

27 August 2025

National Grid plc

Ofgem's RIIO-ET3 Draft Determination: Consultation Response

As part of the ongoing process to agree the RIIO-ET3 price control which covers our National Grid Electricity Transmission business, we have submitted our response to Ofgem's Draft Determinations.

We welcome the continued positive intent from Ofgem on the design of the framework. The commitment to an £80 billion investment plan in the electricity transmission sector, recognition of the need for urgency in delivery, and the changes Ofgem have made to the financial package since the Sector Specific Methodology Decision are all valuable steps forward.

However, the Draft Determination does not sufficiently recognise the practical realities of delivering the biggest expansion of the electricity system in more than a generation and the required two and a half times increase in investment in our transmission network. We have submitted evidence and solutions for the changes required by Final Determination to achieve a framework that is:

- **Investable** by creating the conditions required to deliver the unprecedented increase in investment. Changes are needed in relation to the baseline return and the incentives framework to allow high performing networks to achieve a globally competitive overall return; and
- **Workable** by streamlining the overly complex suite of funding mechanisms, and changing the approach taken by Ofgem to make decisions in reopening processes. A workable framework enables transmission owners to recover the efficient costs of their investment and allows them to progress projects at the pace expected by our stakeholders.

Both investability and workability are necessary for transmission owners to be able to meet the commitments put forward in their business plans including accelerating the decarbonisation of the energy system, and cost savings for consumers.

As we move towards the Final Determination in December, we will continue to engage with Ofgem at all levels to agree a price control that attracts the investment needed to ensure the reliable and affordable flow of clean electricity whilst also meeting the ramp up in demand for power. A resilient, future-proofed network will be critical to economic competitiveness and growth for Britain in the years ahead.

The executive summary to the company's detailed responses can be accessed from our [RIIO-T3 homepage](#).

Enquiries and contacts

Investors and Analysts:

Angela Broad	+44 (0) 7825 351 918
Cerys Reece	+44 (0) 7860 382 264

Media:

Alex Roache	+44 (0) 7843 802 006
-------------	----------------------

CAUTIONARY STATEMENT

This announcement contains certain statements that are neither reported financial results nor other historical information. These statements are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements include information with respect to National Grid's (the Company) financial condition, its results of operations and businesses, strategy, plans and objectives. Words such as 'aims', 'anticipates', 'expects', 'should', 'intends', 'plans', 'believes', 'outlook', 'seeks', 'estimates', 'targets', 'may', 'will', 'continue', 'project' and similar expressions, as well as statements in the future tense, identify forward-looking statements. This document also references climate-related targets and climate-related risks which differ from conventional financial risks in that they are complex, novel and tend to involve projection over long term scenarios which are subject to significant uncertainty and change. These forward-looking statements and targets are not guarantees of National

Grid's future performance and are subject to assumptions, risks and uncertainties that could cause actual future results to differ materially from those expressed in or implied by such forward-looking statements and targets. Many of these assumptions, risks and uncertainties relate to factors that are beyond National Grid's ability to control or estimate precisely, such as changes in laws or regulations and decisions by governmental bodies or regulators, including those relating to current and upcoming price controls in the UK and rate cases in the US; the timing of construction and delivery by third parties of new generation projects requiring connection; breaches of, or changes in, environmental, climate change and health and safety laws or regulations, including breaches or other incidents arising from the potentially harmful nature of its activities; network failure or interruption, the inability to carry out critical non-network operations and damage to infrastructure, due to adverse weather conditions including the impact of major storms as well as the results of climate change, due to counterparties being unable to deliver physical commodities; reliability of and access to IT systems, including due to the failure of or unauthorised access to or deliberate breaches of National Grid's systems and supporting technology; failure to adequately forecast and respond to disruptions in energy supply; performance against regulatory targets and standards and against National Grid's peers with the aim of delivering stakeholder expectations regarding costs and efficiency savings, as well as against targets and standards designed to support its role in the energy transition; and customers and counterparties (including financial institutions) failing to perform their obligations to the Company. Other factors that could cause actual results to differ materially from those described in this announcement include fluctuations in exchange rates, interest rates and commodity price indices; restrictions and conditions (including filing requirements) in National Grid's borrowing and debt arrangements, funding costs and access to financing; regulatory requirements for the Company to maintain financial resources in certain parts of its business and restrictions on some subsidiaries' transactions such as paying dividends, lending or levying charges; the delayed timing of recoveries and payments in National Grid's regulated businesses, and whether aspects of its activities are contestable; the funding requirements and performance of National Grid's pension schemes and other post-retirement benefit schemes; the failure to attract, develop and retain employees with the necessary competencies, including leadership and business capabilities, and any significant disputes arising with National Grid's employees or breaches of laws or regulations by its employees; the failure to respond to market developments, including competition for onshore transmission; the threats and opportunities presented by emerging technology; the failure by the Company to respond to, or meet its own commitments as a leader in relation to, climate change development activities relating to energy transition, including the integration of distributed energy resources; and the need to grow the Company's business to deliver its strategy, as well as incorrect or unforeseen assumptions or conclusions (including unanticipated costs and liabilities) relating to business development activity, including the proposed sale of certain of its businesses, its strategic infrastructure projects and joint ventures. For further details regarding these and other assumptions, risks and uncertainties that may affect National Grid, please read the Strategic Report section and the 'Risk factors' on pages 210 to 215 of National Grid's Annual Report and Accounts for the year ended 31 March 2025 published on 29 May 2025. In addition, new factors emerge from time to time and National Grid cannot assess the potential impact of any such factor on its activities or the extent to which any factor, or combination of factors, may cause actual future results to differ materially from those contained in any forward-looking statement. Except as may be required by law or regulation, the Company undertakes no obligation to update any of its forward-looking statements, which speak only as of the date of this announcement. This announcement is for informational purposes only and does not constitute an offer to sell or the solicitation of an offer to buy any securities. The securities mentioned herein have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. No public offering of securities is being made in the United States.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact ms@seg.com or visit www.ms.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

MSCBQLLEVLFBBD