

Appendix G

Response from Pylons East Anglia Ltd to the Applicant’s “Deadline 1” submissions that refer to the “Green Book”
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Contents

Introduction	2
Document: EN020027-001967-8.4.1 Applicant's Comments on Relevant Representations	3
Document: EN020027-001971-8.4.6 Applicant’s comments on submissions received at Procedural Deadline A.....	14
Document: EN020027-001973-8.5.2 - Applicant's Written Summary of Oral Submission and Response to Action Points for Compulsory Acquisition Hearing 1 ..	16
Document: EN020027-001975-8.5.4 Applicant's Response to the Open Floor Hearings	17

Introduction

- We seek to understand why the applicant does not address our full HMT Green Book appraisal, as submitted at registration with the Planning Inspectorate.
- The Applicant states that the *“Green Book provides guidance on the appraisal of public policies, programmes and projects to ensure effective use of public funds”*. Both the project and the funds are public as the Applicant’s spending is recouped through a compulsory levy on a public necessity, through a statutory monopoly, on infrastructure of national strategic importance, whose costs and consequences fall entirely on the public.
- We also discuss how the Green Book applies to *“infrastructure spending and interventions that involve the use of public money or have a societal impact”*. Therefore *“societal impact”* alone is sufficient justification.
- Use of the Green Book does have precedent in planning decisions. For example, in the examination of the North Essex Authorities Local Plan, in 2020, Inspector Roger Clews included references to the need to adhere to contingencies set out in guidance accompanying the Green Book. (We submit the Inspector’s report as a separate attachment, and the relevant paragraphs are 217 and 218).
- Processes associated with the Green Book need to be used to achieve compliance with the economic, social and environmental objectives set out in the National Policy Statements. Both the 2023 and 2025 versions of Overarching National Policy Statement for Energy (EN-1) reference use of the *“Enabling a Natural Capital Approach”* (ENCA), which is a key process in the HMT Green Book.
- The *“Appraisal of Sustainability”* report for the 2023 National Policy Statements for Energy endorses *“Alignment with HM Treasury Green Book principles”* when *“conducting strategic options appraisal”*. The most compelling use of the Green Book on this project is for the balanced analysis of alternatives for best outcomes.
- The *“Appraisal of Sustainability”* report for the 2025 National Policy Statements for Energy makes some very pertinent points, such as those in relation to *“Communities: Physical Health and mental wellbeing”*. The Green Book *“Enabling a Natural Capital Approach”* integrates the value of nature into decision making to improve physical and mental health.
- Ofgem, in its role as the economic regulator, has made it clear that financial costs are not the only consideration when considering alternatives.
- The legal requirement to use the Green Book is confirmed in Opinion from Lord Charles Banner KC.
- This is no reference to the HMT Green Book in the Applicant’s updated Funding Statement. Applied properly this would have a significant impact on the way that the costs are presented.
- There are simply no legitimate reasons for not fully adopting the HMT Green Book and the associated Natural Capital methodologies. There are instead many reasons why the Green Book should be fully adopted, as discussed in this document.

Document: EN020027-001967-8.4.1 Applicant's Comments on Relevant Representations¹

Pages 7-8

Theme	National Grid’s high-level response
<p>Treasury Green Book</p>	<p>HM Treasury’s The Green Book provides guidance on the appraisal of public policies, programmes and projects to ensure effective use of public funds. It is not a requirement of the Planning Act 2008, and there is no obligation for an application for development consent to include a Green Book assessment. Its use in the context of development consents is limited to public projects such as highways.</p> <p>That said, while not mandated, Green Book principles inform the wider regulatory and appraisal framework, including the processes overseen by Ofgem, and therefore influence how DCO applications are developed and justified.</p> <p>National Grid’s appraisal approach is aligned with Ofgem’s funding and regulatory requirements and demonstrates compliance with the economic, social and environmental objectives set out in the National Policy Statements. Throughout project development, core appraisal principles are applied to ensure decisions deliver value for money, efficiency and proportionate outcomes.</p> <p>National Grid is confident that its assessment and decision-making process is robust, proportionate and appropriate. This approach has been consistently tested and endorsed through previous projects, formal examination, and ultimately decisions taken by the relevant Secretary of State.</p> <p>A full, transparent and auditable cost model underpins the options appraisal, clearly setting out how costs have been assessed and compared across alternatives. This is available in 7.19 2023 - Strategic Options Backcheck and Review [APP- 357] and 7.17 Strategic Options Backcheck and Review [APP- 355] Appendix D Economic Appraisal, which sets out in transparent detail how options appraisal costs were evaluated.</p>
<p>Pylons East Anglia’s response to National Grid’s high-level response</p>	
<p>In relation to the term “<i>public funds</i>”:</p> <p>Firstly, the transmission network is a public asset. The network is public in character, even if privately owned. The network delivers a public service. When National Grid spends money on infrastructure, it does not spend money it has earned through competition or efficiency. It spends money that Ofgem, a Government body, has permitted it to recover through charges to network users.</p>	

¹ <https://nsip-documents.planninginspectorate.gov.uk/published-documents/EN020027-001967-8.4.1%20Applicant's%20Comments%20on%20Relevant%20Representations.pdf>

Secondly, these are charges which are ultimately passed on to every electricity consumer in the country. Consumers cannot opt out. They cannot shop around for a cheaper transmission network. The money is extracted from them as surely as a tax or a utility rate — the only difference is that it flows through a private company rather than a government department. The economic substance is identical to public spending: involuntary contributions from the public, for a purpose they cannot influence or avoid, on infrastructure they collectively depend upon.

