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25th September 2019

Ofgem
9, Millbank
London
SW1P 3GE

Dear Sir/Madam

Open Letter on Price Control for RIIO-ED2

Friends of the Lake District (FLD) is a registered charity with more than 6,000 members. We represent the Campaign to Protect Rural England in Cumbria and are a member of the Campaign for National Parks. We actively campaign to reduce the visual impact of all overhead wires on the landscape. I work with the Distribution Network Operator (DNO) in our region, Electricity North West, National Parks and Areas of Outstanding Natural Beauty (AONBs) on specific undergrounding schemes.

Thank you for giving stakeholders this opportunity to comment on price control for electricity distribution (RIIO-ED2). My main point is that there is no mention anywhere in this open letter of undergrounding for visual amenity which was a key aspect of the environmental output of RIIO-1. Yet there are statutory duties on all relevant authorities to have regard to the purpose of conserving and enhancing National Parks or Areas of Outstanding Natural Beauty (AONBs) when exercising or performing any functions affecting land within these protected areas. Indeed, under RIIO-1, over £100 million has been committed by Ofgem to the undergrounding of electricity distribution lines alone. DNOs, with National Parks and Areas of Outstanding Natural Beauty (AONBs) as partners, are working hard to identify and deliver schemes that reduce the visual impact of wire clutter in these nationally important protected landscapes. In addition to the direct benefits to landscapes and their users, this undergrounding work has developed useful partnerships between public, private and charity sectors and generated excellent national and local publicity.



Answering numerically those open letter questions that are most relevant to my work as Overhead Wires Officer with Friends of the Lake District...

Qu.1 Do you have any views on the proposed objective for RIIO-ED2?

We are concerned that the emphasis in RIIO-1 on delivering a “sustainable energy sector” has been removed and that RIIO-2 is solely concerned with delivering “value for money for customers” (page 4). We, along with environmental partners, have always challenged this change, feeling that a sole focus on value for money for customers will not automatically deliver a sustainable energy sector or reflect Ofgem’s statutory duties (see Joint response to open letter of RIIO-2 Framework, September 2017; FLD response to RIIO-2 Framework Consultation, April 2018; FLD response to RIIO-2 Specific Methodology Consultation, March 2019).

Qu.18 Welcome views on proposed position of 5 year price control

We agree that it is possible to spend the allowance in a 5 year period (page 13), even though any undergrounding scheme (from initial proposal to final construction) can take 2 years to implement. The potential problems with a longer price control period are that the programme can start slow or dip in the middle as there is a lack of urgency.

Qu.20 Welcome views on whether these enhanced engagement arrangements are appropriate for RIIO-ED2

We are concerned that there is no detail on the process or structure of the Customer Engagement Group (page 14) that is proposed. There is no mention of wider stakeholders, such as National Park Authorities, AONBs and multiple National Park Societies, and yet it is they that work closely, and successfully, with DNOs to select undergrounding schemes on the basis of the visual impact of poles and wires on high quality, nationally designated landscapes. There must be a role and a remit for environmental organisations in RIIO-2, as there has been since DPCR4 which is over ten years ago now.

Qu.21 Welcome views on whether proposed output categories... are appropriate for RIIO-ED2

We disagree with the proposal to consolidate the six existing output categories from RIIO-1 into just three categories (page 15). We have always argued that the six outputs should be retained as undergrounding (“visual impact”) has long been part of the environmental output (see FLD response to RIIO-2 Sector Specific Methodology Consultation, March 2019).

In conclusion, all the concerns that have been expressed in responding to previous RIIO-2 consultations (eg. FLD letter of 23rd April 2018 to the Framework Consultation) remain. We are concerned that the proposed overarching objective of RIIO-2 makes no mention of the fundamental role of network companies to deliver a sustainable energy network. We are concerned at the total absence of visual amenity allowances from this Open Letter and the removal of an environment output category. Finally, we are concerned at the sole emphasis on customers (whether in terms of overarching objective or engagement) at the expense of wider stakeholders.

I look forward to hearing from you.

Yours faithfully

A handwritten signature in blue ink that reads "Amanda McCleery". The script is cursive and fluid.

Amanda McCleery
Overhead Wires Officer

