

Private and Confidential

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Dear Joanna,

National Grid Electricity Transmission plc ("NGET"): Response to RIIO-ED2 Informal Licence Drafting Consultation

This response is provided on behalf of National Grid Electricity Transmission (NGET) in our role as Transmission Owner (TO) in England and Wales. Steve McMahon wrote to Gas Transportation and Electricity Transmission licensees on 29 September 2022 to draw our attention to the fact that, as part of the RIIO-ED2 Informal Licence Drafting Consultation, Ofgem is also consulting on proposed changes to Associated Documents (ADs). This includes some ADs that currently apply to the Gas Transportation and/or Electricity Transmission licensees, which Ofgem is proposing to extend to the ED sector.

We welcome the opportunity to respond to this consultation noting that our response is focused on the proposed changes to the cross sector Associated Documents that currently apply to the Electricity Transmission licensees, as set out in the letter from Steve. Our response does not therefore address the specific questions raised in the consultation on the Associated Documents section (Questions 4 and 5), but provides our views on the proposed modifications to the following cross-sector Associated Documents:

1. RIIO-1 Electricity NIA Governance Document V5
2. RIIO-2 NIA Governance Document V3
3. PCD Reporting Requirements and Methodology Document V3
4. Re-opener Guidance and Application Requirements Document

Please note that we have copied our response to Steve McMahon.

Our Response

We acknowledge the proposed amendments to the documents above and note that they are mainly changes to reflect the introduction of Electricity Distribution into the documents. Our views on the specific documents are set out below.

RIIO-1 Electricity NIA Governance Document V5

We note that the proposed changes made are those required to enable the implementation of the carry-over network innovation allowance in the ED sector. We are satisfied that there are no material changes to the content of the document, therefore we agree with the amendments.

RIIO-2 NIA Governance Document V3

We note and agree with the proposed modifications, of particular interest being the addition to require that final Project Progress Information must contain a net benefits statement. We understand this to be a reasonable requirement for project reporting therefore we agree with the proposed change.

Re-opener Guidance and Application Requirements Document

We note the proposed removal of Appendix 4 - Cyber Resilience IT and OT re-opener Application Methodology and Requirements from this document. We would like to highlight to Ofgem that we have not been issued with the replacement guidance and request that Ofgem sends us the guidance before the proposed changes are implemented.

PCD Reporting Requirements and Methodology Document V3

We welcome the proposed removal of the project delivery status definitions from the guidance leaving only the reference to the definitions in the Licence. This is a helpful change that removes the risk of inconsistent interpretation of the delivery status of projects. We note that there is a proposal to remove Appendix 4 of the Cyber Resilience PCD Reporting Guidance and issue it directly to licensees and that Ofgem intends to consult on the confidential Cyber appendix later in the year. We hope that the guidance will be issued to us in advance of the consultation and subsequent implementation of any amendments.

In conclusion, we broadly agree with the proposed modifications to the Associated Documents in question, subject to the Cyber Reopener guidance noted above being provided to NGET to review. We appreciate having the opportunity to provide our views on the proposed changes.

Confidentiality

I confirm that this response can be published on Ofgem's website.

Yours sincerely,



[By email]

Michelle Clark
Policy & Performance Manager, ET Regulation, National Grid