



Annex

**NGET_ET.10 - BPG Minimum
Requirements Matrix**

December 2019

As a part of the NGET Business Plan Submission

| | A | B | C | D |
|----|-----------------------------------|----------------|---|---|
| 1 | Section | Section number | Requirement | Where you can find the key information |
| 2 | Track Record & BP Commitment | 2.3 | delivery against RIIO-1 output targets and incentive mechanisms | <p>Chapter 4 'Our track record'</p> <p>Chapters 7-14, section 2 'Track record and implications for T2'</p> <p>Annex NGET_ET.04 T1 performance</p> <p>Annex NGET_ET.09 Our Performance</p> |
| 3 | Track Record & BP Commitment | 2.3 | the level of service provided to customers in RIIO-1, and what steps were taken within the period to improve service provision | |
| 4 | Track Record & BP Commitment | 2.3 | how well different groups of customers have been served over the RIIO-1 period – eg customers in particular regions/circumstances | |
| 5 | Track Record & BP Commitment | 2.3 | how expenditure has differed from allowances set at the outset of RIIO-1 | |
| 6 | Track Record & BP Commitment | 2.3 | what factors contributed to differences between allowances and expenditure and how these factors have been considered in preparing the RIIO-2 Business Plans | |
| 7 | Track Record & BP Commitment | 2.3 | the returns companies earned over the RIIO-1 period, and key drivers behind these returns. These should be expressed in terms of RORE | |
| 8 | Track Record & BP Commitment | 2.3 | the level of profit payment distributed to investors over the RIIO-1 period | Annex NGET_A15.01 Finance- Section 6 : Financing Requirements. |
| 9 | Track Record & BP Commitment | 2.3 | how the company intends to align the structure of pay and reward within the organisation to the delivery of commitments set out in their Business Plans | Chapter 13 'We will be transparent about our performance' (Page 154) |
| 10 | Track Record & BP Commitment | 2.3 | how the company identifies and avoids any impact on consumer bills, such as impacts related to additional or delayed costs caused by RIIO-1 performance, such as deferral of work | <p>Chapter 4 'Our track record'</p> <p>Chapters 7-14, section 2 'Track record and implications for T2'</p> <p>Annex NGET_ET.04 T1 performance</p> <p>Annex NGET_ET.09 Our Performance</p> |
| 11 | Track Record & BP Commitment | 2.4 | Additionally, the Business Plan should set out the level of assurance that has been provided by sufficiently independent directors that the plan and associated costs have been tested for accuracy, ambition and efficiency. | <p>Chapter 1 Executive Summary 'Our Board's assurance statements'</p> <p>NGET_ET.05 Assurance report</p> |
| 12 | Giving Consumers a stronger voice | 2.6 | appointment of company specific groups – including timely appointment of groups, governance arrangements at appointment and on an ongoing basis, among other things as described in the enhanced engagement guidance document | Annex NGET_A6.02 Independent Stakeholder Group set up report |

