

CROSS SECTOR	
REFERENCE NUMBER:	CATEGORY: Amendment
LICENCE CONDITION NUMBER: <i>(if relevant):</i>	SpC 5.3
TITLE:	Carry-over RIIO-1 Network Innovation Allowance
RELEVANT LICENCE CONSULTATION QUESTIONS <i>(if any):</i>	
RELEVANT ISSUES LOG:	
POLICY ISSUES	
<ul style="list-style-type: none"> General RIIO-1 NIA Governance Document General 	<p>General comments:</p> <ul style="list-style-type: none"> It is not clear how we report / recover the rollover RIIO-1 spend. Will Table 3.13 in RRP exist in 2021/22 solely to report on any RIIO-1 projects that rolled over and incurred spend in 2021/22? We understand from paragraph 5.3.9 that Ofgem may be contemplating changes to the existing RIIO-1 NIA Governance Document, as yet we have had no visibility of those changes and the revised document does not form part of this consultation. The RIIO-1 NIA Governance Document needs to be seen by licensees as soon as possible in order that the obligations of this condition can be fully assessed and understood. There is no reference in the consultation document as to when this will be provided. We would welcome sight of the Governance Document as soon as possible and in any event no later than the date of publication of the statutory consultation on the licence modifications giving effect to the Final Determinations <p>Comments in respect of NGET:</p> <ul style="list-style-type: none"> We do not consider this condition is relevant to NGET as we will not have any T1 carry-over spend.
DRAFTING ISSUES	
<ul style="list-style-type: none"> CNIAV Calculation 5.3.7 5.3.9 	<p>In respect of NGET & NGGT:</p> <ul style="list-style-type: none"> BPC (Bid preparation costs) are no longer recoverable through NIA within the T1 Licence, so this term should not be part of the CNIAV calculation 5.3.7 refers to RIIO 1 SpC 1H. This is not the correct reference. It should be SpC2E for NGGT and SpC3H for NGET. 5.3.9 refers to Ofgem amending the RIIO-1 NIA Governance Document, however there is no restriction on the changes that can be made to the document. Such changes could have implications for projects that are already underway and may in practice make it impossible for licensees to comply with the requirements of the Governance

	Document, as is required under 5.3.8. We would ask that the scope of any changes is limited to anything that is reasonably required to facilitate the carry-over of the RIIO-1 NIA and that further changes beyond this are not permitted.
FINANCE ISSUES	
SUPPORTING INFORMATION	
OFGEM ENGAGEMENT:	