA) exists to support the policy making process by helping to coordinate the input of the ten National Park Authorities in England. It is governed by the Chairs of the ten Authorities. The Welsh equivalent of ENPAA, National Parks Wales, endorses this response. This response represents the collective view of officers who are working within the policies established by the National Park Authorities (NPAs) within England and Wales. National Parks cover approximately 9.3% of England by land area, and are designated in part for their natural beauty. National Park designation affords the highest level of statutory landscape protection as set out in the recently published National Planning Policy Framework (NPPF). A map showing the location of protected landscapes in the UK is attached at Annex 1. As can be seen from Annex 2, each of the current electricity Distribution Network Operators (DNOs) in England and Wales has at least one National Park within their service delivery area.

We welcome Ofgem's approach to stakeholder engagement and are grateful for the consideration that was given to our response in [February 2009](#) on the refinements of the previous electricity distribution price control review (DPCR5). Once again we appreciate having the opportunity to comment on the way forward for the next electricity distribution price control review (RIIO-ED1). We also welcome the continuing recognition by Ofgem and the DNOs of the importance of sustainable and appropriate electricity generation and distribution in National Parks.

Our response to the views expressed in the price control review (RIIO-ED1) are set out below.

Low Carbon Technologies and Smart Grids

We concur with the view that locally connected low carbon technologies could make an important contribution to meeting the UK's greenhouse gas emissions targets, and we also agree that the Distribution Network Operators have a key role to play in accommodating these technologies, specifically small scale renewable energy generation schemes, in a timely and cost effective manner. We welcome Ofgem supporting DNOs in enabling customers to manage their need more efficiently and for setting aside funding at the last review (DPCR5) for the Low Carbon Networks Fund. We believe that ensuring that network capacity is in place to accommodate low carbon technologies is important and that individual customers should not have to pay for network upgrades and redundant assets.

How might DNOs accommodate low carbon technologies in a timely and cost effective manner?

With the introduction of the Feed In Tariff and Renewable Heat Incentive since DPCR5, data now exists via organisations such as the Micro-generation Certification Scheme as to where demand for renewable energy technologies exists. Analysing trends in this data could possibly give DNOs an indication as to which areas of their network should be prioritised for reinforcement/upgrading. As planning authorities, the National Park Authorities have also seen a step change in the uptake of small scale renewable energy technologies by their residents in recent years.

Review of DPCR5 Mechanisms

We welcome the suggestion that where components of the DPCR5 review are working well, that they could remain largely unchanged. Specifically, the interest for the National Park Authorities here is the continuation of the undergrounding of cables in areas of natural beauty including National Parks. Our view is that this is fit for purpose and should be regarded as a long-term policy. Not only is this work reducing the visual impact of the distribution network in landscape sensitive areas but it also addresses issues such as improved network capacity, better resilience to storm damage, reduced bird strikes and negates the need for ongoing tree works on overhead lines. We recognise that a careful approach to undergrounding is needed for example where there are archaeological or ecological sensitivities.

Additionally, all relevant authorities have a duty to have regard to National Park purposes under [Section 62](#) of the *Environment Act (1995)*, and we believe that undergrounding transmission infrastructure is an important way in which the DNOs are discharging their environmental duties.

We welcome the positive approach that the DNOs have taken so far with respect to this incentive and whilst we would be keen to see the speed of the work increased and the type of lines addressed by the incentive expanded¹, we endorse the proposal that it should go forward largely unchanged.

It might be opportunistic to establish why certain components from DPCR5 are working well and capture best practice in order to incorporate this into the RIIO-ED1 review. From our perspective, clear communication, good project management and effective partnership working is helping to take the undergrounding work forward in a coherent prioritised manner.

Assessing Efficient Costs

In terms of this process and assessing the costs set out in the DNOs' business plans, consideration and recognition of the implications of working in National Parks and other designated landscapes could be taken into account. The number and hence area of protected landscapes covered by each DNO will vary but Geographical Information System (GIS) analysis will be able to determine this.

Additionally, we would be keen that scrutiny is given to the variance in cost between overhead lines and undergrounding cables within each DNOs business plan. Estimates of cost do vary significantly and whilst not specifically looking at the DNOs' network, a [recent study](#) carried out by The Institute of Engineering and Technology (ITE), looking at the variance of costs for high voltage transmission lines might be useful reference material here.

Timetable and Outputs

In relation to this matter we would welcome attention on a social target such as fuel poverty. With increasing fuel prices this is an area in which we are seeing increasing hardship for an

¹ Currently some DNOs are only undertaking work on the 240v lines around settlements in some AONBs and National Parks as opposed to the 11kV, 20kV, 33kV and 132kV lines that are often found crossing the wider landscape in rural areas.

increasing number of individuals in rural areas. For example in Northumberland National Park 99% of properties are off mains gas and 9% are off mains electricity. This invariably means that costs for heating and electricity production are significantly more expensive than that of grid connected customers². We will be interested to see how DNOs will approach these social impacts.

Length of Price Control

No comments to make with respect to this request.

Business Plan and Proportionate Treatment

We welcome proposals for a more consistent approach and greater transparency to the DNOs' business planning process.

Enhanced Stakeholder Engagement

With respect to the National Park Authorities themselves as customers of the DNOs we welcome the proposals for enhanced stakeholder engagement. The National Park Authorities have found it increasingly valuable to have greater involvement from their own stakeholders when initiating their own Management Plan reviews and setting annual monitoring targets. We fully support this approach. An observation we would make is that engagement should seek to be accessible to as wide an audience as possible and as such, we would be interested to learn how the DNOs have sought to engage their rural customers. City venues are not always convenient to get to and many National Parks still have broadband black spots so on-line feedback should not necessarily be regarded as accessible to all.