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| 13 | Giving Consumers a stronger voice | 2.6 | effective engagement with User Groups, Customer Engagement Groups and the RIIO-2 Challenge Group. In assessing this, Ofgem will take into account the extent to which effective engagement has been facilitated by companies providing drafts of their business plans in July and October 2019 that reflect the guidance that was in place at that time | Chapter 6 'Giving stakeholders and consumers a stronger voice' Engagement logs for each of the stakeholder priorities (see annex list at back of Business plan Page 200) Chapters 7-13, section 3 of each chapter explains how our proposals are based on the outcomes of our engagement, including the conclusions, trade offs and where the Independent Stakeholder Group and the RIIO-2 Challenge Group have influenced our business plan |
| 14 | Giving Consumers a stronger voice | 2.6 | robust and high quality engagement with stakeholders by the company in designing the plan | Chapter 6 'Giving stakeholders and consumers a stronger voice' Annex NGET_A6.03 Truth reports Annex NGET_A6.07 Frontier Golden Thread assessment |
| 15 | Giving Consumers a stronger voice | 2.6 | Additionally, in order to facilitate stakeholder engagement ahead of the open hearings, each company should publish its final December Business Plan on its website. In doing so, companies should ensure maximum transparency by publishing the plans in as full a form as possible. Where companies exclude information from the published plans on grounds of commercial confidentiality (or any other reason), the reasons for such exclusions should be clearly and comprehensively set out in an explanatory statement published alongside the plan. For example, if information is redacted on grounds of commercial confidentiality, we would expect to see an explanation of the particular commercial interest that would be prejudiced by disclosure. In assessing the company's compliance with the minimum requirements on stakeholder engagement set out in the paragraph above, Ofgem will take into account any stakeholder feedback it receives on the level of transparency demonstrated by companies and their explanations for any exclusions amongst other relevant considerations. | Plans published with statement |
| 16 | Giving Consumers a stronger voice | 2.7-2.8 | Stakeholder engagement strategy | Chapter 6 'Giving stakeholders and consumers a stronger voice' Annex NGET_A6.01, Stakeholder Engagement Strategy Consequences for non delivery are captured within Annex NGET_ET.08 Outputs |
| 17 | Giving Consumers a stronger voice | 2.9 | The approach could make reference to the use of LAEPs as an effective tool for engagement and investment planning that takes proper account of the need to substantially decarbonise energy systems | We have not created an LAEP because this appears to be targeted at Distribution Networks, however we have followed the principles of an LAEP with a national footprint and have taken into account different stakeholder views as described in chapter 6 'Giving stakeholders and consumers a stronger voice' |

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| 1 | Section | Section number | Requirement | Where you can find the key information |
| 18 | What consumers want and value from networks: meeting the needs of consumers and network users | 2.12 | The business plan must set out the outputs the company will deliver in the RIIO-2 price control period and how it will do this. (ie. Deliver against LOs, ODIs and PCDs) | Chapter 7-13, section 4 'Our proposals for the T2 period' and section 5 'The justification of our proposals' Annex NGET_ET.06 Output Delivery Incentives (ODIs) Annex NGET_ET.08 Outputs Annex NGET_ET.08A Outputs snapshot table |
| 19 | What consumers want and value from networks: meeting the needs of consumers and network users | 2.13 | Business Plans must identify planning and resourcing requirements, especially where the level of activity looks to increase significantly from historical levels. | Chapter 16 'We are ready and able to deliver' |
| 20 | What consumers want and value from networks: meeting the needs of consumers and network users | 2.14 | In the SSMD, we provided more information on the specific outputs that are applicable in each sector. In some areas- including in relation to this 'meeting the needs of consumers and network users' output category but also more broadly- companies must include output specific information within their business plans. Appendix 1 lists additional sector specific business plan requirements, as set out in our SSMD sector annexes | Chapters 7-13 section 4 'Our proposals for the T2 period' Annex NGET_ET.06 Output Delivery Incentives (ODIs) Annex NGET_ET.08 Outputs Annex NGET_ET.08A Outputs snapshot table Detail against appendix 1 for SSMD detailed below |
| 21 | What consumers want and value from networks: meeting the needs of consumers and network users | 2.16-2.17 | Proposals for Bespoke Outputs | Chapters 7-13 section 4 covers 'Our proposals for the T2 period', section 5 covers 'The justification of our proposals' and section 6 covers 'Our proposed costs for the T2 period'. Annex NGET_ET.06 Output Delivery Incentives(ODIs) Annex NGET ET.08 Outputs snapshot table |
| 22 | What consumers want and value from networks: maintaining a safe and resilient network | 2.18-2.19 | Asset Resilience | Chapter 9 'We will provide a safe and reliable network' |
| 23 | What consumers want and value from networks: maintaining a safe and resilient network | 2.20-2.21 | Workforce Planning | Chapter 16 'We are ready and able to deliver' Annex NGET_A16.02 Workforce Planning |
| 24 | What consumers want and value from networks: maintaining a safe and resilient network | 2.22-2.29 | Cyber Resilience | Chapter 10 'We will protect the network from external threats' Annex NGET_A10.04 Business IT Security Plan (confidential) Annex NGET_A10.09 Cyber Resilience Plan (confidential) |
| 25 | What consumers want and value from networks: maintaining a safe and resilient network | 2.31 | Physical security | Chapter 10 'We will protect the network from external threats' |
| 26 | What consumers want and value from networks: delivering an environmentally sustainable network | 2.32-2.35 | Environmental Action Plan | Chapter 11 'We will care for the environment and communities' Annex NGET_A11.05 Environmental Action Plan (EAP) |

