



Campaign to Protect
Rural England
Standing up for your countryside

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Working locally and
nationally for a beautiful
and living countryside

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The Office of Gas and
Electricity Markets
(OfGEM)
9 Millbank
London SW1P 3GE

12 March 2019

Dear RIIO-2 Team

RIIO-2 Sector Specific Methodology Consultation

Overview

1. The Campaign to Protect Rural England (CPRE) welcomes this opportunity to respond to OfGEM's RIIO-2 consultation on Sector Specific Methodology, in particular the Annex: Electricity Transmission. CPRE fights for a better future for the English countryside. We work locally and nationally to protect, shape and enhance a beautiful, thriving countryside for everyone to value and enjoy.

2. As a charity with about 60,000 members, a branch in every county, over 200 district groups and more than 2,000 parish council members, we have long had an interest in reducing the impacts of electricity infrastructure on the countryside. We campaigned successfully for the UVA and VIP allowances and, consequent on the latter scheme being set up, were invited to become members of National Grid's Stakeholder Advisory Group on the VIP project.

3. In summary, we strongly support the proposal to continue to allocate funding to mitigate the visual impact of existing transmission lines in designated landscapes, although we do not believe the decision should be subject to updating the willingness to pay analysis. We also wish OfGEM to retain (from RIIO-1) the overall objective of delivering a sustainable energy sector and amend the third outcome to '...deliver a safe, environmentally sustainable and resilient network...' (CSQ2/CSQ3).

4. Below we respond on specific issues, primarily in respect of high voltage electricity grid infrastructure in the countryside and especially its impact on nationally designated landscapes.

Detailed comments

5. **ETQ45:** We welcome the aim of improving TO engagement and interaction with stakeholders involved in new grid (connection) projects, as previous practice has been patchy. Examples such as Beaulieu-Denny excluded early optioneering and lacked transparency, to the detriment of landscape, community and amenity interests. The more recent North West Coast Connections project, despite good early engagement, unfortunately lost the confidence of local stakeholders by rushing the later process and imposing compressed deadlines. **Ofgem should be looking to incentivise early, well designed and participative engagement with stakeholders (including visitors in designated landscapes) which results in the rigorous examination of options/alternatives, leading to improved outcomes (both in terms of process and eventual build impacts).**

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6. ETQ46: We are clear that the current scheme to mitigate the impact of OH transmission infrastructure should be retained and improved, where possible. We believe the case for this policy is still extremely strong, as suggested by the recent research findings within the *Visual Impact Project Acceptability: Final Report* (Accent, 2018). In any case, it is too early to assess the full, ameliorative impact of the initial phase (RIIO-1) as no scheme has yet been completed, so the benefits cannot yet be judged by the public/customers. The current VIP schemes have had high levels of public support in the consultations carried out by National Grid as they take forward the planning applications to enable the work. We believe the provision is also fully justified in meeting Ofgem and the TOs environmental and amenity obligations, both under the Electricity Act and the Environment Act, in respect of conservation of National Parks and Areas of Outstanding Natural Beauty. We also support the comments in respect of the value of WTP versus WTA (willingness to accept) raised by the consultation response of the Campaign for National Parks (CNP). **For these reasons, we do not believe that the retention of the scheme should be dependent on further willing to pay research (WTP), although we understand that this has already been commissioned, rather negating the value of this question within the consultation. However, whatever method is used, the allowance should better reflect the overall calculated sum, which was not the case in RIIO-1.**

7. ETQ47: Whilst we understand the potential benefits of integrating VIP schemes with the business planning process, ‘mainstreaming’ them - so to speak - we are also wary of introducing further hurdles, for example challenge from the TO User Groups, which may slow down efficient decision-making and further lengthen implementation time. As we have alluded to above, support for the principle of the provision is already clear, from the original WTP work, the recent Accent research and is also underpinned by statute. It would be then be wrong to have this policy objective undermined by later decisions within the business planning process. **Our preference therefore is to retain the current arrangements unless the integration with business planning could be nuanced and would also lead to efficiencies in delivering mitigation outcomes.** We are happy to support the 2.5% cap on low cost solutions as we prefer the overwhelming focus of effort to be on infrastructure removal which we believe has more impact.

8. ETQ48: We support the continued focus on national parks, AONBs and national scenic areas as there are still significant visual impacts of grid infrastructure in these nationally important landscapes that needs addressing as a priority. However, we wish to see flexibility applied to the selection criteria to allow for more holistic mitigation where intrusive lines either extend into the setting of the designated area or, if just outside, impact significantly on the setting of the area. **Finally we are concerned that a return to a five year price period would hamper delivery of VIP schemes; if this is implemented, we would recommend that VIP schemes are planned over two price periods (i.e. 10 years).**

We are happy for this response to be made publicly available. We are happy to clarify any of the above points or provide further information if this would be helpful.

Yours sincerely

Daniel Carey-Dawes
Infrastructure Policy Manager