

Responses to the Call for Evidence on the Electricity Transmission, Gas Transmission, Gas Distribution and Electricity System Operator Business Plans

Main heading

On 13 December 2019 we issued a call for Evidence on the Electricity Transmission, Gas Transmission, Gas Distribution and Electricity System Operator Business plans. We asked stakeholders to respond using an online pro-forma. Below are all the non-confidential responses we received to this call for evidence.

1. Sembcorp Energy UK

Q1 Please enter the requested details below.

Company name **Sembcorp Energy UK**

Email address **cathy.mcclay@sembcorp.com**

Name of individual **Cathy McClay**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Yes, I would be happy to be contacted.

Q4 Which company business plan does this evidence relate to?

National Grid Electricity System Operator (ESO)

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Overall Business Plans

Q6 Please state which section of the Business Plan your response relates to?

I have comments on: ambition; funding; IT

Q7 Please provide a summary of the issue.

We are supportive of the ambition of the ESO plan and believe that it is important that it is properly funded to deliver this ambition. The benefits that the ESO can deliver in the transition to Net-Zero are extremely large compared to the costs but many of these benefits are in the future. It is important that the funding and incentive scheme work together to encourage the ESO to take the necessary steps and not become risk adverse due to the regulatory regime or relationship.

The plan is underpinned by an ambitious IT program. We are encouraged by the digital plan and the move towards agile delivery. We do have concerns that much of this delivery will be via central National Grid teams and question whether this will really deliver the step change in IT culture required to deliver this important and ambitious plan. We would encourage the ESO to consider alternative delivery models to create the agility required. This could include bringing more development in-house or working with smaller, dynamic organisations rather than relying on traditional, large companies.

Q8 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q9 Do you have any further comments on the Business Plans?

No

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q11 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q12 Please provide a summary of the issue. **Respondent skipped this question**

Q13 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q14 Do you have any further comments on the Business Plans?

Respondent skipped this question

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q16 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q17 Please provide a summary of the issue. **Respondent skipped this question**

Q18 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q19 If you have any additional evidence or documentation please upload it here.

Respondent skipped this question

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

Respondent skipped this question

Q21 Do you have any feedback on this response tool? **Respondent skipped this question**

2. Chemical Industries Association

Q1 Please enter the requested details below.

Company name **Chemical Industries Association**

Email address **mitchelld@cia.org.uk**

Name of individual **David Mitchell**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Respondent skipped this question

Q4 Which company business plan does this evidence relate to? All Various (Please State Below):

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Cost and financial information

Q6 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q7 Please provide a summary of the issue. **Respondent skipped this question**

Q8 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q9 Do you have any further comments on the Business Plans?

No

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Cost and financial information

Q11 Please state which section of the Business Plan your response relates to?

Cost of Debt / Equity and impact on Consumers

Q12 Please provide a summary of the issue.
as

Q13 If you have any supporting evidence or documentation please upload it here.
Respondent skipped this question

Q14 Do you have any further comments on the Business Plans?
Yes

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?
Respondent skipped this question

Q16 Please state which section of the Business Plan your response relates to?
Respondent skipped this question

Q17 Please provide a summary of the issue. **Respondent skipped this question**

Q18 If you have any supporting evidence or documentation please upload it here.
Respondent skipped this question

Q19 If you have any additional evidence or documentation please upload it here.
Respondent skipped this question

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.
Respondent skipped this question

Q21 Do you have any feedback on this response tool? **Respondent skipped this question**

3. Power Data Associates Ltd

Q1 Please enter the requested details below.

Company name **Power Data Associates Ltd**

Email address **tom.chevalier@powerdataassociates.com**

Name of individual **Tom Chevalier**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Yes, I would be happy to be contacted.

Q4 Which company business plan does this evidence relate to?

Cadent Northern Gas Networks (NGN) Scotia Gas Networks (SGN) Wales and West Utilities (WWU) National Grid Gas Transmission (NGGT)

Various (Please State Below):

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Delivering an environmentally sustainable network

Q6 Please state which section of the Business Plan your response relates to?

Own use gas

Q7 Please provide a summary of the issue.

<https://www.ofgem.gov.uk/publications-and-updates/rrio-2-challenge-group-independent-report-ofgem>

I am pleased to see the Challenge report. I support and endorse a comment that was made in the report that highlights the issue of 'own use gas'. This is an aspect that I believe the GDNs should include as an operational cost for operating the gas distribution network. As a current 'pass through cost' they have limited incentive to invest, develop or operate the gas compression as efficiently as possible. I support the view that the GDNs should procure fuel (gas or electricity) to operate their gas compression equipment.

The gas (or electricity) used should be metered and procured on the same basis as any customer. In that way they directly accountable for the effective operation. The Gas (or electricity) used for compression would still be part of the price control, as is energy use for GDN operational buildings, vehicles, etc. The intention is to make the 'own use' energy measurable and therefore subject to a managed reduction in cost and carbon impact. It also ensures that an electricity compression solution is fairly considered alongside a gas solution which would benefit from gas pass through.

It could be argued that 'own use gas' is dependent on demand. Well that is true of many activities/costs within the GDN operation. The electricity DNOs have been required under recent price controls to account for their own energy use (ideally metered, otherwise unmetered) and procure the energy. So requiring GDNs to do the same would facilitate a more common governance framework and provide clarity on the actual costs of operating the gas networks.

Q8 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q9 Do you have any further comments on the Business Plans?

No

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q11 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q12 Please provide a summary of the issue. **Respondent skipped this question**

Q13 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q14 Do you have any further comments on the Business Plans?

Respondent skipped this question

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q16 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q17 Please provide a summary of the issue. **Respondent skipped this question**

Q18 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q19 If you have any additional evidence or documentation please upload it here.

Respondent skipped this question

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

Respondent skipped this question

Q21 Do you have any feedback on this response tool?

Not sure how meant to provide different comments for different companies, so will start again.

4. Power Data Associates Ltd

Q1 Please enter the requested details below.

Company name **Power Data Associates Ltd**

Email address **tom.chevalier@powerdataassociates.com**

Name of individual **Tom Chevalier**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Yes, I would be happy to be contacted.

Q4 Which company business plan does this evidence relate to?

National Grid Electricity Transmission (NGET) Scottish Hydro-Electric Transmission (SHE-T) Scottish Power Transmission (SPT)

Various (Please State Below):

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Delivering an environmentally sustainable network

Q6 Please state which section of the Business Plan your response relates to?

own use electricity

Q7 Please provide a summary of the issue.

I believe the electricity Transmission companies should measure and account for their own use electricity used to operate the transmission infrastructure.

Operational infrastructure includes substation buildings (heating, lighting, amenity use), cable tunnels (cooling, pumps & lighting), transformer cooling fans, telemetry, etc. Their 'own use' electricity is typically not accounted for and is therefore included (or 'lost') within electricity transmission losses. There is no requirement in the BSC to account separately for this energy, even on new or amended infrastructure. This is an aspect that I believe the Transmission companies should include as an operational cost of operating the transmission network. As a 'free' source of energy the transmission companies have limited (if any) incentive to invest, develop or operate their infrastructure as efficiently as possible. I support the view that the transmission companies should directly procure electricity used to operate their transmission equipment. The electricity (or gas) used should be metered (wherever

possible) and procured on the same basis as any customer. In that way they directly accountable for the effective operation and their relative efficiency compared/contrasted. The electricity used for operating the transmission infrastructure would still be part of the price control, as is energy use for transmission operational buildings, vehicles, etc. The intention is to make the 'own use' energy measurable and therefore subject to a managed reduction in cost and carbon impact. The electricity DNOs have been required under recent price controls to account for their own energy use (ideally metered, otherwise unmetered) and procure the energy. So requiring the transmission companies to do the same would facilitate a more common governance framework and provide clarity on the actual costs of operating the transmission networks.

Q8 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q9 Do you have any further comments on the Business Plans?

No

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q11 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q12 Please provide a summary of the issue. **Respondent skipped this question**

Q13 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q14 Do you have any further comments on the Business Plans?

Respondent skipped this question

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q16 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q17 Please provide a summary of the issue. **Respondent skipped this question**

Q18 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q19 If you have any additional evidence or documentation please upload it here.

Respondent skipped this question

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

Respondent skipped this question

Q21 Do you have any feedback on this response tool? Not great. When I tried to enter comments on other companies survey Monkey told me I had already completed the survey and refused. I had to find another computer

5. Cymdeithas Eryri Snowdonia Society

Q1 Please enter the requested details below.

Company name **Cymdeithas Eryri Snowdonia Society**

Email address **director@snowdonia-society.org.uk**

Name of individual **John Harold**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Respondent skipped this question

Q4 Which company business plan does this evidence relate to?

National Grid Electricity Transmission (NGET)

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Delivering an environmentally sustainable network

Q6 Please state which section of the Business Plan your response relates to?

Chapter 11 - environment

Q7 Please provide a summary of the issue.

The need for visual amenity programmes and allowances to be maintained and expanded at the scale and over time horizons appropriate to the scale of the work required.

Q8 If you have any supporting evidence or documentation please upload it here.

CESS response to Ofgem RII02 Business Plans call for evidence 2.pdf (628KB)

Q9 Do you have any further comments on the Business Plans?

No

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q11 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q12 Please provide a summary of the issue. **Respondent skipped this question**

Q13 If you have any supporting evidence or documentation please upload it here.

12

Respondent skipped this question

Q14 Do you have any further comments on the Business Plans?

Respondent skipped this question

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q16 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q17 Please provide a summary of the issue. **Respondent skipped this question**

Q18 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q19 If you have any additional evidence or documentation please upload it here.

CESS response to Ofgem RII02 Business Plans call for evidence 2.pdf (628KB)

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

No

Q21 Do you have any feedback on this response tool? it works fine

6. OGUK

Q1 Please enter the requested details below.

Company name **OGUK**

Email address **mtholen@oilandgasuk.co.uk**

Name of individual **Micheal Tholen, Sustainability Director**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Respondent skipped this question

Q4 Which company business plan does this evidence relate to?

National Grid Gas Transmission (NGGT)

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Meeting the needs of consumers and network users

Q6 Please state which section of the Business Plan your response relates to?

Network Capability

Q7 Please provide a summary of the issue.

OGUK represents the main producers of gas from the UKCS and a range of contractor companies with more than 400 members. With respect to Network Capability OGUK supports the key assumptions that NGGT has made in the business plan with respect to gas production and consumption. In particular, over the RII02 period we do not expect gas demand to change significantly and, although UK gas production may fall to some degree, output will still be more than 80% of current levels by the end of the RII02 period. This has been confirmed in the 2019 Asset Stewardship Survey and the report from the Oil and Gas Authority is attached to this submission. We will be updating these figures in OGUK's March 2020 Business Outlook document and will be able to provide these as additional evidence once the 2020 survey is complete at the end of February 2020. OGUK's view is that modifications to baselines should be carefully considered and consulted widely and the concept of an annual process in this respect is broadly supported.

Q8 If you have any supporting evidence or documentation please upload it here.

OGA projections March 2019.pdf (1.3MB)

Q9 Do you have any further comments on the Business Plans?

Yes

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Maintaining a safe and resilient network

Q11 Please state which section of the Business Plan your response relates to?

Asset Health

Q12 Please provide a summary of the issue.

NGGT draft business plan projects an increase in Asset health spending in the RII02 period. This is based on considerable stakeholder engagement with our members and, in particular on the projects relating to Bacton and St Fergus terminal for which there is support for the strategy outlined in the plan. The same applies to the need for compressor replacement and refurbishment to comply with emission limits. With reference to the wider programmes for Asset renewal, there is equally no appetite from oil and gas producers (as network users) to tolerate increased risk of interruptions, constraints or other disruption as a result of ongoing asset degradation or from issues relating to Health and Safety enforcement or requirements of manufacturers guarantees. However, at the same time we expect Ofgem to carefully examine the detailed justifications for each of the replacement programmes to confirm the case made and the cost projections and assumed efficiencies. More widely, regardless of the future pathway for gas demand there is a need to maintain a reliable network since users will still be dependent on this. Disruption and constraints have both direct and indirect implications from consumers in terms of the impact on wholesale markets.

Q13 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q14 Do you have any further comments on the Business

15

Plans?

No

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q16 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q17 Please provide a summary of the issue. **Respondent skipped this question**

Q18 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q19 If you have any additional evidence or documentation please upload it here.

Economic-Report-2019-OGUK.pdf (14.6MB)

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

Respondent skipped this question

Q21 Do you have any feedback on this response tool?

We will be able to update the projections once the Asset Stewardship data is available and will be looking to submit that as additional evidence in March 2020.

7. Transmission Investment

Q1 Please enter the requested details below.

Company name **Transmission Investment**

Email address **chris.veal@tinv.com**

Name of individual **Chris Veal**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Yes, I would be happy to be contacted.

Q4 Which company business plan does this evidence relate to?

Scottish Power Transmission (SPT)

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Driving efficiency through innovation and competition

Q6 Please state which section of the Business Plan your response relates to?

Appendix 18 - Competition Plan

Q7 Please provide a summary of the issue.

Plan is not available as link on SPT's website doesn't work, see:

https://www.spenergynetworks.co.uk/userfiles/file/Annex_18_Competition_Plan.pdf

Hence it is not possible to provide stakeholder feedback on the plan.

Q8 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q9 Do you have any further comments on the Business Plans?

Yes

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Driving efficiency through innovation and competition

Q11 Please state which section of the Business Plan your response relates to?

Q12 Please provide a summary of the issue.

Only 3 synchronous compensators and a 2GW eastern HVDC link have been identified as suitable for competition. This is fewer projects than identified in the ESO's recent 2019/20 Network Options Assessment - see page 45 of the NOA (published 31 Jan 2020) which includes three projects starting/ending at Torness. There appears to be a conflict of interest in asking a monopoly TO to identify projects suitable for competition.

Q13 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q14 Do you have any further comments on the Business Plans?

No

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q16 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q17 Please provide a summary of the issue. **Respondent skipped this question**

Q18 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q19 If you have any additional evidence or documentation please upload it here.

Respondent skipped this question

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

Respondent skipped this question

Q21 Do you have any feedback on this response tool? **Respondent skipped this question**

8. Transmission Investment

Q1 Please enter the requested details below.

Company name **Transmission Investment**

Email address **chris.veal@tinv.com**

Name of individual **Chris Veal**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Yes, I would be happy to be contacted.

Q4 Which company business plan does this evidence relate to?

Scottish Hydro-Electric Transmission (SHE-T)

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Driving efficiency through innovation and competition

Q6 Please state which section of the Business Plan your response relates to?

Appendix 3 Pages 149-150

Q7 Please provide a summary of the issue.

The plan does not include in its projects suitable for competition two east coast HVDC links (both starting/ending at Peterhead) identified in the recent Network Options Assessment - see page 45 of the NOA (published 31 Jan 2020). It appears that there is a conflict of interest in requesting a monopoly TO to identify projects suitable for competition.

Q8 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q9 Do you have any further comments on the Business Plans?

No

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q11 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q12 Please provide a summary of the issue. **Respondent skipped this question**

Q13 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q14 Do you have any further comments on the Business Plans?