As stated by Ofgem: *“In Great Britain energy networks are privately owned monopolies funded through consumer bills. Consumers can’t choose their local network providers and have no choice but to use their services”*².

Thirdly, the social costs and benefits fall entirely on the public. The Green Book exists precisely to ensure that when public costs are incurred, the *full* social costs and benefits are weighed. Why should National Grid receive all the benefits and not consider the public social costs and impacts as per the Green Book?

“Societal impact”

It should also be noted that Green Book guidance would apply even if only considering the societal impact. HM Treasury document *“Valuing infrastructure spend: Supplementary guidance to the Green Book”* states that it is applicable to *“infrastructure spending and interventions that involve the use of public money or have a societal impact”*³ (emphasis added). Electricity networks and other forms of energy infrastructure are referenced in the guidance. The proposed infrastructure clearly has *“societal impact”* and therefore Green Book guidance applies based on this aspect alone. The full paragraph is below:

“To ensure that the UK’s economic infrastructure is able to fulfil its purpose, in facilitating the operation of our society and economy, this document supports effective decision-making in relation to infrastructure spending and interventions that involve the use of public money or have a societal impact”.

The distinctions presented by the Applicant relating to funding are spurious and a distraction from the main issues. Also, in relation to energy bills the Government has shown that the source of funds can be readily switched between customer bills and general taxation. This was demonstrated in the 2025 Budget with the Government deciding to fund 75% of the domestic cost of the legacy Renewables Obligation to reduce household energy bills⁴:

² <https://www.ofgem.gov.uk/publications/case-study-uk-price-controls-net-zero-energy-networks>

³

https://assets.publishing.service.gov.uk/media/5a75bdc3e5274a545822dde0/PU1798_Valuing_Infrastructure_Spend_-_lastest_draft.pdf

⁴ <https://www.gov.uk/government/publications/budget-2025-document/budget-2025-html>

“The Budget is delivering a package of measures to remove around £150 of costs on average from household energy bills across Great Britain from April 2026.[footnote 77] This will be delivered through the government funding 75% of the domestic cost of the legacy Renewables Obligation for the rest of this spending review period from 2026-27 to 2028-29 and ending the Energy Company Obligation which is currently funded through energy bills.”⁵

Re. NG comment: *“It is not a requirement of the Planning Act 2008, and there is no obligation for an application for development consent to include a Green Book assessment”.*

Please refer to Opinion from Lord Charles Banner KC⁶.

The use of the Green Book has also precedent in planning decisions. For example:

- In the examination of the North Essex Authorities Local Plan⁷ in 2020, the Inspector, Roger Clews, included references to the need to adhere to contingencies set out in guidance accompanying the Green Book.
- Hinkley Point C: Value for Money Assessment⁸ (in relation to net social benefits).
- Lower Thames Crossing - Summary Business Case⁹.
- The Department for Transport “Wider Economic Impacts Appraisal”^{10, 11}.
- The East West Rail Business Case Process¹²

Re. NG comment: *“Its use in the context of development consents is limited to public projects such as highways”.*

As highway projects are also linear infrastructure this is a very relevant example, and poses the question of “why should DCOs for electricity infrastructure be treated any differently?”

Re. NG comment: *“...Green Book principles inform the wider regulatory and appraisal framework, including the processes overseen by Ofgem”.*

This of course does not make NGET processes compliant with the Green Book. There is instead a strong argument to integrate these principles in NGET’s work to provide end-to-end compliance.

⁵ <https://www.gov.uk/government/publications/budget-2025-document/budget-2025-html>

⁶ <https://nsip-documents.planninginspectorate.gov.uk/published-documents/EN020027-000158-5.1%20Consultation%20Report%20-%20Appendix%20N%20Legal%20Opinions.pdf>

⁷ <https://www.braintree.gov.uk/downloads/file/2940/examiners-report-on-the-examination-of-nea-s1-10th-dec-2020>

⁸ https://assets.publishing.service.gov.uk/media/5a8226f8ed915d74e6236106/Detailed_value_for_money_assessment.pdf

⁹ https://nationalhighways.citizenspace.com/ltc/lower-thames-crossing-consultation/user_uploads/lower-thames-crossing-consultation-summary-business-case.pdf

¹⁰ <https://www.gov.uk/guidance/transport-analysis-guidance-tag>

¹¹ <https://assets.publishing.service.gov.uk/media/6899ec58586f9c9360656a93/tag-unit-a2-1-wider-economic-impacts-appraisal-may-25.pdf>

¹² <https://eastwestrail.co.uk/planning/our-business-case>

NG is delivering a public service regulated by a Government body, Ofgem, which is, in turn subject to the Treasury Green Book.