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| 1 | Section | Section number | Requirement | Where you can find the key information |
| 27 | Modernising Energy Data (Digitalisation strategies) | 2.36-2.47 | Digitalisation strategy | Digitilisation strategy (provided link) Annex NGET_A14.07 ET IT Investment |
| 28 | Enabling Whole System Solutions | 2.48-2.49 | Whole systems | Chapter 7 'We will enable the ongoing transition to the energy system of the future' Chapter 8 'We will make it easier for you to connect to and use the network' Annex NGET_A7-8.03 Whole systems Chapters 7-12 in section 5 'The justification of our proposals' has two sub sections entitled whole systems and innovation to explain the stakeholder priority specific whole system considerations |
| 29 | Enabling Whole System Solutions | 2.50-2.51 | The Business Plan should contain justified and costed proposals for whole system outcomes and solutions. | See information provided for 2.48-2.49 above. Whole system considerations have been embedded within all our proposed baseline business plan costs |
| 30 | Enabling Whole System Solutions | 2.52 | Additionally, Business Plan sections on innovation must contain consideration of whole system approaches as potential solutions to the barriers being addressed. | Chapters 7-12 in section 5 'The justification of our proposals' has two sub sections entitled whole systems and innovation to explain the stakeholder priority specific whole system considerations |
| 31 | Enabling Whole System Solutions | 2.53- 2.58 | Local Area Energy Plans | We have not created an LAEP because this appears to be targeted at Distribution Networks, however we have followed the principles of an LAEP with a national footprint and have taken into account different stakeholder views as described in chapter 6 'Giving stakeholders and consumers a stronger voice' |
| 32 | Managing Uncertainty | 2.59-2.60 | Uncertainty mechanisms | Chapter 7-12 section 7 'How we will manage risk and uncertainty' Annex NGET_ET.12 Uncertainty mechanisms |
| 33 | Managing Uncertainty | 2.61 | RPEs | Chapter 14 'Our total costs and how we provide value for money', section 9 'Proposals for managing price uncertainty' Annex NGET_A14.14 RPEs and ongoing efficiency |
| 34 | Managing Uncertainty | 2.62-2.64 | Ongoing efficiency | Chapter 14 'Our total costs and how we provide value for money' Annex NGET_A14.14 RPEs and ongoing efficiency |
| 35 | Managing Uncertainty | 2.65 | Highly anticipatory investment. | Chapter 7 Section 5.4 (Page 59) 'We will enable the ongoing transition to the energy system of the future'- We are not proposing expenditure in this category, there are opportunities that do exist and we are seeking to implement a suitable anticipatory investment mechanism to enable net zero 2050. We are engaging with stakeholders further to share how the process could work. We spoke with Ofgem on 15/10/19 who confirmed they are happy with our approach. |
| 36 | Driving efficiency through innovation and competition | 2.66-2.76 | Innovation and Network Innovation Allowance | Chapter 12 'We will be innovative' Chapters 7-13 includes innovation in section 5 'The justification of our proposals' Annex NGET_A12.02 Innovation T1 Performance Annex NGET_A12.03 Innovation Benefits Framework Annex NGET_A12.04 Innovation Charter |
| 37 | Driving efficiency through innovation and competition | 2.78-2.79 | Late competition | Chapter 7 'We will enable the ongoing transition to the energy system of the future' Table 7.13 |

