

Appendix 7

Network development process

The following table outlines the criteria we use to prioritise all of the options considered as part of our Network Development Process (NDP). The scoring from the Whole Life Prioritisation Model aids our decision making process and allows us to discount unsuitable options at an early stage of the NDP.

Criteria	Description	
Does this option allow National Grid to meet future flexibility requirements?	Reduces system flexibility and will impact users' current requirements.	Reduces system flexibility and may impact users' future requirements.
Does this option remove barrier for encouraging new investment?	Will reduce network capability and how the NTS is currently used and will create a barrier to new investment.	Will reduce network capability and may create a barrier to new investment.
Does this option have a negligible impact on customer charges?	The cost is in excess of £100m.	The cost is between £50–£100m.
Is this option future proof? (flexibility is covered above so this deals with legislation i.e. BREF and MCP)	When future legislation is implemented will need to revisit.	It is likely that when future legislation is implemented will need to revisit.
Can National Grid meet Exit Capacity obligations considering this option?	Existing obligations that users currently require will not be able to be met.	Existing obligations that users may require to use in the future will not be met.
Does this option allow National Grid to retain current capability?	Will reduce capability and impact how the NTS is currently used.	Capability reduced to a level insufficient to meet sold capacity and/or FES levels
Does this option represent an appropriate level of resilience on the network?	Does not provide resilience for the loss of the largest credible unit(s) at the station.	Reduces resilience considering the loss of units at interacting stations, where the affected units are currently next in line.
Can National Grid meet Entry Capacity obligations considering this option?	Existing obligations that users currently require will not be able to be met.	Existing obligations that users may require to use in the future will not be met.
Does this option allow the network to be operated in sensitivities beyond FES?	FES cannot be met.	Significantly reduces capability to exceed FES.

We use the Whole Life Prioritisation Model twice; once during the Need Case stage and then again at the end of the Establish Portfolio stage of our NDP. The model is used to rank the wide range of options identified during the Need Case process. At the end of this ranking process we have a narrower range of options to investigate in more detail during the Establish Portfolio stage. We use the model criteria again to rank the narrower range of options once more detailed costs and other information is available.

The criteria included in the model help us to determine which option is the most robust and should be taken forward to the next stages of our NDP – Select Option, Develop and Sanction. The definition of current capability now references sold and FES levels and assesses each option against the ability to meet these.

Reduces system flexibility, but this is unlikely to affect users' future requirements.	Provides similar level of system flexibility as the existing situation.	Increases the system flexibility to assist in meeting users' future requirements.
Will reduce network capability, but unlikely to be a barrier to new investment.	Maintains network capability – no impact on new investment.	Increases network capability, facilitating new investment.
The cost is between £20–£50m.	The cost is between £10–£20m.	The cost is <£10m.
May need to be revisited when future legislation is implemented.	Although there is some interaction with future legislation should not require revisiting.	Ability to respond to future legislation
Existing obligations that users are unlikely to use in the future will not be met.	The ability to meet existing obligations is maintained.	Increases the ability to meet existing obligations.
Capability reduced to potentially be insufficient to meet sold capacity and /or FES levels	Sufficient capability to meet sold capacity and /or FES levels	Increased capability to meet sold capacity and/or FES levels.
Reduces resilience for the loss of units at interacting stations, where the affected units are not currently first in line.	Provides similar level of resilience as the existing situation.	Increases the resilience of the network.
Existing obligations that users are unlikely to use in the future will not be met.	Ability to meet existing obligations is maintained.	Increases the ability to meet existing obligations.
Reduces capability to exceed FES.	Provides similar capability as the existing situation to exceed FES.	Enhances the ability over the existing situation to exceed FES.