

Network Asset Risk Methodology document consultation

10 March 2023

Network Asset Risk Methodology document

National Grid Electricity Transmission is obliged to review the Network Asset Risk Methodology (NARM) and its associated documentation in accordance with NGET's License condition SpC 9.2. These documents may be modified from time to time, to better facilitate the NARM objectives. The NARM consists of a Common Methodology, adopted by all Transmission Licensees in GB, plus a network specific annex.

The NGET Network Asset Risk Annex (NARA) covers the detail required to implement the Common Methodology. Technical requirements and functionality of different networks mean individual implementations can differ.

The Electricity Transmission Owners have been working with Ofgem in auditing the Methodology with the purpose of identifying areas of improvement and/or further development of the NARM Methodology. This process was initiated in 2022 and aims to set a clear development road map for the NARM Methodology. This process has provided both licensees and Ofgem with clarity of the necessary work, allowing resource planning and ensuring transparency in the process.

Following the methodology audit, there have been identified areas for improvement and/or further development and those have been classified in three different categories related to the scale of work and timescales associated with the changes, those are:

- Category 1. Short term methodology modifications, focus on facilitating transparency and completeness of the Methodology documents.
- Category 2. Short to medium term methodology modifications, focus on improving alignment within and across sectors.
- Category 3. Medium to long term methodology modifications, focus on expanding the methodology to incorporate new assets and refining the calibration values to ensure comparability analysis of Monetised Risk between different networks.

This consultation corresponds to the Category 1 agreed modifications. The revised material are provided below for reference. A brief summary of the proposed changes and questions for consultation are given in the attached Stakeholder Consultation document.

SSEN Transmission and SP Transmission are also consulting on the Common Methodology & their respective annexes; details available on their respective websites.

https://www.spenergynetworks.co.uk/pages/narm_methodology_modification_march_2023.aspx

<https://www.ssen-transmission.co.uk/information-centre/Network-Asset-Risk-Metric/>

How to respond.

Any modification requires a period of public consultation. Stakeholder feedback is actively sought and welcomed.

The consultation for Issue 6 of the NARA and Issue 1 of the NARM Common methodology launched on 10th March 2023.

Please reply to narmconsultation@nationalgrid.com no later than midnight on 7th April 2023.