Re. NG comment: *“National Grid’s appraisal approach is aligned with Ofgem’s funding and regulatory requirements and demonstrates compliance with the economic, social and environmental objectives set out in the National Policy Statements.”*

Contrary to this comment, the use of the Green Book tools is necessary to achieve *“compliance with the economic, social and environmental objectives set out in the National Policy Statements”*. For example:

1. Overarching National Policy Statement for Energy (EN-1) references use of the *“Enabling a Natural Capital Approach”*, which is a key process in the HMT Green Book.

Section 4.6.16 in both the 2023 and 2025 versions of EN-1 states: *“Applicants should make use of available guidance and tools for measuring natural capital assets and ecosystem services, such as the Natural Capital Committee’s ‘How to Do it: natural capital workbook’, the government’s guidance on Enabling a Natural Capital Approach (ENCA), and other tools that aim to enable wider benefits for people and nature”*.

The authors of this guidance, the Natural Capital Committee (NCC), were very clear on the applicability to infrastructure projects. Its *“End of Term Report”* states: *“The NCC recommends that all infrastructure projects should take full account of natural capital by including it in the project appraisal process as per the Green Book guidelines.”*¹³

The Government’s Guidance on Enabling a Natural Capital Approach (ENCA)¹⁴ shows the how wide the scope should be.

2. The *“Appraisal of Sustainability”*¹⁵ report for the 2023 National Policy Statements also endorses *“Alignment with HM Treasury Green Book principles”* when *“conducting strategic options appraisal”*. This is to *“help ensure that development proposals are approached in a holistic way that optimises the social / public value and will help ensure a joined-up approach to development”*.

¹³ <https://assets.publishing.service.gov.uk/media/5f9c3befe90e070428701525/ncc-end-of-term-report.pdf>

The NCC report is also available at: <https://www.theoep.org.uk/our-reports-and-publications>

¹⁴ <https://www.gov.uk/guidance/enabling-a-natural-capital-approach-enca>

¹⁵ <https://assets.publishing.service.gov.uk/media/655dff3d544aea000dfb3287/appraisal-sustainability-main-report.pdf>

Extract from page 73 of:

**National Policy Statements for Energy
Appraisal of Sustainability - Main Report**

November 2023

- **Alignment with HM Treasury Green Book principles**
- consideration of HM Treasury Green Book approaches when conducting strategic options appraisal. While this guidance is aimed primarily at public servants and decision makers, its use by all would help ensure that development proposals are approached in a holistic way that optimises the social / public value and will help ensure a joined up approach to development.

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3. The “*Appraisal of Sustainability – Main Report*” relating to the “*National Policy Statement for Energy – Update 2025*”¹⁶ makes some very pertinent points, such as those in relation to “*Communities: Physical Health and mental wellbeing*”. Some examples are copied below:

“Indirectly, health and wellbeing levels could be improved through secondary effects of policies that help to create healthy environments. This involves the protection of existing and creation of new open spaces...”

“Good design principles can combine with broader green infrastructure as key factors in fostering active travel, recreation and healthy lifestyles”.

“The NPS should seek to ensure continued access to and provision of quality greenspace along with improvement of the physical environment in general. Ensuring continued or enhanced access to employment, educational, recreational / leisure and health services and facilities, along with adequate provision, should also be a priority.”

“Improved walking and cycling facilities, along with open spaces and outdoor recreational facilities are vital to ensuring people have opportunities to undertake informal and formal physical activity outdoors in a safe manner. This will help to increase physical activity levels and improve general health and wellbeing”.

Considerations such as these are seen to be increasingly important. Overhead lines can be very detrimental to the benefits the physical environment provides. The Green Book provides best practice for making the necessary assessments. Report “*Norwich to Tilbury Project Green Book Analysis*”¹⁷ which was included as part of the

¹⁶ <https://assets.publishing.service.gov.uk/media/695ccc7053866d6cdff21b44/appraisal-of-sustainability.pdf>

¹⁷ https://nsip-documents.planninginspectorate.gov.uk/published-documents/EN020027-000805-Norwich%20to%20Tilbury_Green%20Book%20Analysis_1.pdf

representation by Pylons East Anglia Ltd submitted on 26 November 2025 references data from “*Enabling a Natural Capital Approach*” (ENCA) case studies published by the Government and data on “ecosystem service” asset value from the ONS UK Natural Capital Accounts 2024 including “*Recreation (health benefits)*”.

The Green Book is also an essential accredited tool for compliance with the Environmental Principles Policy Statement (EPPS), which came into force on 1 November 2023, as part of the Environment Act 2021.

Best outcomes

The reason that Pylons East Anglia is arguing so vociferously for Treasury Green Book guidance to be followed is that it ensures best outcomes. It’s most relevant requirement, for present purposes, is that a proper options appraisal must be conducted — one that examines a genuine range of alternatives, including "do minimum" and alternative delivery methods, against whole-life costs and full social costs and benefits.

