Welcome to our webinar on SF₆

A focus on decarbonising the electricity transmission network

19 September 2019



SF₆ webinar agenda

Housekeeping

RIIO 2 overview and business planning

SF₆ status in National Grid

SF₆ emission reduction strategy

Discussion & next steps

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Housekeeping



This webinar should last approximately one hour



You are on mute. Please turn off your camera, unless you are very eager to be seen



We will be recording the webinar



We are asking questions during the presentation



You can message us via the webex chat function

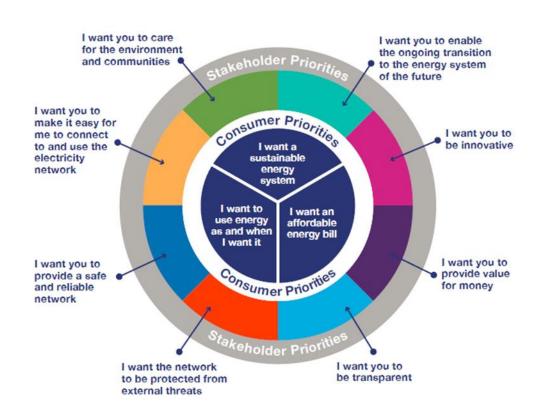


The recording, slides and any Q and A will be available on our website

Overview of RIIO 2 and our draft business plan



We have developed our draft plan with our stakeholders



We have built our draft business plan around your eight stakeholder priorities and three consumer priorities.

Your views make a genuine difference to our business plan.

Our independent stakeholder group has been making sure we take account of your views.

We are finalising our draft plan

Our first draft plan was published in July 2019. We are due to submit our final business plan to our regulator, Ofgem, on 9 December 2019.

We are still working on our business plan and are continuing to engage with our stakeholders on particular topics. We will listen to your feedback on this draft plan.

Below are some examples of the main areas we are still working on.

Consumer engagement

We are continuing our consumer engagement programme, including acceptability testing

Energy system of the future

We are continuing to develop uncertainty measures and reflect the CCC's net zero report

The environment and communities

We need to assess the implications of meeting a science based target to limit warming to 1.5deg

Safe and reliable network

We are continuing to engage with our stakeholders on options for reliability

Protected from external threats

The government requirements will become clearer later this year

Value for money

We are still reviewing the benchmarking and efficiency evidence we have collected

The decarbonisation challenge



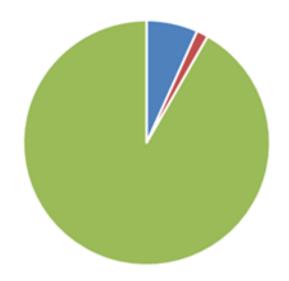
Quick Poll 1



What is the reason for your interest today?

- Sales/business interest
- To offer technical advice
- To learn for my own business plans
- To understand where my electricity bill money is going
- Other

Our direct SF₆ emissions



ET GHG, Scope 1&2
Emissions (excluding losses)

- $SF_6 = 91.8\%$
- Buildings = 6.7%
- Fleet = 1.5%

- SF₆ accounts for <1% of global manmade GHG emissions
- SF₆ has a global warming potential 23,500 times greater than CO₂
- It has excellent arc interruption and insulation properties for transmission network equipment – meaning quicker, cheaper and smaller substation builds
- NGET currently have ~900,000kg installed on our network with average leakage of ~1.33% annually which is approx. 12 tonnes per year (282k tCO₂e)

The context – CO₂ emissions

- UK has passed legislation for net zero carbon emissions by 2050
- SF₆ is not covered by carbon markets such as the EU-ETS scheme
- CO₂e emissions are split into 3 groups:
 - Scope 1 Direct emissions (SF₆ emissions are counted here)
 - Scope 2 Indirect emissions (electricity purchased and used by NGET)
 - Scope 3 Other indirect emissions (infrastructure construction projects)
- This webinar focusses on our approach to managing SF₆ emissions in line with "Science Based Targets" and present legislation
- Building new assets and replacing assets earlier than planned contribute to Scope 3 emissions.

Quick Poll 2



When building our SF₆ emission reduction strategy should we:

- Focus solely on reducing direct emissions (Scope 1) to meet Science Based Targets
- Adopt a "total carbon impact" approach i.e. reduce SF₆ emissions only where there is a total carbon reduction across Scopes 1, 2 & 3
- Something else we'd like to discuss this with you in more detail

Technological context



- Our SF₆-filled asset base is mainly Air Insulated and Gas Insulated Switchgear operating at 400kV, 275kV and 132kV
- We have experienced a marked difference in leak performance of outdoor assets compared to indoor assets
- We are already engaged with suppliers of alternative technologies including Air/vacuum, Fluoro-nitrile mixtures and Fluoro-ketone mixtures and are adopting them where they are technically and commercially viable

Quick Poll 3 and 4



When do you think SF₆ free technology will be technically and commercially viable up to and including 400kV

