

## Call for Evidence

### **Topic 4: Competition & Engagement on IT**

Competition should be implemented where it is in consumers best interests. How are the ESO able to demonstrate "competition Everywhere" is always in consumer interests?

There is therefore the need for an impact assessment to consider the cost of competition and the learning from the process. The £100m materiality threshold was implemented because the cost and level of interest wasn't there for expenditure below that. With the 'competition everywhere' approach, we don't see evidence of the costs and benefits that such an approach would create.

### **Supporting Evidence**

The ESO makes clear in their plan that the scope of this has not been determined yet so their proposals are not included in their plan (6.1.1)

*"We are fully committed to introducing competition everywhere, including supporting Ofgem to develop and implement competition for onshore transmission. We recognise we have a key role both in supporting the introduction of Competitively Appointed Transmission Owners (CATO) and in supporting alternative approaches prior to the introduction of the legislative changes required for the CATO regime."*

The ESO has proposed significant levels of investment in IT

As a transmission owner we own IT systems for control and operation of our network that interface with the ESO systems. The ESO has not engaged with us on their proposals or highlighted whether or not we may have any consequential IT changes as a result of all their upgrades to their IT systems.

### **Supporting Evidence**

Chapter 10 of main business plan. page 148:

*"Of our proposed £257 million average annual investment in RIIO-2, £159 million will be spent on shared IT. £78 million represents our spending on ESO specific IT investments, with a further £33 million being invested in shared IT infrastructure and cyber security and £48 million on IT running costs."*