In relation to the consultations initiated by the DNOs, feedback from Northumberland National Park indicates that Northern Power Grid have been keen to engage the Authority on both their Low Carbon Network Project and also more recently their RIIO-T1 business plan review. This would seem to be pertinent to many National Parks. Communication and the events themselves have been well managed and highlighted some interesting issues. For example, how will wi-fi enabled smart meters work in rural areas that do not have access to broadband or wi-fi facilities and how can off-grid customers partake in the Government's "Green Deal" programme being launched in autumn 2012 if they do not have an electric meter by which to make the Green Deal repayments by?

One final observation we would wish to make relates to Annex 1 of the consultation document. Under the section entitled Environment, we would request that the word "or" in bullet point five is replaced by the word "and".

Thank you once again for the opportunity to comment on the RIIO-ED1 price review and we hope that you find the above comments useful. I can confirm that ENPAA is happy for our response to be made publically available. Please do not hesitate to get in touch if we can be of further assistance.

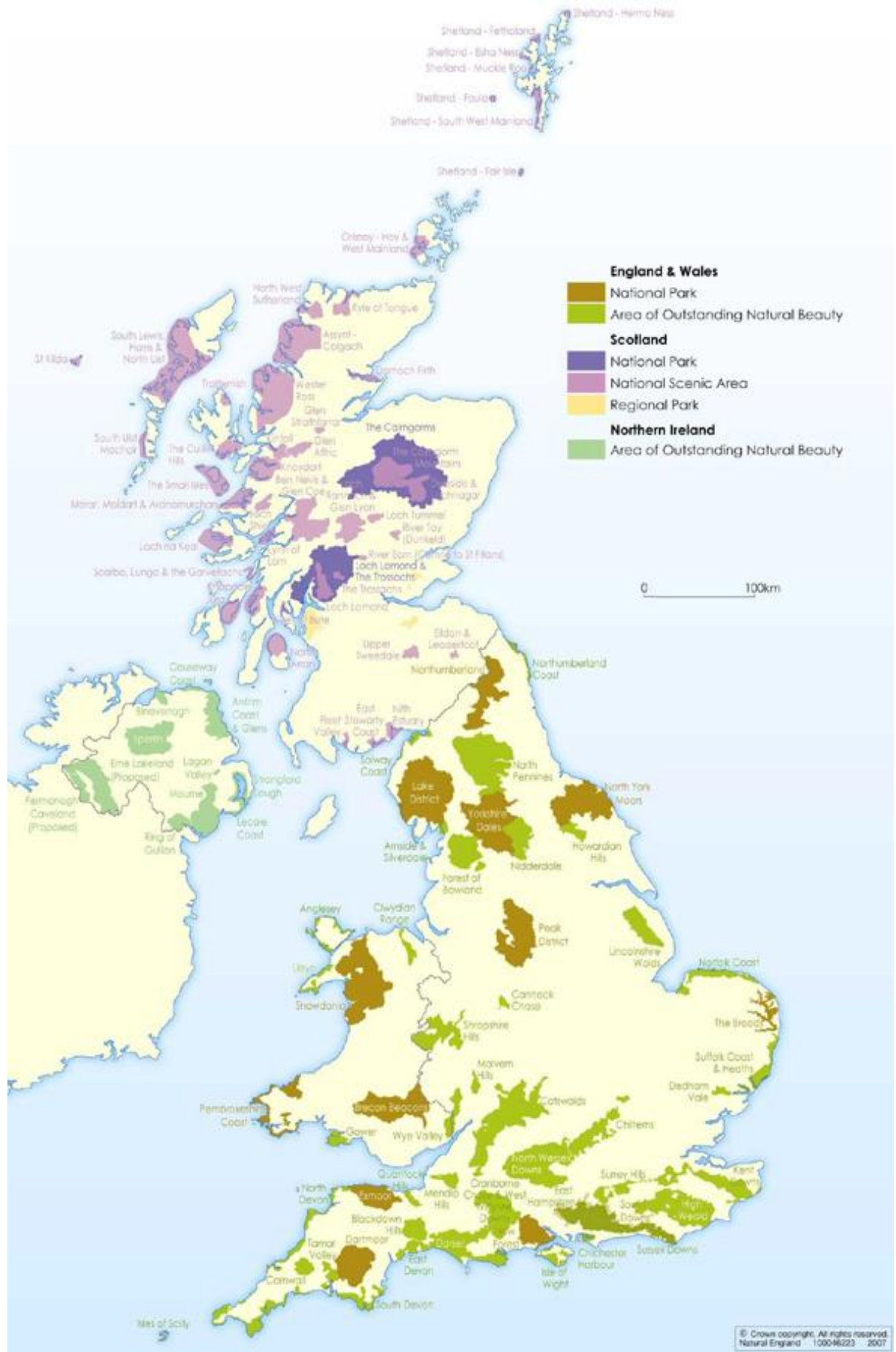
Yours Sincerely

Paul Hamblin

Paul Hamblin
ENPAA Director

² A recent study undertaken by [North Energy](#) on the Otterburn Ranges in Northumberland found that off grid properties pay roughly four times as much for their electricity generation than grid connected customers.

Annex 1 – Map showing location of UK protected landscapes



Distribution Network Operator (DNO) Companies