Respondent skipped this question

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q16 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q17 Please provide a summary of the issue. **Respondent skipped this question**

Q18 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q19 If you have any additional evidence or documentation please upload it here.

Respondent skipped this question

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

Respondent skipped this question

Q21 Do you have any feedback on this response tool? **Respondent skipped this question**

9. Transmission Investment

Q1 Please enter the requested details below.

Company name **Transmission Investment**

Email address **chris.veal@tinvt.com**

Name of individual **Chris Veal**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Yes, I would be happy to be contacted.

Q4 Which company business plan does this evidence relate to?

National Grid Electricity Transmission (NGET)

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Driving efficiency through innovation and competition

Q6 Please state which section of the Business Plan your response relates to?

Section 5 - Pages 54-55

Q7 Please provide a summary of the issue.

There is a misalignment between the list of projects identified as potentially suitable for competition in the NGET business plan and those identified in the recent Network Options Assessment - see pages 45 and 53 of the NOA (published on 31 Jan 2020). Of the projects that NGET considers suitable for competition on pp 54 and 55 of its business plan only one (HVDC Peterhead to Drax (E4D3) is included in the NOA, the other two (SCN1: South London to South East Coast and OENO: Central Yorkshire) do not appear on the NOA list. There are many more projects identified in the NOA as being suitable for competition which NGET does not include (for example HVDC between Suffolk and Kent Option 1 (SCD1) and two Scotland to England HVDC links (E2D2 and E4L5).

It appears that there is a conflict of interest in requesting a monopoly onshore TO to identify projects suitable for competition.

Q8 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q9 Do you have any further comments on the Business Plans?

No

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q11 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q12 Please provide a summary of the issue. **Respondent skipped this question**

Q13 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q14 Do you have any further comments on the Business Plans?

Respondent skipped this question

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q16 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q17 Please provide a summary of the issue. **Respondent skipped this question**

Q18 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q19 If you have any additional evidence or documentation please upload it here.

Respondent skipped this question

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

Respondent skipped this question

Q21 Do you have any feedback on this response tool? **Respondent skipped this question**

10. Low Carbon Gas Ltd

Q1 Please enter the requested details below.

Company name **Low Carbon Gas Ltd**

Email address **tony.day.1@outlook.com**

Name of individual **Tony Day**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Yes, I would be happy to be contacted.

Q4 Which company business plan does this evidence relate to?

National Grid Gas Transmission (NGGT)

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Delivering an environmentally sustainable network

Q6 Please state which section of the Business Plan your response relates to?

The future of gas

Q7 Please provide a summary of the issue.

Net-zero emissions can be delivered in 2050 without changing the total quantity of gas flowing in the UK gas grid, abandoning gas interchangeability; altering GSMR, or reducing the projected asset life of UK's existing gas infrastructure. There is, therefore, no justification for: (1) reducing the projected payback period for gas infrastructure assets from 45 to 25 years; (2) increasing the Weighted

Aggregate Cost of Capital for gas infrastructure assets from 4.8% pa to 5.5% pa; reducing expenditure on the Cast Iron Gas Mains Replacement Programme, or using blended asset rate valuations.

Q8 If you have any supporting evidence or documentation please upload it here.

LOW CARBON GAS LTD BRIEFING NOTE JAN 2019.docx (3.4MB)

Q9 Do you have any further comments on the Business Plans?

Yes

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Inter-generational justice

Other (please specify):

Q11 Please state which section of the Business Plan your response relates to?

Asset life and cost of capital

Q12 Please provide a summary of the issue.

Consumers were advised during consultations that the future asset life of the UK gas system was likely to be shorter than previously envisaged due to its effectively not being fit for purpose in a net-zero emissions future. This led the consultees to accept the proposition that they should pay more now for future assets in order to avoid burdening future generations with abortive asset costs.

Our evidence indicates that the lowest societal impact in 2050 can be achieved by decarbonising the existing gas grid at source, thus enabling the whole asset base of the UK gas system to be retained in a net-zero future. This option was not presented at the consumer consultations, thus effectively misleading them by omission.

Recent discussions with City investment managers indicates that the proposed reduction in gas infrastructure payback period from 45 to 25 years, and associated increase in WACC from 4.8 to 5.5% pa is required not because of macro-economic uncertainty affecting the long-term cost of money (ie yield curves relative to Gilts), but to the uncertainty created in investors' minds whether gas has any future in a 'green' economy. We argue that this uncertainty is unnecessary, and that consumers are being penalised now against an uncertain future, which will most likely never exist. This unnecessary uncertainty is thus creating inter-generational injustice.

Q13 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q14 Do you have any further comments on the Business Plans?

Yes

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Maintaining a safe and resilient network

Q16 Please state which section of the Business Plan your response relates to?

25

Cast iron mains replacement programme

Q17 Please provide a summary of the issue.

Gas leakage from the distribution networks has been an issue since the 1960's, when liquid injection into the gas grid to prevent seal shrinkage was introduced. Subsequently gas leakage has become a safety and a greenhouse gas emissions issue. Unfortunately, the already delayed and highly necessary cast iron mains replacement programme has become muddled with net-zero emissions via the proposed conversion of the low pressure gas grid to hydrogen, and the additional cost of capital as a consequence of politically induced uncertainty in the future of gas referred to above.

The cost of converting UK gas grid to hydrogen will be astronomical, likely making gas as expensive as electricity. Should consumers then convert from expensive gas to cheap electricity, the cost of the cast iron mains replacement programme will become abortive. We propose instead that the future of the existing gas grid should be ensured by retaining existing GSMR and gas interchangeability, and decarbonising the existing gas grid at source, thus minimising the long-term capital cost of the mains replacement programme

Q18 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q19 If you have any additional evidence or documentation please upload it here.

Respondent skipped this question

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

Why does the UK gas industry accept any of the following propositions:

1 Gas interchangeability should be abandoned by 2050.

2 How much will the planned hydrogen economy cost consumers, and who pays?

3 Why has the gas industry not embraced carbon negative BECCS despite it being the 'backbone' of much modelling by IPCC?

Q21 Do you have any feedback on this response tool?

Good

11. RSPB Scotland

Q1 Please enter the requested details below.

Company name **RSPB Scotland**

Email address **scotland.planning@rspb.org.uk**

Name of individual **Esme Clelland**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Yes, I would be happy to be contacted.

Q4 Which company business plan does this evidence relate to?

Scottish Hydro-Electric Transmission (SHE-T)

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Delivering an environmentally sustainable network

Q6 Please state which section of the Business Plan your response relates to?

Section 6: A Sustainable Network for Current and Future Energy Consumers

Q7 Please provide a summary of the issue.

RSPB Scotland believes that development should leave biodiversity in a better state than before it took place and welcome the business plan's voluntary commitments to biodiversity net gain outcomes. We engaged in SSEN's consultation on the subject in Summer 2019, including their stakeholder workshop. We are supportive of the drive for best practice in this sector, including the incorporation of biodiversity net gain into future projects. The protection of the environment and biodiversity is a public

responsibility of transmission network companies and we believe that it is crucial that a sustainable approach is taken to such development.

Please find attached our response to SSEN's 2019 consultation on their 'Network for Net Zero' document on Implementing Biodiversity Net Gain. Although SSEN's final approach has altered slightly following the consultation, the document reflects our support for the principle of biodiversity net gain in electricity transmission development and our engagement with SSEN.

Q8 If you have any supporting evidence or documentation please upload it here.

RSPB Scotland response to SSEN BNG consultation August 2019.pdf (660.1KB)

Q9 Do you have any further comments on the Business Plans?

No

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q11 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q12 Please provide a summary of the issue. **Respondent skipped this question**

Q13 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q14 Do you have any further comments on the Business Plans?

Respondent skipped this question

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q16 Please state which section of the Business Plan your response relates to?

28

Respondent skipped this question

Q17 Please provide a summary of the issue. **Respondent skipped this question**

Q18 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q19 If you have any additional evidence or documentation please upload it here.

Respondent skipped this question

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

Respondent skipped this question

Q21 Do you have any feedback on this response tool? **Respondent skipped this question**

12. Anglesey Says No to Pylons

Q1 Please enter the requested details below.

Company name **Anglesey Says No to Pylons**

Email address **jonathanfdean@gmail.com**

Name of individual **Dr Jonathan F Dean**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Yes, I would be happy to be contacted.

Q4 Which company business plan does this evidence relate to?

National Grid Electricity Transmission (NGET)

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Delivering an environmentally sustainable network

Q6 Please state which section of the Business Plan your response relates to?

Part 2 Chapter 11

Q7 Please provide a summary of the issue.

National Grid Electricity Transmission make positive statements regarding improving the visual amenity of their assets, which is good news for the public, but the proposed actions in the business plan fail to seize the opportunity to make a step change to existing assets or do anything differently to avoid the associated costs in future.

Two issues need addressing to enable such a holistic view of transmission assets - NGET's methodologies and Government Policy:

- **the cost/value of "natural capital" and socio-economic impact on impacted communities, needs embedding in NGETs methodologies; and**
- **NPS EN-5 needs revision to remove the presumption in favour of overhead transmission.**

Adapting the methodology (and it is a minor adaption, not a wholesale re-write) would be a simple matter with direction from Ofgem.

Bringing down the cost of undergrounding with excellent innovation also helps.

Revision of EN-5 is a political matter but needs buy-in from Ofgem and NGET.

However, it is one that NGET seem reluctant to tackle, even though the Willingness to Pay survey suggests the public want it. Direction from the Department of Business, Energy and Industrial Strategy will be required.

NGET need to work hard on improving their consultation and engagement approach. Merely "going through the motions" to meet the legislative minimum is not enough, and if the legislative process needs changing, they should engage with communities to attempt that.

Q8 If you have any supporting evidence or documentation please upload it here.

Feedback on NGET RIIO-ET2 business plan v0.1.pdf (614KB)

Q9 Do you have any further comments on the Business Plans?

No

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q11 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q12 Please provide a summary of the issue. **Respondent skipped this question**

Q13 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q14 Do you have any further comments on the Business Plans?

Respondent skipped this question

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q16 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q17 Please provide a summary of the issue. **Respondent skipped this question**

Q18 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q19 If you have any additional evidence or documentation please upload it here.

Respondent skipped this question

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

Improvement of visual amenity in non-designated landscapes

Q21 Do you have any feedback on this response tool?

seems ok

13. Chris Wheeler

Q1 Please enter the requested details below.

Company name **N/A**

Email address **chrisw.bsg@btinternet.com**

Name of individual **Chris Wheeler**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Yes, I would be happy to be contacted.

Q4 Which company business plan does this evidence relate to?

National Grid Electricity Transmission (NGET)

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Meeting the needs of consumers and network users

Q6 Please state which section of the Business Plan your response relates to?

Chapter 7- page 60

Q7 Please provide a summary of the issue.

Figure 7.19 and the associated text provides inadequate information about the proposed Near-Shore Loop approach to allow it to be understood or critiqued. Are AC or DC connections to be used? Are there on-shore OFTO substations not shown?

Reference is made in para 2 on page 60 to possible application of the Near-Shore Loop to 'currently contracted projects'? Does this mean that CION agreements for these will be revisited? If so what process will apply.

Q8 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q9 Do you have any further comments on the Business Plans?

Respondent skipped this question

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Meeting the needs of consumers and network users

Q11 Please state which section of the Business Plan your response relates to?

Chapter 8 - Network Connection

Q12 Please provide a summary of the issue.

The current CION process is not satisfactory because:

1. No consultation prior to CION approval takes places with communities affected, despite NGET claims to consult down to community and individual level (see attachment). This is totally unsatisfactory and non-democratic as choice of Connections are key to the local impact of projects and local residents have no opportunity to make representations.

2. CION assessments place zero value on the environmental impact of the proposals. This cannot be correct as the impact of many projects destroys local employment opportunities and permanently damages landscapes and recreational areas of great

local importance. Socio-Economic evaluation is a well accepted process for evaluating such impacts and should used as part of the CION process.

3. The time allowed for agreeing a CION connection (defined by Ofgem) is far too short to allow proper environmental impact evaluation of proposed connections.

4. The CION assessments are unnecessarily redacted, as most of the information is disclosable under the Environmental Impact Regulations.

5. NGET should be required to use well-established benchmark costings for their cost benefit analyses otherwise critique of decisions made is not transparent.

6. When making CION assessment the CBA must take account of possible synergies with other projects, not do a least worst regret analysis project by project which leads to wasteful outcomes.

Q13 If you have any supporting evidence or documentation please upload it here.
8589938109-National Grid_s commitments December 2016.pdf (987.8KB)

Q14 Do you have any further comments on the Business Plans?

No

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q16 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q17 Please provide a summary of the issue. **Respondent skipped this question**

Q18 If you have any supporting evidence or documentation please upload it here.
8589938109-National Grid_s commitments December 2016.pdf (987.8KB)

Q19 If you have any additional evidence or documentation please upload it here.

Respondent skipped this question

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

Respondent skipped this question

Q21 Do you have any feedback on this response tool? **Respondent skipped this question**

14. Scottish Natural Heritage

Q1 Please enter the requested details below.

Company name **Scottish Natural Heritage**

Email address **david.law@nature.scot**

Name of individual **David Law**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Respondent skipped this question

Q4 Which company business plan does this evidence relate to?

Scottish Hydro-Electric Transmission (SHE-T)

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Delivering an environmentally sustainable network

Q6 Please state which section of the Business Plan your response relates to? Section 6: A Sustainable Network for Current and Future Energy Consumers

Q7 Please provide a summary of the issue.

SHE T's promoting the natural environment ambition

Q8 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q9 Do you have any further comments on the Business Plans?

No

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q11 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q12 Please provide a summary of the issue. **Respondent skipped this question**

Q13 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q14 Do you have any further comments on the Business Plans?

Respondent skipped this question

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q16 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q17 Please provide a summary of the issue. **Respondent skipped this question**

Q18 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q19 If you have any additional evidence or documentation please upload it here.

Respondent skipped this question

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

Respondent skipped this question

Q21 Do you have any feedback on this response tool? **Respondent skipped this question**

15. Scottish Natural Heritage

Q1 Please enter the requested details below.

Company name **Scottish Natural Heritage**

Email address **david.law@nature.scot**

Name of individual **David Law**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Respondent skipped this question

Q4 Which company business plan does this evidence relate to?

Scottish Hydro-Electric Transmission (SHE-T)

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Delivering an environmentally sustainable network

Q6 Please state which section of the Business Plan your response relates to?

Section on Leadership in Sustainability

Q7 Please provide a summary of the issue.

We welcome SSEN Transmission's leadership in sustainability, which has been demonstrated during the RIIO-T1 period and which we are keen to support during the RIIO-T2 period. Our view is that the proposals set out in the Business Plan, including the approach to no-net loss (of biodiversity and woodland), Biodiversity Net Gain, Marine biodiversity environment trial and expansion of VISTA can help to deliver a Nature Rich Future for Scotland

Q8 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q9 Do you have any further comments on the Business Plans?

Yes

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q11 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q12 Please provide a summary of the issue. **Respondent skipped this question**

Q13 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q14 Do you have any further comments on the Business Plans?

