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By email

Dear Dora,

Proposed changes to the Network Innovation Competition and Network Innovation Allowance Governance Documents.

National Grid Electricity Transmission (NGET) welcomes Ofgem's publication of the proposed changes to the Network Innovation Competition and Network Innovation Allowance Governance, and thanks Ofgem for the opportunity to respond.

Question 1: Do you agree that this criterion should be clarified to make it clear that licensees must explain their processes for selecting ideas and partners? Please explain your answer.

NGET does not have a strong view on this proposed change. We understand it is a criterion in the selection process and therefore with or without change we intend to make the fullest submission possible.

Question 2: Do you agree that this provision should be amended to clarify that licensees should only make changes to their submissions to correct errors and incorporate changes as a result of discussions with the Expert Panel? Please explain your answer.

We agree that the resubmission process should only include additional material that has been previously discussed or to address points raised during the evaluation process, for example through the Question and Answer process and discussions with the expert panel. Our understanding is that the objective of the re submission process is solely to address points highlighted by the panel or to correct errors, rather than an opportunity to include any other supplementary material outwith the scope of discussions to date.

Question 3: Do you have any comments regarding the time frame of the NIC process or the submission materials?

Currently the NIC bid process structure means that the ISP is submitted in April and the full submission in July. We would be in favour of a proposal to allow more time between initial submission and full submission by bringing the ISP deadline forward. However this would need at least one year of transition process.

We welcome the improvements in the submission documents achieved to date though there is still further development possible to increase the ease of formatting content. The specific issue we have encountered is that working within text boxes with a word document makes formatting of diagram, images and tables time consuming.

Question 4: Are there any typographical, formatting or consistency issues associated with the NIC or NIA Governance Documents that you consider should be corrected?

- It would be beneficial to review and clarify the use and definitions of the terms 'Method' and 'Solution' in different parts of both Governance documents. In the introductory and definition sections Method is defined as the means by which the Problem will be investigated or solved, such as through research, development or demonstration. Solution is the outcome, understood to mean the novel equipment or operational / commercial practice that is to be rolled out as a result of the project.

However, throughout the remainder of the document Method is referred to in a way that suggests it is the Solution as originally defined, for example:

Paragraph 3.19 "...Estimating the costs of replicating the Method,..."

Table 6.1 "...comment on the likelihood that the Method will be deployed on a large scale in future..."

- Paragraph 9.18 of the Electricity NIC Governance document refers to footnote 28, however, there is no footnote 28.

Question 5: Do you have any concerns regarding any aspects of the Gas NIC? Please explain your answer.

NGET does not participate in the Gas NIC.

Question 6: Please indicate whether or not you plan to make use of the IRM and if so how many applications you intend to make.

NGET currently intends to submit the deployment of our innovative T-Pylon to the IRM in May 2015. The decision on any submission will be substantially informed by feedback from our stakeholders regarding the preferred technology for new overhead line routes and the requirements driven by our customers to build new assets.

We are currently reviewing our portfolio of innovation projects to assess the level of readiness for implementation over the period 2015 to 2017. We will contact you if this review identifies any additional solutions that are suitable for consideration under the IRM.

We welcome the development of the IRM, noting future application windows in May 2018 and believe that further clarity on how the mechanism will work will aid us and potentially other licensees in bringing forward other innovation with carbon, environmental and customer benefits prior to RIIO-T2.

We look forward to working with our stakeholders and customers to deliver significant innovation benefits going forward for which NIC and NIA are key enablers. Please contact David Oram (07884 475641) to discuss any element of this response.

Yours Sincerely,



Paul Auckland

RIIO Strategy and Innovation Manager (Electricity)