Summary

The applicant’s spending is recouped through a compulsory levy on a public necessity, through a statutory monopoly, on infrastructure of national strategic importance, whose costs and consequences fall entirely on the public. The only things that distinguish this from conventional public spending are the legal form of the entity and the accounting label applied to the money. Neither distinction is morally or economically meaningful. The Treasury Green Book was designed for exactly this situation: to ensure that those who wield effective public power over public resources do so transparently, rigorously, and in the genuine public interest. To exempt National Grid from it is to leave a decision affecting millions of people entirely outside the framework of public accountability that governs every comparable decision in government.

Planning policy (Pages 43-44)

Summary of matters raised	National Grid’s response
Comments about HM Treasury Green Book not being considered properly	The Applicant is confident that the process we follow to identify and then assess potential strategic options is robust and the most appropriate. This has been tried and tested through numerous previous projects, the formal Examination process and ultimately decided by the relevant Secretary of State. The Treasury Green Book provides guidance on the interpretation by public servants of public spending, assets and resources for

	<p>projects, policies and spend from the public purse. That is not relevant for National Grid Electricity Transmission (NGET). There is no requirement in the Planning Act 2008 for developers to have to submit a Treasury Green Book assessment as part of a Development Consent Order (DCO) application. NGET is an Ofgem regulated business, with obligations to consider customer, environmental and other considerations as outlined in the Electricity Act 1989 and in its licence commitments. Consideration of the costs of a project and the funding it should receive via the regulatory settlement is the subject of a separate regulatory process, and it is not appropriate for the Planning Inspectorate, Examining Authority or the Secretary of State in their remit under the Planning Act 2008 to seek to duplicate other regimes.</p>
<p>Pylons East Anglia’s response to National Grid’s response</p>	
<p>No additional comments are made as Pylons East Anglia Ltd has responded to the points raised in this section elsewhere in this document.</p>	

Needs Case (Page Z5)

<p>Comment</p>	<p>National Grid’s response</p>
<p>Needs Case 2.10. How can National Grid justify the statement on page 8 of the ‘Backcheck’, that, “Pg 8 The CPRSS concluded, taking all socioeconomic, environment, technical and cost factors, into account, that the preferred solution was...”, when Treasury Green Book guidance which sets parameters for the appraisal of alternatives was not followed? How can National Grid appraise the difference between the socio-economic and natural capital impacts of the land-based options that it dismissed, given that they were not appraised using the Treasury Green Book, and therefore not quantified, and when other options have not been appraised at all? The Treasury Green Book is mandatory. We submit our own Green Book compliant analysis.</p>	<p>HM Treasury’s The Green Book² is guidance issued by HM Treasury on how to appraise policies, programmes and projects. It is intended to ensure that public funds are spent effectively and is applicable to decisions requiring economic justification. Whilst The Green Book is not mandated for the Applicant’s Development Consent Order (DCO) projects, its principles underpin the regulatory and appraisal process overseen by Ofgem and influence how development consent applications are prepared. The Applicant aligns its appraisals to satisfy Ofgem’s funding requirements and demonstrate compliance with the economic, social and environmental objectives outlined in National Policy Statements. In all its processes they follow core principles to ensure economic, social and environmental appraisals align with value for money and efficiency goals.</p>

Pylons East Anglia’s response to National Grid’s response
No additional comments are made as Pylons East Anglia Ltd has responded to the points raised in this section elsewhere in this document.

Project Finance (Page Z14)

Comment	National Grid’s response
Appendix 15 - Norwich to Tilbury Project Green Book Analysis [An analysis of N2T using the HM Treasury Green Book, which concludes that the current proposal would cause significantly greater harm to communities, natural capital, property values and local businesses than underground or offshore alternatives.]	The Treasury Green Book14 is guidance issued by HM Treasury on how to appraise policies, programmes and projects. It is intended to ensure that public funds are spent effectively and is applicable to decisions requiring economic justification. Whilst the Treasury Green Book is not mandated for the Applicant’s Development Consent Order (DCO) projects, its principles underpin the regulatory and appraisal process overseen by Ofgem and influence how DCO applications are prepared. The Applicant aligns its appraisals to satisfy Ofgem’s funding requirements and demonstrate compliance with the economic, social and environmental objectives outlined in National Policy Statements. In all its processes they follow core principles to ensure economic, social and environmental appraisals align with value for money and efficiency goals.
Pylons East Anglia’s response to National Grid’s response	
Since the initial consultations on the Norwich to Tilbury project, Pylons East Anglia Ltd has requested the Applicant to use the HM Treasury Green Book to evaluate alternative options. To illustrate the importance of using the Green Book an exercise was carried out by Pylons East Anglia Ltd, as discussed in report “Norwich to Tilbury Project Green Book Analysis”. It is noted that the Applicant has neither challenged the analysis nor the conclusions drawn in the report.	

