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Dear Julie,

Call for Evidence on the Electricity Transmission, Gas Transmission, Gas Distribution and Electricity System Operator Business Plans for RIIO-2

We are pleased to respond to this call for evidence as the branch of the Campaign to Protect Rural England (CPRE) that covers the Peak District National Park, High Peak Borough, parts of NE Derbyshire and South Yorkshire (Barnsley, Doncaster, Rotherham and Sheffield local authority areas). In the latter we are represented by our CPRE South Yorkshire brand; in the wider Peak we operate as Friends of the Peak District, the national park society, in close collaboration with the Campaign for National Parks (CNP). Our vision promotes a living working countryside that changes with the times but stays beautiful forever.

Our response is to National Grid's Electricity Transmission (NG-ET) Business Plan 2021-2026 for RIIO-2. We responded to NG-ET's consultations on this Business Plan in March and August 2019. As our key concern is the environment, predominantly in relation to the issue of visual amenity and public engagement, and our experience is with existing lines, our response focuses on visual amenity

Our background

We have a long history of involvement in issues of powerlines (both transmission and distribution), visual amenity and landscape protection. We work closely with national CNP and CPRE and others (CPRW, NAAONB, John Muir Trust and Friends of the Lake District) to advocate for more sustainable landscape outcomes in relation to the existing electricity distribution and transmission network and new lines, where proposed.

We also work with DNOs on the OfGEM Undergrounding for Visual Amenity (UVA) scheme. We were involved with the NG-ET stakeholder consultation on the options for the long term future of the Stalybridge to Woodhead 400 kV line. More recently we have been involved in the stakeholder

President: [Dame Fiona Reynolds](#)

CPRE South Yorkshire and Friends of the Peak District are run by the Campaign to Protect Rural England, Peak District and South Yorkshire
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consultation on development of NG-ET's Visual Impact Provision (VIP) as applied in the Peak District: i.e. the Dunford East section of the Stalybridge to Woodhead line for undergrounding and the Landscape Enhancement Initiative (LEI) in Longdendale. We responded to OfGEM's open letter in 2017, which launched the consultation on RIIO-2, to the Framework Consultation in March 2018, and to the specific methodologies consultation in March 2019.

Response to visual amenity proposals

We strongly support NG-ET's aim to continue to deliver landscape and visual impact benefits at specific sites in National Parks and AONBs in T2 through the robust mechanism of a stakeholder-led approach, assessing visual impact on a case-by-case basis. We also welcome the innovations within the VIP project which will reduce the cost and environmental impact of future underground transmission. We understand that any VIP project approved by OfGEM during T1 would be funded from the T1 provision of £500m, for which the provisional sum allocated is £202.36m (Table 11.7).

With respect to T2, Ofgem decided after the results of consultation on the specific methodologies that the T2 VIP expenditure should not be included in the transmission operator business plans¹ but should continue as a separate allowance; it also stated that '*we think that the TOs should indicate in their Business Plan the value of projects that they could feasibly deliver in RIIO-ET2.*' In line with OfGEM's requirements no funding has been allocated to T2.

In the 2012 Business Plan £500m was allocated as the potential VIP fund to be shared between all the transmission operators in T1. NG-ET, if it completes all the work it anticipates, would spend £346m of this £500m fund² or 6% of its total expenditure of £5.8bn. NG-ET's VIP proposals for T2 are presented in Annex 11.12³. This indicates that the North Wessex Downs plus two other projects could be implemented in T2. All detail and costs are redacted but we are given the overall costs for 3 undergrounding projects of £580m-730m, which with LEI would require a total of £594.5m - £748.3m. If only two undergrounding projects were undertaken these total costs would be £266.5m- £461.3m. To date, throughout T1 NG-ET has developed 4 projects, one to construction on the ground, one to submission for planning consent and two others to advanced stages. We understand that NG-ET is understandably constrained by the project management required for such complex schemes and the availability of specialist contractors but three undergrounding projects appears well within its capacity and capabilities. Aiming at anything less would result in reduced outputs and ambition for improvements in visual amenity. Indeed the Environmental Action Plan⁴ identifies '*the T2 baseline and 2026 end position*' as '*We will deliver Dorset plus other T1 funded projects*'. This represents only the T1 baseline - where is the 2026 end position? Further detail on the level of ambition in T2, beyond the completion of T1 projects, must be given.

