

NIE Consultation RP7 – Council Response

<p>General question on approach and strategy</p>	
<p>Q1. Do you think we are taking the right approach to and have the right strategy for RP7. All thoughts and comments are welcome.</p>	<p>We note that the strategy is based on stakeholder engagement feedback and reflects regional strategies such as the Energy Strategy and Climate Bill. The emphasis on supporting the most vulnerable and seeking to maintain costs at existing levels while facilitating the transition to net zero is welcomed.</p>
<p>Facilitating net zero through a flexible and integrated energy system</p> <p>Q2. We are interested in your views on our scenarios of future customer behaviour. Do you think they are realistic? Do you think our ‘best view’ scenario reflects the likely changes in the RP7 period?</p>	<p>The best view scenario highlights 300,000 EVs by 2030 and 120,000 Heat Pumps by 2030. Do these figures dovetail with The Path to Net Zero Energy, NI Energy Strategy? It would be essential to ensure that the grid is able to match the ambitions of the NI Energy Strategy and the numbers in the Best Case Scenario are concluded scientifically to meet these ambitions. Both the Future Energy Scenarios of the NI Energy Strategy in 2050 of ‘Power Play’ and ‘Flexible Fit’ as per The Path to Net Zero Energy require significant electrification of heat through Heat Pumps. We also support the proposed connection of EV and HP to the NI grid with the option for these to be energy assets (i.e. selling electricity back to the grid)</p>
<p>Q3. Do you agree with the mobilisation of an NIE Networks Local Area Energy Planning team to support wider stakeholders including local authorities and councils in their journey to net zero? If so, what type of support should the team provide?</p>	<p>Yes, we agree with this suggestion. It should be noted that Belfast City Council plan to commission a Belfast Local Area Energy Plan. As part of this process, we will establish a regional energy consortium (comprising primary stakeholders - including network operators, local authorities, business and community energy groups) to shape a net zero vision for Belfast and guide the LAEP. Roger Henderson has indicated that Tim Cox will be the key NIE point of contact on this Consortium. For more information, please contact the Climate Unit within Belfast City Council.</p>
<p>Q4. Do you think we are being ambitious enough with our proposal to fit monitors on 50% of our LV network or should we aim for higher?</p>	<p>The additional costs for fitting monitors on the LV network is very modest. Data will become a more and more essential resource to decarbonising. As this rolls out, this data should help design the future network. A decarbonised system will be a ‘prosumer’ model in which data will be key. Due to the modest costs involved and the importance of data, a higher target may be justified.</p>
<p>Q5. What do you think of our “Open Data Portal”?</p>	<p>We welcome access to open data which may inform future planning by Belfast City Council.</p>
<p>Q6. Do you agree with our ‘Flexibility First’ approach?</p>	<p>Yes, this is an essential approach. This reduces the amount of capital investment and will encourage the Prosumer model on the demand side that will be a critical component in the path to decarbonisation.</p> <p>At a customer level, barriers to generating CO₂e free electricity and exporting this to the grid must be removed. When these barriers are removed, this will assist in</p>

	customers maximising the opportunity to decarbonise their own sites from their on-site generation as well as export decarbonised electricity to the grid.
Q7. Do you agree with us including wider societal impacts in our decision making between FLEX and conventional reinforcement?	Yes
Q8. Do you agree with our approach of going further, faster, with FLEX markets?	Yes
Q9. Do you agree with our proposed RP7 innovation principles?	As a small advanced economy Northern Ireland has the ability to roll out innovative solutions more quickly than others and so should take advantage of this opportunity.
Q10. On top of your feedback on our approach to innovation in RP7 we want to understand what you feel is an appropriate scale of allowance. In RP6 our innovation allowance amounted to approximately 2% (approx. £6m) of our total Network Investment Plan. Do you feel that a similar percentage would be appropriate for RP7? This would represent an allowance of approximately £20m.	We support the funding of innovation however would suggest there should be no impact on commercial customers given the current cost of living crisis and economic difficulties many are currently experiencing.
Q11. In respect of assessing where to invest in the network, do you agree with our proposed approach of including only LI5 sites in our base line plan for RP7? Should we be going further?	If it is possible to go further without impacting on business customers, we would encourage that approach. Failing that, we support the proposed approach of including only LI5 sites. We welcome the recognition that investment in grid development needs to be affordable to drive decarbonisation, that NIE currently accounts for 3.7p of the 28p/kwh charged to customers and that this 3.7p is set by the Utility Regulator and is not expected to rise due to the anticipated increase in consumption.
Q12. Do you agree with our proposal to replace all 5kVa transformers as soon as possible during RP7?	Yes.
Q13. Regarding the building of new substations or upgrading existing substations, which can be a lengthy process and can in some cases take several years, we would welcome your	Option 3 is our recommended approach to ensure maximum future proofing of the network.

