

Henry Norman

From:

Sent:

To:

Cc:

Subject:

Dear Sir / Madam,

Thank you for the opportunity to respond to the above open letter.

Historically, the West Midlands was the workshop of the world. Now our challenge is to become the engine of the British economy, driving jobs, prosperity and economic growth. Our strategy to achieve this, called the Strategic Economic Plan (SEP), sets out our vision for improving the quality of life for everyone in the West Midlands. Our plan is based on our proud manufacturing history, central location and track record in innovation and shows that a stronger West Midlands is not just good for local people and businesses but for the whole UK.

The availability of affordable, secure and increasingly clean energy will be vital in the delivery of our plan and making the West Midlands stronger with a focus on skills, innovation, transport and inward investment.

I am in broad agreement with Ofgem's over-arching objective for the RIIO-2 framework, to ensure that regulated network companies deliver value for money services that energy consumers want and need. There are, however, also some important areas where network companies will need to support the regions and communities they serve that should not be overlooked including supporting regional growth and industrial strategy, providing clean air and keeping our roads moving.

Regional Growth

Connecting new businesses and housing to the energy they need, will be crucial to development in the West Midlands. As such, Ofgem must ensure that the need for the timely provision of capacity is recognised as a vital objective of the regulatory review, as it is critical to regional growth.

There have been issues with network capacity (primarily electricity) within the West Midlands region which require the need for improved long term forecasting and planning, as well as inter-network coordination. Ofgem's RIIO-2 framework must ensure that networks collaborate to identify and deliver the most efficient and timely energy solutions including utilising existing assets where possible to avoid the need for unnecessary, timely and costly investment in new assets which will ultimately be paid for by the residents and business of the West Midlands.

WMCA would be very happy to work with Ofgem to develop mechanisms that achieve this, including considering new obligations on utilities to deliver requirements identified and supported by statutory regional authorities.

Supporting Industry

The core of the West Midlands economic strength is in advanced manufacturing and engineering which is reflected in the fact that almost 25% of gas demand in the region is for industrial processes.

The West Midlands is home to some of the biggest and most strategically important businesses in Britain, including Jaguar Land Rover (JLR), Cadbury, Bosch and JCB. These businesses need capacity on, and supply from, energy networks available when they need it to support jobs and growth in the region.

Network companies should be incentivised to connect new affordable and secure sources of clean energy to support the move to a competitive low carbon economy in the West Midlands.

Clean Air

With approximately 1,500 premature deaths a year in our region due to pollution we are committed to reducing all types of air pollution in the West Midlands so that people breathe in less of these pollutants. In Birmingham we are introducing a Clean Air Zone (CAZ) and are currently considering how this will work. Energy networks need to play an increasing role in supporting this drive for clean air in our region.

Keeping the region moving

Another area where energy network companies should work together and with other utilities is in making sure roadworks are properly planned and co-ordinated and that they are incentivised to minimise delays and disruption which can have a significant effect upon the local economy.

Thank you for the opportunity to contribute to this important work. I very much hope that Ofgem is able to include the suggestions in its final report as we seek to address the critical challenges of economic growth, supporting industry, clean air and affordable energy solutions.

Yours sincerely

Andy Street CBE

Mayor of the West Midlands



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16 Summer Lane, Birmingham, B19 3SD

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