Respondent skipped this question

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q16 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q17 Please provide a summary of the issue. **Respondent skipped this question**

Q18 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q19 If you have any additional evidence or documentation please upload it here.

Respondent skipped this question

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

Respondent skipped this question

Q21 Do you have any feedback on this response tool? **Respondent skipped this question**

16. National Grid Electricity Transmission

Q1 Please enter the requested details below.

Company name **National Grid Electricity Transmission**

Email address **ivo.spreeuwenberg@nationalgrid.com**

Name of individual **Ivo Spreeuwenberg**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Yes, I would be happy to be contacted.

Q4 Which company business plan does this evidence relate to?

National Grid Electricity System Operator (ESO)

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Overall Business Plans

Q6 Please state which section of the Business Plan your response relates to?

(a) ESO ambition / role

(b) Part 3: Setting the ESO up for success / Leveraging value from shared functions

Q7 Please provide a summary of the issue.

(a) ESO ambition / role

Context:

Overall, we support the level of ambition in the ESOs plans, which has demonstrably been driven in response to stakeholder engagement. Many of their ambitious proposals have a strong reliance on investments or services that the TOs will need to deliver and there is a risk of misalignment between plans.

Issue:

Greater clarity is required in the ESO's plans on where obligations sit and what assumptions are being made about the role of network owners and what they are being expected to deliver as a prerequisite / enabler to meeting their ambitions; this point was also made by the ESO RIIIO-2 Stakeholder Group, ERSG, (p.13 of their final report) "...the ERSG reflected that in some areas of the Business Plan the ESO appear to be proposing to take on new roles that currently sit with TOs or DNOs, and it is not clear to what extent these parties have been consulted"

The ESO's ambition to operate a zero-carbon system by 2025 relies on certain investments in system monitoring and protection and control systems by network owners. Minimising the cost of this ambition for consumers also relies on sufficient flexibility in funding arrangements to allow for whole system solutions to be identified and delivered within the price control period, after ex-ante allowances have been set. The ESO's plan are variously silent or ambiguous on what they require and there is a risk that final ESO and TO plans will not align if this is not addressed.

(b) Part 3: Setting the ESO up for success

Context:

The ESO uses business support services that are shared across all the National Grid group businesses for several key support services, to benefit from economies of scale and the use of expertise in each area. These include information technology (IT), property, human resources (HR), procurement, corporate affairs, legal and finance.

Issue:

The ESO's business plan includes an allocation of the costs of Business Support functions that are shared with other National Grid group entities, based on an allocation methodology that is agreed with Ofgem. As the ESO move to a cost pass through allocation model it will be critical to ensure that the allocation of shared costs continues to be done in a way which prevents any entity from receiving or giving cross-subsidy to another. Upfront agreement of how the allocation methodology will work through RIIO-2 is critical to ensure transparency of costs can be maintained in the future.

Q8 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q9 Do you have any further comments on the Business Plans?

Yes

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Driving efficiency through innovation and competition

Q11 Please state which section of the Business Plan your response relates to?

Part 2, Theme 3: Unlocking consumer value through competition --

(a) Early Competition Plan,

(b) A8 Implement and enhance competition to enable all solution types to compete to meet transmission needs and

(c) A9 Extend the NOA approach to end-of-life asset replacement decisions and connections wider works.

Q12 Please provide a summary of the issue.

(a) Early Competition Plan

Context:

We fully embrace CATO competition for its potential benefits of reducing costs for consumers and have identified ~£5bn of projects in our plan that are likely to be suitable for this form of competition.

Issue:

It is important that the ESO puts a strong focus into development of this plan for the Ofgem February 2021 deadline and we are committed to supporting this. We are fully supportive of Ofgem considering any additional roles and resource requirements that may be appropriate for the ESO to ensure an Early CATO model is available as soon as possible.

(b) A8 Implement and enhance competition

Context:

Whole system assessment is critical to minimising the cost of the transition to consumers and the expansion of the NOA process is an important part of this. NGET alone have identified over £1bn of investment in our plan subject to this type of 'competition' and we have developed uncertainty mechanisms that can flex our allowances depending the outcome of whole system assessments.

Issue:

The ESO's proposals in this area assume that appropriate funding mechanisms will be in place to allow for the most efficient whole system solution identified to be funded (page 85, section A8.3, "We have assumed that appropriate funding arrangements will be in place"). For regulated network companies, there is a limited opportunity to introduce such mechanisms at the time the price control is set. The ESO should be more explicit about the categories or types of mechanisms that network companies should have in their plans to ensure that TO and ESO plans work together to minimise costs for consumers.

(c)A9 Extend the NOA approach

Context:

The ESO propose to extend the Network Options Assessment process to include end-of-life asset replacement and connections wider works and provide first recommendations by NOA 2024, yet their plans do not provide any detail of how this would work in practice with the NARMS and customer connections processes.

Issue:

Whilst we are supportive of the broader aim of extending the NOA to assist in whole system assessments, the ESO's plans in this area have insufficient detail to allow us to confidently support their aim of making their first recommendations by NOA 2024. Page 81 of their business plan indicates their proposals "will be dependent on receiving information from the TOs", but we have not received a request from the ESO for any information or an indication of what would be required. The ESO should engage closely with other network companies and providers of whole system alternatives in advance of going to market so that this can be done in a coordinated and efficient manner.

Q13 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q14 Do you have any further comments on the Business Plans?

Yes

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Enabling whole system solutions

Q16 Please state which section of the Business Plan your response relates to?

Part 2, Theme 4: Driving towards a sustainable, whole energy future – A16 Deliver consumer benefits from improved network access planning - optimising outage requirements across the transmission and distribution networks.

Q17 Please provide a summary of the issue.

Context:

43

The ESO propose to work with TOs on an enhancement of the Network Access Planning (NAP) process that ensures coordinated outages of transmission equipment, ready for the start of T2. The benefit of this is estimated at an average of £45m per annum over the T2 period in the ESO RIIIO-2 CBA Report (page 91).

The ESO's plan also identifies that they have been working with TOs on a mechanism that would go even further in reducing costs for consumers. The ESO and Ofgem should not ignore this consumer value opportunity and it is therefore crucial that both Ofgem and ESO work with the TOs to find a way to unlock this value for the start of T2, and potential solutions have already been proposed that now need turning into action.

Issue:

There are large potential whole system cost savings for consumers from the TOs providing innovative and flexible services to the ESO, beyond those identified by extending the NAP process.

We've identified approximately £188m per year of potential savings in England and Wales for SO:TO optimisation, SPT has identified £210m per year of potential savings in Scotland and across the Cheviots and SHE Transmission has also identified savings based on two case studies. In our plan, we've proposed that TOs can offer the ESO a range of flexible services that they could market test against their other options to achieve the best outcome for consumers. We consider allowing TOs to earn a market rate for these services would provide a strong incentive for us to discover solutions to reduce whole system costs. SPT and SHET have also proposed related approaches (SPT's ODI on "Whole system ESO-TO constraint mitigation" and SHET's CVP 2b "Above Business as Usual Network Access Policy"). We have also proposed a CVP (CVP8 SO:TO optimisation) to incentivise us to pursue our proposed market mechanism.

We support the ESO's intention to be to be proactive and ambitious in identifying, developing and executing such a mechanism and to work with all TOs to understand what is possible and what it would take to implement, as stated on page 116 of their business plan.

We're keen to work with ESO and the other TOs to develop an approach that can unlock these potential whole system cost savings for consumers as soon as possible.

Q18 If you have any supporting evidence or documentation please upload it here.

20-02-10 Summary of SO-TO optimisation.pdf (142.2KB)

Q19 If you have any additional evidence or documentation please upload it here.

Respondent skipped this question

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

Respondent skipped this question

Q21 Do you have any feedback on this response tool?

Good concept to structure responses and make them easier to process.

Felt a bit restrictive and had to group a number of issues to submit them all.

17. National Grid Electricity Transmission

Q1 Please enter the requested details below.

Company name **National Grid Electricity Transmission**

Email address **john.wilson3@nationalgrid.com**

Name of individual **John Wilson**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Yes, I would be happy to be contacted.

Q4 Which company business plan does this evidence relate to?

Scottish Power Transmission (SPT)

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Overall Business Plans

Q6 Please state which section of the Business Plan your response relates to?

Uncertainty Mechanisms

Q7 Please provide a summary of the issue.

We support the inclusion of a suite of uncertainty mechanisms, both volume drivers and within period determinations, that build crucial flexibility into the ex-ante price control at this time of considerable uncertainty. These mechanisms ensure that companies are only paid for what customers and consumers need them to deliver, that whole system solutions can be identified and delivered within the period and that baseline plans built on the common energy scenario do not become a barrier to meeting net-zero targets.

Q8 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q9 Do you have any further comments on the Business Plans?

No

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q11 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q12 Please provide a summary of the issue. **Respondent skipped this question**

Q13 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q14 Do you have any further comments on the Business Plans?

Respondent skipped this question

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q16 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q17 Please provide a summary of the issue. **Respondent skipped this question**

Q18 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q19 If you have any additional evidence or documentation please upload it here.

Respondent skipped this question

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

Respondent skipped this question

Q21 Do you have any feedback on this response tool? **Respondent skipped this question**

18. National Grid Electricity Transmission

Q1 Please enter the requested details below.

Company name **National Grid Electricity Transmission**

Email address **john.wilson3@nationalgrid.com**

Name of individual **John Wilson**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Yes, I would be happy to be contacted.

Q4 Which company business plan does this evidence relate to?

Scottish Power Transmission (SPT)

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Enabling whole system solutions

Q6 Please state which section of the Business Plan your response relates to?

Whole Systems

Q7 Please provide a summary of the issue.

There are large potential whole system cost savings for consumers that could be achieved through the TOs providing innovative and flexible services to the ESO in relation to managing work delivery and enhanced network capability. All Electricity Transmission companies have identified the potential substantial savings for consumers that could result within their business plans. NGET has proposed that TOs can offer the ESO a range of flexible services that the ESO could market test against its other options to achieve the best outcome for consumers. We consider it crucial that Ofgem, NGET, SPT, SHE-T and the ESO work together to develop an approach that can unlock these potential whole system cost savings for consumers for the start of RIIO-T2.

Q8 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q9 Do you have any further comments on the Business Plans?

Yes

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Cost and financial information

Q11 Please state which section of the Business Plan your response relates to?

BPDT & NARM

Q12 Please provide a summary of the issue.

A new Business Plan Data Template was specified and introduced by Ofgem for Transmission Companies the RIIO-T2 process. From published information, it can be seen that some stakeholders have been confused by the presentation of both cost and asset data in these tables in the way required by Ofgem. In addition, TOs have populated some data in different but equally valid ways due to different interpretations of the associated Ofgem guidance. This can be seen in the following areas (but may also be an issue in other areas where data has been redacted for commercial reasons):

- **NARM**
- **Capitalisable Closely-Associated Indirect Costs have been allocated in different ways**
- **Different approach to reporting volumes of assets delivered, both in terms of total count and categorisation**
- **The use of primary voltages to specify assets means that materially different units are being treated as the same (from a unit cost point of view)**

We urge Ofgem to ensure that any comparative analysis that Ofgem may undertake between TO plans takes due account of these differences and does not reach false conclusions which are an artefact of the data tables and lack of clarity in guidance as opposed to underlying cost or volume drivers.

Q13 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q14 Do you have any further comments on the Business Plans?

Yes

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Meeting the needs of consumers and network users

Q16 Please state which section of the Business Plan your response relates to?

Connections

Q17 Please provide a summary of the issue.

We support your proposals for a balanced ODI package, and all TO's should continue working together on the common ODIs. Your bespoke financial ODI on optimising network availability for connected generation is linked to our stakeholders' wishes to increase levels of low-carbon energy flowing on the network, hence this could also have benefits for our customers.

Q18 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q19 If you have any additional evidence or documentation please upload it here.

Respondent skipped this question

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

Respondent skipped this question

Q21 Do you have any feedback on this response tool? **Respondent skipped this question**

19. National Grid Electricity Transmission

Q1 Please enter the requested details below.

Company name **National Grid Electricity Transmission**

Email address **john.wilson3@nationalgrid.com**

Name of individual **John Wilson**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Yes, I would be happy to be contacted.

Q4 Which company business plan does this evidence relate to?

Scottish Power Transmission (SPT)

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Maintaining a safe and resilient network

Q6 Please state which section of the Business Plan your response relates to?

Reliability - ENS Incentive

Q7 Please provide a summary of the issue.

You have proposed an additional targeted funding mechanism to be used to reduce the short term impact of transmission outages during maintenance on distribution connected customers. Is this an issue specific to the SPEN network?

Q8 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q9 Do you have any further comments on the Business Plans?

No

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q11 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q12 Please provide a summary of the issue. **Respondent skipped this question**

Q13 If you have any supporting evidence or documentation please upload it here.

51

Respondent skipped this question

Q14 Do you have any further comments on the Business Plans?

Respondent skipped this question

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q16 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q17 Please provide a summary of the issue. **Respondent skipped this question**

Q18 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q19 If you have any additional evidence or documentation please upload it here.

Respondent skipped this question

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

Is this beyond BAU and if so, should a targeted funding mechanism to mitigate the short-term impact transmission outages during maintenance on distribution connected customers be available to all transmission networks?

Q21 Do you have any feedback on this response tool? **Respondent skipped this question**

20. National Grid Electricity Transmission

Q1 Please enter the requested details below.

Company name **National Grid Electricity Transmission**

Email address **john.wilson3@nationalgrid.com**

Name of individual **John Wilson**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Yes, I would be happy to be contacted.

Q4 Which company business plan does this evidence relate to?

Scottish Hydro-Electric Transmission (SHE-T)

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Overall Business Plans

Q6 Please state which section of the Business Plan your response relates to?

Uncertainty Mechanisms

Q7 Please provide a summary of the issue.

We support the inclusion of a suite of uncertainty mechanisms, both volume drivers and within period determinations, that build crucial flexibility into the ex-ante price control at this time of considerable uncertainty. These mechanisms ensure that companies are only paid for what customers and consumers need them to deliver, that whole system solutions can be identified and delivered within the period and that baseline plans built on the common energy scenario do not become a barrier to meeting net-zero targets.

Q8 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q9 Do you have any further comments on the Business Plans?

Yes

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or

53

disagreement with the plans. Which area does your evidence relate to?

Enabling whole system solutions

Q11 Please state which section of the Business Plan your response relates to?

Whole Systems

Q12 Please provide a summary of the issue.

There are large potential whole system cost savings for consumers that could be achieved through the TOs providing innovative and flexible services to the ESO in relation to managing work delivery and enhanced network capability. All Electricity Transmission companies have identified the potential substantial savings for consumers that could result within their business plans. NGET has proposed that TOs can offer the ESO a range of flexible services that the ESO could market test against its other options to achieve the best outcome for consumers. We consider it crucial that Ofgem, NGET, SPT, SHE-T and the ESO work together to develop an approach that can unlock these potential whole system cost savings for consumers for the start of RIIO-T2.

