

nationalgrid

SASB Report

National Grid
2022/23



Inside this document

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. 2022/23 is the third year National Grid has 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 the:

- Electric Utilities & Power Generators Standard (US & UK)
- Gas Utilities and Distributors Standard (US)

SASB Standards can be downloaded from the SASB website.

This year, we have achieved alignment to SASB, providing disclosures for all SASB metrics that are relevant to our business. Please view the 'National Grid Disclosure' column in the tables below which sets out where the relevant disclosures have been made. Many of these disclosures make reference to our Responsible Business Report 2022/23 (RBR) and Annual Report and Accounts 2022/23 (ARA). In line with our RBR foundations of reporting, WPD (now National Grid Energy Distribution (NGED)) is integrated into our SASB metrics this year.

We have included a key to detail the regions, operating companies and units used in our SASB disclosures. Our Gas Utilities and Distribution disclosure applies to the US only, as the UK has no gas operations. Additionally, 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 have been provided.

Key

Term/Acronym Definition

Regions

US	United States: includes New England, Massachusetts and New York
NE	New England: covers the states of Massachusetts, New Hampshire, Vermont and Connecticut
MA	Massachusetts: includes MECO, NANT, NEP and MA Gas operating companies
NY	New York: includes NMPC, KEDNY and KEDLI operating companies
UK	United Kingdom: includes NGET and NGED operating companies

Operating companies

MECO	Massachusetts Electric Company
NANT	Nantucket Electric Company
NEP	New England Power Company
MA Gas	Boston Gas Company including former Colonial Gas Company
NMPC	Niagara Mohawk Power Corporation
KEDNY	KeySpan Energy Delivery New York
KEDLI	KeySpan Energy Delivery Long Island
NGED	UK National Grid Electricity Distribution
NGET	UK National Grid Electricity Transmission

Units

MMBTU	One Million British Thermal Units
DTH	Dekatherm
MWh	Megawatt hour



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 54 (2) 74% (3) 100%
IF-EU-110a.2	Greenhouse gas (GHG) emissions associated with power deliveries	RBR pages 10-17
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 10-17 ARA TCFD pages 38-52
IF-EU-110a.4¹	(1) Number of customers served in markets subject to renewable portfolio standards (RPS) (2) Percentage fulfillment 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) NO _x (2) SO _x (3) Particulate matter (PM ₁₀) (4) Lead (Pb) (5) Mercury (Hg) and percentage of each in or near areas of dense population (%)	(1) RBR page 54 (2) RBR page 54 (3) RBR page 54 (4) & (5) Not applicable. National Grid is 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% ² 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 and percentage of each in regions with High or Extremely High baseline water stress	(1) RBR page 55 (2) RBR page 55 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 20 and CDP Water ³
IF-EU-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	RBR page 20 and CDP Water ³
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	
Energy Affordability		
IF-EU-240a.1¹	Average retail electric rate for: (1) Residential (\$/kWh) (2) Commercial (\$/kWh) (3) Industrial customers (\$/kWh)	(1) \$0.26 (2) \$0.18 (3) \$0.20
IF-EU-240a.2¹	Typical monthly electric bill for residential customers for: (1) 500 kWh (\$) (2) 1,000 kWh (\$) of electricity delivered per month	(1) MECO: \$356.78; NANT: \$361.21; NMPC: \$156.38 (2) MECO: \$181.92; NANT: \$184.17; NMPC: \$87.12



