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| **Draft Determination Publication** | |
| **Network Queries** | |
| **Network Reference number** | NGN \_DDQ\_48 |
| **Licence** | Northern Gas Networks |
| **Topic/Activity:** | Net Zero |
| **Question:** | In paragraph 8.4 of the core document you state the following:  *“To this end, we propose to make the RIIO-2 price control flexible enough to inject the necessary funding, at the right time, to enable the achievement of Net Zero. In practice, this means we have allowed room for significant additional requests from the network companies for funding to be made at any time within the price control period, rather than having everything settled at the beginning of the control*.”  And then in paragraph 8.10 you also state  *“That is why our price control framework seeks to allow strategic network investments for Net Zero to be brought forward by companies throughout RIIO-2. This approach will also allow Ofgem to exercise scrutiny over company spending proposals that deliver decarbonisation, keeping the cost to consumers as low as possible.”*  Can you please clarify the intention of paragraph 8.4 and 8.10 in the core document?  Is the flexibility that you refer to intended to be through the reopener and uncertainty mechanisms that you outline in the framework, or, can network companies bring forward proposals that meet net zero obligations at any time during RIIO-2 (outside of a reopener or UM, for consideration by Ofgem and these will rise or fall on their merit? |
| **Confidential** | No |
| **DDQ raised by** | Greg Dodd |
| **Date query raised** | 14/08/2020 |
| **Expected response date** | 21/08/2020 |
| **Ofgem Response:**  Our expectation is that licensees will have the opportunity to bring forward proposals within the framework of uncertainty mechanisms set out in the draft determinations. | |
| **Attachments:** | |