Q13 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q14 Do you have any further comments on the Business Plans?

Yes

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Cost and financial information

Q16 Please state which section of the Business Plan your response relates to?

BPDT & NARM

Q17 Please provide a summary of the issue.

A new Business Plan Data Template was specified and introduced by Ofgem for Transmission Companies the RIIO-T2 process. From published information, it can be seen that some stakeholders have been confused by the presentation of both cost

and asset data in these tables in the way required by Ofgem. In addition, TOs have populated some data in different but equally valid ways due to different interpretations of the associated Ofgem guidance. This can be seen in the following areas (but may also be an issue in other areas where data has been redacted for commercial reasons):

- **NARM**
- **Capitalisable Closely-Associated Indirect Costs have been allocated in different ways**
- **Different approach to reporting volumes of assets delivered, both in terms of total count and categorisation**
- **The use of primary voltages to specify assets means that materially different units are being treated as the same (from a unit cost point of view)**

We urge Ofgem to ensure that any comparative analysis that Ofgem may undertake between TO plans takes due account of these differences and does not reach false conclusions which are an artefact of the data tables and lack of clarity in guidance as opposed to underlying cost or volume drivers.

Q18 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q19 If you have any additional evidence or documentation please upload it here.

Respondent skipped this question

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

Respondent skipped this question

Q21 Do you have any feedback on this response tool? **Respondent skipped this question**

21. National Grid Electricity Transmission

Q1 Please enter the requested details below.

Company name **National Grid Electricity Transmission**

Email address **john.wilson3@nationalgrid.com**

Name of individual **John Wilson**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Yes, I would be happy to be contacted.

Q4 Which company business plan does this evidence relate to?

Scottish Hydro-Electric Transmission (SHE-T)

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Delivering an environmentally sustainable network

Q6 Please state which section of the Business Plan your response relates to?

Environment

Q7 Please provide a summary of the issue.

We support your ODI called "CVP3a Promoting the Natural Environment - Biodiversity Net Gain" . Our stakeholders strongly supported making improvements to the natural environment leading to a similar CVP called "CVP – Caring for the natural environment". We also found support from stakeholders for making further improvements. We are keen to work together to understand the common themes across our approaches to the natural environment.

Q8 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q9 Do you have any further comments on the Business Plans?

No

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q11 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q12 Please provide a summary of the issue. **Respondent skipped this question**

Q13 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q14 Do you have any further comments on the Business Plans?

Respondent skipped this question

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q16 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q17 Please provide a summary of the issue. **Respondent skipped this question**

Q18 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q19 If you have any additional evidence or documentation please upload it here.

Respondent skipped this question

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

Respondent skipped this question

Q21 Do you have any feedback on this response tool? **Respondent skipped this question**

57

22. Campaign for the Protection of Rural Wales

Q1 Please enter the requested details below.

Company name **Campaign for the Protection of Rural Wales**

Email address **carys@cprwmail.org.uk**

Name of individual **Carys Matthews**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Yes, I would be happy to be contacted.

Q4 Which company business plan does this evidence relate to?

National Grid Electricity Transmission (NGET)

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Delivering an environmentally sustainable network

Q6 Please state which section of the Business Plan your response relates to?

Chapter 11 - Environment and communities

Q7 Please provide a summary of the issue. **Respondent skipped this question**

Q8 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q9 Do you have any further comments on the Business Plans?

No

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q11 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q12 Please provide a summary of the issue. **Respondent skipped this question**

Q13 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q14 Do you have any further comments on the Business Plans?

Respondent skipped this question

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q16 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q17 Please provide a summary of the issue. **Respondent skipped this question**

Q18 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q19 If you have any additional evidence or documentation please upload it here.

Respondent skipped this question

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

Respondent skipped this question

Q21 Do you have any feedback on this response tool? **Respondent skipped this question**

23. Energy UK

Q1 Please enter the requested details below.

Company name **Energy UK**

Email address **julie.cox@energy-uk.org.uk**

Name of individual **Julie**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Yes, I would be happy to be contacted.

Q4 Which company business plan does this evidence relate to?

National Grid Gas Transmission (NGGT)

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Maintaining a safe and resilient network

Q6 Please state which section of the Business Plan your response relates to?

Baselines – Chapter 12 page 55 and Annex A12.03 Baseline obligated capacities report

Q7 Please provide a summary of the issue.

Energy UK supports National Grid’s proposals for baselines. Reducing the baseline at St Fergus to 140mcm is a reasonable reduction in the expected headroom, whilst not unduly reducing and artificially creating scarcity in capacity.

Reducing the baseline at Theddlethorpe to zero is also appropriate given the closure of the terminal.

We support the development of the 'mothballed' capacity concept, to ensure capability which is not currently needed is not lost completely and could be bought back into service at some point in the future. We note this is to be taken forward by the Capacity Access Review under UNC 0705R, and we would encourage progress of this issue, so that a solution may be implemented by April 2021 or soon thereafter.

Q8 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q9 Do you have any further comments on the Business Plans?

Respondent skipped this question

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Maintaining a safe and resilient network

Q11 Please state which section of the Business Plan your response relates to?

Asset health / Network Capability / compressor strategy Chapter 12

Q12 Please provide a summary of the issue.

Energy UK broadly supports the approach to asset health spend to maintain the current level of resilience. We recognize this is a step change in expenditure from the current level and expect Ofgem to explore the appropriate efficiency level for the spend to deliver the stakeholder driven outcomes.

This approach is needed to maintain network capability whilst future pathways for decarbonisation are elaborated further and become more certain. This approach seems consistent with Ofgem's Decarbonisation Action Plan

The graphics presenting baselines and capability for a range of FES scenarios are a helpful way of presenting this data to stakeholders in an understandable format. We agree that these will need to be updated to take account of Future FES scenarios and that an annual network capability assessment will be the means to deliver this. We

also look forward to engaging with National Grid as it develops this framework and within day capability / flexibility metrics.

Energy UK is reassured that the compressor strategy will support the current network capacity through the RII02 period, but has some concerns that capability will reduce in RII03. We expect that the annual capability review and within day metrics will flag if such capability or the resilience of that capability were to fall below the needs of connected users, particularly power stations as they provide a key role in meeting electricity demand at times of reduced intermittent generation on the pathway to net zero.

Q13 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q14 Do you have any further comments on the Business Plans?

Yes

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Maintaining a safe and resilient network

Q16 Please state which section of the Business Plan your response relates to?

Bacton redevelopment Chapter 14 pages 87-89

Q17 Please provide a summary of the issue.

Energy UK notes the proposed redevelopment of the Bacton terminal is cheaper than a continuing program of asset health works. We agree that it is appropriate for there to be an uncertainty mechanism in place whilst the final design is being established. In this context we seek clarity on whether the project addresses or considers in any way a means of way of managing gas quality deviations to deliver a more uniform gas quality to the NTS. This may or may not be a full blending type service, rather it may just ensure more mixing take place within the terminal to avoid 'slugs' to avoid customers experiencing rapidly fluctuating gas quality spikes. Such excursions can be difficult for generating plant to manage, and could cause combustion dynamics with a risk of emissions excursions and plant trip. This is asked particularly in the

context of the potential to widen the Wobbe range, which could be beyond the normal operating envelope of CCGT plant.

Also from a longer term and whole system perspective, consideration should be given to the potential for accommodating connections for SMR and CCUS plant, for hydrogen blend or 100% hydrogen possibilities, or de-blending capability.

Q18 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q19 If you have any additional evidence or documentation please upload it here.

Respondent skipped this question

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

Respondent skipped this question

Q21 Do you have any feedback on this response tool?

it did not allow all comments to be submitted, will try again to add further comments

24. Energy UK

Q1 Please enter the requested details below.

Company name **Energy UK**

Email address **julie.cox@energy-uk.org.uk**

Name of individual **Julie**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Respondent skipped this question

Q4 Which company business plan does this evidence relate to?

National Grid Gas Transmission (NGGT)

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Digitalisation strategies

Q6 Please state which section of the Business Plan your response relates to? Information
Provision chapter 18

Q7 Please provide a summary of the issue.

Energy UK supports NG's proposal to invest in people and systems to provide new capabilities to share information, enabling the publication of new data items in a more efficient way will support the operation of the market. Such initiatives are also likely to support the decarbonisation agenda, which is likely to bring additional data requirements.

Q8 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q9 Do you have any further comments on the Business Plans?

Yes

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Cost and financial information

Q11 Please state which section of the Business Plan your response relates to?

Accelerated Depreciation Chapter 22 and Annex A22.01 4.5.1

Q12 Please provide a summary of the issue.

National Grid is proposing the reduce the depreciation period to 25 years for new assets, and to apply a sum of digits methodology. Whilst we agree in principle it is

appropriate to align the depreciation period to the expected life of the asset we are concerned that this will increase costs in the short term and may have a detrimental impact on future biomethane hydrogen developments. It is also the case that some costs will be borne by current customers that may not benefit from those assets in the longer term, essentially they will be overpaying now. This is understandably attractive to parties that will remain connected in the long term, but does not seem entirely fair.

National Grid notes that there are opposing views on the appropriateness of accelerated depreciation with domestic consumers supporting this whilst non-domestic customers do not. Although it seems that some consumers views may have been influenced by the prospect of lower bills in the future, see 4.5.1 in Annex A22.01.

We also note that Ofgem's Decarbonisation Action Plan (p21) states that it will carry out a strategic review of gas network asset depreciation once there is more certainty around the future of heat, generation and transmission, whilst also saying in action 4 that it will review gas network depreciation during the price control. We would welcome some clarity on whether this is one or two reviews of depreciation.

Q13 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q14 Do you have any further comments on the Business Plans?

No

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q16 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q17 Please provide a summary of the issue. **Respondent skipped this question**

Q18 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q19 If you have any additional evidence or documentation please upload it here.

Respondent skipped this question

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

Respondent skipped this question

Q21 Do you have any feedback on this response tool?

The tool does not allow for drafts to be saved and shared with colleagues for comment. having to copy text into each section is not user friendly. I have had to make 2 separate submissions it is not clear why. I would appreciate confirmation that 5 comments have been received. It would be helpful if tool at least provided an email copy of submissions, but it does not seem to!

25. National Grid ESO

Q1 Please enter the requested details below.

Company name **National Grid ESO**

Email address **ian.pashley@nationalgrideso.com**

Name of individual **Ian Pashley**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Yes, I would be happy to be contacted.

Q4 Which company business plan does this evidence relate to?

NGET, SPEN-T, SSEN-T

Various (Please State Below):

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Enabling whole system solutions

Q6 Please state which section of the Business Plan your response relates to?

NGESO: 6.2.3.1 'Implement and enhance competition to enable all solution types to compete to meet transmission needs' (P84)

NGET: 'System operability (other ESO requirements) - within period determination' (P65)

SP-T: 'Net Zero Operability Challenges, Net Zero Transition Re-Opener' (P141)

SSE-T: 'Coordinated Adjustment Mechanism' (P139), 'Operability reopener' (P83)

Q7 Please provide a summary of the issue.

Issue: Funding whole system works recommended through NGESO processes

We note the importance of whole system solutions that meet system needs in a way that best delivers value for consumers. We consider it essential that mechanisms are in place to ensure that such solutions can be efficiently funded and delivered in accordance with the results of rigorous whole system assessments.

We also note the importance of availability of assets such as reactive compensation equipment, to support effective modelling of solutions to system issues. We are keen to see measures that encourage (and fund) timely return-to-service of such assets.

Justification of View:

We support the development of a mechanisms for transfer of funding, such as the Coordinated Adjustment Mechanism, that is consistent across network companies and NGESO, such that consumer value can be efficiently delivered following a whole system assessment of asset and flexibility service options to meet system needs. We also support the development of uncertainty mechanisms as a robust alternative to baseline allowances that allow network companies to deliver solutions to operability challenges where ESO whole system assessments reveal them to be in the best interests of consumers.

Q8 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q9 Do you have any further comments on the Business Plans?

Yes

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Enabling whole system solutions

Q11 Please state which section of the Business Plan your response relates to?

NGESO: 6.2.3.1 'Implement and enhance competition to enable all solution types to compete to meet transmission needs (P84)

NGET: No reference found

SP-T: No reference found

SSE-T: No reference found? Features in queue management? Process for connections.

Q12 Please provide a summary of the issue.

Issue: Enabling zero-MW, high MVAR connections

Also on funding of whole system works and solutions for operability challenges - we are keen to ensure that funding routes exist for third-party solutions that may require a connection that is not based primarily on MW capacity, for example one with high MVAR requirements but minimal associated MW, such as for devices we may procure for stability, inertia, voltage management etc.

Justification of View:

In our business plan we have assumed that appropriate funding arrangements will be in place to support delivery of solutions, regardless of the provider type. We recognise this includes network companies having appropriate arrangements to support the preparation of options to feed into NGESO's assessments of proposed solutions, as well as for the delivery of options assessed as being in the best interests of consumers, regardless of whether traditional or novel in nature.

We are keen to ensure all TOs have appropriate access to funding through a consistent mechanism so that such third-party connections can be efficiently funded and delivered.

Q13 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q14 Do you have any further comments on the Business Plans?

Yes

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Maintaining a safe and resilient network

Q16 Please state which section of the Business Plan your response relates to?

NGESO: 7.4.5.1 'Enhance the NAP process with TOs' (P116)

NGET: 'Optimise with the ESO through a new mechanism to reduce whole system costs' (P57)

SP-T: 'Whole System ESO-TO Mitigation' (P157)

SSE-T: 'Customer Value Proposition' (P143)

Q17 Please provide a summary of the issue.

Issue: Improving arrangements for network access and outage management

We welcome the opportunity to continue to work with TOs to optimise processes for arranging outages for access to their assets and to mitigate costs of managing constraints.

Justification of View:

We note that TOs have indicated they could do more to investigate alternative ways of working which, though they may cost more, may deliver lower constraint costs overall, and that they have proposed either upside incentives or market-based approaches to fund such activities. We also note that they would need to be funded with sufficient lead-time to allow them to be developed and implemented in time for outage start.

We would be keen to avoid perverse incentives or unintended consequences associated with these proposals. We are supportive of a methodology that would help to further reduce constraint costs for consumers whilst bringing new ways of working to bear; however we are keen to ensure incentives on all parties involved in the process are appropriate, and reflect the extent to which they can influence the desired outcome.

Q18 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q19 If you have any additional evidence or documentation please upload it here.

NGESO CFE Response 10Feb2020.pdf (81.9KB)

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

Respondent skipped this question

Q21 Do you have any feedback on this response tool?

Yes - I found it too restrictive. Good idea in theory, but not to use in practice.

It was necessary to trial-run the tool so that I could formulate responses in the right format. It then gave insufficient entry screens to allow me to provide all my feedback, so I ended up attaching my full response as a PDF file.

Also, I suspect the tool won't provide me with a copy of whatever it passed through to you.

26. Heating and Hotwater Industry Council (HHIC)

Q1 Please enter the requested details below.

Company name **Heating and Hotwater**

Email address **isaac@hhic.org.uk**

Name of individual **Isaac Occhipinti**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Yes, I would be happy to be contacted.

