

National Grid – Network Innovation Competition Governance Document consultation response						
Unless specifically stated, these comments apply equally to the draft Gas and Electricity NIC governance documents.						
Respondent	Chapter Name	Reference	Comment	Suggested alternative drafting	Response	Changes made (Y/N)
NG	Throughout		Any monetary references need to include the price base that they are in			
NG	Throughout		Typographical and grammatical checks are required			
NG	Throughout (gas)		References to electricity need changing to gas			
NG	Throughout (gas)		All references to 'regulatory year' should be 'formula year' for gas			
NG	Throughout		Our business plans are not allowances so it would be inaccurate to refer to business plans when talking about benefits. Allowances are not provided at this granularity and so could not be compared against benefits.			
NG	Introduction (Electricity NIC doc only)	1.1	Typo 'However, certain research, development, development [sic] and....'			
NG	Introduction	1.12	Please see suggested amended text. NIC projects, particularly for Electricity or Gas Transmission Networks, may be costly not because of complexity in the sense of some of the LCNF projects, but may require substantial funding due to the very high cost of individual Transmission components.	Compared to the NIA, the NIC is focussed on funding innovative projects that may be larger scale <u>due to the capital cost implications of particular technologies, or</u> may be more complex in nature.		
NG	Introduction	1.23	Typo 'accordance the ..'			

National Grid – Network Innovation Allowance governance document consultation response

November 2012

NG	Annual Competitive Process	3.1	In accordance with previous Ofgem response suggest amending text as follows:	' <u>Projects submitted by Network Licensees will compete to obtain NIC funding...</u> '		
NG	ISP	4.8	Suggest new wording which supports previous response from Ofgem. Reason: the GBSO does not own a network as such.	A NIC project must have the potential to have a Direct Impact on <u>the Licensed network business of the Network Licensee...</u>		
NG	ISP	4.10	Following clarification at the last IWG, we suggest the following text.	'The Network Licensee will need to identify <u>how</u> the Project Solution has the potential to accelerate the development of the low carbon energy sector <u>in GB</u> and/or deliver wider environmental benefits to <u>GB</u> consumers. In addition the Network Licensee will need to demonstrate that the Project <u>Solution</u> has the potential to deliver net financial benefits to existing and/or future customers'.		
NG	ISP	4.14	As for comment on 4.8 above, suggest changed wording for the same reasons.	i) how the Project has a Direct Impact on <u>the Licensed network business of the Network Licensee.</u>		
NG	ISP	4.27	'The Authority may extend the ISP deadline by 20 days, or part thereof, from the day when the further submissions were made'. Do you mean 'from the day when the further submissions were <u>requested</u> '?			
NG	ISP	4.31	Typo	'...in a completed Screening <u>submission</u> '?		
NG	ISP	Table 4.1	Under the section headed 'Provide value for money for electricity customers', suggested amended text – ref comments on 4.8 and 4.14 above.	'...it will Develop or Demonstrate the potential Direct Impact on <u>the Licensed network business of the Network Licensee..</u> '		

National Grid – Network Innovation Allowance governance document consultation response

November 2012

NG	ISP (Gas NIC Doc only)	Table 4.1	Throughout the table the Gas document refers to 'method(s) which are being trialled.' Suggest this is kept consistent with the Electricity NIC document which states 'method(s) being Developed or Demonstrated'			
NG	Full Submission Process	5.5	The deadline for submissions is 17.00 on the full submission date. Does this include receipt by Ofgem of hard copies?			
NG	Full Submission Process	5.21 first bullet	For the avoidance of doubt, please can you confirm that the supplying of funding to the amount of the Direct Benefits into the Project Bank Account is to be at the time that the Direct Benefits are realised.			
NG	Full Submission Process	5.33	From this point onwards the approach to paragraph numbering in the Gas document diverges from that in the Electricity document. It would be helpful for future reference if they could be re-aligned. The comments below relate to the paragraph numbers from the Electricity document and the equivalent paragraph of the Gas document in terms of content, not number. This may have an impact on cross references within paragraphs although we have not systematically checked this.			
NG	Full Submission Process	5.40 (and similar section in 5.41)	For the avoidance of doubt in the fourth sentence we suggest the following text amendment.	'However, to the extent that an answer either clarifies or changes something contained within the Full Submission, <u>revised text for the relevant section of the Full Submission</u> must be submitted in writing to Ofgem <u>no more than</u> two days <u>after</u> the meeting, or as otherwise agreed with Ofgem'.		
NG	Full Submission Process	5.54	As for comments 4.8, 4.14 and Table 4.1 above.	'i) How the Project has a potential Direct Impact on <u>the Licensed network business of the Network Licensee..</u> '		
NG	Full	5.63	The wording of the electricity document in the			

National Grid – Network Innovation Allowance governance document consultation response
November 2012

	Submission Process		<p>first bullet differs in two aspects to that used in the Gas document. The first relates to OFTO's and is understandable.</p> <p>However, the second difference relates to the use of parenthesis in the context of 'contractual arrangements (that have already been put in place...) are robust...'</p> <p>The parenthesis are absent from the gas document which changes the nuance of this section.</p> <p>We suggest keeping both documents expressed in a consistent manner.</p>			
NG	Project Implementation	8.9	For the avoidance of doubt, please clarify that the equivalent value of time and resources provided by the Network Licensee and/or Project Partners need not be translated into cash and transferred into the Project Bank Account.			
NG	Project Progress Report	8.20	The requirement for an accuracy assurance statement to be signed by a Director who sits on the board seems onerous. Could it instead be a senior manager, as referenced in the NIA.			
NG	Project Implementation	8.33	<p>'Additional Funding' is capitalised but not included among the definitions in App 1.</p> <p>Please can you clarify what is meant by Additional Funding?</p>			
NG	Project Implementation	8.37	Please clarify whether a project that reserves the <i>option</i> in its Full Submission to seek to recover cost overruns will be excluded from being eligible to receive the NIC Successful Delivery Reward, or only those projects that actually recover cost overruns?			