Alternatives (Page Z16)

Comment	National Grid’s response
Alternatives Appendix 19 - Inadequate consideration of alternatives [Raises concerns that the scheme as presented at the 2024 Statutory Consultation was inadequate in its consideration o and consultation on alternatives, and that	The development of the Project from consideration of strategic options through to detailed siting of individual elements has been comprehensively set out in documents published in support of consultation and the DCO application, This includes Statement of Reasons - Appendix A - Compulsory Acquisition Schedule [APP-060], 5.15 Design Development Report [APP-122] and [APP-355 to APP-360]. Alternatives in the context of the EIA Regulations have been described in 6.3 Environmental Statement Chapter 3 – Alternatives [APP-127]. Additionally, chapter 2 of 5.15 Design Development Report [APP-122] sets out why we consult on a single

<p>the appraisal of alternative did not sufficiently adhere to the Treasury Green Book, as is legally required.]</p>	<p>project. We do present the alternatives and reasons for our preferences but it would be disingenuous to present alternatives by way of a choice in circumstances where the alternative fails to meet our duties. The Applicant has provided a further response regarding its compliant approach to consultation in response to Appendix 6 of the RR, above.</p>
<p>Pylons East Anglia’s response to National Grid’s response</p>	
<p>As discussed in the Pylons East Anglia Ltd report “Norwich to Tilbury Project Green Book Analysis”¹⁸ Ofgem, as the economic regulator, has previously made it clear that financial costs are not the only consideration when considering alternatives.</p> <p>Ofgem has stated that “companies must demonstrate they have considered and consulted on alternative options, such as different routes, undergrounding and subsea cables” and that ensuring costs are “efficient”, “does not mean that we will always approve the lowest cost option”. More details and the associated references are provided below:</p> <p>Ofgem has highlighted that: <i>“companies must take into account the environmental impacts of new investment. This includes the visual impact of new infrastructure. The companies must demonstrate they have considered and consulted on alternative options, such as different routes, undergrounding and subsea cables.”</i>^{19 20}</p> <p>The message was reinforced in a letter dated 31 July 2025 from Akshay Kaul, Director General for Infrastructure, to NESO and transmission owners (such as National Grid), which states the following for example:</p> <p><i>“...These solutions may not always be the cheapest option but rather the ones that drive long-term consumer benefit alongside clear evidence of the benefits to, and consideration of, local communities”.</i></p> <p><i>“We expect NESO and TOs to work together, fully considering environmental and community impacts at the design stage before recommending major infrastructure projects.”</i></p> <p><i>“NESO must take into account views of the local communities and incorporate those into its strategic plans where appropriate.”</i></p> <p><i>“TOs must give proportionate consideration of wider socio-economic impacts when designing their projects.”</i></p> <p><i>“As the economic regulator, Ofgem will continue to support project designs and network solutions that are in the consumers’ best interest, finding the balance between present and future needs. While Ofgem will continue to scrutinise project costs to ensure these are efficient, it does not mean that we will always approve the lowest cost option. We recognise there are long-term benefits and community</i></p>	

¹⁸ https://nsip-documents.planninginspectorate.gov.uk/published-documents/EN020027-000805-Norwich%20to%20Tilbury_Green%20Book%20Analysis_1.pdf

¹⁹ <https://www.ofgem.gov.uk/guidance/visual-amenity-and-network-regulation-factsheet>

²⁰ https://www.ofgem.gov.uk/sites/default/files/docs/2011/10/109-visual-amenity-factsheet_0.pdf

considerations that must be considered in a proportionate way alongside financial costs”^{21 22}.

Planning Policy (Page Z16 and Z17)

Comment	National Grid’s response
<p>1.4. We are also not in agreement that CNP status provides a get out-of-jail free card that allows National Grid to fail to consult lawfully, to neglect alternatives that cause less societal, economic and environmental harm while still meeting need, to underestimate the harms caused by the Norwich to Tilbury project and to fail to adhere to Treasury Green Book guidance.</p>	<p>With regard to legally compliant consultation, please see the Applicant’s response to paragraph 1.3.1 and Appendix 6 in this table. With regard to comments on the Green Book, please see the Applicant’s response to additional Appendix 3 below.</p> <p>The Applicant can confirm that all legal duties on it have been fully complied with. The Applicant is not seeking to circumvent legal duties off the back of CNP (or any other) policy. Policy supports the Applicant’s approach beyond the legal requirements as already met. Furthermore, the Planning Act 2008 legally requires applications to be determined in accordance with relevant policy. The Applicant recognises that under CNP policy, there remains an overall planning balance that must be considered. The Applicant provides a summary of this planning balance in Chapter 8 of the 5.6 Planning Statement [APP-085] in accordance with the NPS EN-1 (2024) and EN-5 (2024) framework, following a detailed assessment of the Project and its likely effects. Pursuant to 3.2.7 of NPS EN-1 (2024) substantial weight should be given to the need for energy infrastructure when considering applications for development consent. Paragraph 4.1.3 also sets out a presumption in favour of granting consent for energy Nationally Significant Infrastructure projects (NSIPs). EN-1 further provides that there is a critical national priority (CNP) for the provision of nationally significant low carbon infrastructure. The CNP Policies address how residual effects are considered in the planning balance.</p>
<p>1.5. Even IF Norwich to Tilbury is considered to be a CNP project, it remains the case that National Grid must still balance other factors, and we present evidence to demonstrate that it has not done so.</p>	<p>Given the Project qualifies as CNP Infrastructure, paragraph 3.3.63 of EN-1 confirms the urgent need for CNP Infrastructure to achieving our energy objectives, together with the national security, economic, commercial, and net</p>