Q4 Which company business plan does this evidence relate to?

Cadent

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Overall Business Plans

Q6 Please state which section of the Business Plan your response relates to?

Future decarbonisation

Q7 Please provide a summary of the issue.

We believe that in reviewing the business plans Cadent should be credited with leadership in driving forward constructive innovation that will lead to the industry meeting their Net Zero Targets. In the absence of leadership from Government, Cadent have launched 2 hydrogen trials that could be integral to decarbonising industry and heat. As an industry body we welcome these initiatives and believe Cadent should be crediting for launching them despite the associated risks. More of this kind of innovative and bold activity will be needed and we are pleased companies like Cadent are taking the lead.

Q8 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q9 Do you have any further comments on the Business Plans?

No

71

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q11 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q12 Please provide a summary of the issue. **Respondent skipped this question**

Q13 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q14 Do you have any further comments on the Business Plans?

Respondent skipped this question

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q16 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q17 Please provide a summary of the issue. **Respondent skipped this question**

Q18 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q19 If you have any additional evidence or documentation please upload it here.

Respondent skipped this question

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

Respondent skipped this question

Q21 Do you have any feedback on this response tool? **Respondent skipped this question**

27. Heating and Hotwater Industry Council (HHIC)

Q1 Please enter the requested details below.

Company name **Heating and Hotwater Industry Council (HHIC)**

Email address **isaac@hhic.org.uk**

Name of individual **Isaac Occhipinti**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Yes, I would be happy to be contacted.

Q4 Which company business plan does this evidence relate to?

Northern Gas Networks (NGN)

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Overall Business Plans

Q6 Please state which section of the Business Plan your response relates to?

Decarbonisation

Q7 Please provide a summary of the issue.

We believe that in reviewing the business plans NGN should be credited with leadership in driving forward constructive innovation that will lead to the industry meeting their Net Zero Targets. In the absence of leadership from Government, NGN have launched the ground

breaking H21 project that will be proved integral to decarbonising industry and heat. As an industry body we welcome these initiatives and believe NGN should be crediting for launching them despite the associated risks. More of this kind of innovative and bold activity will be needed and we are pleased companies like NGN are taking the lead.

Q8 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q9 Do you have any further comments on the Business Plans?

No

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q11 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q12 Please provide a summary of the issue. **Respondent skipped this question**

Q13 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q14 Do you have any further comments on the Business Plans?

Respondent skipped this question

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q16 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q17 Please provide a summary of the issue. **Respondent skipped this question**

Q18 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q19 If you have any additional evidence or documentation please upload it here.

Respondent skipped this question

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

Respondent skipped this question

Q21 Do you have any feedback on this response tool? **Respondent skipped this question**

28. Heating and Hotwater Industry Council (HHIC)

Q1 Please enter the requested details below.

Company name **Heating and Hotwater Industry Council (HHIC)**

Email address **isaac@hhic.org.uk**

Name of individual **Isaac Occhipinti**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Respondent skipped this question

Q4 Which company business plan does this evidence relate to?

Scotia Gas Networks (SGN)

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Overall Business Plans

Q6 Please state which section of the Business Plan your response relates to?

Decarbonisation

Q7 Please provide a summary of the issue.

We believe that in reviewing the business plans SGN should be credited with leadership in driving forward constructive innovation that will lead to the industry meeting their Net Zero Targets. In the absence of leadership from Government, SGN have launched the H100 project that will be integral to decarbonising industry and heat. As an industry body we welcome these initiatives and believe SGN should be crediting for launching them despite the associated risks. More of this kind of innovative and bold activity will be needed and we are pleased companies like SGN are taking the lead.

Q8 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q9 Do you have any further comments on the Business Plans?

No

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q11 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q12 Please provide a summary of the issue. **Respondent skipped this question**

Q13 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q14 Do you have any further comments on the Business Plans?

76

Respondent skipped this question

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q16 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q17 Please provide a summary of the issue. **Respondent skipped this question**

Q18 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q19 If you have any additional evidence or documentation please upload it here.

Respondent skipped this question

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

Respondent skipped this question

Q21 Do you have any feedback on this response tool? **Respondent skipped this question**

29. Heating and Hotwater Industry Council (HHIC)

Q1 Please enter the requested details below.

Company name **Heating and Hotwater Industry Council (HHIC)**

Email address **isaac@hhic.org.uk**

Name of individual **Isaac Occhipinti**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Yes, I would be happy to be contacted.

Q4 Which company business plan does this evidence relate to?

Wales and West Utilities (WWU)

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Overall Business Plans

Q6 Please state which section of the Business Plan your response relates to?

Decarbonisation

Q7 Please provide a summary of the issue.

We believe that in reviewing the business plans WWU should be credited with leadership in driving forward constructive innovation that will lead to the industry meeting their Net Zero Targets. In the absence of leadership from Government, WWU have launched the Freedom Project that will be integral to decarbonising industry and heat. As an industry body we welcome these initiatives and believe WWU should be credited for launching them despite the associated risks. More of this kind of innovative and bold activity will be needed and we are pleased companies like WWU are taking the lead.

Q8 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q9 Do you have any further comments on the Business Plans?

No

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q11 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q12 Please provide a summary of the issue. **Respondent skipped this question**

Q13 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q14 Do you have any further comments on the Business Plans?

Respondent skipped this question

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q16 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q17 Please provide a summary of the issue. **Respondent skipped this question**

Q18 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q19 If you have any additional evidence or documentation please upload it here.

Respondent skipped this question

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

Respondent skipped this question

Q21 Do you have any feedback on this response tool? **Respondent skipped this question**

30. National Grid Electricity Transmission

Q1 Please enter the requested details below.

Company name **National Grid Electricity Transmission**

Email address **Chris.Bennett@nationalgrid.com**

Name of individual **Chris Bennett**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Yes, I would be happy to be contacted.

Q4 Which company business plan does this evidence relate to?

National Grid Electricity Transmission (NGET)

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Overall Business Plans

Q6 Please state which section of the Business Plan your response relates to?

Overall business plan and the RIIO-2 Challenge Group Independent Report for Ofgem on RIIO-2 Business Plans

Q7 Please provide a summary of the issue.

Response to a number of issues raised in the RIIO2 Challenge Group report. Our response is attached below and has been provided under separate cover to Akshay Kaul.

Q8 If you have any supporting evidence or documentation please upload it here.

NGET Call for evidence submission on business Plan 10_02_20.pdf (253.9KB)

Q9 Do you have any further comments on the Business Plans?

No

80

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q11 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q12 Please provide a summary of the issue. **Respondent skipped this question**

Q13 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q14 Do you have any further comments on the Business Plans?

Respondent skipped this question

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q16 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q17 Please provide a summary of the issue. **Respondent skipped this question**

Q18 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q19 If you have any additional evidence or documentation please upload it here.

Respondent skipped this question

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

Respondent skipped this question

Q21 Do you have any feedback on this response tool? **Respondent skipped this question**

31. National Grid Gas Transmission

Q1 Please enter the requested details below.

Company name **National Grid Gas Transmission**

Email address **Chris.Bennett@nationalgrid.com**

Name of individual **Chris Bennett**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Yes, I would be happy to be contacted.

Q4 Which company business plan does this evidence relate to?

National Grid Gas Transmission (NGGT)

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Overall Business Plans

Q6 Please state which section of the Business Plan your response relates to?

Overall business plan and the RIIO-2 Challenge Group Independent Report for Ofgem on RIIO-2 Business Plans

Q7 Please provide a summary of the issue.

Response to various issues raised by the RIIO-2 Challenge Group report and is attached below. Also sent under separate cover to Akshay Kaul.

Q8 If you have any supporting evidence or documentation please upload it here.

NGGT Response to RIIO-2 challenge group report 10-02-20.pdf (214.9KB)

Q9 Do you have any further comments on the Business Plans?

Yes

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Incentives (Overall Business Plan)

Other (please specify):

Q11 Please state which section of the Business Plan your response relates to?

Overall

Q12 Please provide a summary of the issue.

On the 19th of December we launched a six week stakeholder consultation on the proposed Output Delivery Incentives (ODIs) that form part of our RIIO-2 Gas Transmission Business Plan. This consultation has gathered more evidence in support of our RIIO-2 incentive proposals and no detracting views. This endorses our portfolio of incentives as submitted in the business plan and at this time we make no recommendations for change. Since October 2017 we have engaged with many stakeholders to better understand their priorities as part of the wider RIIO-2 preparations. From August to November 2019 we specifically talked to stakeholders about how our thinking on incentives had evolved and our associated proposals, we answered their questions, we listened to and acted upon the feedback. Mainly, the views we heard were broadly supportive of our incentive proposals, but we also highly valued the challenges which helped us to refine our proposed incentives portfolio. It was important to us, to allow our stakeholders an opportunity to scrutinise and have their say on the details of our final set of incentives proposals which have taken shape during the last year.

We recognise that there is a huge amount of activity in the energy space and stakeholders do not always have the means to engage with a written consultation. Therefore, to be as inclusive as possible, we have used many channels to draw attention to our consultation and to encourage feedback. We are confident that our stakeholders were fully aware of our incentive proposals.

Cadent provided a written response to the consultation (response in full is attached) which was fully supportive of both the proposals for the Capacity Constraint Management Incentive and the Residual Balancing Incentive. We welcome this support. When we spoke with stakeholders in January, some voiced support for the Demand Forecast proposal and updated Maintenance proposals. No opposition was brought forward by stakeholders on any of our incentive proposals as part of the consultation period. We take as a positive the absence of feedback opposing our proposals as part of the consultation. The feedback we received throughout the consultation process is broadly consistent with that received during all of our incentive stakeholder engagement. We conclude that stakeholders remain broadly supportive of our proposals. We remain fully supportive of incentive based regulation, noting that incentives form a central part of Ofgem's RIIO framework and that in themselves have created significant and demonstrable value for consumers throughout RIIO-1.

Q13 If you have any supporting evidence or documentation please upload it here.

Consultation Response - National Grid GT RIIO2 Incentive Consultation.pdf (73.7KB)

Q14 Do you have any further comments on the Business Plans?

No

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q16 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q17 Please provide a summary of the issue. **Respondent skipped this question**

Q18 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q19 If you have any additional evidence or documentation please upload it here.

Respondent skipped this question

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

Respondent skipped this question

Q21 Do you have any feedback on this response tool? **Respondent skipped this question**

32. Campaign for the Protection of Rural Wales

Q1 Please enter the requested details below.

Company name **Campaign for the Protection of Rural Wales**

Email address **carys@cprwmail.org.uk**

Name of individual **Carys Matthews**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Yes, I would be happy to be contacted.

Q4 Which company business plan does this evidence relate to?

National Grid Electricity Transmission (NGET)

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Delivering an environmentally sustainable network

Q6 Please state which section of the Business Plan your response relates to?

Chapter 11 - Environment and Communities

Q7 Please provide a summary of the issue.

We would fully support retaining the existing VIP project as building on the current scheme will make the best use of the time and resources already invested.

Measures to enhance our National Parks and designated landscapes can only be of benefit as visitors are attracted by the natural beauty of our landscapes.

Work is already underway which will have a huge impact on transforming our landscapes. It is therefore essential, in our opinion, that the allowance made for T2 is of an appropriate amount to ensure that the momentum of the project already gained is taken forward and enhanced.

Q8 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q9 Do you have any further comments on the Business Plans?

No

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q11 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q12 Please provide a summary of the issue. **Respondent skipped this question**

Q13 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q14 Do you have any further comments on the Business Plans?

Respondent skipped this question

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q16 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q17 Please provide a summary of the issue. **Respondent skipped this question**

Q18 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q19 If you have any additional evidence or documentation please upload it here.

Respondent skipped this question

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

Respondent skipped this question

Q21 Do you have any feedback on this response tool? **Respondent skipped this question**

33. M J Burns Energy Services Ltd

Q1 Please enter the requested details below.

Company name **M J Burns Energy Services Ltd**

Email address **mjbenergyservices@btinternet.com**

Name of individual **Malcolm J. Burns**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Yes, I would be happy to be contacted.

Q4 Which company business plan does this evidence relate to? GDNs

Various (Please State Below):

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Delivering an environmentally sustainable network

Q6 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q7 Please provide a summary of the issue.

Ofgem has recently published a paper on decarbonisation which focuses on adaptive regulation. I am concerned that the Network companies have not addressed this explicitly in their Business Plans. Can they please explain how their Plans support this aspiration?

Q8 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q9 Do you have any further comments on the Business Plans?

Yes

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Managing uncertainty

Other (please specify):

Q11 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q12 Please provide a summary of the issue.

It is clearly that there is a significant amount of uncertainties mechanisms include in some plans, which could have a bearing on the acceptability testing results achieved if such costs are not included in the companies' most probable forecast of costs.

Q13 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q14 Do you have any further comments on the Business Plans?

Yes

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Enhanced stakeholder engagement

Other (please specify):

Q16 Please state which section of the Business Plan your response relates to?

NGN's Business Plan

Q17 Please provide a summary of the issue.

I have noted that there was no Citizen Advice Representation on NGN's Consumer Engagement Group. I am concerned that the level of challenge NGN received may not have been consistent with the other GDNs; how did the company assure this was not the case?

Q18 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q19 If you have any additional evidence or documentation please upload it here.

Respondent skipped this question

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

Respondent skipped this question

Q21 Do you have any feedback on this response tool? **Respondent skipped this question**

34. M J Burns Energy Services Ltd

Q1 Please enter the requested details below.

Company name **M J Burns Energy Services Ltd**

Email address **mjbenergyservices@btinternet.com**

Name of individual **Malcolm J. Burns**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Yes, I would be happy to be contacted.

Q4 Which company business plan does this evidence relate to? GDNs

Various (Please State Below):

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Delivering an environmentally sustainable network

Q6 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q7 Please provide a summary of the issue.

Ofgem's Challenge Group noted that only the ESO showed ambition for net-zero and I have concern that the neither the Transmission or Gas Distribution companies have sufficiently considered the different pathways to net-zero. Given that the move to net-zero could come via either electrification or hydrogen transportation, how have the network companies taken account of these different decarbonisation pathways in their CBAs?

In addition, the GDN plans in general are not specific on the commitments they will deliver in GD2 to decarbonise their networks. Can the GDNs explain what measurable commitment they will have achieved at the end of GD2 to reduce their emissions?

Q8 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q9 Do you have any further comments on the Business Plans?

Yes

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Driving efficiency through innovation and competition

Q11 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q12 Please provide a summary of the issue.

There appears to me to be a gap between the establishment of innovative technology to support biomethane and its deployment onto the network as a part of the GDNs main investment plans. Can the GDNs explain how their plans address this?

Q13 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q14 Do you have any further comments on the Business Plans?

Yes

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Maintaining a safe and resilient network

Q16 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q17 Please provide a summary of the issue.

Ofgem's Challenge Group has asked for an urgent review of the HSE Repex programme. However, it is not clear from the GDN Business Plans whether they are

seeking any changes to the HSE enforcement policy. Can the GDN's clarify their views and answer whether they believe the consumer should continue to fund the programme as it stands?

Q18 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q19 If you have any additional evidence or documentation please upload it here.

