

Meeting Note

File reference	T:\IPC\009 Knowledge and Information\005_Key_Meetings_Reports\National_Grid
Status	Final
Author	Karl Hardy

Meeting with	National Grid
Meeting date	5 July 2010
Attendees	Sir Mike Pitt, Chair (MP) Jan Bessell, Commissioner (JB) Karl Hardy, Head of Knowledge and Information
Attendees (non IPC)	Nick Winser, Executive Director, Transmission (NW) Catherine McCloskey, Planning Specialist.(CM) Peter Bryant, Senior Project Manager Simon Griew, Commercial Services Manager
Location	National Grid Office, The Strand, London

Meeting Purpose	From National Grid (NG) perspective: establishing feedback on NG's consultation processes; and ongoing engagement between NG and IPC. From IPC's perspective: setting out the processes and rules associated with consultation at the pre-application stage; feedback received by IPC from different parties; and the likely risks to applicants in the process.
------------------------	--

Summary of Outcomes	<p>Introduction</p> <p>NW sought feedback on NG's consultation process, setting out careful trade-offs on economic, social and environmental issues, and in the scope of options presented.</p> <p>MP set out IPC's future, outlining that change is on the horizon, reflecting on the ministerial statement on infrastructure planning, and that applicants should continue with their applications. MP set out that integration between IPC and Planning Inspectorate will take place over the next 18 to 24 months.</p> <p>MP/JB expressed that attendance at this meeting rules them out from considering future NG promoted overhead electricity transmission NSIPs at the examination stage, to ensure IPC impartiality.</p> <p>Consultation Approach in the Act</p> <p>MP reflected on the Planning Act 2008 (S55) to set out the emphasis it gives to Local Authority consultees giving a view on</p>
----------------------------	---

the adequacy of consultation, and the need for the Commission to take this into account. Also, MP outlined that applicants would be sensible to consider what local communities might reasonably expect: to help inform local community opinion for and against a range of options and issues, as well as what the public might expect from S49 of the Act for applicants 'to have regard to' responses to consultation and publicity.

Managing uncertainty in approach

NW asked how can NG reduce uncertainty in the consultation approach in terms of what might be acceptable, and reflected on NG's experience at Tirley, Gloucestershire (above ground gas installation project proceeding via the previous planning regime).

JB outlined that applicants must prepare and comply with their Statement of Community Consultation under S47 of the Act. IPC would consider the SOCC as part of its assessment of the consultation and pre-application procedure, and whether ultimately to accept the application. MP outlined the importance of applicants responding to feedback with a view to the S49 duty.

JB also emphasised the importance of the SOCC in terms of NG needing to follow the SOCC process. To date, feedback from interested parties has set out that a SOCC covers the 'how' and 'who' in terms of approach, but not specifically the 'what' on content. Interested parties have relayed issues on limited context and/or content: while there are opportunities to engage in the SOCC's framework, interested parties continue to raise issues where frameworks don't provide opportunity to flex to take account of dialogue on, say, options.

JB also set the consultation requirements in the context of the duty to take account of responses to consultation and publicity (s49) and that when reviewing an application for acceptance the consultation report would be reviewed as one of the application documents (s37) and consideration made of the account taken of any relevant responses to consultation

Moving forward with the options

NW asked how NG could achieve a balance to meet the needs of local community without disproportionate consultation on unviable options. MP suggested that in other situations looking at issues from a community perspective have been shown to be helpful. MP also suggested that sometimes he finds it helpful when thinking through matters to start with a clean sheet of paper and look afresh at situations without being encumbered with what has gone before. Ultimately, the decision on what to do rests with the applicant, and the IPC does not direct or advise any particular course of action.

NW asked what this meant to NG's process of consultation, considering Stages 1 and 2. JB reflected feedback from local

communities and LAs, that optioneering tended to be skewed to emphasise technical and economics in Stage 1. JB reflected on the balance being requested by different interested parties on the approach to an equitable and balanced comparison of the options across technical, environmental, social and economic considerations.

JB also reflected on wider established planning practice of external or independent scrutiny and/or audit to provide confidence on the information being provided help demonstrate robustness.

NG agreed to reflect on their processes.

Questions from IPC

Q1 Would NG be interested in taking up a research proposal to look at the costs of under grounding, with for example a organisation such as ICE offering to be a critical friend?

A1 NG to look at taking this forward.

Q2 What will be the impact of Smart-Grid?

A2 NG to manage expectations on what Smart-Grid means to NG's programme of projects as referred to in their transmission reinforcements diagram, and how this would be affected.

Q3 What can be learned from the Scotland case Beaully-Denny transmission line consenting?

A3 NW would look into this and on the undergrounding approach.

Q4 Will NG be relying on evidence from OFGEM to justify their choice of options?

A4 NW said that this was not the case. NG has freedom in relation to capital expenditure, but it must be mindful of its statutory duty to be economical when it invests. Ofgem will judge this when determining whether to allow NG to earn return and depreciation on its investments. NG asked whether the IPC would take account of NG's statutory duties when determining applications.. IPC outlined that such issues could fall within S104(2)(d) and for Secretary of State decisions under S105(2)(c) concerning 'other matters' which are important and relevant to the decision.

Q5 Other questions posed by consultees related to how whole life costings (WLC) are considered on options, whether those options that have high Capex may have lower Opex, and how international experience harnessed?

A5 NG noted that it was aware of these questions and would respond to them accordingly through the consultation process.

Alternative options and risks

NW asked if alternatives could be put forward for consent. JB outlined that there is narrow scope in a Development Consent Order (DCO) to set out alternatives. But applicants should seek

	<p>their own legal advice on presenting alternatives or flexibility in the application, given the risk of the pre-application consultation or EIA not having sufficiently covered the flexibility sought. JB reminded NG that established case law provided relevant context for these considerations.</p> <p>It was also noted that the new regime did not provide a process for making material changes to the application in the examination process. There is a power in the Act to make Regulations about making material changes to applications and there may be further detail provided by CLG at some point in the future.</p> <p>JB also reminded NG that IPC could only accept applications for projects that fall within the definition of an NSIP unless directed by the relevant SoS to consider a project. In this case, that relates to the installation of an electric line above ground and not a wholly or mainly underground line. This would need to be carefully considered by NG in terms of presenting the draft DCO.</p> <p>High court challenge risks</p> <p>MP and JB referred to the risks of accepting a weak application which might lead to an increased risk of judicial review, which would not be in the interests of any party.</p>
Record of any advice given	This note will be reflected as Section 51 advice. This will feature in IPC's advice log.
Specific decisions/follow up required?	1) National Grid to follow up on under grounding costs research. In this context NG welcomed MP's reference to the ICE being willing to be engaged in any future review or exercise and noted the point.
Circulation List	Attendees, Ian Gambles, Helen Adlard, Mark Wilson, Tom Carpen, Pauleen Lane, Robert Upton, Katharine Bryan