²¹ <https://www.ofgem.gov.uk/transparency-document/public-consultation-and-engagement-infrastructure-build-letter-neso-and-transmission-owners>

²² <https://www.ofgem.gov.uk/sites/default/files/2025-08/20250731%20Letter%20from%20Ofgem%20to%20NESO%20and%20TOs%20RE%20Community%20Engagement%20and%20Consultation.pdf>

	<p>zero benefits, will in general outweigh the residual effects that remain following application of the mitigation hierarchy as set out in 6.5 Environmental Statement Chapter 5 – EIA Approach and Method [APP-145] and 5.6 Planning Statement [APP-085]. EN-1 paragraph 4.1.7 provides ‘... For projects which qualify as CNP Infrastructure, it is likely that the need case will outweigh the residual effects in all but the most exceptional cases’.</p> <p>The Applicant considers that the substantial need for the Project is clear and urgent and the mitigation hierarchy has been applied, all in accordance with EN-1 and EN-5. The residual environmental effects of the Project fall within the category of non-HRA or non-MCZ impacts where, following the application of the mitigation hierarchy, the further CNP presumption in favour of the Project applies to the planning balance and outweighs such residual effects.</p>
<p>Pylons East Anglia’s response to National Grid’s response</p>	
<p>No additional comments are made as Pylons East Anglia Ltd has responded to the points raised in this section elsewhere in this document.</p>	

Needs Case (Pages Z22 and Z23)

Comment	National Grid’s response
<p>Needs Case Additional Appendix 3 - Green Book Analysis Calcs [An analysis comparing the mostly overhead HVAC N2T transmission proposal with a fully underground HVDC alternative. Quantifies lifetime power transfer costs, community and government benefits, natural capital and property value impacts, construction requirements, and business disruption to show the relative economic, social and environmental impacts of each option.]</p>	<p>The Applicant has responded with regard to consideration of HM Treasury Green Book20 in response 9-2.267 in the Consultation Report (5.1 Consultation Report [APP-066]): National Grid is confident that the process we follow to identify and then assess potential strategic options is robust and the most appropriate. This has been tried and tested through numerous previous projects, the formal examination process and ultimately decided by the relevant Secretary of State. The Treasury Green Book provides guidance on the interpretation by public servants of public spending, assets and resources for projects, policies and spend from the public purse. That is not relevant for National Grid Electricity Transmission (NGET). There is no requirement in the Planning Act 2008 for developers to have to submit a Treasury Green Book assessment as part of a Development Consent Order (DCO) application. NGET is an Ofgem regulated business, with obligations to consider customer, environmental and other considerations as outlined in the Electricity Act 1989 and in its licence commitments. Consideration of the costs of a project and the funding it should receive via the regulatory settlement is the subject of a separate</p>

	regulatory process, and it is not appropriate for the Planning Inspectorate, Examining Authority or the Secretary of State in their remit under the Planning Act 2008 to seek to duplicate other regimes.
Pylons East Anglia's response to National Grid's response	
No additional comments are made as Pylons East Anglia Ltd has responded to the points raised in this section elsewhere in this document.	

Document: EN020027-001971-8.4.6 Applicant's comments on submissions received at Procedural Deadline A²³

Alternatives (Pages 10 and 11)

Comment	National Grid's response
10. And closely related to the above points we highlight again that NG has failed to follow Treasury Green Book Guidance in the formulation of this project. The ExA must pay close attention to this.	The Applicant is confident that the process we follow to identify and then assess potential strategic options is robust and the most appropriate. This has been tried and tested through numerous previous projects, the formal examination process and ultimately decided by the relevant Secretary of State. The Treasury Green Book ² provides guidance on the interpretation by public servants of public spending, assets and resources for projects, policies and spend from the public purse. That is not relevant for National Grid Electricity Transmission (NGET). There is no requirement in the Planning Act 2008 for developers to have to submit a Treasury Green Book assessment as part of a Development Consent Order (DCO) application. NGET is an Ofgem regulated business, with obligations to consider customer, environmental and other considerations as outlined in the Electricity Act 1989 and in its licence commitments. Consideration of the costs of a project and the funding it should receive via the regulatory settlement is the subject of a separate regulatory process, and it is not appropriate for the Planning Inspectorate, Examining Authority or the Secretary of State in their remit under the Planning Act 2008 to seek to duplicate other regimes.
Pylons East Anglia's response to National Grid's response	
No additional comments are made as Pylons East Anglia Ltd has responded to the points raised in this section elsewhere in this document.	

