SASB Report 2020/21

The Sustainability Accounting and Standards Board ("SASB") voluntary reporting standards are designed to enable the disclosure of company sustainability information in a clear and consistent manner so that it can be used by investors and other stakeholders. 2020/21 is the first year National Grid have published a SASB map to demonstrate alignment to the SASB Standards.

There are currently 77 SASB industry standards, of which 2 are considered relevant for National Grid. This SASB Index sets out our alignment with both:

- Electric Utilities & Power Generators Standard
- Gas Utilities and Distributors Standard

SASB Standards can be downloaded from the SASB website[1].

This year we have achieved partial alignment to SASB, providing disclosures for 35/36 SASB metrics that are relevant to our business. We aim for full alignment next year (2021/22). Please view the 'National Grid Disclosure' column in the tables below which sets out where the relevant disclosures have been made, the majority referenced to our Responsible Business Report 2020/21 ("RBR") and Annual Report and Accounts 2020/21 ("ARA").

Please note when reading our SASB disclosures we have used some acronyms which have been defined in a glossary on page 7 of this document. Also note, many of the customer and billing focused SASB metrics are not applicable to our UK business as we do not sell gas or electricity direct to consumers. These metrics are only relevant to our US business for which the necessary information and data has been provided.

1. https://www.sasb.org/standards/download/#:~:text=SASB%20Standards%20identify%20the%20subset,material%20sustainability%20information%20to%20investors.

Electric Utilities & Power Generators Standard

Code	SASB Accounting Metric	National Grid Disclosure
Greenhouse Gas Emissions & Energy Resource Planning		
IF-EU-110a.1	(1) Gross global Scope 1 emissions, and percentage covered under: (2) Emissions-limiting regulations (3) Emissions-reporting regulations	(1) RBR page 58 (2) 100% (3) 100%
IF-EU-110a.2	Greenhouse gas (GHG) emissions associated with power deliveries	RBR page 25
IF-EU-110a.3	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	RBR pages 18 to 25
IF-EU-110a.4[2]	(1) Number of customers served in markets subject to renewable portfolio standards (RPS) (2) Percentage fulfilment of RPS target by market	(1) All our US customers are served in markets subject to RPS (2) 100% (met through the purchase of RECs)
Air quality		
IF-EU-120a.1	Air emissions of the following pollutants: (1) NOx (2) SOx (3) Particulate matter (PM10) (4) Lead (Pb) (5) Mercury (Hg) and percentage of each in or near areas of dense population (%)	 (1) RBR page 59 (2) RBR page 59 (3) RBR page 59 (4) & (5) Not applicable. National Grid are not required by our UK or US regulators to monitor and report lead or mercury as they are not considered material to our operations. 0% and 100%[3] of our UK and US emissions respectively are within or near to areas of dense population.
Water Management		
IF-EU-140a.1	(1) Total water withdrawn (2) Total water consumed percentage of each in regions with High or Extremely High baseline water stress	(1) RBR page 28 (2) RBR page 28 0% water withdrawn or consumed in the UK and US is within regions of high or extremely high water stress.
IF-EU-140a.2	Number of incidents of non-compliance associated with water quantity, quality permits, standards, and regulations	RBR page 28
IF-EU-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	RBR page 28 and CDP Water[4]
Coal Ash Management		
IF-EU-150a.1	Amount of coal combustion residuals (CCR) generated, percentage recycled	Not applicable – no coal combustion in National Grid's portfolio.
IF-EU-150a.2	Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment	

2. Disclosure is representative of our US business only where we sell energy direct to consumers. Disclosure is not applicable to our UK business as transmission only (not customer facing).
3. US air emissions are associated with our energy generation plants, all of which are located on Long Island and would be considered 'near to areas of dense population' according to the SASB definition set out on page 18 of the standard (https://www.sasb.org/wp-content/uploads/2018/11/Electric_Utilities_Power_Generators_Standard_2018.pdf).
4. We submit CDP Climate Change and CDP Water questionnaires annually to CDP in August. Our submissions can be viewed on the CDP website: https://www.cdp.net/en/responses?utf8=%E2%9C%93&queries%5Bname%5D=national+grid.

