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**RIIO-2 Net Zero and Re-opener UIOLI Allowance Governance Document – WWU response**

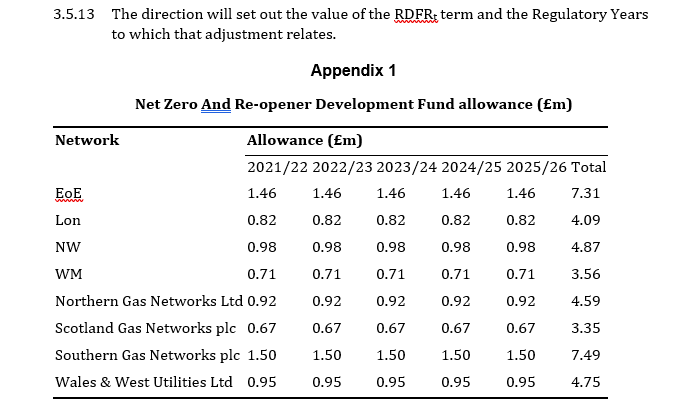
Dear Mo,

We welcome the opportunity to provide our views on the RIIO-2 Net Zero and Re-opener UIOLI Allowance Governance Document Consultation.

The response we provide in this letter recognises that we are still working together to build the processes to produce an agile and flexible funding framework for Net Zero projects. We also thank you for the opportunity to shape this document through the continued discussions and working groups. We will continue to input and support the development of these new mechanisms through to the conclusion of this consultation process.

The mains points we want to clarify are as follows:

1. Special condition 3.5.8 states that the governance document will make provision for the governance and administration of the fund & will include a definition of allowable and unrecoverable expenditure. These aspects are not currently included within the draft document and will need to be developed and included into a final version.
2. Special condition 3.5.11 states that the authority will direct an amendment to the value of RDFR where it considers a UIOLI is appropriate. This brings a wider question on what process will be used to trigger the assessment and the funding decision. It is our view that final process must enable swift decision-making, provide 28 days for representation to be made regarding the determination and enable revenue recovery timelines to be as short as possible.
3. Special condition 3.5.13, Appendix 1 table suggests that our annual allowance is £0.95m of a total £4.75m. The guidance document indicates that there is a maximum project value of £2m. Can you clarify whether this is a 5 year allowance which would enable us to have a large project of £2m if necessary or is this a 1 year allowance?



Our response is marked as not confidential and may be published in full. Should you have any queries on the responses please do not hesitate to contact me.

Yours sincerely



Sarah Williams

Director of Regulation