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| 38 | Driving efficiency through innovation and competition | 2.80 | In addition to the late competition models identified, we also refer companies to chapter 4 of the ET annex to the SSMD, which outlines our framework for the successful delivery of large capital projects. We would expect companies, as part of their business plan submissions, to put forward project specific proposals in their business plans for implementing a milestone-based approach, and or/ proposals in their business plan for minimising consumer detriment both during the construction period and once a project has been delivered and is in operation. | Chapter 7 'We will enable the ongoing transition to the energy system of the future' (5.2.i e 'mitigate impact of late delivery' Page 56) Chapter 9 'We will provide a safe and reliable network (Page 102) |
| 39 | Driving efficiency through innovation and competition | 2.81-2.83 | Early competition | Chapter 7 'We will enable the ongoing transition to the energy system of the future' (Table 7.12) Chapter 8 'We will make it easier for you to connect to and use the network (Table 8.14) Chapter 9 'We will provide a safe and reliable network' (Table 9.21) all within section 5 in each chapter 'The justification of our proposals' |
| 40 | Driving efficiency through innovation and competition | 2.84-2.89 | Native competition plan | Chapter 14 'Our total costs and how we provide value for money' Annex NGET_A14.06 Delivering competitive value through procurement |
| 41 | Forecasting and scenarios | 3.1-3.5 | A consistent view of the future | Chapter 3 'The common energy scenario and managing uncertainty' Chapter 7 'We will enable the ongoing transition to the energy system of the future' Chapter 8 'We will make it easier for you to connect to and use the network' |
| 42 | Forecasting and scenarios | 3.6-3.9 | The Net Zero target | Chapter 2 'The route to net zero greenhouse gas emissions' Chapter 3 'The common energy scenario and managing uncertainty' Chapter 7 'We will enable the ongoing transition to the energy system of the future' Chapter 11 'We will care for the environment and communities' Annex NGET_ET.12 Uncertainty mechanisms |
| 43 | Cost information | 3.10-3.14 | Cost information | Chapter 4 'Our track record' Chapters 7-13 section 5 'The justification of our proposals', and section 6 'Our proposed costs for the T2 period' Chapter 14 'Our total costs and we will provide value for money' and all of the supporting annexes under this chapter as listed on page 200 of the business plan Investment Decision packs under each of the chapters as listed on page 200 of the business plan |

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| 1 | Section | Section number | Requirement | Where you can find the key information |
| 44 | Cost information | 3.15 | Under-utilisation | Chapter 7 'We will enable the ongoing transition to the energy system of the future' Chapter 8 'We will make it easier for you to connect to and use the system' in section 7 'How we will manage risk and uncertainty' |
| 45 | Cost information | 3.16 | Business Plans should demonstrate how their expenditure forecasts map onto relevant ODIs and PCDs. | Chapter 7-13 section 4 'Our proposals for the T2 period' |
| 46 | Business plan data templates | 3.17-3.20 | BPDTs | Submitted BPDTs Annex NGET_ET.05A Irregular assurance report |
| 47 | Cost benefit analysis (CBA) and engineering justifications | 3.21-3.22 | Cost benefit analysis and engineering justifications | Investment Decision Packs (see annex list on page 200 of the business plan) |
| 48 | Financial information | 3.23-3.29 | Financial information | Chapter 15 'How our plan should be financed' Annex NGET_A15.01 Finance Annex NGET_A15.01A-O Models submitted as appendices |
| 49 | Presentation | 4.1-4.3 | Presentation | Plan is 200 pages, annex list with additional supporting evidence and technical information is included on page 200 of the business plan for ease of reference |
| 50 | Structure | 4.4-4.6 | Structure | On page 2 of the executive summary we have included 'Navigating our plan against Ofgem's business plan guidance' Annex list is included on page 200 of the business plan for ease of reference This matrix included as an annex for mapping purposes detailing how we have met the minimum requirements and where the key information for assessment is located |
| 51 | Structure | 4.7-4.8 | Cross-referencing | Cross referencing included throughout the business plan, including links to external web pages Chapters 7-13 section 6 'Our proposed costs for the T2 period' also maps to the relevant BPDTs Table narrative included with BPDT's linking to 200 page business plan The use of hyperlinks is not possible within huddle upload environment |
| 52 | Snapshot tables | 4.10 | Companies are requested to submit completed tables alongside the Business Plan, including the October drafts | Annex NGET_ET.07A Consumer value proposition (CVP) snapshot table Annex NGET_ET.08A Outputs snapshot table Annex NGET_ET.12A Uncertainty mechanisms snapshot table |
| 53 | Appendix 1 Sector Specific Business Plan requirements set out in SSMD | 2.36, 2.37 | Stakeholder engagement | Chapter 6 'Giving stakeholders and consumers a stronger voice' and Annex NGET_A6.01 Stakeholder Engagement Strategy |
| 54 | Appendix 1 Sector Specific Business Plan requirements set out in SSMD | 2.139 | Stakeholder satisfaction survey | Executive Summary chapter 5.3 Output Delivery Incentives (ODI's) Chapter 8 'We will make it easy for you to connect to and use the network' Annex NGET_ET.06 Output Delivery Incentives (ODIs) |
| 55 | Appendix 1 Sector Specific Business Plan requirements set out in SSMD | 2.227, 2.235, 2.237, 2.246, 2.264 | Energy not supplied | Executive Summary chapter 5.3 Output Delivery Incentives (ODI's) Chapter 9 'We will provide a safe and reliable network' NGET_A9.11 ENS Incentive |
| 56 | Appendix 1 Sector Specific Business Plan requirements set out in SSMD | 3.35, 3.36, 3.47, 3.50, 3.60 | Environmental considerations embedded in Business Plan | Executive Summary chapter 5.3 Output Delivery Incentives (ODI's) Chapter 11 'We will care for the environment and communities' Annex NGET_A11.05 Environmental Action Plan Annex NGET_ET.06 Output Delivery Incentives (ODIs) |
| 57 | Appendix 1 Sector Specific Business Plan requirements set out in SSMD | 3.96, 3.101 | Transmission losses | Chapter 11 'We will care for the environment and communities' Annex NGET_A11.11 T1 Transmission losses strategy |

