



## Visual Amenity

### ED2 Engineering Justification Paper Addendum

#### ED2-NLR(O)-SPEN-001-ENV-EJP-ADD

Issue	Date	Comments
Issue 0.1	Aug 2022	Internal Draft for Review
Issue 0.2	Aug 2022	Internal Draft with Comments Addressed
Issue 1.0	Aug 2022	First Issue - Draft Determination Response

Scheme Name	Visual Amenity		
PCFM Cost Type	Non-Load Related - Asset Replacement		
Activity	Visual Amenity		
Reference	ED2-NLR(O)-SPEN-ENV-001-EJP-ADD		
Primary Driver	Environmental Impact		
Output Type	Visual Amenity		
Cost	SP Distribution: £1.878m	SP Manweb: £2.744m	
Delivery Year	2023-2028		
Reporting Table	CV20		
Outputs included in EDI	Yes/No		
Business Plan Section	Ensuring a Safe and Reliable Electricity Supply		
Primary Annex	Annex 4A.13: OHL and ESQCR Strategy		
Spend Apportionment	EDI £m	ED2 £4.622m	ED3 £m

	Proposed by	Endorsed by	Approved by
Name	Charlie Dodds	Alex Campbell	David Cupples
Signature			
Date	23.08.2022	23.08.2022	23.08.2022



## I Purpose

This addendum has been prepared to provide additional information and justification to ED2-NLR(O)-SPEN 001-ENV-EJP Visual Amenity EJP following receipt of RIIO-ED2 Draft Determination. The content of this addendum is in response to comments and feedback provided by Ofgem as to the “Partial Justification” status of the EJP. The purpose of this document is to support Ofgem’s assessment for Final Determination including supporting any associated impact on engineering adjustments within Ofgem’s financial modelling.

## 2 Ofgem Comments & Feedback

### 2.1 RIIO-ED2 Draft Determinations SPEN Annex

The following comments are taken from Table 26 of “RIIO-ED2 Draft Determination SPEN Annex”.

**Ofgem Comment - Partially Justified.** We agree with the needs case presented by SPEN. However, we are concerned that the schemes for intervention are yet to be identified, with SPEN anticipating investment in the last 3 years of RIIO-ED2

We consider SPEN’s proposals to base intervention volume on an uplifted RIIO-ED2 rate based on stakeholder support alone unjustified.

**Ofgem Identified Risks –** As the specific schemes for intervention have not been identified at this stage there is a risk in relation to both the deliverability and the volume outputs of this EJP.

## 3 Additional Justification

### 3.1 Summary of any Ofgem SQs

SPEN responded to SPEN090 SQ, issued by Ofgem on 07/03/2022, regarding the BPDT missing data. This has been included in Section 4 Appendices.

### 3.2 Additional Supporting Information

SPEN have not defined any schemes in the Visual Amenity EJP (ED2-NLR(O)-SPEN 001-ENV EJP). The schemes are stakeholder lead and SPEN are not able to create our own schemes for undergrounding, as an example, a scheme is currently in development within SP Distribution for the removal of the overhead lines on the Island of Lindisfarne or better known as Holy Island in North Northumberland.

The scheme was requested by the Northumberland County Council in 2020 and, following discussion with stakeholders, the scheme is well through the design phase with an estimated cost of [REDACTED] The scheme is located in an AONB and an SSSI, the legal requirements and consultations that SPEN have to undertake to ensure compliance with statutory obligations and secure the required rights are time-consuming. This is due to the number of statutory bodies that are involved as well as stakeholders on the island, including the owners of the land.

SP Energy Networks are in the process of creating a policy document that will detail the full process for the application, design, and approval of schemes under the visual amenity funding mechanism. This is due to be published early in 2023. The policy document will give clear guidance on how members of the public will apply for consideration for a section of OHL to be undergrounded in the designated areas in both SP Distribution and SP Manweb, and the criteria that must be met to ensure compliance with requirements for the funding to be approved.

As stated in section 5.1 of the EJP, the stakeholder engagement strategy and the policy-defined process will ensure that SPEN capture all the relevant views to ensure that all stakeholders have clear knowledge of what is required for a section of OHL to be undergrounded or removed from the designated area.

The overall volumes submitted, and the timing of these volumes, allow SPEN to publish the process and policy, get feedback from the stakeholders and allow for suitable schemes to be designed taking into consideration all environmental factors. The additional ambition of an extra 7km in SP Manweb and 7.5km in SP Distribution will be deliverable.

The Visual Amenity funding mechanism is a use it or lose it (UIOLI) mechanism, and as such SP Energy Networks are confident that appropriate schemes will be developed through enhanced stakeholder engagement over the course of RIIO-ED2 to fulfil our commitment made in the Visual Amenity EJP. The additional stakeholder engagement will ensure that each licence has several schemes in the pipeline so that suitable schemes can be progressed through the design and funding phase.

## 4 Appendix

The content of this appendix has been redacted