Respondent skipped this question

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

Respondent skipped this question

Q21 Do you have any feedback on this response tool? **Respondent skipped this question**

35. M J Burns Energy Services Ltd

Q1 Please enter the requested details below.

Company name **M J Burns Energy Services Ltd**

Email address **mjbenergyservices@btinternet.com**

Name of individual **Malcolm J. Burns**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Yes, I would be happy to be contacted.

Q4 Which company business plan does this evidence relate to? GDNs

Various (Please State Below):

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Overall Business Plans

Q6 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q7 Please provide a summary of the issue.

I have noted that Ofgem's Challenge Group has expressed concern over the consistency of approach to the Customer Value Proposition (CVP); and that a number of CEGs have asked for this to be explored further in the Open Hearings. Given the different approaches to the CVP how will Ofgem be able to identify best practice?

Given this, will there be further discussions between Ofgem, the Network Companies and interested stakeholders on development of the CVP guidance?

Q8 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q9 Do you have any further comments on the Business Plans?

Yes

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Enabling whole system solutions

Q11 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q12 Please provide a summary of the issue.

Ofgem's challenge Group has expressed concern over whether any of the Network Companies are showing true leadership with regard to whole system thinking. Given

this, can the companies provide further information on the range of scenarios they have considered in their plans to achieve net-zero within their specified time-frames?

Q13 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q14 Do you have any further comments on the Business Plans?

No

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q16 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q17 Please provide a summary of the issue. **Respondent skipped this question**

Q18 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q19 If you have any additional evidence or documentation please upload it here.

Respondent skipped this question

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

Respondent skipped this question

Q21 Do you have any feedback on this response tool? **Respondent skipped this question**

36. Campaign for National Parks

Q1 Please enter the requested details below.

Company name **Campaign for National Parks**

Email address **ruthb@cnp.org.uk**

Name of individual **Ruth Bradshaw**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Yes, I would be happy to be contacted.

Q4 Which company business plan does this evidence relate to?

National Grid Electricity Transmission (NGET)

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

The visual amenity allowance

Other (please specify):

Q6 Please state which section of the Business Plan your response relates to?

Chapter 11 - Environment and Communities, specifically p.121-138.

Q7 Please provide a summary of the issue.

The draft Business Plan does not provide sufficient information on the justification for the visual amenity allowance, nor does it set out clearly what would be an appropriate size for the T2 allowance. There is also a factual error which needs to be corrected. All these points are explained in more detail in the document attached at point 8.

Q8 If you have any supporting evidence or documentation please upload it here.

200210 Campaign for National Parks' evidence on National Grid's draft Business Plan for RII02.pdf (315.4KB)

Q9 Do you have any further comments on the Business Plans?

No

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q11 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q12 Please provide a summary of the issue. **Respondent skipped this question**

Q13 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q14 Do you have any further comments on the Business Plans?

Respondent skipped this question

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q16 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q17 Please provide a summary of the issue. **Respondent skipped this question**

Q18 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q19 If you have any additional evidence or documentation please upload it here.

Respondent skipped this question

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

Respondent skipped this question

Q21 Do you have any feedback on this response tool?

It would be good to publish the questions separately so stakeholders now what information they need to prepare before completing the survey.

37. Interconnector UK Ltd

Q1 Please enter the requested details below.

Company name **Interconnector UK Ltd**

Email address **pavanjit.dhesi@interconnector.com**

Name of individual **Pavanjit Dhesi**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Yes, I would be happy to be contacted.

Q4 Which company business plan does this evidence relate to?

National Grid Gas Transmission (NGGT)

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q6 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q7 Please provide a summary of the issue. **Respondent skipped this question**

Q8 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q9 Do you have any further comments on the Business Plans?

Respondent skipped this question

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q11 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q12 Please provide a summary of the issue. **Respondent skipped this question**

Q13 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q14 Do you have any further comments on the Business Plans?

Respondent skipped this question

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q16 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q17 Please provide a summary of the issue. **Respondent skipped this question**

Q18 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q19 If you have any additional evidence or documentation please upload it here.

Respondent skipped this question

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

Respondent skipped this question

Q21 Do you have any feedback on this response tool? **Respondent skipped this question**

38. Interconnector UK Ltd

Q1 Please enter the requested details below.

Company name **Interconnector UK Ltd**

Email address **pavanjit.dhesi@interconnector.com**

Name of individual **Pavanjit Dhesi**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Yes, I would be happy to be contacted.

Q4 Which company business plan does this evidence relate to?

National Grid Gas Transmission (NGGT)

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Meeting the needs of consumers and network users

Q6 Please state which section of the Business Plan your response relates to?

Regarding proposals to redevelop the Bacton Terminal and address subsidence at Kings Lynn

Q7 Please provide a summary of the issue.

IUK supports the proposals for the redevelopment of the Bacton gas terminal outlined in the National Grid Gas Transmission's (NGGT) RIIO-2 business plan for 2021-26. The benefits for current and future consumers significantly outweigh the cost of the re-development of the Bacton terminal. IUK also supports the investment proposed to address subsidence at King's Lynn given its important role in providing gas compression on the flows to and from Bacton and the south eastern area.

Q8 If you have any supporting evidence or documentation please upload it here.

IUK response to the Ofgem RIIO-2 CFE 100220_Final.pdf (183.6KB)

Q9 Do you have any further comments on the Business Plans?

No

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q11 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q12 Please provide a summary of the issue. **Respondent skipped this question**

Q13 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q14 Do you have any further comments on the Business Plans?

Respondent skipped this question

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q16 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q17 Please provide a summary of the issue. **Respondent skipped this question**

Q18 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q19 If you have any additional evidence or documentation please upload it here.

Respondent skipped this question

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

Respondent skipped this question

Q21 Do you have any feedback on this response tool? **Respondent skipped this question**

39. Neptune Energy

Q1 Please enter the requested details below.

Company name **Neptune Energy**

Email address **tracy.brogan@neptuneenergy.com**

Name of individual **Tracy Brogan**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Yes, I would be happy to be contacted.

Q4 Which company business plan does this evidence relate to?

National Grid Gas Transmission (NGGT)

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Maintaining a safe and resilient network

Q6 Please state which section of the Business Plan your response relates to?

'Section 14: I want to take gas on and off the transmission system where and when I want' - Bacton Terminal Redevelopment

Q7 Please provide a summary of the issue.

Neptune Energy have been involved in National Grid's extensive stakeholder engagement process, alongside the Bacton Terminal Operators and upstream infrastructure owners, and support the plans for the redevelopment of National Grid's Bacton Terminal.

Increased expenditure is necessary firstly to assure the safety and integrity of this ageing asset and to ensure reliability and availability for decades to come. A long-term perspective must be taken in the interests of consumers, transporters and producers.

Neptune Energy operate the Cygnus field, a new development in excess of £1bn, projected to produce through the 2030s and potentially beyond. UKCS gas is lower cost and lower carbon than alternative forms of imported supply and Cygnus, as a recently designed installation, has a particularly low carbon intensity through its lifecycle. Despite this, opportunities to further reduce emissions and actively participate in the energy transition are being explored including selection of one of our platforms for a pilot project to create the first offshore green hydrogen plant.

National Grid's Bacton terminal is a critical component of UK energy infrastructure and its ongoing reliability for the coming decades is key for security of supply, for London and the South East and beyond. Investment in Bacton for the long-term is essential.

Q8 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q9 Do you have any further comments on the Business Plans?

No

102

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q11 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q12 Please provide a summary of the issue. **Respondent skipped this question**

Q13 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q14 Do you have any further comments on the Business Plans?

Respondent skipped this question

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q16 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q17 Please provide a summary of the issue. **Respondent skipped this question**

Q18 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q19 If you have any additional evidence or documentation please upload it here.

Respondent skipped this question

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

Respondent skipped this question

Q21 Do you have any feedback on this response tool? **Respondent skipped this question**

40. SP Transmission plc

Q1 Please enter the requested details below.

Company name **SP Transmission plc**

Email address **alan.kelly@spenergynetworks.co.uk**

Name of individual **Alan Kelly**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Yes, I would be happy to be contacted.

Q4 Which company business plan does this evidence relate to?

National Grid Electricity System Operator (ESO)

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Driving efficiency through innovation and competition

Q6 Please state which section of the Business Plan your response relates to?

Role 3, Theme 3: Unlocking consumer value through competition

Q7 Please provide a summary of the issue.

In general we disagree with the assumptions that the ESO has made in this role and believe their analysis to quantifying the benefits from this area to be flawed and over stated. Specifically, the proposal to extend NOA to end-of-life asset replacement decisions raises issues relating to the justification and cost-benefit analysis (CBA) of this initiative and the process for its implementation.

Q8 If you have any supporting evidence or documentation please upload it here.

End of Life Aseets.pdf (125.8KB)

Q9 Do you have any further comments on the Business Plans?

Yes

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Cost and financial information

Q11 Please state which section of the Business Plan your response relates to?

Part 3 Setting the ESO up for success - Chapter 9 - Financing our Plan

Q12 Please provide a summary of the issue.

Topic 2: Working Capital Facility and TNUoS Risk

NGESO estimate that transferring the TNUoS cashflow risk to onshore TOs could reduce the WCF requirements by approximately £300 million.

Such a proposal has not considered the additional costs on the TOs in the management of new treasury policies which would require expensive facilities to manage this new higher cashflow risk environment. There is no evidence presented by the ESO that this proposal is in consumer interests.

Q13 If you have any supporting evidence or documentation please upload it here.

Topic 2 Working Capital Facility and TNUoS Risk.pdf (196.7KB)

Q14 Do you have any further comments on the Business Plans?

Yes

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Overall Business Plans

Q16 Please state which section of the Business Plan your response relates to?

Role 3, Theme 4: Driving towards a sustainable, whole energy future

Q17 Please provide a summary of the issue.

The TOs and ESO RIIO-T2 regulatory incentive frameworks and performance metrics need to align in respect of system access and outage management. The NGESO business plan talks about "driving down" constraint costs and proposes performance measures that could restrict optimal system access limiting progress towards net zero goals.

We agree that minimising constraint costs is important but this needs to be considered against a counterfactual of increased network investment to ensure the network has sufficient capacity. As volumes of generation in all parts of the country continue to grow, and access is required to the network to allow assets to be replaced, maintained, or new points of connection, constraints will also continue to grow.

Q18 If you have any supporting evidence or documentation please upload it here.

System Access and Network Availability.pdf (207.8KB)

Q19 If you have any additional evidence or documentation please upload it here.

Topic 4 Competition and engagement on IT.pdf (120.9KB)

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

How will NGESO be able to demonstrate their goal to have an "electricity system that can operate carbon free" has been achieved? To what extent will the system be operable - 24 hours, one day one week?

Q21 Do you have any feedback on this response tool?

This was difficult to use and be sure the information input has been clearly set out. There was no indignance on balance of word count on input fields, or level of detail in supporting files. Also now steer as to what level to separate different issues.

41. The Association for Decentralised Energy

Q1 Please enter the requested details below.

Company name **The Association for Decentralised Energy**

Email address **rick.parfett@theade.co.uk**

Name of individual **Rick Parfett**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Yes, I would be happy to be contacted.

Q4 Which company business plan does this evidence relate to?

National Grid Electricity System Operator (ESO)

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Overall Business Plans

Q6 Please state which section of the Business Plan your response relates to?

Theme 1 - Ensure reliable, secure system operation to deliver electricity when consumers need it

Q7 Please provide a summary of the issue.

The ADE welcomes the ESO's ambitions under this theme, particularly the goal of being able to operate a carbon free system by 2025.

Recommendation 1 - Move development of tools and systems to 2020-21, wherever possible, in order to focus on delivery during RIIO-2

While we welcome the end goal of many of the actions under Theme 1, it is notable that in the majority of cases the 2021-23 period will involve development of tools and capabilities, with go-live in later years. While this is understandable when developing and implementing complex systems, the ADE would value analysis of whether the development phase for some tools could be undertaken before the beginning of the RIIO-2 price control, with delivery in the early years for RIIO-2. For those tools where this is not possible, it is essential that clear deadlines for delivery be set and strongly linked to the incentive scheme. As the ESO states, many of these tools are essential prerequisites for the implementation of the rest of the actions in the Business Plan, so on-time delivery is extremely important.

Recommendation 2 - Clarify how the Digital Twin will model impacts across the system of market design choices

The ADE welcomes the proposal to develop a Digital Twin and shadow control room. Clarity would be helpful on whether these facilities will allow full modelling of the impact of new procurement approaches and products, given that they will be developed in modular fashion.

Recommendation 3 - Clarify whether Design Authority recommendations are binding

Recommendation 4 - Ensure that at least 50% of members of Design Authority are drawn from non-traditional participants in the energy system

The proposal to set up a cross-sector design authority to support the development of new systems is extremely welcome but the ADE believes that a metric based on 50% of members being drawn from non-traditional participants should be introduced. We would also welcome more information on the remit of the Design Authority – it is essential that this body has the necessary ‘teeth’ to shape the ESO’s approach, rather than fulfilling a purely advisory function, as there seems a risk of it doing at present.

Recommendation 5 - Publish a ‘skip rate’ on data portal by August 2020 and include a metric in RIIO-2 Business Plan based on this percentage declining on average each year The ADE welcomes the ESO’s commitment to publishing the ‘skip rate’ (percentage of times where plant is not dispatched in merit order) within 6 months of January 2020 on the data portal. We would recommend that a metric be included

in the RII0-2 Business Plan based on this percentage declining on average each year. Industry understands that this percentage is highly unlikely to reach zero, given that system issues mean dispatch in pure merit order is rarely likely to occur. The ESO's planned introduction of a scheduling tool for dispatch of multiple smaller units is a step in the right direction, publication of the 'skip rate' of dispatch in merit order is essential to track progress towards PAS-style dispatch. The ESO should also release the methodology used to calculate the 'skip rate'.

Recommendation 6 - Define milestones on progress towards zero carbon operability ambition, with clear timescales for delivery

Given the importance of the ESO's zero carbon operability ambition, Metric 5 on progress towards this ambition should be more clearly defined and measurable. It should include objective measures for what delivery of each milestone looks like and a target of 100% of milestones delivered on time and to specification.

Q8 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q9 Do you have any further comments on the Business Plans?

Yes

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Overall Business Plans

Q11 Please state which section of the Business Plan your response relates to?

Theme 2 - Transforming participation in smart and sustainable markets

Q12 Please provide a summary of the issue.

Balancing and wholesale markets

The ADE welcomes the ESO's commitments under this goal, particularly around the response and reserve markets and integrated platform. We also welcome the inclusion of clear timescales for the delivery stages of these commitments and recommend that these be

clearly linked to incentives. As outlined in the ADE's responses to previous iterations of the ESO's Business Plan, however, it is essential that the metrics in this section are more specific and extensive.

