

Updated draft - Electricity networks and conserving natural beauty

Over the coming years network companies will need to extend or upgrade the electricity network, mainly to connect new forms of generation and ensure that electricity is able to flow where it's needed. Decisions on network projects must balance several concerns including the impact of overhead lines on natural beauty with the cost of visual amenity measures to consumers.

Network companies work with stakeholders, and planning authorities where appropriate, to plan and construct the electricity networks, and the Gas and Electricity Markets Authority (GEMA) then decides how much funding the companies should be able to recover from consumers to help them deliver a project, including actions to conserve natural beauty.

RIIO price control framework and visual amenity

Britain's electricity transmission and distribution networks need significant investment over the next decade to ensure consumers continue to receive safe and reliable network services and to meet environmental challenges. This investment will change the shape and appearance of the pylons, overhead wires and underground cables which form electricity networks, and companies must take into account the environmental impacts of new investment, including the visual impact of infrastructure.

GEMA has a range of powers and duties including its principal objective to protect the interests of existing and future consumers in relation to electricity conveyed. GEMA also has statutory duties which include having regard to the purpose of National Parks and Areas of Outstanding Natural Beauty, as well as having regard to conserving biodiversity.

GEMA applies these statutory duties through the price controls that regulate the monopoly network companies. Our RIIO price control model (Revenue = Innovation + Incentives + Outputs) aims to drive real benefits for consumers, providing companies with strong incentives to meet the challenge of delivering a sustainable energy sector at lower cost. You can read more about our price control model in our RIIO [factsheet](#).

Network companies are subject to statutory duties requiring them to have regard to visual amenity issues with infrastructure by conserving natural beauty in designated areas. These include National Parks (NPs), Areas of Outstanding Natural Beauty (AONB) and National Scenic Areas in Scotland (the equivalent of AONBs in England and Wales).

Acts which place statutory duties on GEMA regarding natural beauty and biodiversity include:

- National Parks and Access to the Countryside Act 1949 (as amended by the Environment Act 1995)
 - Countryside and Rights of Way Act 2000
 - Norfolk and Suffolk Broads Act 1988
 - Electricity Act 1989
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The table summarises the price control measures which allow network companies to reduce the impacts of electricity networks on landscape qualities such as natural beauty.

Price control	Existing infrastructure	New infrastructure
Transmission (RIIO-T1)	Transmission Owners (TOs) recover the costs of reducing the visual impact of existing infrastructure in NPs and AONBs. There is an initial expenditure cap of £500m, which may increase if companies provide further evidence of consumers' willingness to pay.	There are flexible funding arrangements to cover the costs of undergrounding and other mitigations if the measures are required by the planning process.
Distribution (DPCR4, DPCR5 and RIIO-ED1)	A voluntary undergrounding scheme allows for the undergrounding of existing overhead lines in AONBs and NPs. DPCR5, the current price control, has a budget of £61m; the ED1 undergrounding budget will be £104m.	New distribution infrastructure may be undergrounded if required by the planning process. There is no expenditure cap for Distribution Network Operators (DNOs). If the DNOs spend less or more than they expected, the savings or overspend will be shared between them and their customers.

Who does what?

It is up to the network companies to identify what investment is needed in their networks to meet customers' needs and their legal obligations. The companies are responsible for designing the works necessary to meet those needs and obtaining the relevant planning consents. They are also required by planning law to take stakeholders' views into account as part of this process.

Ofgem does not have a direct role in the planning process. The purpose of the planning process is to manage the development of infrastructure and the related impacts on the countryside and community. If the planning authorities consider a proposed development is likely to have unacceptable impacts they can require the developer to alter its proposal or include mitigations as a condition of the planning consent. Alternatively, the planning authority can refuse consent if it considers alternatives or mitigation options would not be sufficient to address the impacts.

Our role is to set the price control framework in which companies can deliver developments that are coordinated, efficient and economical and address where necessary the impacts of those developments on visual amenity. We then ensure that companies comply with the framework.

The planning authorities involved may include a local planning authority, the Planning Inspectorate in England and Wales or regional planning authorities in Scotland and, where appropriate, the relevant government minister (Secretary of State in England and Wales, Ministers in Scotland).

Getting involved

There are two main opportunities to influence network companies' approach to conserving natural beauty. The first is to engage with the companies when they are creating their business plans and prioritising their projects. You can contact the companies directly to find out more about their future stakeholder engagement opportunities. The second is to get involved in the planning process: you should be able to register your interest in a particular application with the relevant planning authorities.

Any concerns about the planning process should be brought to the attention of the relevant planning authorities, and you should also raise your concerns directly with the network company. In addition, if you feel a company is not engaging with its stakeholders or taking account of all relevant evidence, bringing these concerns to our attention will inform our price control process and our view on network company performance.

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