

Graeme Barton

Your ref

Ofgem

10 South Colonnade

Our Ref

Canary Wharf

London

Date

E14 4PU

8th August 2022

Contact / Extension

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Dear Graeme,

Consultation on NGET SF₆ Asset Intervention MSIP Application

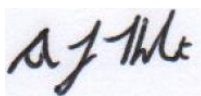
This submission is from SP Transmission (SPT) which holds the transmission licence for south and central Scotland. SPT is part of SP Energy Networks (SPEN) and the wider Iberdrola group.

This response relates to the consultation on NGET's SF₆ Asset Intervention MSIP application published on 12th July 2022. Our response is limited to Ofgem's minded-to view of the solution proposed by NGET (Question 3). Our response is not confidential.

SPT cannot comment on the individual elements of the National Grid Electricity Transmission NARM Methodology. However, we would like to note that the NARM mechanism would not be an appropriate mechanism for SPT to recover any justified and efficiently incurred expenditure associated with gas circuit breaker repairs. The SPT NARM methodology does not attribute any monetised risk reduction to repair activities. A repair is considered a reactive activity to return the asset to its pre-fault condition, as defined in the current version of the NARM Common Methodology. That being the case, the repair activities in circuit breakers driven by SF₆ leakage would not qualify for funding under the RIIO-2 NARM Funding Adjustment and Penalty mechanism.

SPT has a legal obligation to reduce gas leakage as set out in The Fluorinated Greenhouse Gas Regulations 2015. To ensure compliance with the Fluorinated Greenhouse Gas Regulations 2015, in our RIIO-T2 Business Plan we included a SF₆ repair programme. This programme was designed to allow us to remediate all of our SF₆ leakage issues, at that time, and all future leakage repairs will be considered as a repairs and maintenance activity and reported accordingly. It is therefore SPT's view that due to the legal imperative to repair leaks and the fact that repairs activities do not achieve a monetised risk reduction under the SPT NARM methodology, the NARM mechanism would not be an appropriate funding mechanism for this activity.

Yours sincerely,



Allan Holton
Transmission Asset Risk Manager