



Campaign for National Park's evidence on National Grid's draft RIIO-2 Business Plan

Submitted by [online proforma](#) 10 February 2020

Introduction

Campaign for National Parks is the independent national voice for the 13 National Parks in England and Wales. Our mission is to inspire everyone to enjoy and look after National Parks – the nation's green treasures. We have been campaigning for over 80 years to ensure that our National Parks are beautiful, inspirational places that are relevant, valued and protected for all.

Our evidence focuses on National Grid's proposed approach to visual amenity as set out in the [section on the environment and communities](#) (Chapter 11). We have a long-standing interest in the price control process having been closely involved, alongside other environmental NGOs, in the development and implementation of the visual amenity allowances for both transmission and distribution operators. We are also members of the Stakeholder Advisory Group for National Grid's Visual Impact Provision (VIP) project.

Justification for the visual amenity allowance

The draft Business Plan (p124) does not provide enough information on why the visual amenity allowance was introduced. This information is needed to ensure that all stakeholders are aware of the strong statutory and policy justification for this allowance and is particularly important in the light of comments from the Challenge Group which imply that Ofgem should be reconsidering the need for this programme.

All relevant bodies have a statutory duty to have regard to the purpose of conserving and enhancing designated landscapes when exercising or performing any functions affecting land within these areas¹. In addition, there are requirements under section 3A(5) of the *Electricity Act 1989* to have regard to the effect on the environment of activities connected with the generation, transmission, distribution or supply of electricity. Reducing the visual impact of electricity infrastructure allows both National Grid and Ofgem to demonstrate that they are meeting these responsibilities.

Improvements implemented through the visual amenity allowance also support the delivery of:

- The *Well-being of Future Generations Act (Wales) 2015*.
- Sustainable Management of Natural Resources under the *Environment (Wales) Act 2016*.
- Welsh Government objectives for designated landscapes in the 2018 Policy Statement 'Valued and Resilient'.

¹ These duties are set out in the *Environment Act 1995* (for National Parks in England and Wales), the *Countryside and Rights of Way Act 2000* (for Areas of Outstanding Natural Beauty) and *National Parks (Scotland) Act 2000*.

- the objectives of the Westminster Government's 25-Year Environment Plan and their ambitions to improve the environment and enhance designated landscapes.

Retaining the existing scheme will maximize the benefits from the preparatory work that has already been undertaken. For example, during T1 National Grid commissioned extensive research to assess the landscape and visual impacts of all the overhead transmission lines in designated landscapes in England and Wales. It is essential that full value for money is achieved from all the resources that have already been put in to establishing the scheme.

Consideration should also be given to the growing body of evidence about the value of National Parks to the rural economy. For example, in England alone there are 94 million visitors to National Parks and surrounding areas each year, spending more than £5 billion between them and supporting over 75,000 full time equivalent jobs². Many of these visitors are specifically attracted to these areas by the natural beauty of the landscape. Measures to enhance the landscape and visual amenity of National Parks will help support aspirations in both England and Wales to increase the number of visitors to National Parks³, including those from overseas whose views will not have been taken into account in the WTP research.

Setting the size of the allowance

The only visual amenity figure National Grid have included in the Business Plan is £202 million to cover the cost of completing T1 projects being carried forward into T2. They have not provided an exact figure in the Business Plan for how much they are proposing to spend on new projects. Given the VIP programme is now well-established and a short-list of projects have been identified, it is essential that the size of allowance allocated for T2 is set at an appropriate scale to ensure the momentum can be maintained.

National Grid's VIP proposals for T2 are set out in [Annex 11.12](#). Although the detailed costs are redacted, this annex indicates that three projects would require a total T2 expenditure of approximately £595 million to £750 million. During T1, National Grid has developed four projects while also having to spend a lot of time and resources on the setting up of the programme and the initial assessment work to identify priorities for implementation so it seems reasonable to assume that it would be possible to develop three projects to an advanced stage during T2, particularly as work is already well underway on one project, North Wessex Downs. Aiming for anything less than three projects would result in reduced outputs and ambition for improvements in visual amenity.

We are concerned that the Environmental Action Plan⁴ states that "*the T2 baseline and 2026 end position*" is '*We will deliver Dorset plus other T1 funded projects*'. This represents only what has already been agreed under T1 and does not provide any indication of what the ambition is for T2.

The information in Annex 11.12 makes it clear that even the £750 million figure which is the upper limit for delivering three projects is well within the limit identified within the latest Willingness To Pay (WTP) study. This "identified a GB-wide willingness to pay 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." Multiplied

² http://www.nationalparksengland.org.uk/__data/assets/pdf_file/0015/1070313/INFOGRAPHIC-2017-hi-res.pdf

³ These are set out in [Future Landscapes: Delivering for Wales](#) and [The 8-Point Plan for England's National Parks](#)

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

by the number of affected consumers this equates to a figure of many billions of pounds significantly more than is proposed for VIP in T2.

Factual error

The figures used in the following statement on p.135 are incorrect and need to be amended:

“On average, over 10m visitors spend over £1bn in National Parks each year, which provides an economic benefit to the local area.”

The total number of visitors is significantly higher than this, as set out in our evidence on justification for the allowance above.