Electric Utilities & Power Generators Standard continued

Code	SASB Accounting Metric	National Grid Disclosure
Energy Affordability		
IF-EU-240a.1[5]	Average retail electric rate for: (1) Residential (USD/kWh) (2) Commercial (USD/kWh) (3) Industrial customers (USD/kWh)	 (1) $0.21 (2) $0.14 (3) $0.16
IF-EU-240a.2[2]	Typical monthly electric bill for residential customers for: (1) 500 kWh ($) (2) 1,000 kWh ($), of electricity delivered per month	 (1) MA: $127.62; RI: $114.64, NY: $72.74 (2) MA: $248.19; RI: $220.15, NY: $127.96
IF-EU-240a.3[2]	(1) Number of residential customer electric disconnections for non-payment (2) Percentage reconnected within 30 days	(1) 361 (2) 69.3%
IF-EU-240a.4[5]	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	RBR pages 30 to 32
Workforce Health & Safety		
IF-EU-320a.1[6]	(1) Total recordable incident rate (TRIR) (2) Fatality rate (3) Near miss frequency rate (NMFR)	National Grid publish Group figures for Lost Time Injury Frequency Rate (LTIFR) and the number of fatalities within our RBR pages 45 and 46, and ARA pages 11 and 22
End-Use Efficiency & Demand		
IF-EU-420a.1[2]	Percentage of electric utility revenues from rate structures that: (1) Are decoupled (2) Contain a lost revenue adjustment mechanism (LRAM)	 (1) 100% (2) Not applicable[7]
IF-EU-420a.2	Percentage of electric load served by smart grid technology	Data unavailable for 2020/21.[8]
IF-EU-420a.3[2]	Customer electricity savings from efficiency measures, by market (annual MWh)	MA: 497,665; RI: 154,417; NY: 558,743
Nuclear Safety & Emergency Management		
IF-EU-540a.1	Total number of nuclear power units, broken down by U.S. Nuclear Regulatory Commission (NRC) Action Matrix Column	Not applicable - no nuclear power in National Grid's portfolio.
IF-EU-540a.2	Description of efforts to manage nuclear safety and emergency preparedness	Not applicable - no nuclear power in National Grid's portfolio.
Grid Resiliency		
IF-EU-550a.1	Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations	0
IF-EU-550a.2[9]	(1) System Average Interruption Duration Index (SAIDI) (2) System Average Interruption Frequency Index (SAIFI) (3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days	(1) 126.708 minutes (2) 1.042 interruptions (3) 121.644 minutes

5. Disclosure not applicable to our UK business (transmission only and not customer facing). National Grid publish their own UK energy affordability metrics in the RBR to disclose our contribution to consumer bills – see pages 30 to 33 and page 62. Data stated for this disclosure in this SASB Index is representative of our US business only.
6. National Grid have reported lost time injury frequency rate and number of fatalities as key safety metrics for many years. For 2020/21 we will report consistently with our historic reporting. We recognise that these metrics are not the precise SASB required disclosures, but are very similar.
7. The Revenue Decoupling Mechanism (RDM) considers changes in revenue for factors including energy efficiency (EE), the economy, weather, etc. With the introduction of RDMs, which predominantly were intended to remove the roadblock for utilities to fully promote EE but encompass all influences on sales, LRAMs no longer became necessary. All lost revenue from programs that serve to reduce customer load (EE, Distributed Generation (DG)) is recovered through RDM unless they are specifically excluded. In NE, there are no exclusions in our RDMs for EE or DG.
8. We do not currently have data available for this metric for 2020/21 reporting but aim to disclose this next year (2021/22).
9. There is not comparable data available for the UK business. Number of MWh lost, and length of interruptions is measured by the Distribution Network Operators (DNOs) to monitor performance, not by National Grid (UK business is transmission only).

Electric Utilities & Power Generators Standard continued

Code	SASB Accounting Metric	National Grid Disclosure
Activity Metrics		
IF-EU-000.A[2]	Number of: (1) Residential (2) Commercial (3) Industrial, customers served	 (1) 2,321, 847 (2) 225,841 (3) 2,990
IF-EU-000.B[2]	Total electricity delivered to: (1) Residential (MWh) (2) Commercial (MWh) (3) Industrial (MWh) (4) All other retail customers (MWh) (5) Wholesale customers (MWh)	 (1) 17,372,063,202 (2) 5,725,325,028 (3) 1,189,512,443 (4) 35,407,473,093 (5) 2,958,083,000
IF-EU-000.C	Length of transmission and distribution lines	ARA pages 2 and 3
IF-EU-000.D[2]	Total electricity generated (MWh), percentage by major energy source, percentage in regulated markets	Total electricity generated: 5,099,376 Natural gas generation: 4,930,307 (97%) Fuel oil generation: 169,069 (3%) 100% National Grid's generation is within the US (a regulated market).
IF-EU-000.E	Total wholesale electricity purchased[10]	RBR page 26

10. We also publish our Group figures for electricity consumption to meet the requirements of the Streamlined Energy and Carbon Reporting (SECR) legislation and Energy Savings Opportunity Scheme (ESOS).