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| 1 | Section | Section number | Requirement | Where you can find the key information |
| 58 | Appendix 1 Sector Specific Business Plan requirements set out in SSMD | 3.121, 3.124 | Additional contribution to low carbon transition | Executive Summary chapter 5.3 Output Delivery Incentives (ODI's) Chapter 11 'We will care for the environment and communities' Annex NGET_ET.06 Output Delivery Incentives (ODIs) |
| 59 | Appendix 1 Sector Specific Business Plan requirements set out in SSMD | 3.161, 3.174, 3.178, 3.181 | SF6 and other IIG leakage | Executive Summary chapter 5.3 Output Delivery Incentives (ODI's) Chapter 11 'We will care for the environment and communities' Annex NGET_ET.06 Output Delivery Incentives (ODIs) BPDT A6.5 |
| 60 | Appendix 1 Sector Specific Business Plan requirements set out in SSMD | 3.246 | Mitigating visual amenity impacts in designated areas | Chapter 11 'We will care for the environment and communities' |
| 61 | Appendix 1 Sector Specific Business Plan requirements set out in SSMD | 4.74, 4.80 | Network access policy | Chapter 8 'We will make it easy for you to connect to and use the network' Annex NGET_A8.04 Network Access Policy |
| 62 | Appendix 1 Sector Specific Business Plan requirements set out in SSMD | 4.138, 4.152, 4.161 | Successful delivery of large capital projects | Chapter 7 'We will enable the ongoing transition to the energy system of the future' (5.2.i e 'mitigate impact of late delivery' Page 56) Chapter 9 'We will provide a safe and reliable network (Page 102) |
| 63 | Appendix 1 Sector Specific Business Plan requirements set out in SSMD | 5.13 | Cost assessment | Chapter 14 'Our total costs and how we provide value for money', section 9 'Proposals for managing price uncertainty' Annex NGET_A14.14 RPEs and ongoing efficiency |
| 64 | Appendix 1 Sector Specific Business Plan requirements set out in SSMD | 6.7 | Uncertainty mechanisms | Chapter 3 'The common energy scenario and managing uncertainty' Annex NGET_ET.12 Uncertainty mechanisms |