The Willingness to Pay report⁵ supports more ambitious outcomes and expenditure. It showed a GB-wide willingness to pay a mean value of £6.87 per household per year to underground an additional 20 miles of existing lines in designated areas (National Parks, AONBs and National Scenic Areas in Scotland), plus an additional £4.14 per household per year for smaller LEI-type projects in designated areas. Additional analysis⁶ showed a median value of £7.03 per household per year to underground an additional 20 miles of existing lines in designated areas (National Parks, AONBs and National Scenic Areas in Scotland),

¹ RIIO-2 Sector Specific Methodology Decision - Electricity Transmission, Ofgem, para 3.246, 24 May 2019

² NG-ET Draft Business Plan 2021-2026 Full August 2019 consultation

³ Annex 11.12 VIP T2 Project Provision Proposal

⁴ Annex NGET_A11.05 - Environmental Action Plan and Methodology, Table 4 page 18, December 2019

⁵ Estimating Electricity and Gas Transmission Consumers' Willingness to Pay for Changes in Service during RIIO2, NERA & Explain, Prepared for National Grid Gas Transmission, National Grid Electricity Transmission, SP Transmission and Scottish Hydro Electricity Transmission 19 June 2019

⁶ Annex 11.12 VIP T2 Project Provision Proposal

compared to the mean of £6.87, whilst the mean and median values for smaller LEI-type projects in designated areas was the same. These latest findings give values of many billions for T2 VIP, which is substantially more than NG-ET is proposing or we ourselves would propose. Additional research undertaken by NG-ET found that 68% of respondents supported additional undergrounding in National Parks in the T2 period, and 69% supported additional undergrounding in AONBs. When costs were made explicit 55% supported undergrounding of at least nine miles of existing lines in National Parks, plus at least nine miles of existing lines in AONBs in the T2 period; when indicatively converted to total expenditure, these 55% supported T2 spend of £360million or more.

The Willingness to Pay study also showed that consumers are willing to pay on average £6.87 per household per year to underground an additional 20 miles in other areas. This result, coupled with stakeholder group views, has led NG-ET to propose the Urban Improvement Project to improve assets or public spaces in disadvantaged, urban communities. We welcome this, but it is also further evidence of the desire to reduce the impact of overhead transmission lines throughout the country.

We therefore believe that OfGEM should set the VIP Project cap for T2 for NG-ET at no less than £595m or 8.4% of its £7.1billion total expenditure, which would cover the lower limit total of 3 undergrounding projects (£580m) and provide £14.8m for the LEI⁷. This would add 22.6p to each annual household bill (26.3million households in England, Wales and Scotland in 2016).

We are aware that the RIIO-2 Challenge Group in its January 2020 report expressed reservations about the '*significant investment*' required to deliver the environmental outputs including visual impact. It recognised the stakeholder support for the programme but urged Ofgem to take full account of the cumulative impact on bills and decarbonisation benefits when considering the programmes, both individually and in the round. It is essential that the impact on household bills is weighed in the balance. If all the £500m had been spent during T1, it would have added 19p to each annual household bill; we are proposing an additional 3.6p for T2. We believe that this takes into account stakeholders wishes for the environmental outcomes, the impact on household bills and the following requirements that the transmission operators and OfGEM must meet.

1. It allows the transmission operators and OfGEM to meet their duties towards the conservation and enhancement of National Parks and AONBs under the Environment Act 1995 and Countryside and Rights of Way Act 2000;
2. It allows the transmission operators to meet their obligations under the Electricity Act 1989⁸ to preserve visual amenity;
3. It reflects the Government's approach to enhancing the landscape highlighted in the 2018 National Planning Policy Framework (which has 6 references to enhancement of all landscapes), the 2011 National Policy Statements on Energy (specifically EN-5 paragraphs 2.8.5-2.8.6 on the Holford Rules), the UK's commitment to the European Landscape Convention, and recognition in the Government's 25-year Environment Plan (2018) of the intrinsic value of landscape - there is a whole Chapter (2) on enhancing the beauty of landscapes particularly in National Parks and AONBs;
4. Making provision for amenity improvements is integral to Ofgem's principle objective to protect the interests of existing and future consumers, such that future generations may inherit landscape assets less marred by technological intrusion than the present;
5. It complements the highly effective and popular initiative for amenity undergrounding of the distribution network and applies it, quite rightly, to the electricity transmission system.

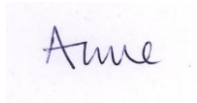
⁷ Annex 11.12 VIP Project Provision Proposal

⁸ National Grid Electricity Transmission plc Electricity Act 1989 - Schedule 9 Statement Duty of Preservation of Amenity

Conclusion

We urge OfGEM to continue with ambitious investment in addressing the visual impact of the electricity transmission network. The cap for T2 should be set at no less than 8.4% of NG-ET's £7.1billion total expenditure which would cover 3 undergrounding projects (£580m) and the LEI (£14.8m), giving an expenditure of £595m on the VIP project. This would add 22.6p to each annual household bill.

Yours sincerely

A handwritten signature in blue ink that reads "Anne".

Anne Robinson
Campaigner