Recommendation 7 – 'Bilaterally competitively procured contracts' should not count towards target for competitive procurement of services

The ADE welcomes the decision to introduce targets for competitive procurement, which helps to define what success looks like. While we welcome this metric, we do not believe that 'bilaterally competitively procured' contracts should be counted towards achieving the target. As a principle, balancing services should be standardised and open to all, with bilateral contracts having no place in procurement. In the rare circumstances where a service can only be provided by a very limited pool of providers, bilateral contracts should only be used as an interim arrangement, while market structures or technical requirements are adjusted to allow more providers to participate, and should not be designated as 'competitively procured'.

It is essential that the ESO give more detail around dispatch and procurement approaches and link these to explicit metrics. We are disappointed that this approach has not been taken in this iteration of the Business Plan and believe that metrics such as the following would be valuable:

Recommendation 8 – Publish details of all bilateral contracts held by the ESO
Details of all bilateral contracts held by the ESO should be published on a service-by-service basis, including technical details of service procured, number of MWs bought, pricing, volumes, contract duration and identity of service provider. This should also identify occasions where a carbon-fuelled asset will be given a contract going beyond 2025. Any aspects that need to be anonymised should be done so in accordance with the Energy Data Taskforce guidance.

Recommendation 9 – Reduce volumes of bilateral contracts to zero by 2023, except where explicitly justified, and do not agree new bilateral contracts

All volumes (contracted and delivered) of bilateral contracts should be reduced to zero by 2023, except where explicit, published justification based on a cost-benefit analysis has been provided. No new bilateral contracts should be agreed from the beginning of the RIIO-2 period.

Recommendation 10 – Set clear parameters around design, procurement and dispatch approaches of reformed markets and platforms

The single platform to procure all balancing services and Capacity Market should fully established, with all services integrated, by 2023.

Engagement should be via web portals and participants should be able to register all assets on the platform within less than one working day (seven hours). All balancing services should be dispatched via this platform, using PAS-style dispatch

By 2021, the approach used in the FFR Weekly Trial on volumes and volume trade-offs should be used for all markets. The ESO should procure the volume that they predicted procuring 90% of the time. Trade-offs between and impacts upon procurement of other services/markets should be made explicit. The ESO should consider extending access to balancing markets to sub-1MW portfolios in order to encourage participation of domestic assets.

The single co-optimised response and reserve auction should employ pay-as-clear auctions, PAS-style dispatch, publication of sought procurement volumes and trade-offs. It should not contain any unjustified exclusivity clauses, restrictive locational restrictions or require reserve-up and reserve-down bids to be linked, and should be clear on interactions and trade-offs with TERRE and STOR procurement volumes.

Recommendation 11 – Procure all frequency response volumes through unified market

By 2021, all frequency response volumes (including from monthly tender and MFR) should be procured through a unified, pay-as-clear, close-to-real-time market EMR

The ADE welcomes the ESO's commitment to deliver an enhanced platform for the Capacity based on number of prequalification decisions overturned via the Tier 2 disputes process.

Recommendation 12 – Introduce a metric based on user experience of enhanced Capacity Market platform, such as time taken to register all assets

A metric based on user experience of the platform, potentially including time taken for a provider to register all assets on the platform or ability to 'roll over' details of previously prequalified assets, should be introduced.

Codes and Governance

Recommendation 13 – Assessment of modifications should take into account extent to which they support progress towards the energy system of the future

The ADE welcomes the decision to assess the consumer benefit of modifications but believes the extent to which the modification helps support progress towards a smarter, more flexible, lower-carbon energy system should also be taken into account.

Recommendation 14 – Set delivery date for reformed Grid Code

We welcome the commitment to implement a fully-digitised whole system Grid Code focusing on minimum standards but would welcome a metric based on delivery by a set date.

Q13 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q14 Do you have any further comments on the Business Plans?

Yes

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Overall Business Plans

Q16 Please state which section of the Business Plan your response relates to?

Theme 3 - Unlocking consumer value through competition

Q17 Please provide a summary of the issue.

The ADE supports the ESO's proposals in this area, including the focus on expanding their analytical tools and commitment to enhance competition in solutions to meet transmission needs.

Recommendation 15 – Introduce metrics to measure how far the NOA has been opened up

While the metric based on consumer value savings from NOA is welcome, metrics that focus more directly on opening up the NOA would be welcome, including a consistent yearly increase in commercial submissions to the NOA and that at least five pathfinder projects are rolled out every year by 2023. It is important that pathfinder projects result in tenders that are open to all market participants able to provide the service.

Q18 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q19 If you have any additional evidence or documentation please upload it here.

Respondent skipped this question

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

Respondent skipped this question

Q21 Do you have any feedback on this response tool? **Respondent skipped this question**

42. The Association for Decentralised Energy

Q1 Please enter the requested details below.

Company name **The Association for Decentralised Energy**

Email address **rick.parfett@theade.co.uk**

Name of individual **Rick Parfett**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Yes, I would be happy to be contacted.

Q4 Which company business plan does this evidence relate to?

National Grid Electricity System Operator (ESO)

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Overall Business Plans

Q6 Please state which section of the Business Plan your response relates to?

Themes 1-4

Q7 Please provide a summary of the issue.

Theme 1 - Ensure reliable, secure system operation to deliver electricity when consumers need it

The ADE welcomes the ESO's ambitions under this theme, particularly the goal of being able to operate a carbon free system by 2025.

Recommendation 1 - Move development of tools and systems to 2020-21, wherever possible, in order to focus on delivery during RIIO-2

While we welcome the end goal of many of the actions under Theme 1, it is notable that in the majority of cases the 2021-23 period will involve development of tools and capabilities, with go-live in later years. While this is understandable when developing and implementing complex systems, the ADE would value analysis of whether the development phase for some tools could be undertaken before the beginning of the RIIO-2 price control, with delivery in the early years for RIIO-2. For those tools where this is not possible, it is essential that clear deadlines for delivery be set and strongly linked to the incentive scheme. As the ESO states, many of these

tools are essential prerequisites for the implementation of the rest of the actions in the Business Plan, so on-time delivery is extremely important.

Recommendation 2 - Clarify how the Digital Twin will model impacts across the system of market design choices

The ADE welcomes the proposal to develop a Digital Twin and shadow control room. Clarity would be helpful on whether these facilities will allow full modelling of the impact of new procurement approaches and products, given that they will be developed in modular fashion.

Recommendation 3 - Clarify whether Design Authority recommendations are binding

Recommendation 4 - Ensure that at least 50% of members of Design Authority are drawn from non-traditional participants in the energy system

The proposal to set up a cross-sector design authority to support the development of new systems is extremely welcome but the ADE believes that a metric based on 50% of members being drawn from non-traditional participants should be introduced. We would also welcome more information on the remit of the Design Authority – it is essential that this body has the necessary ‘teeth’ to shape the ESO’s approach, rather than fulfilling a purely advisory function, as there seems a risk of it doing at present.

Recommendation 5 - Publish a ‘skip rate’ on data portal by August 2020 and include a metric in RIIO-2 Business Plan based on this percentage declining on average each year

The ADE welcomes the ESO’s commitment to publishing the ‘skip rate’ (percentage of times where plant is not dispatched in merit order) within 6 months of January 2020 on the data portal. We would recommend that a metric be included in the RIIO-2 Business Plan

based on this percentage declining on average each year. Industry understands that this percentage is highly unlikely to reach zero, given that system issues mean dispatch in pure merit order is rarely likely to occur. The ESO’s planned introduction of a scheduling tool for dispatch of multiple smaller units is a step in the right direction, publication of the ‘skip rate’ of dispatch in merit order is essential to track progress towards PAS-style dispatch. The ESO should also release the methodology used to calculate the ‘skip rate’.

Recommendation 6 - Define milestones on progress towards zero carbon operability ambition, with clear timescales for delivery Given the importance of the ESO's zero carbon operability ambition, Metric 5 on progress towards this ambition should be more clearly defined and measurable. It should include objective measures for what delivery of each milestone looks like and a target of 100% of milestones delivered on time and to specification.

Theme 2 - Transforming participation in smart and sustainable markets

Balancing and wholesale markets

The ADE welcomes the ESO's commitments under this goal, particularly around the response and reserve markets and integrated platform. We also welcome the inclusion of clear timescales for the delivery stages of these commitments and recommend that these be clearly linked to incentives. As outlined in the ADE's responses to previous iterations of the ESO's Business Plan, however, it is essential that the metrics in this section are more specific and extensive.

Recommendation 7 – 'Bilaterally competitively procured contracts' should not count towards target for competitive procurement of services

The ADE welcomes the decision to introduce targets for competitive procurement, which helps to define what success looks like. While we welcome this metric, we do not believe that 'bilaterally competitively procured' contracts should be counted towards achieving the

target. As a principle, balancing services should be standardised and open to all, with bilateral contracts having no place in procurement. In the rare circumstances where a service can only be provided by a very limited pool of providers, bilateral contracts should only be used as an interim arrangement, while market structures or technical requirements are adjusted to allow more providers to participate, and should not be designated as 'competitively procured'.

It is essential that the ESO give more detail around dispatch and procurement approaches and link these to explicit metrics. We are disappointed that this approach has not been taken in this iteration of the Business Plan and believe that metrics such as the following would be valuable:

Recommendation 8 – Publish details of all bilateral contracts held by the ESO

Details of all bilateral contracts held by the ESO should be published on a service-by-service basis, including technical details of service procured, number of MWs bought, pricing, volumes, contract duration and identity of service provider. This should also identify occasions where a carbon-fuelled asset will be given a contract going beyond 2025. Any aspects that need to be anonymised should be done so in accordance with the Energy Data Taskforce guidance.

Recommendation 9 – Reduce volumes of bilateral contracts to zero by 2023, except where explicitly justified, and do not agree new bilateral contracts

All volumes (contracted and delivered) of bilateral contracts should be reduced to zero by 2023, except where explicit, published justification based on a cost-benefit analysis has been provided. No new bilateral contracts should be agreed from the beginning of the RIIO-2 period.

Recommendation 10 – Set clear parameters around design, procurement and dispatch approaches of reformed markets and platforms
The single platform to procure all balancing services and Capacity Market should fully established, with all services integrated, by 2023.

Engagement should be via web portals and participants should be able to register all assets on the platform within less than one working day (seven hours). All balancing services should be dispatched via this platform, using PAS-style dispatch

By 2021, the approach used in the FFR Weekly Trial on volumes and volume trade-offs should be used for all markets. The ESO should procure the volume that they predicted procuring 90% of the time. Trade-offs between and impacts upon procurement of other services/markets should be made explicit. The ESO should consider extending access to balancing markets to sub-1MW portfolios in order to encourage participation of domestic assets.

The single co-optimised response and reserve auction should employ pay-as-clear auctions, PAS-style dispatch, publication of sought procurement volumes and trade-offs. It should not contain any unjustified exclusivity clauses, restrictive locational restrictions or require reserve-up and reserve-down bids to be linked, and should be clear on interactions and trade-offs with TERRE and STOR procurement volumes.

Recommendation 11 – Procure all frequency response volumes through unified market

By 2021, all frequency response volumes (including from monthly tender and MFR) should be procured through a unified, pay-as-clear, close-to-real-time market EMR

The ADE welcomes the ESO’s commitment to deliver an enhanced platform for the Capacity Market. The ADE welcomes the metric based on number of prequalification decisions overturned via the Tier 2 disputes process.

Recommendation 12 – Introduce a metric based on user experience of enhanced Capacity Market platform, such as time taken to register all assets

A metric based on user experience of the platform, potentially including time taken for a provider to register all assets on the platform or ability to ‘roll over’ details of previously prequalified assets, should be introduced.

Codes and Governance

Recommendation 13 – Assessment of modifications should take into account extent to which they support progress towards the energy system of the future

The ADE welcomes the decision to assess the consumer benefit of modifications but believes the extent to which the modification helps support progress towards a smarter, more flexible, lower-carbon energy system should also be taken into account.

Recommendation 14 – Set delivery date for reformed Grid Code

We welcome the commitment to implement a fully-digitised whole system Grid Code focusing on minimum standards but would welcome a metric based on delivery by a set date.

Theme 3 - Unlocking consumer value through competition

The ADE supports the ESO’s proposals in this area, including the focus on expanding their analytical tools and commitment to enhance competition in solutions to meet transmission needs.

Recommendation 15 – Introduce metrics to measure how far the NOA has been opened up

While the metric based on consumer value savings from NOA is welcome, metrics that focus more directly on opening up the NOA would be welcome, including a consistent yearly increase in commercial submissions to the NOA and that at least five pathfinder

projects are rolled out every year by 2023. It is important that pathfinder projects result in tenders that are open to all market participants able to provide the service.

Theme 4 - Driving towards a sustainable, whole energy future

The ADE supports the ESO's proposals in this area, particularly the focus on developing flexibility markets across the transmissiondistribution interface and use of DER markets to facilitate efficient access for network owners.

Digitalisation and open data unlocking zero carbon system operation and markets

Recommendation 16 – Publish data in machine readable formats and explicitly justify any data set that isn't published

The ADE supports the ESO's goal and metric in this area but would emphasise the importance of publishing data sets in machine readable formats and providing explicit justification for any data sets that are not published.

Overall Feedback

Recommendation 17 – Introduce a Sankey diagram of market reforms

Publish an up-to-date Sankey diagram of volumes between markets, with specific timings for transitions and inclusion of all future markets, is delivered by the end of 2021 and updated as required. This would show, for example, how and when volumes from the current FFR monthly tenders will move into the new Reserve and Response markets.

Recommendation 18 – More clearly link FES, Ten Year Statement, Operability Strategy and balancing services procurement In Market Information Reports, the ESO should draw out the links between the FES, Ten Year Statement, Operability Strategy and balancing services procurement, showing how analysis at one end of the process feeds through into decisions about volumes procured at the other.

Recommendation 19 – Introduce a formal consultation process, with publication of rationale and responses

By 2023, no material change should be undertaken without going through a formalised consultation process with industry including publication of the ESO’s rationale for the design parameters for any new products, followed by publication of all consultation responses, together with how the ESO has responded to and incorporated this feedback.

Recommendation 20 – Set explicit deadlines, meet them, and warn industry in advance if not going toExplicit deadlines should be set for every goal in the RIIO-2 Business Plan, with the ESO meeting at least 75% of these deadlines without alteration. If a deadline will not be met, industry should be publicly informed of this at least three months in advance of the deadline

Recommendation 21 – Ensure products meet future system operability needs at least cost to the consumer

The ESO should ensure that product design for balancing services ensures that system operability needs are addressed at least cost to the consumer, learning from the approach of system operators with experience of operating low inertia systems. For example, the current proposal to end procurement of static frequency response, in favour of focusing only on dynamic, fails to achieve this, leading to higher costs to consumers and arbitrarily excluding the majority of service providers from the market.

Q8 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q9 Do you have any further comments on the Business Plans?

No

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q11 Please state which section of the Business Plan your response relates to?

120

Respondent skipped this question

Q12 Please provide a summary of the issue. **Respondent skipped this question**

Q13 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q14 Do you have any further comments on the Business Plans?

Respondent skipped this question

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q16 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q17 Please provide a summary of the issue. **Respondent skipped this question**

Q18 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q19 If you have any additional evidence or documentation please upload it here.

Respondent skipped this question

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

Respondent skipped this question

Q21 Do you have any feedback on this response tool?

