Call for Evidence on the Electricity Transmission, Gas Transmission and Gas Distribution Business Plans for RIIO-3

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Context

- 1. As part of the RIIO-3 price control process, the Electricity Transmission (ET), Gas Transmission (GT) and Gas Distribution (GD) network companies submitted their Business Plans (BPs) to Ofgem on the 11 December 2024. These plans set out the outputs the network companies propose to deliver for their consumers and network users, along with their proposed expenditure. The RIIO-3 price control for these sectors will run for five years from 1 April 2026 to 31 March 2031.
- 2. Ofgem will now assess these BPs. Through this Call for Evidence, which closes on 10 February 2025, we are seeking views and evidence from stakeholders on any aspect of the BPs. These views will help inform our RIIO-3 Draft Determinations consultation in the summer. Following consideration of stakeholder responses to those Draft Determinations we will then issue our Final Determinations at the end of 2025.

Background

- 3. Ofgem sets the price controls to ensure that monopoly network companies, who run Great Britain's gas and electricity networks, continue to act in the best interests of energy consumers. Since 2013 we have used the RIIO (Revenue = Incentives + Innovation+ Outputs) framework to set price controls.
- 4. In order to set the next price control (RIIO-3), we need information from the network companies on the activities that they intend to undertake over the period 2026 to 2031 and their associated forecast costs and outputs. The network companies provide this information to us in the form of a BP.
- 5. We expect companies' BPs to reflect stakeholder views and ensure they are at the heart of their plans. We will assess the BPs during 2025, considering the needs of existing and future consumers, and meeting the UK's statutory net zero target and five-year carbon budgets. We then set allowed revenue for each network company, which is recovered through network charges that make up around 20% of consumers' energy bills.¹

¹ From Oct-Dec 2024 Price Cap. Average dual fuel energy is £1,717, of which network charges are £334 (ET £40, GT £7, GD £151 and electricity distribution (ED) £136). The sector figures do not include Balancing Services Use of System costs.

6. Our assessment during 2025 includes ongoing stakeholder engagement, such as a formal 8-week consultation (Draft Determinations) by summer 2025, working groups on key policy areas and detailed work with network companies and their Independent Stakeholder Groups (ISGs).² RIIO-3 Final Determinations will be in winter 2025 and corresponding update to the licence in February 2026.

Call for Evidence

- We welcome feedback from stakeholders on any aspect of the companies' BPs by 10 February 2025. Responses should be sent to <u>RIIO3@ofgem.gov.uk</u>. Unless clearly marked as confidential, responses will be published on our website.
- 8. In responding to the Call for Evidence, stakeholders may raise multiple issues and attach supporting evidence.
- 9. The following structure should be followed for each issue:
 - a. State your organisation if responding in an official capacity;
 - b. State which network company/companies and which section(s) of the BP(s) you are commenting on;
 - c. State if your response is confidential and, if so, on what basis (see Appendix 1 and 2);
 - d. Include a concise summary of the issue identified; and
 - e. Include evidence or a justification for your view.

Electricity Transmission networks	Gas networks
National Grid Electricity Transmission (NGET) Scottish Hydro-Electric Transmission (SHE-T) Scottish Power Transmission (SPT)	Gas Transmission National Gas Gas Distribution Cadent NGN SGN Wales and West Utilities (WWU)

10. The ET, GT and GD companies' RIIO-3 BPs are available at the following links:

² ISGs provide challenge and scrutiny to the relevant company, both as it develops its Business Plan and on an enduring basis in the delivery of its plan.

Appendix 1 – Your response, data and confidentiality

- A1.1 You can ask us to keep your response, or parts of your response, confidential. We'll respect this, subject to obligations to disclose information, for example, under the Freedom of Information Act 2000, the Environmental Information Regulations 2004, statutory directions, court orders, government regulations or where you give us explicit permission to disclose. If you do want us to keep your response confidential, please clearly mark this on your response and explain why.
- A1.2 If you wish us to keep part of your response confidential, please clearly mark those parts of your response that you do wish to be kept confidential and those that you do not wish to be kept confidential. Please put the confidential material in a separate appendix to your response. If necessary, we'll get in touch with you to discuss which parts of the information in your response should be kept confidential, and which can be published. We may ask for reasons why.
- A1.3 If the information you give in your response contains personal data under the General Data Protection Regulation (Regulation (EU) 2016/679) as retained in domestic law following the UK's withdrawal from the European Union ("UK GDPR"), the Gas and Electricity Markets Authority will be the data controller for the purposes of GDPR. Ofgem uses the information in responses in performing its statutory functions and in accordance with section 105 of the Utilities Act 2000. Please refer to our Privacy Notice on consultations at Appendix 3.
- A1.4 If you wish to respond confidentially, we'll keep your response itself confidential, but we will publish the number (but not the names) of confidential responses we receive. We won't link responses to respondents if we publish a summary of responses, and we will evaluate each response on its own merits without undermining your right to confidentiality.

Appendix 2 – Privacy notice on consultations

Personal data: The following explains your rights and gives you the information you are entitled to under the General Data Protection Regulation (GDPR). Note that this section only refers to your personal data (your name address and anything that could be used to identify you personally) not the content of your response to the consultation.

- A2.1 **The identity of the controller and contact details of our Data Protection Officer:** The Gas and Electricity Markets Authority is the controller, (for ease of reference, "Ofgem"). The Data Protection Officer can be contacted at <u>dpo@ofgem.gov.uk</u>.
- A2.2 Why we are collecting your personal data: Your personal data is being collected as an essential part of the consultation process, so that we can contact you regarding your response and for statistical purposes. We may also use it to contact you about related matters.
- A2.3 **Our legal basis for processing your personal data:** As a public authority, the GDPR makes provision for Ofgem to process personal data as necessary for the effective performance of a task carried out in the public interest. i.e. a consultation.
- A2.4 **With whom we will be sharing your personal data:** We will not share your personal data with any other person or organisation.
- A2.5 For how long we will keep your personal data, or criteria used to determine the retention period: Your personal data will be held for 12 months after the project has closed.
- A2.6 **Your rights:** The data we are collecting is your personal data, and you have considerable say over what happens to it. You have the right to:
 - a) Know how we use your personal data;
 - b) Access your personal data;
 - c) Have personal data corrected if it is inaccurate or incomplete;
 - d) Ask us to delete personal data when we no longer need it;
 - e) Ask us to restrict how we process your data;
 - f) Get your data from us and re-use it across other services;
 - g) Object to certain ways we use your data;
 - b) Be safeguarded against risks where decisions based on your data are taken entirely automatically;

- i) Tell us if we can share your information with 3rd parties;
- j) Tell us your preferred frequency, content and format of our communications with you; and
- k) To lodge a complaint with the independent Information Commissioner (ICO) if you think we are not handling your data fairly or in accordance with the law. You can contact the ICO at <u>Information Commissioner's</u> <u>Office (ICO)</u>, or telephone 0303 123 1113.
- A2.7 Your personal data will not be sent overseas.
- A2.8 Your personal data will not be used for any automated decision making.
- A2.9 Your personal data will be stored in a secure government IT system.
- A2.10 **More information:** For more information on how Ofgem processes your data, click on the link to our "<u>Ofgem privacy promise</u>".