Gas Utilities & Distributors Standard

Code	Accounting metric	Additional Information
Energy Affordability		
IF-GU-240a.1[2]	Average retail gas rate for: (1) Residential (USD/MMBtu) (2) Commercial (USD/MMBtu) (3) Industrial customers (USD/MMBtu) (4) Transportation services only (USD/MMBtu)	 (1) $13.28 (2) $10.66 (3) $8.82 (4) $3.80
IF-GU-240a.2[2]	Typical monthly gas bill for residential customers for: (1) 50 MMBtu (2) 100 MMBtu of gas delivered per year	 (1) Boston: $64.31; Colonial: $59.64; RI: $68.49; NIMO: $47.47; KENDY: $81.38; KEDLI: $80.81 (2) Boston: $116.63; Colonial: $109.28; RI: $121.72; NIMO: $64.53; KENDY: $123.08; KEDLI: $117.00
IF-GU-240a.3[2]	(1) Number of residential customer gas disconnections for non-payment (2) Percentage reconnected within 30 days	(1) 4,348 (2) 48.8%
IF-GU-240a.4[2]	Discussion of impact of external factors on customer affordability of gas, including the economic conditions of the service territory	RBR pages 30 to 32
End-Use Efficiency		
iF-GU-420a.1	Percentage of gas utility revenues from rate structures that: (1) Are decoupled (%) (2) Contain a lost revenue adjustment mechanism (LRAM) (%)[11]	 (1) Boston: 96%; Colonial: 97%; RI: 87%; NIMO: 88%; KEDNY: 78%; KEDLI: 88% (2) NIMO: 5%; KEDNY: 7%; KEDLI: 5%
IF-GU-420a.2	Customer gas savings from efficiency measures by market (Dth/MMBtu)	RI: 319,384; NIMO: 930,493; KEDNY: 481,373; KEDLI: 368,456; MA[12] 1,431,740 (net annual MMBTU)
Integrity of Gas Delivery Infrastructure		
IF-GU-540a.1	Number of: (1) Reportable pipeline incidents[13] (2) Corrective Action Orders (CAO) (3) Notices of Probable Violation (NOPV)	 (1) 2 (2) 0 (3) 1
IF-GU-540a.2[14]	Percentage of distribution pipeline that is: (1) Cast and/or wrought iron (2) Unprotected steel	 (1) 11.3% (2) 12.8%
IF-GU-540a.3	Percentage of gas: (1) Transmission (2) Distribution[14], pipelines inspected	 (1) UK: 7.43%; US: 100% annually (2) US: 65% annually

11. Our NE operations (Boston, Colonial and RI) have a full Revenue Decoupling Mechanism (RDM), which considers changes in revenue from all factors (energy efficiency, the economy, weather, etc.), so therefore we do not have a separate LRAM. Our NE operations are not 100% decoupled because we do not include new, large or extra large commercial and industrial (C&I) customers. We retain revenue billed to such customers, whether higher or lower than the RDM fixed revenue per customer (RPC) as determined in a rate case.
12. Massachusetts (MA) includes Boston and Colonial operating companies. We do not report customer gas savings separately for Boston and Colonial.
13. Both incidents reported were associated with the US business. In the UK there was 1 pipeline incident in 2020, however as no there was 0 leakage associated with the incident, it would therefore not be counted under the SASB definition.
14. National Grid's UK gas business is transmission only (no distribution pipeline). This disclosure is representative of our US business only.

Gas Utilities & Distributors Standard continued

Code	Accounting metric	Additional Information
Integrity of Gas Delivery Infrastructure continued		
IF-GU-540a.4	Description of efforts to manage the integrity of gas delivery infrastructure, including risks related to safety and emissions	For the UK business, plans to ensure we maintain and deliver a safe, resilient and environmentally sustainable network in our described in our RIIO-2 business plan (pages 56 – 62 and 113 – 137, available on our website[15]. Also see our published document on Common Maintenance Types on the Gas National Transmission System[16]. For our US business, we have developed and operate a Distribution Integrity Management Program (DIMP) to continuously identify integrity threats to safety and the environment, remediate, report and evaluate the progress.
Other		
IF-GU-000.A[2]	Number of: (1) Residential (2) Commercial (3) Industrial, customers served	 (1) 3,189,413 (2) 196,606 (3) 8,330
IF-GU-000.B[2]	Amount of natural gas delivered to: (1) Residential customers (DTH) (2) Commercial customers (DTH) (3) Industrial customers (DTH) (4) Transferred to a third party (DTH)	 (1) 257,430,266 (2) 65,699,345 (3) 8,209,932 (4) 365,765,561
IF-GU-000.C	Length of gas: (1) Transmission (2) Distribution, pipelines	ARA pages 2 and 3

15. https://www.nationalgrid.com/uk/gas-transmission/document/129016/download
16. https://www.nationalgrid.com/sites/gas/files/documents/20050-CommonMaintenanceTypes2013.pdf

Glossary

Term / Acronym	Definition
NE	New England; includes RI and MA operating companies.
RI	Rhode Island
MA	Massachusetts; includes Boston and Colonial operating companies.
NY	New York; includes NIMO, KEDNY, KEDLI operating companies.
NIMO	Niagara Mohawk Power Corporation
KEDNY	Keyspan Energy Delivery New York
KELDI	Keyspan Energy Delivery Long Island
MMBTU	One Million British Thermal Units
DTH	Dekatherm