Harder to use than the usual approach of attaching a consultation response to an email. Does not allow flexibility in the response and makes formatting more difficult. Appreciate the reasons Ofgem is trying this format, but would prefer consultations via email in the future.

121

43. Citizens Advice Scotland

Q1 Please enter the requested details below.

Company name **Citizens Advice Scotland**

Email address **jamie.stewart@cas.org.uk**

Name of individual **jamie stewart**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Yes, I would be happy to be contacted.

Q4 Which company business plan does this evidence relate to?

SGN, Scottish Power Transmission, Scottish Hydro Transmission

Various (Please State Below):

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Meeting the needs of consumers and network users

Q6 Please state which section of the Business Plan your response relates to?

SGN-Commitment to customers: making a positive impact

Scottish Power Transmission- Net Zero Fund

Scottish Hydro Electric Transmission- Supporting Communities

Q7 Please provide a summary of the issue.

Consumer Vulnerability in RIIO 2

CAS generally welcomes the proposals from network companies to further support consumers in vulnerable circumstances. To give context to our support we briefly

summarise findings of research undertaken with consumers in Scotland - 'Consumer Attitudes to Energy Networks in Scotland'.

This research shows that there is a high level of concern that lower income households might not be able to take advantage of technology that helps them reduce their energy bills; 79% agree it is a concern, while just 5% disagree.

As already noted, many examples were given in the qualitative discussions of how many people currently struggle to afford energy. The potential increase of time of use tariffs therefore causes concern that these consumers might be further disadvantaged. Elderly and low income customers are seen as the most in need of support to get their bills down but least able to benefit from these technologies. The quantitative and qualitative findings shows there is a high level of support for the energy networks helping lower income households adapt to the ways in which they can engage with the energy network, with 80% agreeing that energy networks should help and just 3% disagreeing.

The networks are seen as duty-bound to provide some level of support because the development, and adoption, of these forms of technology is seen as being beneficial to the network companies themselves (i.e. allowing them to manage their resources more efficiently).

There was also support expressed in the qualitative discussion for spreading the cost of this across customers. There was not a consensus on whether this would be better financed through increases in energy bills or general taxation. Some feared that paying for it

via taxation would result in the funds being subsumed by other government initiatives and not lead to the intended impact.

While a majority of consumers are concerned that lower income households may struggle to use technology to reduce their energy bills, this view is even stronger among lower social grades and customers experiencing some form of vulnerability.

Over eight in ten of each group are concerned and believe the energy networks should help lower income customers in this respect.

Comments related to specific companies:

SGN –Commitment to customers: making a positive impact

- **CAS is supportive of SGNs offering for consumers in its GD2 business plan. Our views are reflected in the report from SGNs Customer Engagement Group.**

SPEN Transmission – Net Zero Fund

- **CAS support the new focus of the fund on empowering communities in vulnerable circumstances. We have been advocating for the most vulnerable in society to be supported as our economy changes to meet Scotland’s net zero targets- and we think this fund**

clearly supports that agenda.

- **We would encourage SPEN to support the ‘Net Zero Fund’ through profits/returns rather than through customer bills. However we support the fund being included in the business plan if this is the only option available.**

- **We are cautious about supporting the funds use on electric vehicle infrastructure provision. We think this should only be used to support projects that would be very unlikely to be funded through the price control or by LA / SG funding, or provide provision for particularly rural / low SIMD areas. As context, we have some reservations about the distributional impact of making all consumers pay for EV charging infrastructure – which many will never utilise.**

- **While the Green Economy Fund had a strong focus on electrifying public transport (electric buses) we would only support projects like this being funded if the ‘Net Zero Fund’ was supported through SPEN returns – rather than through the price control.**

- **We welcome the funds focus on affordable renewable / low carbon heat CAS continue to advocate for better outcomes for customers with electric heating (storage heaters in particular) where Fuel Poverty rates continue to be over 40%.**

We would encourage

a focus on projects that improve outcomes for households with inefficient, hard to operate, expensive storage heaters. If replaced with more efficient systems this has the mutual benefit of lower bills and demand reduction.

- **We welcome projects that support communities / consumers to access advice and support needed to engage in new renewable and low carbon technology. We see examples where new technology has been installed but consumers are left without the appropriate support to enable them to use it efficiently.**

- **As far as possible we think co-ordination is needed between projects / activities of a similar nature associated with ED1 and previous GEF. This will avoid duplication and lead to sharing of best practice.**

Scottish Hydro Transmission – ‘Supporting Communities - Meeting the needs of vulnerable customers and maximising the local benefit of our investments’.

- **We welcome SSENs approach to supporting communities and vulnerable customers. While this is not an area that Transmission companies have traditionally focussed on, we welcome the ambition being shown by SSEN.**
- **Specifically we are supportive of the two proposals of ‘training employees in community vulnerability’ and ‘using approved local suppliers.’ We feel like these initiatives are a step in the right direction but are fairly conservative in their ambition.**

Q8 If you have any supporting evidence or documentation please upload it here.

Consumer Attitudes to Energy Networks in Scotland.pdf (1.8MB)

Q9 Do you have any further comments on the Business Plans?

Respondent skipped this question

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Overall Business Plans

Q11 Please state which section of the Business Plan your response relates to?

Scottish Power Transmission

Scottish Hydro Electric Transmission

Q12 Please provide a summary of the issue.

We are generally supportive of the transmission companies method of relying on reopeners to deal with the uncertainty of delivering net zero ambitions - with for example not enough confidence in projects such as the 'island links' to put them in Totex. Given this uncertainty

it will be important that all re - openers are strongly evidence based, face appropriate scrutiny and can subsequently be delivered in a timely manner.

Otherwise they risk adding considerable additional costs to consumers with less scrutiny than if they were included in

the original business plans.

We think that its particularly important that transission companies continue to engage and consult with stakeholders given the level of uncertainty associated with certain elements of the plan. This will help ensure that they deliver projects that stakeholders and society values.

Q13 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q14 Do you have any further comments on the Business Plans?

No

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q16 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q17 Please provide a summary of the issue. **Respondent skipped this question**

Q18 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q19 If you have any additional evidence or documentation please upload it here.

Respondent skipped this question

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

Respondent skipped this question

Q21 Do you have any feedback on this response tool? **Respondent skipped this question**

44. Centrica

Q1 Please enter the requested details below.

Company name **Centrica**

Email address **gregory.edwards@centrica.com**

Name of individual **Gregory Edwards**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Yes, I would be happy to be contacted.

Q4 Which company business plan does this evidence relate to?

National Grid Gas Transmission (NGGT)

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Overall Business Plans

Q6 Please state which section of the Business Plan your response relates to?

Network Capability review

Q7 Please provide a summary of the issue.

The network capability analysis should be rerun given the changes to the network charging regime. The existing analysis does not take account of changes in network users' behaviour

Q8 If you have any supporting evidence or documentation please upload it here.

Centrica response - RII0-2 gas transmission_final.pdf (153.4KB)

Q9 Do you have any further comments on the Business Plans?

No

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q11 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q12 Please provide a summary of the issue. **Respondent skipped this question**

Q13 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q14 Do you have any further comments on the Business Plans?

Respondent skipped this question

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q16 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q17 Please provide a summary of the issue. **Respondent skipped this question**

Q18 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q19 If you have any additional evidence or documentation please upload it here.

Centrica response - RII0-2 gas transmission_final.pdf (153.4KB)

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

Supply and demand patterns in the Network Capability review

Q21 Do you have any feedback on this response tool? **Respondent skipped this question**

45. Centrica

Q1 Please enter the requested details below.

Company name **Centrica**

Email address **gregory.edwards@centrica.com**

Name of individual **Gregory Edwards**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Yes, I would be happy to be contacted.

Q4 Which company business plan does this evidence relate to? Electricity Transmission companies

Various (Please State Below):

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Meeting the needs of consumers and network users

Q6 Please state which section of the Business Plan your response relates to?

The use of active network management schemes and regulated assets to provide competitive services

Q7 Please provide a summary of the issue.

Active Network Management schemes should be deployed in only certain scenarios and, if so, need to be time-limited.

Network operators should not be permitted to provide ancillary services to the ESO that can could otherwise be procured via a competitive market.

Q8 If you have any supporting evidence or documentation please upload it here.

Centrica response - RII0-2 electricity transmission_final.pdf (158.5KB)

Q9 Do you have any further comments on the Business Plans?

No

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q11 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q12 Please provide a summary of the issue. **Respondent skipped this question**

Q13 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q14 Do you have any further comments on the Business Plans?

Respondent skipped this question

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q16 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q17 Please provide a summary of the issue. **Respondent skipped this question**

Q18 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q19 If you have any additional evidence or documentation please upload it here.

Respondent skipped this question

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

Active network management schemes

Using provide ancillary services to the ESO that can could otherwise be procured via a competitive market

Q21 Do you have any feedback on this response tool? **Respondent skipped this question**

46. Centrica

Q1 Please enter the requested details below.

Company name **Centrica**

Email address **gregory.edwards@centrica.com**

Name of individual **Gregory Edwards**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Yes, I would be happy to be contacted.

Q4 Which company business plan does this evidence relate to?

National Grid Electricity System Operator (ESO)

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or

disagreement with the plans. Which area does your evidence relate to?

Overall Business Plans

Q6 Please state which section of the Business Plan your response relates to?

Performance metrics

Delivery of IT transformation

Q7 Please provide a summary of the issue.

**Some proposed metrics and performance benchmarks should be revised
A full contingency plan for the IT-related transformational activities should be published**

Q8 If you have any supporting evidence or documentation please upload it here.

Centrica response - RIIIO-2 ESO_final.pdf (194.4KB)

Q9 Do you have any further comments on the Business Plans?

No

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q11 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q12 Please provide a summary of the issue. **Respondent skipped this question**

Q13 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q14 Do you have any further comments on the Business Plans?

Respondent skipped this question

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q16 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q17 Please provide a summary of the issue. **Respondent skipped this question**

Q18 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q19 If you have any additional evidence or documentation please upload it here.

Respondent skipped this question

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

Some metrics are unlikely to capture genuine performance

Some performance benchmarks that are insufficiently challenging

Q21 Do you have any feedback on this response tool? **Respondent skipped this question**

47. Centrica

Q1 Please enter the requested details below.

Company name **Centrica**

Email address **gregory.edwards@centrica.com**

Name of individual **Gregory Edwards**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Yes, I would be happy to be contacted.

Q4 Which company business plan does this evidence relate to?

All excluding the Electricity System Operator

Various (Please State Below):

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Cost and financial information

Q6 Please state which section of the Business Plan your response relates to?

Financeability

Efficiency gains

Q7 Please provide a summary of the issue.

Companies have proposed significantly higher equity costs even though they appear financeable if Ofgem's working assumptions were applied.

The proposed efficiency gains appear modest relative to the forecast RIIO-1 under-spend

Q8 If you have any supporting evidence or documentation please upload it here.

Centrica response - RIIO-2 finance_final.pdf (124.3KB)

Q9 Do you have any further comments on the Business Plans?

No

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q11 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q12 Please provide a summary of the issue. **Respondent skipped this question**

Q13 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q14 Do you have any further comments on the Business Plans?

Respondent skipped this question

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q16 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q17 Please provide a summary of the issue. **Respondent skipped this question**

Q18 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q19 If you have any additional evidence or documentation please upload it here.

Respondent skipped this question

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

Companies have proposed significantly higher equity costs even though they appear financeable if Ofgem's working assumptions were applied.

The proposed efficiency gains appear modest relative to the forecast RIIIO-1 under-spend

Q21 Do you have any feedback on this response tool? **Respondent skipped this question**

48. Centrica

Q1 Please enter the requested details below.

Company name **Centrica**

Email address **gregory.edwards@centrica.com**

Name of individual **Gregory Edwards**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Yes, I would be happy to be contacted.

Q4 Which company business plan does this evidence relate to?

All excluding the Electricity System Operator

Various (Please State Below):

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Managing uncertainty

Other (please specify):

Q6 Please state which section of the Business Plan your response relates to?

Risk allocation between companies and consumers

Q7 Please provide a summary of the issue.

Some mechanisms target areas where there is not a genuine and material uncertainty, inappropriately transfer risk to consumers, disproportionately de-risk companies by protecting them from managing their business risk

Reallocation of risk from companies to customers should be reflected in cost of capital

The operation of materiality thresholds should be reviewed.

A methodology to encourage companies to submit proposals that are well-justified, efficient and represent value for money from the consumer perspective should be developed

Q8 If you have any supporting evidence or documentation please upload it here.

Centrica response - RII0-2 uncertainty mechanisms_final.pdf (231.7KB)

Q9 Do you have any further comments on the Business Plans?

No

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q11 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q12 Please provide a summary of the issue. **Respondent skipped this question**

Q13 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q14 Do you have any further comments on the Business Plans?

Respondent skipped this question

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q16 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q17 Please provide a summary of the issue. **Respondent skipped this question**

Q18 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q19 If you have any additional evidence or documentation please upload it here.

Respondent skipped this question

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

Risk allocation between companies and consumers

Q21 Do you have any feedback on this response tool? **Respondent skipped this question**

49. Centrica

Q1 Please enter the requested details below.

Company name **Centrica**

Email address **gregory.edwards@centrica.com**

Name of individual **Gregory Edwards**

Q2 We may publish the results of this survey on our website or may use this feedback during our upcoming open hearings. Please check the box if you would like your responses to remain confidential.

Respondent skipped this question

Q3 We may contact you to invite you to give evidence or ask a question at the open hearings. Please check this box if you are happy for us to contact you.

Yes, I would be happy to be contacted.

Q4 Which company business plan does this evidence relate to?

All excluding the Electricity System Operator

Various (Please State Below):

Q5 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Incentives

Other (please specify):

Q6 Please state which section of the Business Plan your response relates to?

Design on incentive mechanisms

Q7 Please provide a summary of the issue.

For some incentives, companies have not demonstrated the customer benefit.

For some incentives, companies have not embedded performance achieved in RIIO-1 in the proposed baseline targets for RIIO-2.

For some incentives, companies have not taken account of the latest data.

Q8 If you have any supporting evidence or documentation please upload it here.

Centrica response - RIIO-2 incentives_final.pdf (181.9KB)

Q9 Do you have any further comments on the Business Plans?

No

Q10 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q11 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q12 Please provide a summary of the issue. **Respondent skipped this question**

Q13 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q14 Do you have any further comments on the Business Plans?

Respondent skipped this question

Q15 We welcome comments on any aspect of the Business Plans which can be in support of or disagreement with the plans. Which area does your evidence relate to?

Respondent skipped this question

Q16 Please state which section of the Business Plan your response relates to?

Respondent skipped this question

Q17 Please provide a summary of the issue. **Respondent skipped this question**

Q18 If you have any supporting evidence or documentation please upload it here.

Respondent skipped this question

Q19 If you have any additional evidence or documentation please upload it here.

Respondent skipped this question

Q20 Would you like to propose a question to ask a company at the hearing? If so please state the proposed question or topic area.

Design of incentive schemes

Q21 Do you have any feedback on this response tool? **Respondent skipped this question**