- 2025
- 2030
- 2035
- Later
- Not sure

What do you believe is a realistic cost compared to equivalent SF₆ technology

- Less than SF₆
- The same as SF₆
- 0-20% more than SF₆
- More than 20%

Not sure

Our SF₆ emissions reduction strategy

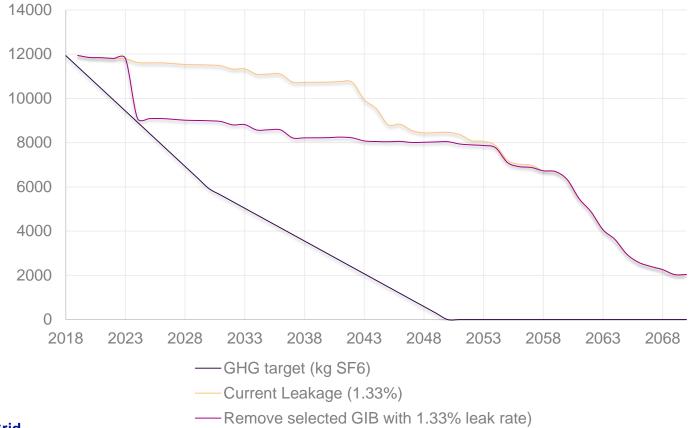
Option 1 - continue with increased focus on leak repair

- Increase focus on leak repair
- Incremental annual reductions in percentage losses
- Outcome: will not meet a science-based target trajectory and SF6 reduction unknown, estimated <10%

Option 2 – increase leak repair and replace highest leak assets

- Increase focus on leak repair
- Replacement of leaking/high-risk assets earlier than planned; targeted by asset knowledge
- Outcome: will meet a science-based target, estimated 34% reduction

Future SF₆ emissions - outlook



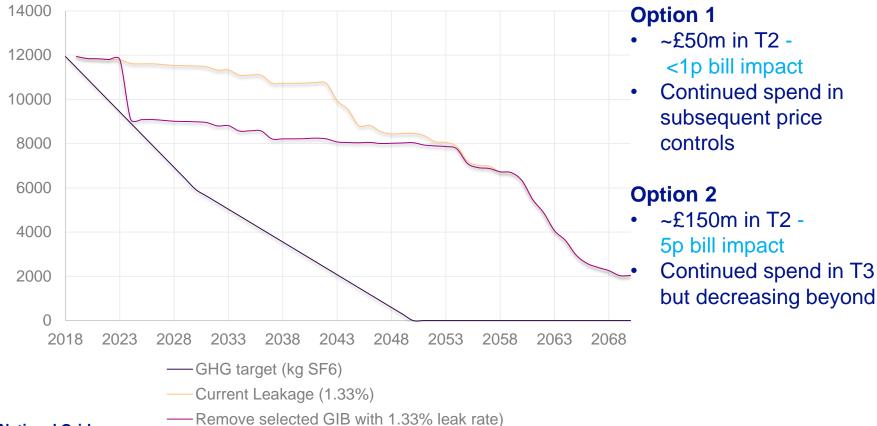
Quick Poll 5



Which option should we focus on?

- Option 1 continue with repair only approach
- Option 2 early asset intervention and leak repair
- I have another idea
- I don't know

Future SF₆ emissions – cost implications



Quick Poll 6 – now including cost



Which option should we focus on?

- Option 1 continue with repair only approach
- Option 2 early asset intervention and leak repair
- I have another idea
- I don't know

Discussion and debate

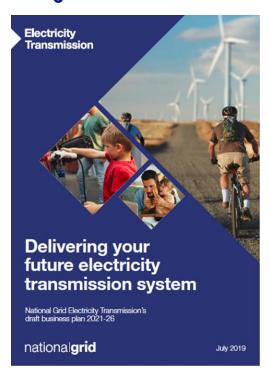
Please submit questions / suggestions via the chat function



Next steps



How to provide feedback on this webinar or to discuss SF_6 further



We welcome your feedback on our draft plan

- You can message us via the webex chat function now.
- You can respond via our draft business plan webpage.
- You can send your thoughts by email to: gary.stokes@nationalgrid.com
- You can write to: Gary Stokes, National Grid House, Warwick Technology Park, Gallows Hill, Warwick, CV34 6DA.

Next Steps

- Mid-August feedback from the RIIO 2 challenge group on our draft plan.
- Autumn we are continuing to engage with our stakeholders, including your feedback on our plan.
- 1 October 2019 we submit a second draft plan to Ofgem's Challenge Group.
- 9 December 2019 we submit our final business plan to Ofgem.
- First half of 2020 Ofgem will scrutinise our business plan and will hold public hearings on any contentious issues.
- **June 2020** Ofgem publishes its initial findings on our plan (and those from other network companies).
- **November 2020** Ofgem publishes its final findings on our plan (and those from other network companies).
- 1 April 2021 the next regulatory period begins.