 Regulatory Policy Committee	Validation of the One-in, Two-out Status and the Net Direct Impact on Business
Validation Impact Assessment (IA)	Updating the Electricity Act “necessary” wayleaves process for overhead lines in England and Wales
Lead Department/Agency	Department for Energy and Climate Change
IA Number	DECC0100
Origin	Domestic
Expected date of implementation (and SNR number)	01/10/13 (SNR 6)
Date of Regulatory Triage Confirmation	20/07/2012
Date submitted to RPC	18/06/2013
Date of RPC Validation	09/07/2013
RPC reference	RPC13-DECC-1446(3)
Departmental Assessment	
One-in, Two-out status	Zero Net Cost
Estimate of the Equivalent Annual Net Cost to Business (EANCB)	N/A
RPC assessment	
	VALIDATED
Background (extracts from IA) What is the problem under consideration? Why is government intervention necessary? <i>“When Distribution Network Operators (DNOs) and/or Transmission Network Operators (TNOs) need to install new or retain existing transmission or distribution lines and structures over land which they do not own, and this cannot be secured by voluntary agreement with the landowner, the DNOs/TNOs can seek a necessary (compulsory) wayleave from the Secretary of State to enable them to install or retain that line over third party land. The regulations also allows DNOs/TNOs to seek a tree lopping or tree felling Order where there are trees or other vegetation close to electric lines that interferes with the installation, maintenance or working of the line or where it constitutes an unacceptable source of danger to children or other persons. The current legislative framework for processing such applications (applications for necessary wayleaves, tree lopping and/or tree felling Orders and services relating to hearings collectively referred to as “applications and hearings”) and resolving disputes in relation to them is unnecessarily burdensome for DNOs/TNOs.</i> <i>There are two issues to deal with:</i> <i>(1) improving the current legislative framework to enable earlier and more</i>	

effective communications between parties, allow faster processing of applications and hearings and reduce the burden of compensation claims made against DNOs/TNOs by owners and occupiers of land where electricity lines and apparatus have been installed in the past; and

- (2) introducing fees payable by DNOs/TNOs to recover the full costs of processing applications and conducting hearings to relieve the burden on the taxpayer of Government providing these services.*

This IA reflects costs and benefits of improving the current legislative framework for necessary wayleave and tree lopping and tree felling Orders and introducing fees payable by DNOs/TNOs for the provision of services relating to applications and hearings.”

What are the policy objectives and the intended effects?

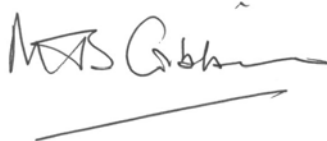
“As part of the Red Tape Challenge, Government intends to update the necessary wayleaves process introduced in the pre-liberalisation period over 40 years ago with the aim to reduce the overall burden of regulation on business. The intended effect is to ensure a more level playing field between parties through the introduction of an alternative, less burdensome process for handling applications and reduce the time and costs of hearings. The new regime will also recover the actual cost to Government of processing applications and conducting hearings.”

RPC comments

The Department has taken on board the points raised by the Committee in its EANCb Validation of 03/06/2013. The Committee is now in a position to confirm that while the majority of the impacts are out of scope as they are fees and charges (Better Regulation Framework Manual, paragraph 1.9.8 vii.), there is a small deregulatory aspect which will be beneficial to business (an ‘OUT’).

As the Department does not consider monetising the likely benefits to be proportionate, the proposal is classified as ‘Zero Net Cost’ in accordance with the current Better Regulation Framework Manual (paragraph 1.9.12).

Signed



Michael Gibbons, Chairman