Electric Utilities & Power Generators Standard continued

Code	SASB Accounting Metric	National Grid Disclosure
IF-EU-240a.3¹	(1) Number of residential customer electric disconnections for non-payment (2) Percentage reconnected within 30 days	(1) 40,767 (2) 67.1%
IF-EU-240a.4	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	<p>Our affordability strategy is to (i) support the most vulnerable, and (ii) help bring down the total bill for consumers. In January 2022, we forecast that the transition would be affordable for most consumers but challenging for those on low incomes. However, since then, we have seen a significant affordability challenge for a greater number of consumers in the UK and US Northeast driven by wholesale prices, although this has reset expectations about energy bills and the role of government support to some extent. Key parts of our strategy:</p> <ul style="list-style-type: none"> • Provide support to our most vulnerable customers, e.g. £65 million energy support fund in the UK and US • Plan to develop and deploy future support packages as appropriate • Work with government to advise on and advocate for support policies that directly help low-income affordability and accessibility (e.g. UK Social Tariffs and US low-income discount rates) • Ensure the right scale and pace of investments to help bring down the total bill for customers • Manage cost base to limit our impact on consumer bills • Effective cost management and pursuing innovative delivery models and technology <p>In the context of above bill increases, our strategy enables us to demonstrate we are doing all we can for consumers, whilst influencing governments and regulators to mitigate the impact of the affordability challenge.</p>
Workforce Health & Safety		
IF-EU-320a.1	(1) Total recordable incident rate (TRIR) (2) Fatality rate (3) Near miss frequency rate (NMFR)	(1) 1.2 (2) 0.004 (3) 4.8
End-Use Efficiency & Demand		
IF-EU-420a.1¹	Percentage of electric utility revenues from rate structures that: (1) Are decoupled ⁴ (2) Contain a lost revenue adjustment mechanism (LRAM)	(1) 100% for MA and 100% for NY (2) Not applicable
IF-EU-420a.2	Percentage of electric load served by smart grid technology	<p>UK:</p> <ul style="list-style-type: none"> • NGET: 100%⁵ • NGED: 100%⁵ <p>US ANU Electric Meters⁶:</p> <ul style="list-style-type: none"> • MA: 13,991 meters (0.98%) • NY: 12,961 meters (0.75%)
IF-EU-420a.3^{1,7}	Customer electricity savings from efficiency measures, by market (annual MWh)	<p>NY: Gross Annual MWh 494,790, Clean Heat Gross Annual Equivalent MMBtu 135,945</p> <p>MA: Net Annual MWh 214,827 (includes electric penalty from fuel switching measures)</p>



Electric Utilities & Power Generators Standard continued

Code	SASB Accounting Metric	National Grid Disclosure
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	
Grid Resiliency		
IF-EU-550a.1	Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations	0
IF-EU-550a.2¹	(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	(1) NMPC: 123.91; MECO: 96.56; NANT: 86.70 minutes (2) NMPC: 1.058; MECO: 0.864; NANT: 1.071 interruptions (3) NMPC: 117.08; MECO: 111.81; NANT: 80.94 minutes
Activity Metrics		
IF-EU-000.A^{1,8}	Number of: (1) Residential (2) Commercial (3) Industrial customers served	(1) 1,992,531 (2) 189,429 (3) 1,782
IF-EU-000.B¹	Total electricity delivered to: (1) Residential (MWh) (2) Commercial (MWh) (3) Industrial (MWh) (4) All other retail customers (MWh) (5) Wholesale customers (MWh)	(1) 14,706,427 MWh (2) 5,297,275 MWh (3) 975,891 MWh (4) 31,520,977 MWh (5) 3,144,946 MWh
IF-EU-000.C	Length of transmission and distribution lines	NGET: 7,217 km NGED: 229,122 km US ET ⁹ : 13,770 km US ED ⁹ : 107,890 km
IF-EU-000.D^{1,7}	Total electricity generated (MWh), percentage by major energy source, percentage in regulated markets	Total electricity generated: 6,879,632 MWh Natural gas generation: 4,700,538 MWh, 68.3% Fuel oil generation: 567,084 MWh, 8.2% Wind: 1,001,504 MWh, 14.6% Solar: 610,506 MWh, 8.9% 100% of National Grid’s generation is within the US (a regulated market).
IF-EU-000.E¹	Total wholesale electricity purchased (MWh)	22,212,881 MWh



