

# **WESTERN POWER DISTRIBUTION**



*Serving the Midlands, South West and Wales*

## **UNDERGROUNDING OVERHEAD LINES IN NATIONAL PARKS & AONBS**

### **RIIO: ED1 – WPD STRATEGY POLICY**

#### **BACKGROUND**

- As part of the Ofgem approved voluntary initiative, following stakeholder engagement and feedback, WPD's approved business plan for the regulatory period 2015-2023 (known as RIIO-ED1) includes a total sum of £7.7m for undergrounding of overhead lines in National Parks (NPs) and Areas of Outstanding Natural Beauty (AONBs).
- The £7.7m is the total for WPD's four licence areas for 8 years and is split approximately
  - West Midlands: £2.3m
  - East Midlands: £0.9m
  - South West: £3.0m
  - South Wales: £1.4m
- The splits are pro-rata according to Ofgem's allowance caps for each electricity network licence area across England and Wales.
- WPD participated in a similar initiative in the regulatory period 2010-2015 (DPCR5).
- This strategy policy document sets out how WPD will operate the initiative in ED1 and covers amongst other things, organisation, engagement, choice of schemes and allocation of funds to any resources which our stakeholders may need to implement or select schemes.

#### **SCHEME SELECTION & ENGAGEMENT / CONSULTATION**

- WPD believes schemes should be selected by our stakeholders / interest groups. WPD will implement these schemes as best we can within the rules set by Ofgem and taking into account any technical or other constraints (such as consents or environmental / planning restrictions).

- Our principal stakeholders will select schemes and put them forward to WPD for consideration.
- WPD will rely on its principal stakeholders / interest groups to carry out their own engagement and consultation on schemes before putting these forward. The degree and type of engagement will vary and it is up to these organisations to determine what is appropriate and proportionate.
- WPD's stakeholders should consider the best use of the funds available when selecting schemes and experience from DPCR5 shows that this often, but not always, means targeting 'iconic' sites.
- Schemes can be selected at any of our operating voltages but typically the higher the voltage the higher the cost of undergrounding.
- Stakeholders should consider that depending on the location and terrain, the time to implement a scheme could vary greatly. For example, village schemes with 'low voltage' lines or sites with many habitats or archaeological constraints will normally take longer.
- WPD will assist stakeholders as much as possible with information needed to select suitable candidate schemes. The selection criteria for each WPD region will be discussed and agreed by the Steering Groups.
- WPD will carry out initial budget costing and feasibility work on schemes put forward. These will then normally be discussed by the Steering Group for each licence area and schemes selected by the Steering Groups will then be worked into detailed schemes (including costing and consents).
- Once a scheme is ready to be constructed, if the costs vary significantly compared to the budget cost, it will be presented again to the Steering Group for approval.

#### **ORGANISATION - STEERING GROUPS**

- WPD proposes to operate a similar Steering Group (SG) format to DPCR5.
- There will be 4 SGs, one per licence area.
- The membership of the SGs will be determined by the Principal Stakeholders (see below).
- Members of the SG will act independently to their organisations when discussing the merits of schemes and ultimately voting. This is likely to differ in the East Midlands where there is only one NP and one AONB.
- It will be up to each SG to determine the criteria for selection of schemes.

- The SG will discuss and agree which schemes are to be put forward for implementation with reference to the Visual Amenity Impact Assessment Form. In the event of disagreement a vote will be held on the basis of one SG member, one vote. WPD will not have a vote.
- Where applicable, voting will take into account any Ofgem rules or guidance (such as targeting areas with previously little or no investment) and any agreed split of funds across the NPs or AONBs in that WPD area.

#### **TARGETING AREAS WITH MINIMUM INVESTMENT IN DPCR5**

SGs will need to ensure that NPs or AONBs which have previously had little or no investment are encouraged or assisted to bring schemes forward. The SG may need to decide the level of funds to be allocated to these areas, using a fair and pragmatic approach. In the event of disagreement, WPD will make the decision.

#### **ALLOCATION OF FUNDS TO SCHEMES AND RESOURCES**

- The £7.7m fund will be split by WPD licence area as set out above.
- Within each licence area, the SG for that area will agree the split of funds to each NP or AONB in that licence area. In the event of disagreement, WPD will make the decision.
- The SG may decide to not set rules around this (as was the case in South West and Wales in DPCR5) but let the best schemes for the regions happen. However, each SG will need to take into account rules or guidance from Ofgem and in particular the need to encourage areas with little or no previous investment to participate.
- Stakeholder feedback will be one criteria when selecting schemes and allocating funds.
- The years in which funds are spent will be dependent on the views of the SG, timescales to develop and implement schemes and also any year on year budgetary or resource constraints WPD may have.

#### **USE OF FUNDS for RESOURCES:**

- £7.7m or approximately £1m for each year of ED1 was set following wide consultation with our stakeholders. It is an overall reduction for WPD compared to the funds for DPCR5. In the South West and Wales it is an investment approximately equal pro-rata year on year to that in DPCR5.
- WPD did not identify any difficulty for organisations to find time to put forward or develop schemes in DPCR5.
- As a result and with the funds set at £7.7m, it is likely that the South West and Wales approach of a smaller number of schemes at 'iconic' sites could be targeted. We therefore, do not consider that it should be necessary for any of the £7.7m allocation to be used for staffing to assist the NP or AONBs. If funds were used in this way, it would reduce the amount of the £7.7m available as capital money for actual schemes and it would also be difficult and bureaucratic to administer (with associated costs) as there

would need to be checks in place to ensure the funds were used specifically by the NPs and AONBs for this initiative.

- ED1 runs for an 8 year period and sufficient time should be available to select and organise schemes within the available funds without allocation for resources. WPD will provide information and appropriate assistance to stakeholders to help them in scheme selection.

#### **PRINCIPAL STAKEHOLDERS & INTEREST GROUPS**

The principal groups to which WPD will look for schemes and engagement are the National Parks and AONBs in our area, along with affiliated organisations (eg 'friends of' groups) and other stakeholders / interest groups such as environmental organisations (CPRE, Natural England, Natural Resources Wales).

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## **RIIO: ED1 – WPD STRATEGY POLICY**

### **Stakeholder List**

NATURAL RESOURCES WALES  
CADW  
PEMBROKESHIRE COAST NATIONAL PARK AUTHORITY  
BRECON BEACONS NATIONAL PARK AUTHORITY  
WYE VALLEY AONB  
GOWER AONB  
CAMPAIGN FOR THE PROTECTION OF RURAL WALES  
CAMPAIGN TO PROTECT RURAL ENGLAND  
NATIONAL TRUST  
NATURAL ENGLAND  
HISTORIC ENGLAND  
FORESTRY COMMISSION  
CAMPAIGN FOR NATIONAL PARKS  
THE OPEN SPACES SOCIETY  
PEAK DISTRICT NATIONAL PARK  
FRIENDS OF THE PEAK DISTRICT NATIONAL PARK  
LINCOLNSHIRE WOLDS AONB  
COTSWOLDS AONB  
CANNOCK CHASE AONB  
SHROPSHIRE HILLS AONB  
MALVERN HILLS AONB  
DARTMOOR NATIONAL PARK  
EXMOOR NATIONAL PARK  
EAST DEVON AONB  
CORNWALL AONB  
NORTH DEVON AONB  
BLACKDOWN HILLS AONB  
TAMAR VALLEY AONB  
DORSET AONB  
SOUTH DEVON AONB  
MENDIP HILLS AONB  
QUANTOCK HILLS AONB  
ISLES OF SCILLY AONB