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23 January 2014

Dear Angelita,

**Consultation on changes to National Grid Electricity Transmission plc's electricity transmission licence to publish the Electricity Ten Year Statement (ETYS)**

Thank you for the opportunity to respond to this consultation, and apologies for the slight delay in our reply. Electricity North West is the Distribution Network Operator for the North West of England. We own, operate and maintain the North West's electricity distribution network, connecting 2.4 million properties, and more than 5 million people in the region to the National Grid.

We have a variety of interactions with National Grid. In the context of this response we provide information to them about demand and generation on our network, we are a user of their scenarios to inform our own electricity scenarios, and we provide feedback to them on their scenarios via their stakeholder engagement process.

**Question 1: Do you agree that amending Standard Condition C11 (replacing the obligation to produce the SYS with one to produce the ETYS) and amending Special Condition 2F (removing the obligation to produce the ODIS) in line with the proposals above is appropriate?**

Yes, we would be broadly supportive of Ofgem's sensible proposal to change its licence conditions on NGET. The new conditions largely reflect how NGET has already updated its approach for greater consistency in its various statements of transmission capacity, energy scenarios and network development. However the proposed conditions give Ofgem much greater influence over National Grid's stakeholder-based energy scenario inputs, which raises a number of issues and questions around scenario ownership and timing. See Question 7.

**Question 7: Do you have any comments relating to the submission of the future scenarios to the Authority each year (including the timing), and the right for the Authority to request further development of the future scenarios?**

Ownership - The need for scenarios to be 'reasonable and reflect uncertainties' seems sensible, but whether this requirement is met is subjective.

It is unclear where the final ownership of the scenarios would lie, and how a difference in opinion between Ofgem and National Grid's stakeholder-based views of future energy scenarios might be resolved. For example, what would Ofgem's reference point be? Would Ofgem be reviewing whether the scenarios adequately reflected the balance of stakeholder input and/or reviewing against consistency with DECC, the Carbon Plan, Department for Transport / OLEV, or the Committee on Climate Change? At present for example, the views

of electric vehicle uptake from National Grid (stakeholder based) and in the government Carbon Plan are quite different.

In the proposed condition, Ofgem can 'request future development of scenarios' and set a timescale, but apparently does not need to approve the final scenarios or further developments. So is it reasonable to assume that National Grid retains final ownership of the scenarios?

Timing – Would National Grid make its initial scenarios public when providing to Ofgem on 1st June, and/or the revised versions after Ofgem's review? For example would it be bringing forward its Future Energy Scenarios publication from July, or delaying to November?

Appendix 2 and the body of the consultation disagree on how long Ofgem would have to respond to NGET – 30 or 42 days.

To reflect the scenarios in its ETYS, how much time does NGET need to apply its Network Development Policy and prepare the ETYS? Presuming that the 30th November annual publication date is maintained, does this set an effective time limit on how long (and how significant) the scenario development requested by Ofgem could be?

We hope that you find our comments and questions useful.

Yours sincerely,

A handwritten signature in blue ink that reads "Sarah Walls". The signature is written in a cursive, flowing style.

**Sarah Walls**  
**Head of Economic Regulation**

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