Gas Utilities & Distributors Standard – US only

Code	Accounting Metric	Additional Information
Energy Affordability		
IF-GU-240a.1	Average retail gas rate for: (1) Residential (\$/MMBtu) (2) Commercial (\$/MMBtu) (3) Industrial customers (\$/MMBtu) (4) Transportation services only (\$/MMBtu)	(1) \$16.38 (2) \$13.16 (3) \$11.90 (4) \$4.02
IF-GU-240a.2	Typical monthly gas bill for residential customers for: (1) 50 MMBtu (2) 100 MMBtu of gas delivered per year	(1) Boston: \$92.10; Former Colonial: \$86.39; NMPC: \$66.11; KEDNY: \$97.82; KEDLI: \$97.90 (2) Boston: \$172.28; Former Colonial: \$160.78; NMPC: \$100.70; KEDNY: \$156.09; KEDLI: \$150.90
IF-GU-240a.3	(1) Number of residential customer gas disconnections for non-payment (2) Percentage reconnected within 30 days	(1) 21,617 (2) 52.9%
IF-GU-240a.4	Discussion of impact of external factors on customer affordability of gas, including the economic conditions of the service territory	<p>Our affordability strategy is to (i) support the most vulnerable, and (ii) help bring down the total bill for consumers. In January 2022, we forecast that the transition would be affordable for most consumers but challenging for those on low incomes. However, since then, we have seen a significant affordability challenge for a greater number of consumers in the UK and US Northeast driven by wholesale prices, although this has reset expectations about energy bills and the role of government support to some extent. Key parts of our strategy:</p> <ul style="list-style-type: none"> • Provide support to our most vulnerable customers, e.g. £65 million energy support fund in the UK and US • Plan to develop and deploy future support packages as appropriate • Work with government to advise on and advocate for support policies that directly help low-income affordability and accessibility (e.g. UK Social Tariffs and US low-income discount rates) • Ensure the right scale and pace of investments, to help bring down the total bill for customers • Manage cost base to limit our impact on consumer bills • Effective cost management and pursuing innovative delivery models and technology <p>In the context of above bill increases, our strategy enables us to demonstrate we are doing all we can for consumers, whilst influencing governments and regulators to mitigate the impact of the affordability challenge.</p>
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) (%) ¹⁰	(1) Boston Gas (inc. Former Colonial): 98.6%; NMPC: 86%; KEDNY: 95%; KEDLI: 93% (2) Boston Gas (inc. Former Colonial): 0%; NMPC: 3%; KEDNY: 3%; KEDLI: 5%
IF-GU-420a.2⁷	Customer gas savings from efficiency measures by market (DTH/MMBtu)	NY: CY-22 Gross Annual MMBtu 2,414,740 MA: CY-23 Net Annual MMBtu 1,519,276



Gas Utilities & Distributors Standard – US only continued

Code	Accounting Metric	Additional Information
Integrity of Gas Delivery Infrastructure		
IF-GU-540a.1	Number of: (1) Reportable pipeline incidents (2) Corrective Action Orders (CAO) (3) Notices of Probable Violation (NOPV)	(1) 3 (2) 0 (3) 3
IF-GU-540a.2	Percentage of distribution pipeline that is: (1) Cast and/or wrought iron (2) Unprotected steel	(1) 9.2% (2) 12.2%
IF-GU-540a.3	Percentage of gas: (1) Transmission ¹¹ (2) Distribution pipelines inspected	(1) 0% average annually (2) 33.3% average annually
IF-GU-540a.4	Description of efforts to manage the integrity of gas delivery infrastructure, including risks related to safety and emissions	We have developed and operate a Distribution Integrity Management Programme (DIMP) to continuously identify integrity threats to safety and the environment and to remediate, report and evaluate the progress.
Other		
IF-GU-000.A⁸	Number of: (1) Residential (2) Commercial (3) Industrial customers served	(1) 3,078,563 (2) 183,384 (3) 9,322
IF-GU-000.B⁸	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) 260,251,572 DTH (2) 70,479,331 DTH (3) 9,344,567 DTH (4) 348,201,237 DTH
IF-GU-000.C	Length of gas: (1) Transmission (2) Distribution pipelines	(1) Not applicable (2) 59,153 km ¹²

- 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).
- 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).
- 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>.
- 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 programmes that serve to reduce customer load (EE, Distributed Generation (DG)) is recovered through RDM unless the programmes are specifically excluded. In NE, there are no exclusions in our RDMs for EE or DG.
- Our UK networks are all smart grid as per the SASB definition, on the basis that all the network have bi-directional flows and uses two-way communication and control capabilities.
- In defining smart grid technology for the US, we have only considered advanced meter infrastructure (AMI).
- The data reporting is based on the calendar year (1 Jan-31 Dec 2022) rather than financial year. This is due to regulatory reporting requirements in the US.
- Per the SASB definition, a customer is defined 'as a meter billed for residential, commercial, and industrial customers'. We have excluded all customers not billed by us.
- US lengths were reported on May 2023.
- Our NE operations (Boston and former Colonial) have a full Revenue Decoupling Mechanism (RDM) which considers changes in revenue from all factors (energy efficiency, the economy, weather, etc.) and 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.
- All inspections are conducted over two phases across two years. FY23 is phase 1 (testing and data acquisition). Phase 2 (direct assessments) will be conducted in FY24. The inspection is considered complete once phase 2 is completed, hence the 0% reported.
- Length was reported in 2021.



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