

Jeremy Skinner
Greater London Authority
City Hall
The Queens Walk
London, SE1 2AA

Ofgem
10 South Colonnade
Canary Wharf
London, E14 4PU

Dear James,

Re: RIIO-2 Sector Specific Methodology Consultation

I write to submit the GLA's response to Ofgem's Sector Specific Methodology Consultation.

The first section of this document provides a summary response to RIIO-2 cross-sectoral proposals for the Gas and Electricity Distribution sectors. The second section of the document provides responses to questions that are specific to the GD2 sector specific methodology. The GLA plans to respond separately to the RIIO-2 ED2 consultation in Q2 / 3 2020.

I am grateful for the opportunity to share our views on the issues of growth, infrastructure planning, and regulation.

We have been particularly struck by the innovative approach taken in your proposals for RIIO-2. They strike a good balance between setting realistic expectations of the distribution networks, and ambitious proposals for new and strengthened outputs and incentives. All of this is fundamental to the continued functioning of the networks, as we enter a period of significant technological change, and immediate uncertainty in the national economy.

Our recommendations are primarily cross-sectoral, though our definition of this is different to Ofgem's. As a strategic authority we are concerned with the full gamut of infrastructure sectors. This is the crux of what we hope to see from RIIO-2 – proposals that not only consider the energy sector, but also how energy networks interface with other types of infrastructure such as water, waste and digital connectivity.

I welcome Ofgem's focus on protecting consumer bills, and protecting the most vulnerable consumers. However, Londoners live in a growing city, and the operations of the distribution networks can create costs to the public that are not captured in consumer bills. Congestion on the roads resulting from street works is one example of this.

In sending this letter, I want to acknowledge Ofgem's efforts to bring fresh thinking to RIIO-2. My team is available to work with you to further refine these proposals, in advance of your upcoming consultation on electricity distribution.

Yours sincerely,



Jeremy Skinner
Greater London Authority | Assistant Director, Growth, Infrastructure & Connectivity Unit