

Electricity Transmission

nationalgrid

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RIO-T3 Business Plan Overview and Regional Focused Webinars – Questions and Answers



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Where can I find information about RIIO-T3?

Our business plan along with all the relevant information can be found at <https://www.riiot3.nationalgrid.com>

How have you sought views of stakeholders to develop your plan?

During 2023 National Grid Electricity Transmission convened a series of regionally focused workshops, bringing together local organisations, like local authority representatives, businesses, other network companies and the National Electricity System Operator, to gather perspectives and co-create our network plans. We also held open webinars for anyone to attend covering our initial view of our business plan in November 2024. We also work closely with our Independent Stakeholder Group as a representative body of our stakeholders. Notably, we teamed up with Sustainability First to seek the views of bill payers through qualitative and quantitative research. A fuller explanation of this research is available on our website: <https://www.riiot3.nationalgrid.com/supporting-documents>

A fuller breakdown of how we approached and communicated our in-person engagement and the region's coverage is shown here in our business plan: <https://www.riiot3.nationalgrid.com/document/30069/download>

How did you decide on the regions and what are the investment drivers to develop each regional plan?

Where feasible to do so, the business plan aligned regional areas to distribution network operator and local authority boundaries, whilst also considering electrical factors such as power transfers and system outages. Our Regional Future Network Blueprints are published in detail on our website, showing stakeholder input, vision, network plans, trade-offs and decisions.

What is the cost of your business plan and the impact to the average household electricity bill?

The investment we are seeking for the RIIO-T3 business plan is £35bn. The Electricity Transmission part of your bill, which is subject to approval by the energy regulator, Ofgem, covers the cost of building and maintaining the network. We estimate an increase from £23 per year in 2026 to about £44 per year by 2031 for the average household. However, if we did not invest, bills would be £40 per year higher on average over the RIIO-T3 period due to constraint costs where network capacity is insufficient.

What steps are you taking to make certain that the supply chain and workforce can deliver your plan effectively?

We are collaborating more closely than ever with our supply chain and have established long-term relationships through the Great Grid Partnership for onshore projects and the HVDC (High Voltage Direct Current) Framework for offshore projects. This approach aims to coordinate the planning and execution of projects, allowing each supplier and National Grid to pool their resources, skills, insights, and experience to deliver faster and more economically.

Buying goods, services and works on the scale required for this industry involves careful planning and informed, compliant decision making. Our procurement team is therefore engaged at every step of the journey with our prospective innovation partners, from supporting with market engagement exercises, to running competitive tender event and Calls for Innovation. They are experienced at working with a diverse supplier base from large multinationals to small/medium enterprises.

How do you make sure your plan is flexible enough?

Our plan has been designed to be resilient to changes with the evolving energy system. The plan is split between baseline investments and pipeline projects. Baseline investments are firm developments which should be done to support economic growth, decarbonisation and connection of projects we know are happening. The pipeline of expected projects we are going to delivery which are to be confirmed, offers flexibility to adjust our plan. As we go through the RIIO-T3 price control period we will work with Ofgem to unlock individual investments.

Who and how do I engage with in the energy industry about potential projects?

If you have a question or would like more information about a specific project, please email: Communityrelations@nationalgrid.com

What environmental funding and insights is expected as part of your business plan?

Our proposal for a Community Benefit Framework aligns to evolving Government guidance and aims to generate a wide range of benefits in communities affected by our works. These will be focused on the key strategic pillars of Environment, Skills and Local Communities, with programmes informed by stakeholder engagement and developed to meet the specific needs of those communities. The proposed framework does not include a dedicated environmental fund but, where applicable and in response to local priorities, we will explore initiatives relating to the protection and enhancement of the natural environment and climate adaptation, that can complement actions associated with our legal and regulatory BNG requirements.

What community benefits is expected as part of your business plan?

Our proposed investment is a key enabler in achieving the government's ambitious decarbonisation targets for 2030 and 2050. It will maintain security of supply, help to protect consumers from the impacts of climate change, and will help generate growth, jobs and investment.

Decarbonising the power system will bring more clean energy to consumers and reduce the UK's dependence on fossil fuels, which are subject to global price volatility. This will lead to more stable bills, avoiding the kind of energy price shocks seen in 2022 and keeping bills lower in the longer term. The new infrastructure we are building will also move this clean power across the country, and reduce the costs to consumers of constraining renewables, realising billions of pounds of consumer value.

"Regarding benefits for those located near to proposed new infrastructure currently there is no policy or legislative requirement to deliver community benefits in association with transmission infrastructure. This creates uncertainty about the way in which community benefits should be delivered, and the appropriate level of investment. It can also impact the receptiveness of communities to engage meaningfully on community benefit discussions during the consenting and consultation phase. In turn, this has implications for how we plan for delivery of community benefit on our projects.

The former Government consulted on community benefit options for transmission infrastructure in 2023 and published their 'minded to' position in November 2023. In our RIIO-T3 business plan, we have adopted an interim approach for community benefit, based on this position, while we await confirmation of the current government's view, and will evolve this in response to the final guidance, once published.

Community engagement will play a vital role in the development of our community benefit programmes. We will work with all communities and stakeholders affected by our work, particularly those closest to our infrastructure. The goal is to understand what matters most to them and to deliver flexible programmes responding to their needs".

Can you share details about your projects in the plan's pipeline of work?

The plan includes an unprecedented level of investment of up to £35 billion over the five years to March 2031, including: - baseline investment of over £11 billion to maintain and upgrade our existing networks, alongside construction works for the first three of our Accelerated Strategic Transmission Investment (ASTI) projects where project assessments have been approved; and pipeline investment of around £24 billion, which includes around £15 billion to increase network capacity (most of which relates to the 14 further confirmed ASTI projects). Pipeline investment also includes additional potential projects that may be triggered by the UK government's evolving priorities.