



10<sup>th</sup> February 2025

Dear Steve

Thank you for requesting that the Independent Stakeholder Groups (ISG) provide input to the Ofgem Call for Evidence process.

The SPEN Independent Net Zero Advisory Council (INZAC) undertakes the ISG role for SPEN. As Chair of the INZAC I am pleased to provide the attached report, which explains in detail how the INZAC has constructively challenged SPEN around its RIIO3 Plan.

The INZAC report aligns to the chapters of SPEN's plan, which will hopefully help Ofgem colleagues navigate our submission.

There are three things from our report to highlight:

- (1) **Community Benefits:** the INZAC supports the SPEN proposals around Community Benefits, with an approach, which builds on the previous SPEN Green Economy Fund.
- (2) **SF6:** we are concerned that Ofgem's approach to SF6 may be to replace assets that are not creating an imminent environmental concern. The INZAC does not believe that this is necessary nor in the consumer interest (in terms of bill impact).
- (3) **Environmental Action Plan:** SPEN and the INZAC would like Ofgem to move on from requiring Environmental Action Plans to instead mandate Sustainability Action Plans (SAP). This would bring energy companies into line with standard corporate practice for strategies and non-financial reporting.

In addition, I am aware that Ofgem is keen to understand any observations that the ISGs have on other company plans. The INZAC have not been in a position to scrutinise the plans of the other Transmission companies in detail, however there are four areas that we would like to highlight for Ofgem's consideration:

- (1) **Stakeholder influence:** the network companies are expected to engage with stakeholders and customers, to understand their views and needs. It can be the case that companies approach this by creating plans and subsequently

asking stakeholders their views on these plans. The INZAC believe that this does not represent a plan that has been influenced by stakeholders nor does it take account of their needs; instead it shows the company has formulated its plans and then spoken to stakeholders to get them to “echo” their proposals.

- (2) **Triangulation of opinions and data** In addition the network companies should engage with stakeholders/customers and then consider other aspects that they need to take into account. The company should be able to explain its decisions to customers/stakeholders, having carried out triangulation of different and often competing aspects. The INZAC proposes that Ofgem look closely at how engagement has been carried out and whether the companies have used triangulation in their decision-making, because whilst the companies have no optionality around certain aspects (where the NESO requires action), they do around a number of areas of the plan.
- (3) **Unsubstantiated claims:** the INZAC substantially challenged SPEN to ensure that the company’s plans do not contain any claims or hyperbole and that any statements that they made in the plan should be backed up with evidence. We are confident that there is little, if any, unsubstantiated claims in the SPEN plan. The INZAC would urge Ofgem to be cautious of unsubstantiated claims in any plans.
- (4) **Collaboration with other networks, NESO and RESPs:** the Governments’ net zero ambitions will be extremely challenging. The INZAC therefore encouraged SPEN to collaborate and work with its peers and the wider sector around a number of areas, like supply chain, innovation and regional planning. We hope that Ofgem looks at the plans’ deliverability, to see where proposals to collaborate have been set out and how they might encourage the companies to work together, rather than the companies seeking to deliver their plans competitively.

I trust that you find the detail above and the information provided in our report useful. Should you wish to clarify or discuss any of the content in detail or seek any other views from the INZAC I would be happy to help.

Yours sincerely

Angela Love  
Chair of the SPEN Independent Net Zero Advisory Committee