

OFGEM RIIO - ED2 Consultation

A response prepared on behalf of the UK's 15 National Parks

1. National Parks England (NPE) exists to provide a collective voice for the nine English National Park Authorities and the Broads Authority. This response has been prepared following internal consultation across the UK's fifteen National Parks.

2. The UK National Parks family welcomes the opportunity to provide a response to the above consultation. Our response has been prepared following consultation from those involved in the direct delivery of the programme. It provides specific responses to Question's 62 and 63 and outlines broader comments based upon lessons learnt from engagement with earlier rounds of the RIIO – ED1 funding. It is hoped these might be used to help inform on the future delivery of the RIIO - ED2 programme to ensure maximum outcomes are sought and achieved.

Consultation Questions

OUTQ62. Do you agree with our proposal to retain the visual impact allowance for RIIO-ED2?

3. We fully support the retention of the Visual Impact Allowance for the RIIO- ED2 programme. This funding programme has facilitated the undergrounding of many kilometres of overhead transmission lines and has significantly enhanced the landscape character of many of the UK's protected landscapes. This aligns fully with the 1st statutory purpose of all National Parks to 'conserve and enhance the natural beauty, wildlife and cultural heritage' of these areas, and it also aligns with the principles set out in the Government's published Landscapes Review and the 25 Year Environment Plan.

4. The programme represents good value for money, contributes to significant visual enhancement and we consider that there are still many overhead lines, both LV and HV, that would benefit from undergrounding. We welcome the findings of the recent Willingness to Pay study undertaken in Scotland and retention of this incentive in RIIO-ED2. We would hope this would protect the current level of funding (adjusted to address inflation and cost increases) to ensure the continued delivery of the programme.

5. By working on a regional basis via delivery by the Distribution Network Operators (DNOs) this important programme of works across the UK has benefited from partnership working between the National Parks and Areas of Outstanding Natural Beauty to deliver multiple and wide ranging benefits for our network of protected landscapes.

OUTQ63. Do you agree with our proposed approach to setting a funding pot for the visual impact allowance for RIIO-ED2?

6. We welcome the proposed continued provision of a funding pot given the current financial circumstances being faced by every sector, but we do not support the adoption of a 'use it or lose it' approach to setting that funding pot for the visual impact allowance for the reasons outlined below.

7. Based on direct experience across a number of regions in the UK covered by different DNO's, we would comment that schemes can take considerable time to come to fruition, with long lead in times needed to address a range of factors required in this process.

8. Examples include complicated land ownership negotiations involving multiple legal agreements; resolving shared infrastructure provision; fully addressing any nature conservation

designations (SSSIs, SACs, SPAs) requiring involvement and consents from for example Natural England and the Crown Estate; agreement of proposed routes; preparation of suitable method statements; and all consents for works. Even with supportive and interested parties involved from the outset of the process, some schemes can still take a considerable length of time to progress to completion on site.

9. In protected landscapes the requirement to seek consents may apply both to the removal of a line in any area of high sensitivity and to the provision of the relocated line including any associated trenching works.

Broader Points for Consideration.

10. Best Practice –there are variations across the UK regions as to how the assessment and application process for project development and delivery is progressed by DNO's with the protected landscapes. There is an opportunity to share good practice and to provide greater co-ordination between regions. For some areas where stakeholder engagement is sometimes limited by staff and time constraints, having a clear point of contact/ team email for the DNO would be beneficial to ensure continuity when a scheme might take a number of years to be developed and delivered. For those regions which do not have a formal stakeholder group, ensuring the consultation process is robust and engages fully with relevant local communities and authorities is key to delivering a successful scheme.

11. Shared Infrastructure with Other Services – this continues to provide significant difficulty in terms of delivering the maximum benefits of the visual enhancement programme when other service providers and their infrastructure are shared with DNO infrastructure. An accord or responsibility from other providers (telecommunications and lighting) to support/ take advantage of proposed undergrounding works to share trenches for conduits could significantly help in maximising the visual and economic benefits of the undergrounding schemes. The reluctance of BT/ Openreach to engage in and support this programme of works because there is no funding mechanism at present to facilitate this has resulted in a number of undergrounding schemes being compromised or not progressed at all.

12. Continuity of Funding – the continued funding support of this programme from its inception has enabled the delivery of multiple schemes across many of our protected landscapes. Using the example of North York Moors National Park, where over 60 schemes have been delivered in this DNO area since this programme was introduced in 2005, this continued provision has allowed co-ordinated work to build upon previous improvement schemes thereby maximising the visual enhancement delivered.

13. DNO Commitment – there are regional variations in the level of engagement by the DNO's in the programme, including the allocation of available budgets. Given the possible introduction of a 'use it or lose it' approach, we would seek Ofgem to be more proactive in engaging with DNOs about the scheme and encourage them to allocate, spend and resource the full amount available.

14. Inflation – Table 44 in the consultation document refers to 2019/2020 prices for costs. There are discrepancies within the reporting by differing DNOs relating to inflation not being applied to allocation amounts but then being applied in some instances to delivery costs. If inflation is included in the delivery costs but not in the allocation amount, this represents a loss of value to the project delivery from the allocation.

15. Landscape Enhancement Initiative – there is support from National Parks for the proposed introduction of a landscape enhancement element to the funding support available. A suggested 10% of the funding being available for non-undergrounding works to reduce visual intrusion or enhance landscape character to mitigate the landscape effects of overhead infrastructure is supported. It is considered that this could offer greater value for money and potentially greater benefits in many cases. Additionally the suggested provision for up to 10% of a scheme to extend beyond the boundary of a protected landscape could help deliver significant benefit for the wider setting of a National Park or AONB.

16. New Connections – for some regions, there remain a significant number of properties off grid within the National Parks. Given the drivers for decarbonisation of transport and heating, we consider that any incentive for connecting these properties to the main grid makes sufficient provision for any unintended visual impact consequences to be avoided. Enabling the VI allowance to fund the gap between overhead installations and undergrounding or other suitable mitigation, or ensuring licences contain stronger imperatives to consider the visual impacts of new connections or refurbishments would be welcomed.

16. Resourcing of Stakeholders – stakeholder engagement requires time and specialist input during a number of stages of the project's development. This is not always available due to increasingly limited resources and in these circumstances some flexibility to contribute to stakeholder effort in a more formal way could be beneficial , as currently happens in some regions in an informal way.

18. Maximising Benefits – greater emphasis could be placed on delivering win-wins. Coinciding planned refurbishment or overhead lines with undergrounding opportunities could be improved to make maximum use of the allowance potential available and requires co-ordinated working within the internal DNO team's to deliver this.

19. We hope that these additional points, based on practical experience, will be helpful to OFGEM as it takes forward RIIO-ED2. If you would like to discuss any of these please do not hesitate to contact NPE in the first instance.

Hoda Gray
Head of Policy
National Parks England
Hoda.Gray@nationalparksengland.org.uk

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