



RIIO-ED2 Load-Related Expenditure Re-opener

Summary

May 2025

Our load-related expenditure re-opener

On 31 January 2025 we submitted our load-related expenditure (LRE) re-opener to our regulator Ofgem. In our submission we requested £201.6 million of additional allowances to meet the evolving needs of our stakeholders and to make sure our network is fit for the future.

What is the load re-opener?

A re-opener is an 'uncertainty mechanism' put in place by Ofgem to enable distribution network operators (DNOs) to apply for additional funding beyond the allowances set in our current business plan for RIIO-ED2 (2023-2028).

Load-related expenditure is used to fund additional capacity on the electricity network due to new connections or growth in demand and generation.

We have requested £201.6 million of additional allowances to meet the needs of our stakeholders

Our current business plan was submitted in 2021 when there was uncertainty over the pace of decarbonisation and changes in customer behaviour.

Now that we have a better understanding of these uncertainties and their impact on our network, we are using the re-opener to request additional allowances.



Why are we asking for additional funding?



Changes to connection charges

In April 2023 Ofgem changed the way customers are charged for new connections. Until then a connecting customer paid for their new connection – and paid for the cost of any wider network reinforcement needed as a result of that connection. The customer now pays either a reduced contribution, or no network reinforcement costs at all.

This change has led to a small increase in distribution use of system charges (DUoS), paid by all our customers as part of their electricity bills.

Transmission capacity

DNOs often work with National Grid Electricity Transmission (NGET) to ensure the transmission network can provide enough capacity to meet demand and facilitate generation.

We are currently working with NGET on two transmission schemes at Harker and Heysham. Investment plans for these projects, along with the associated reinforcement of our 'Cumbria Ring', are key components of our re-opener submission.

Regional economic growth

The North West is one of the UK's fastest growing regions and is a significant contributor to GB's economic growth and employment.

We need to make sure our network can support this economic growth, so we have carried out extensive engagement with our stakeholders to understand their plans and develop our detailed forecasting models. These insights have helped us develop our load-related investment plans and are integrated into our submission.

Decarbonisation of transport

The expected rise in the uptake of electric vehicles means we'll need to carry out extensive upgrades to our network to put in place the infrastructure needed to support 'en-route' EV charging and regional growth in demand.

We've worked with key stakeholders to understand their forecasts and plans to shape our investment proposals. These include programmes to support EV charging infrastructure at motorway and A-road service areas and electric bus depot charging as well as the surrounding economic development.

What are the benefits?

Our investment proposals will provide a range of benefits for our stakeholders

Supporting economic growth

By reinforcing and expanding our network now, we will directly enable regional economic growth, support local businesses, attract new investment, create jobs and attract new skills and talent to the North West.

Supporting decarbonisation

The plans set out in our submission will allow us to make the critical investment needed to support the increasing numbers of low carbon technologies such as electric vehicles. By providing the infrastructure to support these technologies, we're playing a vital role in helping the region achieve its decarbonisation targets.

Enabling supply chain mobilisation

Our supply chain partners need certainty to mobilise resources efficiently. With a clear understanding of our project pipeline, we can optimise procurement strategies, manage lead times and guard against supply shortages.

Managing costs for customers

Securing all the necessary funding now and being able to commit to our supply chain helps us to mitigate the risk of future price increases. Customers will then benefit from more predictable and stable pricing.

Paving the way for RIIO-ED3

Our forecasts show that our next business plan, RIIO-ED3, will be even more demanding than RIIO-ED2.

Growing our current programme now will mean we can put in place the right resources and mobilise our supply chain. This will help us deliver our current investment programme, and prepare for the next one.



What do our stakeholders think?



Stakeholder engagement is key to informing our business decisions, and we designed a specific approach for our LRE re-opener. We shared summary information at our advisory panels, with local authorities, MPs and other key stakeholders which led to 22 letters of support, shared with Ofgem as part of our submission.

We also carried out 'acceptability testing' with our customers to understand their views on a potential increase to their bills. The impact on an average domestic customer bill was forecast to be an additional £2.38 per annum and £3.77 for the average business customer. 81% of domestic and 94% of business customers found the increase acceptable.

Even when the estimated increase from the additional investment is factored into bills, we will remain one of the lowest cost DNO groups.

More about our submission

Teams of colleagues from across the business worked together for several months to prepare our main submission which is accompanied by a series of appendices, engineering papers and other supporting information.

It details the infrastructure projects and programmes that are critical to meet demand needs, enable the transition to a low carbon economy and which will deliver best value for our customers.

The submission also provides insights into our rigorous forecasting, optioneering processes, our approach to flexibility services and the collaborative initiatives that have helped shape our plans.

The re-opener will now be reviewed in detail by Ofgem who will announce a decision on our investment proposals later in 2025.

**You can see
our submission
on our website at
[www.enwl.co.uk/
public-information](http://www.enwl.co.uk/public-information)**

Electricity North West Limited

Registered Office:
Borron Street
Stockport
Cheshire SK1 2JD

Registered no: 2366949 (England)