²³ <https://nsip-documents.planninginspectorate.gov.uk/published-documents/EN020027-001971-8.4.6%20Applicant%E2%80%99s%20comments%20on%20submissions%20received%20at%20Procedural%20Deadline%20A.pdf>

Alternatives (Page 21)

Comment	National Grid's response
<p>4.2.17. As per our many representations to National Grid, including a legal opinion, we seek to understand why the Applicant has not followed the Treasury Green Book guidance for consideration of alternatives.</p>	<p>The Applicant is confident that the process we follow to identify and then assess potential strategic options is robust and the most appropriate. This has been tried and tested through numerous previous projects, the formal examination process and ultimately decided by the relevant Secretary of State. The Treasury Green Book5 provides guidance on the interpretation by public servants of public spending, assets and resources for projects, policies and spend from the public purse. That is not relevant for National Grid Electricity Transmission (NGET). There is no requirement in the Planning Act 2008 for developers to have to submit a Treasury Green Book assessment as part of a Development Consent Order (DCO) application. NGET is an Ofgem regulated business, with obligations to consider customer, environmental and other considerations as outlined in the Electricity Act 1989 and in its licence commitments. Consideration of the costs of a project and the funding it should receive via the regulatory settlement is the subject of a separate regulatory process, and it is not appropriate for the Planning Inspectorate, Examining Authority or the Secretary of State in their remit under the Planning Act 2008 to seek to duplicate other regimes.</p>
<p>Pylons East Anglia's response to National Grid's response</p>	
<p>No additional comments are made as Pylons East Anglia Ltd has responded to the points raised in this section elsewhere in this document.</p>	

Socioeconomics (Pages 34 and 35)

Comment	National Grid's response
<p>4.12. Socio-economic 4.12.1. Without using the tools in the Treasury Green Book, the Applicant has not adequately analysed the socio-economic impact of the proposed overhead lines. Any analysis provided is purely subjective and should be assessed using Green Book tools, including those that are quantitative. We remind the Inspectors of our own Green Book analysis (submitted), which we prepared in the absence of</p>	<p>The construction local economy assessment has been undertaken in line with other National Grid schemes, including Yorkshire GREEN and Bramford to Twinstead, where quantitative assessment has been undertaken for the direct impacts on local economy; qualitative assessment for the indirect impacts on local economy due to material supply and demand would vary significantly and it was not possible to specify sources at the time of DCO submission; and a quantitative assessment has been undertaken for the induced impact on local economy based on non-local construction worker spent data from other National Grid</p>

National Grid’s work. There has been no analysis of the socio-economic impact of alternatives.	projects. Regarding the Treasury Green Book, refer to previous responses in 8.4.1 Applicant's Comments on Relevant Representations [Revision A].
Pylons East Anglia’s response to National Grid’s response	
No additional comments are made as Pylons East Anglia Ltd has responded to the points raised in this section elsewhere in this document.	

Document: EN020027-001973-8.5.2 - Applicant's Written Summary of Oral Submission and Response to Action Points for Compulsory Acquisition Hearing 1²⁴

3.4 Applicant’s Response to CAH1 Action Points on Agenda Item 6 (Funding)		
Table 3.4 Actions Relating to Item 6 (Funding)		
Action No.	ExA Description	Applicant’s Response
7	Provide an updated version of the funding statement, which should address the ExA’s specific points regarding: Funding stream, OfGEM, Cost base (construction inflation etc since 2020/21), cost contingency, compensation, Treasury Green Book.	The Applicant has submitted an updated Funding Statement at Deadline 1 (4.2 Funding Statement [Revision B]).
Pylons East Anglia’s response to National Grid’s response		
<p>ExA “Action No. 7” states: <i>“Provide an updated version of the funding statement, which should address the ExA’s specific points regarding: Funding stream, OfGEM, Cost base (construction inflation etc since 2020/21), cost contingency, compensation, Treasury Green Book”.</i></p> <p>The Applicant’s Response refers to the “4.2 Funding Statement [Revision B]”, submitted at Deadline 1. Links to the Clean and Tracked Changes versions of this document are provided below:</p> <ul style="list-style-type: none"> • Document: 4.2 Funding Statement [Revision B] - Clean Version²⁵ • Document: 4.2 Funding Statement [Revision B] - Tracked Changes Version²⁶ <p>The 10% contingency quoted is significantly below typical Green Book values, such as those quoted in the supplementary guidance to the Green Book on Optimism</p>		

²⁴ <https://nsip-documents.planninginspectorate.gov.uk/published-documents/EN020027-001973-8.5.2%20-%20Applicant's%20Written%20Summary%20of%20Oral%20Submission%20and%20Response%20to%20Action%20Points%20for%20Compulsory%20Acquisition%20Hearing%201.pdf>

²⁵ https://nsip-documents.planninginspectorate.gov.uk/published-documents/EN020027-001950-4.2%20%20Funding%20Statement_Revision%20B_Clean%20Version.pdf

²⁶ https://nsip-documents.planninginspectorate.gov.uk/published-documents/EN020027-001951-4.2%20Funding%20Statement_Revision%20B_Tracked%20Changes%20Version.pdf

Bias²⁷, where it is typically 44% for a ‘standard’ construction project. Alternatively, reference should be made to the Infrastructure and Projects Authority (IPA) “Cost Estimating Guidance”²⁸. We would expect to see reference class forecasting based on an analysis of high voltage transmission projects and compared with our preferred alternative of HVDC cables laid underground by cable plough.

