

CHRIS BAINES, INDEPENDENT ENVIRONMENTAL ADVISER

28 Parkdale West, Wolverhampton, WV1 4TE

email: chris.baines@blueyonder.co.uk tel: 07736 409924

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Evan Alaa
Senior Policy Manager
Ofgem
10 South Colonnade
Canary Wharf
LONDON
E14 4PU

Dear Evan Alaa

Response to Ofgem Consultation on National Grid Electricity Transmission (NGET) North Wessex Downs – Visual Impact Mitigation Re-Opener

I have chaired the independent Stakeholder Advisory Group since it was established at the request of Ofgem in 2014. The Group comprises senior executives from leading government agencies including Natural England, Natural Resources Wales, Cadw and Historic England, and UK non-government organisations including the National Trust, CPRE, Ramblers, the Campaign for National Parks and the National Landscapes Association. Remarkably, several of the members have remained personally involved throughout, which is a measure of the value we all see in this partnership.

Initially our role was to provide authoritative guidance for the National Grid *Visual Impact Provision* programme, and we have worked together successfully in some of the UK's most protected and best-loved landscapes. That shared experience is now proving highly beneficial as the National Grid begins to plan and implement the UK's enormous investment in the new electricity distribution network across England and Wales.

I am writing on behalf of the members of the Stakeholder Advisory Group, following publication of Ofgem's recent consultation <https://www.ofgem.gov.uk/publications/consultation-national-grid-electricity-transmission-nget-north-wessex-downs-visual-impact-mitigation-re-opener>, to express both thanks and serious concerns:

1 The Stakeholder Advisory Group welcomes and supports Ofgem's decision to approve the VIP project in the North Wessex Downs National Landscape. We know that the project has a great deal of local support and we have provided enthusiastic advice and encouragement throughout the three years of its development. However, we are surprised and very concerned by Ofgem's 'minded to' position on funding for the project. £47m appears to be some £14m lower than the funding submission put forward by National Grid. We know that the earlier VIP projects in Dorset and the Peak District had their proposed funding reduced by Ofgem, from £118m to £116m and £43.5m to £43.0m respectively, and we respect a regulator's responsibility to ensure best value for the consumer. However, the reduction proposed for the North Wessex Downs project is of a quite different scale. We believe that it could seriously compromise the scheme, and that this in turn would undermine the excellent relations that have been built up through three years of thorough consultation. We have discussed this with National Grid's project team and we know that the submitted cost is consistent with earlier VIP projects and the RII0-T2 baseline. It is therefore difficult to understand why Ofgem has reduced the funding by such a damaging amount, and we urge you to reconsider this funding allowance as a matter of urgency.

2 There is another line in your 'decision to approve' which gives the Stakeholder Advisory Group very real cause for concern. For the last two years, the Group has monitored the progress of the prospective VIP project in the Cotswolds National Landscape in the full expectation that this VIP scheme would be brought forward by National Grid in RIIO-T2. We have visited the project area and heard updates on the extensive community and stakeholder engagement that National Grid has undertaken in the local area. We have also been kept abreast of the large amount of survey work and front-end engineering design that has been undertaken. We were astonished therefore, to read in paragraphs 5.8 and 5.22 of your published decision that:

"5.8: Considering this, NGET state that it does not plan to submit any new Visual Impact Mitigation Re-Openers in RIIO-2 as it deems projects necessary to meet Net Zero targets to be of higher priority in RIIO-2."

"5.22: Considering the above factors, our draft determination position is to approve this application for funding. However, we also agree with NGET, that going forward, given it is unlikely that market conditions will stabilise in the short term, it would not be in the consumers interest to prioritise visual impact improvement funding applications in RIIO-2."

We hope that this may be an unfortunate drafting error, since we know that this position is categorically not shared by NGET. Neither is it shared by the Stakeholder Advisory Group.

As we understand it, the Cotswolds project is on schedule to submit a funding application towards the end of 2024. Ofgem representatives have been present when the development of this project has been discussed and at no point have they raised any concerns about its development. We would therefore again strongly request that this misleading wording be removed, and that you confirm that the Cotswolds AONB project should be brought forward in RIIO-T2 as part of the £465m provision which you have allocated. This will send a particularly important signal at a time when, as you know, section 254 of Government's new "Levelling up and Regeneration Act" changes the responsibility of National Grid, Ofgem and others from "having regard" to "seeking to further" the purposes of National Parks and National Landscapes. Nature recovery, regenerative farming and improved countryside access are all fundamental elements of the VIP schemes generally, and the Cotswolds project in particular. Furthermore, the Cotswolds National Landscape is considered to be a prime candidate for elevation to National Park status.

In conclusion, the Ofgem VIP initiative of 2014 is widely seen as "groundbreaking" and the experience gained is now influencing the new electricity infrastructure investment in a variety of very positive ways. With the help of the Stakeholder Advisory Group, National Grid is now demonstrating an exceptional ability to listen and to learn from experts and local communities alike. The VIP projects are widely recognised as valuable demonstrations of best practice, and our work with National Grid is serving as a role model for other industries.

The individual members of the Advisory Group, and the various government and non-government stakeholders that they represent, have invested a great deal of time, knowledge and experience thus far, and we will continue to work creatively together. Ofgem has not only been the instigator of this initiative – it has been an active and supportive participant. As the independent chair and as a professional environmental adviser to industry, Government and the charitable sector over several decades, I believe that the achievements so far have been exceptional. The foundation which VIP provides has never been more important and I sincerely hope that Ofgem will continue to give it all the support that it deserves.

Yours sincerely



Professor CHRIS BAINES
Chair of the Independent Stakeholder Advisory Group
National Grid