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Clarification to 'Notice – Modification in relation to RIIO-T1 Electricity Transmission Price Control – Regulatory Instructions and Guidance: Version 3.0'

Due to an administrative oversight, two modifications to the electricity transmission regulatory instructions and guidance (RIGs) and reporting templates for 2015-16 annual reporting were not included in the Notice¹ issued on 11 March 2016.

The modifications relate to two of the existing reporting pack tables documenting information on asset health and replacement priorities. The proposed modifications are briefly summarised below.

1. revision to existing table 6.15.1 to:
 - gather information on "Actual network position (Including Load related Investment)" for all asset categories split across three voltage levels
 - collate information on replacement priority values across both sections for the relevant reporting year; and
 - capture Licensees' views on current forecast levels for the remaining period of the RIIO-T1 price control.

It is our initial view that the additional information will improve the quality and the granularity of the Network Risk information (currently only provided on a non-load related investment basis). It should allow us to better understand both the overall Network Risk of each licensee and the impact of load related investment on the network risk position.

2. revision to existing table 6.15.2 to:
 - document the current replacement priorities via an additional section to gather actual network position data. This is intended to align with the additional reporting of 'Actual Network Position (Including Load Related Investment)' set out in table 6.15.1.

¹ Notice under paragraph 10(a) of Standard Condition B15 (Regulatory Instructions and Guidance) ("SC B15") of the Electricity Transmission Licence granted to the Licensees under section 6(1)(b) of the Electricity Act 1989. Available here:

https://www.ofgem.gov.uk/system/files/docs/2016/03/march2016_rigs_notice_electricity_final_2.pdf

- reproduce the replacement priority targets stated in table 1 of Special Condition 2M (Specification of Network Replacement Outputs) of the Electricity Transmission Licence by requiring each licensee to report the end of period actual network risk as was assumed at the time its targets were set. This will allow additional monitoring the actual network risk position and enable the licensee's to better explain movements in their forecasting.

For the avoidance of doubt, we propose that the licensees populate these tables as part of the 2015-16 RIGs process and in accordance with the 31 July 2016 deadline.

Please note that we have updated the Guidance document to reflect the proposed modifications².

This clarification will also be published on our website.

Yours sincerely,

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² RIIO-T1 Electricity Transmission Price Control – Regulatory Instructions and Guidance: Version 3.0.1.