<p>opinion on which option presented at the end of page 32 we should adopt in RP7.</p>	
<p>Maintaining a safe, reliable and resilient network Q14. Do you agree with our position of maintaining the reliability of the network? Would you accept a reduction in network reliability to reduce your electricity bill in the short term? For context, a £50m reduction in capital spend would result in an approximate £1.90 saving on the average annual domestic electricity bill during RP7. For our commercial customers this represents an annual decrease between £7.50 for a small business and £118 for a medium business.</p>	<p>Yes, we agree with maintaining the reliability of the network and would be averse to accepting a reduction in network reliability to reduce our electricity bill in the short term.</p>
<p>Q15. Our plan is to further reduce CMLs associated with faults on our network in RP7 to help offset the increased average duration of outages due to planned work on the network. To do this we propose including allowances within our RP7 baseline costs to install automated devices on our overhead line network. Are you happy that we include allowances in our plan to help minimise the impact of planned outages?</p>	<p>Yes.</p>
<p>Q16. Do you agree with our approach of targeting the top 6 worst performing circuits only or should we aim to eradicate all existing worst served customers in RP6?</p>	<p>Yes, however we feel NIE should retain the ambition to eradicate all existing worst served customers should this become possible without impacting adversely on domestic and commercial customers.</p>
<p>Q17. Our current proposals for RP7 include investment to improve the number of customers that we can keep on supply following a HILP event and move closer to the</p>	<p>Yes, we support this proposal in order to improve access to supply in the event of an HILP event.</p>

<p>GB average. Do you agree that we should invest in this area?</p>	
<p>Q18. Do you think we are going far enough to adapt our network for climate change in RP7?</p>	<p>It is reassuring that NIE has carried out a hazard assessment and we would encourage further development of these to understand vulnerability and exposure for its assets in order to fully assess climate risk if that has not already occurred. Belfast has completed an Infrastructure Risk Assessment and would be keen to share and integrate the findings from this with any future risk assessment undertaken by NIE. Belfast will be developing a climate action plan in 2023 and would encourage active engagement of NIE to develop an integrated plan for adapting to climate change.</p> <p>In terms of extreme heat, we would encourage the integration of city climate evidence such as the Belfast Heat Map that identifies adaptive capacity of different electoral wards in the city and can help inform a targeted approach to reducing climate risk of different neighbourhoods and communities in the city.</p> <p>Regarding increased flooding, we would also encourage engagement with the Green and Blue Infrastructure Plan for Belfast in terms of sustainable urban drainage opportunities at key sites, as well as the Living with Water Programme. Also refer to Belfast’s SUDs SPG and Tree Strategy in terms of development of its sites and infrastructure.</p> <p>NIE is a partner on the One Million Trees Programme and we would welcome opportunities to scope and identify sites in Belfast for increased tree cover in order to help mitigate flood risk, improve biodiversity, improve air quality and improve health and wellbeing. Strategic opportunities for increased tree cover in the city should be explored across NIE Estate.</p>
<p>Meeting the needs of our Customers</p> <p>Q19. Do you think we should seek allowances through the RP7 price control to spend on direct measures or initiatives to help those customers who are worst impacted by the energy crisis? For example, we could seek funding to provide solar panels for such customers. If you do think we should consider initiatives such as</p>	<p>Yes, given fuel poverty (proportion of households spending more than 10% of their income on fuel) is 80%, this should be a priority. NIE should be ambitious in helping those most vulnerable in society – understanding their needs, the resources required, and establishing a programme that addresses these or seeks resources to do this.</p>

<p>this, how ambitious should we be?</p>	
<p>Q20. Do you think that we should be fitting a new innovative device aimed at deterring birds from roosting on overhead lines in areas known for bird fouling issues? As a customer, would you be happy that the costs to resolve bird fouling issues are spread across our customer base and ultimately reflected in your bill?</p>	<p>No strong view on this however welcome the effort to address the issue within RP7.</p>
<p>Q21. Do you think a 'low regrets' type of approach should be considered for metering in RP7?</p>	<p>Yes, this appears best placed to future proof for the introduction of smart metering.</p>
<p>Q22. With regards to meeting the needs of our customers –</p> <ul style="list-style-type: none"> • Are there any Customer Measures or Commitments that we might have missed, and if so, what else would you like us to consider and why? • Are there any specific customer metrics that NIE Networks should be measuring performance against on during RP7? • Do you consider that a Customer Satisfaction Incentive metric should be introduced to drive improvements in customer service in RP7? • Are there any gaps/areas that you feel are missing from the plan? 	
<p>Preparing our business for a digital and environmentally sustainable future</p> <p>Q23. With regards to our environmental considerations –</p> <ul style="list-style-type: none"> • Please rank your priorities in each of our Environmental Action Plan commitments 1-10. 	<ol style="list-style-type: none"> 1. Moving away from SF6 gas use. (the ranking of this depends on the cost and amount of SF6 gas as this has an extremely high GWP). 2. Reducing our business carbon footprint. 3. Decarbonising our fleet. 4. Helping reduce the environmental impact of our supply chain. 5. Reducing network losses. 6. Quantifying and reducing embodied carbon footprint. 7. Quantifying and improving biodiversity / Natural Capital. 8. Minimising waste to landfill.

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<p>Q24. With regards to the enablers identified –</p> <ul style="list-style-type: none"> • Do you agree that these commitments are necessary enablers of transformational change in the RP7 period? Do you support their inclusion in our RP7 business plan? • Are there any other necessary enablers that we might have missed, and if so, what else would you like us to consider and why? 	
<p>Cost of investment</p> <p>Q25. Our vision is to provide an electricity network that is capable of facilitating Northern Ireland’s overall plan to address climate change, which aims to achieve net zero carbon and affordable energy by ending our society’s reliance on fossil fuels and associated price volatility. In this context, we would welcome stakeholder feedback on our analysis of the monetary impact of our</p>	<p>The areas of investment identified throughout the report appear to be appropriate. We would encourage minimal impact economically on those most vulnerable in society and commercial and domestic customers given the cost-of-living crisis and ongoing economic uncertainty.</p>

proposals and the benefits it will bring to our customers and wider society.	
Managing uncertainty Q26. Do you agree with our principles for managing uncertainty in RP7?	Yes.