

NGET's "Well Justified Business Plan"

Response from the Essex and Suffolk coalition of amenity groups

In making the following comments we are not insensitive to the current economic climate, the pressures on household expenditure and National Grid's views on the investment community.

Just as the business plan looks ahead to an aspirational "Gone Green", low carbon future, so we believe it should seek to be genuinely innovative and provide a world class transmission system, fit for the 21st Century. We also see no reason why UK utilities should not continue to find favour amongst international investors.

There is much in the plan that we welcome, elements we believe require further development or explanation and omissions that should be rectified.

We welcome:

- In broad terms, the proposals for uncertainty mechanisms and risk sharing. Given the range of current variables this seems the only logical way forward.
- The acceptance of a key role for 'willingness to pay' (WTP) research
- Acceptance of the need for increased use of undergrounding
- Emphasis on increased technical research
- Revised policy on mitigation for transmission reinforcement¹
- The priority given to GIL undergrounding technology
- Acceptance of the need for continued consultation

We are concerned:

1. That inadequate attention appears to have been paid to those consultees that were not involved in the consultant-managed part of the process. There are comparatively few references in the plan documents to the many written submissions and some central arguments have been overlooked².
2. A valuable opportunity has been missed to demonstrate the need for sound socio-environmental principles for grid development. The plan falls back on the tired 'case-by-case' catchphrase, placing the entire

¹ *How we will deliver* para 257

² Written submissions, including the Essex and Suffolk Coalition paper are available at: www.talkingnetworkstx.com/consultation.aspx

responsibility on the planning system³. The benefits of a fresh approach go beyond avoidance of planning risk, plus the commensurate cost and delays; there are clear and substantial benefits for local communities and the electricity industry alike. The current position where, by initially proposing the minimum amenity solution, the TO carries high risk at the end of a very long process, is unsatisfactory for all parties. And it is avoidable.

We propose:

1. That while accepting the need for uncertainty mechanisms and risk-sharing, Ofgem request greater clarity and additional consultation on the range of outcomes, with particular reference to the impact of the experience curve to the financial model where new technology is used, the relationship between whole life costing and the extension of asset life and the development of a 'granularity' matrix⁴.
2. No upper limit should be imposed or proposed for undergrounding new transmission lines, nor for placing them undersea. The suggested 10% baseline is inadequate, especially as many iconic landscapes are threatened. Related 'risk' cost variations may have been underestimated.
3. Additional, peer-reviewed WTP research should be made a condition of acceptance of the final plan. The scoping study indicates consumer willingness to pay but anomalies and gaps within the data suggest further research is essential.⁵
4. Enabling funds are provided as necessary to enable high priority GIL research to be fast tracked, including additional civil engineering (groundworks) research relating to a pilot project currently being developed.⁶

The Essex and Suffolk Coalition of Amenity Groups - September 2011

Bury not Blight
Colne-Stour Countryside Association
CPRE Essex and Suffolk Branches
Dedham Vale Society
Stour Valley Underground
The Suffolk Preservation Society

³ *Managing risk and uncertainty* para 244

⁴ *ibid* para 250

⁵ *Stakeholder Engagement Process* paras 148 -155 and data @ www.talkingnetworkstx.com/consultation.aspx

⁶ *Innovation, efficiency & value for money* paras 54-55