The fundamental issue though is that there is no reference to the HMT Green Book in the updated Funding Statement. Applied properly this would have a significant impact on the way that the costs are presented.

Document: EN020027-001975-8.5.4 Applicant's Response to the Open Floor Hearings²⁹

Topic/Theme raised by Speakers	Applicant’s Response
Cost	
Monetisation of environmental impacts / use of the green book	The Applicant is confident that the process we follow to identify and then assess potential strategic options is robust and the most appropriate. This has been tried and tested through numerous previous projects, the formal Examination process and ultimately decided by the relevant Secretary of State. The Treasury Green Book (updated in 2026) ¹⁰ provides guidance on the interpretation by public servants of public spending, assets and resources for projects, policies and spend from the public purse. That is not relevant for National Grid Electricity Transmission. There is no requirement in the Planning Act 2008 for developers to have to submit a Treasury Green Book assessment as part of a Development Consent Order (DCO) application. National Grid Electricity Transmission is an Ofgem regulated business, with obligations to consider customer, environmental and other considerations as outlined in the Electricity Act 1989 and in its licence commitments. Consideration of the costs of a project and the funding it should receive via the regulatory settlement is the subject of a separate regulatory process,

²⁷ https://assets.publishing.service.gov.uk/media/5a74dae740f0b65f61322c72/Optimism_bias.pdf

²⁸ <https://www.gov.uk/government/publications/cost-estimating-guidance/cost-estimating-guidance>

²⁹ <https://nsip-documents.planninginspectorate.gov.uk/published-documents/EN020027-001975-8.5.4%20Applicant's%20Response%20to%20the%20Open%20Floor%20Hearings.pdf>

	<p>and it is not appropriate for the Planning Inspectorate, Examining Authority or the Secretary of State in their remit under the Planning Act 2008 to seek to duplicate other regimes.</p>
<p>Pylons East Anglia’s response to National Grid’s response</p>	
<p>In brief, there are no legitimate reasons for not fully adopting the HMT Green Book and the associated Natural Capital methodologies. There are instead many reasons why the Green Book should be fully adopted:</p> <p>The risks to England’s natural environment</p> <p>The State of Natural Capital Report for England 2024 states: <i>“It is widely acknowledged that England’s natural environment has been heavily modified by human activity and continues to be degraded. England is ranked as one of the most nature depleted countries in the world in terms of how well it has retained natural animals and plants”</i>.³⁰</p> <p>Natural Capital: “the world’s most important asset”</p> <p>The OECD report: “Biodiversity, Natural Capital and the Economy: A Policy Guide for Finance, Economic and Environment Ministers” states: <i>“Natural capital underpins all economic activities and human well-being; it is the world’s most important asset”</i>.³¹</p> <p>HM Government response to an Environmental Audit Committee report (22 July 2025)</p> <p>In the report: “The role of natural capital in the green economy: Government Response”³² the Government refers to <i>“...the critical role natural capital plays in delivering the Government’s mission to secure sustained economic growth”</i>.</p> <p>It states: <i>“Our economy and businesses depend on a healthy natural environment to operate, grow and innovate. The decline of nature poses a material risk to the economy, and the benefits of nature’s recovery must be secured by businesses and taxpayers’ money pulling in the same direction. The natural capital approach builds upon traditional economic models to help demonstrate how nature’s assets deliver tangible benefits for society and the economy. Making the value of nature more visible, and treating investment in it like any other economic asset, helps businesses and investors understand their reliance on natural systems and take informed action to support sustainable economic growth. The natural capital approach highlights the need for collaboration between the public and private sectors to reach our nature recovery goals and secure long-term economic growth...”</i>.</p> <p>The report endorses use of HMT Green Book and Enabling a Natural Capital Approach (ENCA).</p>	

³⁰ <https://publications.naturalengland.org.uk/publication/6683489974616064>

³¹ https://www.oecd.org/content/dam/oecd/en/publications/reports/2021/05/biodiversity-natural-capital-and-the-economy_940af1d4/1a1ae114-en.pdf

³² <https://committees.parliament.uk/publications/48960/documents/257100/default/>

“Natural capital has become a standard analytical approach to thinking about nature”

From HM Government “Enabling a Natural Capital Approach guidance”, updated 10 February 2026:

“Understanding nature as a set of assets that benefit people and society in all kinds of ways can support better decision-making. This helps us to give the best public value given that there are scarce resources and trade-offs between objectives. It reduces the risk of the value of the natural environment being ignored in decision making.

*Natural capital has become a standard analytical approach to thinking about nature, following the seminal UK National Ecosystem Assessment (2011 and 2014) and the work of the Natural Capital Committee. It offers a balanced focus on natural assets in ecological terms (their quantity, condition and sustainability) and the social and economic benefits that derive from those assets”.*³³

³³ <https://www.gov.uk/government/publications/enabling-a-natural-capital-approach-enca-guidance/enabling-a-natural-capital-approach-guidance>