**The MCS Foundation’s response to Ofgem’s consultation – Regional Energy Strategic Plan policy framework consultation**

**The MCS Foundation**

Our vision is to make every UK home carbon-free. The MCS Foundation helps drive positive change to decarbonise homes heat and energy through our work programmes, grants and advocacy. We support engagement programmes, fund research and facilitate innovative solutions to drive widespread adoption of renewables to help achieve a Net Zero future. In addition, the Foundation oversees the [Microgeneration Certification Scheme (MCS)](https://mcscertified.com/) which defines, maintains and improves quality standards for renewable energy at buildings scale.

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**Summary**

The MCS Foundation strongly agrees that strategic network investment will be necessary at both transmission and distribution (high and low voltage) to support the increase of distributed renewables energy sources, as well as microgeneration technologies (heat pumps and EVs). Furthermore, as we transition more of our homes to low-carbon electric technologies - with heat pumps being the governments primary heat decarbonisation technology – there will need to be a strategic plan to gradually decommission the gas network, as recommended by the National Infrastructure Commission.[[1]](#footnote-1) In theory, we see the value of a Regional Energy Strategic Plan that works across vectors to identify where investment is required in the electricity grid, put forward a decommissioning plan for the gas network, and generally identify where optimisation can take place regionally. However, having read the proposals put forward in this consultation and the role of the RESP, we do have doubts around the value added. Given the existence of Local Area Energy Plans, the Strategic Spatial Energy Plan (SSEP), and the Centralised Strategic Network Plan (CSNP). the RESP seems to overlap with these other plans without clearly distinguishing its unique contribution to the energy planning framework.

While the RESP aims to provide a regional perspective that bridges local and national strategies, there is a risk that it may duplicate efforts already covered by LAEPs, which address local-specific needs, and the SSEP and CSNP, which provide comprehensive national-level planning and infrastructure development guidance. What’s more, Distribution Network Operators (DNOs), Transmission System Operators (TSOs), Gas Distribution Network (GDN) will also be establishing their own strategic network plans. Without clear mechanisms for enforcement or accountability, there is a concern that the RESP might not effectively influence decision-making or drive meaningful action, but instead act as another plan that is not acted on. Therefore, we believe it is crucial to clarify the distinct role and added value of the RESP, given that the work in establishing RESPs would be costly and require significant resources. We would pose the following questions:

1. What specific gaps the RESPs are intended to fill that are not already covered by local or national plans?
2. How the RESP will enforce or encourage compliance with its strategic direction?.
3. How they will ensure the RESP adds value and does not duplicate existing efforts, given the lack of mandatory adherence by DNOs, GDNs, local stakeholders etc.

**Q1. What are your views on the principles (in paragraph 2.8) to guide NESO’s approach to developing the RESP methodology? Please provide your reasoning.**

We agree with the principles.

**Q2. Do you agree that the RESP should include a long-term regional vision, alongside a series of short-term and long-term directive net zero pathways? Please provide your reasoning.**

We agree with the need for both short-term and long-term directive net zero pathways.

There is a need to balance long-term clarity (which is needed to decrease investment risk in both the electricity network and renewable energy technologies) with adaptability and flexibility. For example, it is essential that long-term plans do not come in the way on innovative technologies / solutions that become available and can offer value to the region.

**Q3. Do you agree there should be an annual data refresh with a full RESP update every three years? Please provide your reasoning.**

We agree in theory, as we wouldn’t expect significant changes to the RESP over a three-year period, but it also allows for innovation. Furthermore, it important to update assumptions when real time data is available. E.g. a 2025 RESP may assume that by 2028 there will be 100,000 heat pumps in the region - but if this is met in 2027, the assumption will have to be updated.

**Q4. Do you agree the RESP should inform the identification of system need in the three areas proposed? Please provide your reasoning, referring to each area in turn.**

We agree with the three areas proposed.

**Q5. Do you agree technical coordination should support the resolution of inconsistencies between the RESPs and network company plans? Please provide your reasoning.**

We agree that technical coordination is necessary to ensure a coherent approach to energy planning. Effective coordination between RESPs and network company plans is essential to optimise infrastructure investments, align strategic priorities, and avoid conflicting or duplicative efforts. By ensuring that all stakeholders are working towards a common goal with consistent assumptions and data, technical coordination will help enhance the reliability and resilience of the energy system while supporting the transition to a low-carbon future.

However, for this coordination to be effective, there must be clear guidelines or a governance framework in place that outlines how this coordination will be managed, who will be responsible for various aspects of the process, and how conflicts will be resolved. Without such a framework, there is a risk that technical coordination may become fragmented or ineffective, undermining the objectives of both the RESPs and the network companies.

Additionally, we have concerns about the potential complexity and lack of accountability in the proposed coordination process. Without enforceable mechanisms or clear lines of responsibility, there is a risk that inconsistencies will not be effectively resolved, leading to delays, misaligned investments, and a lack of confidence among stakeholders. Therefore, while we support the concept of technical coordination, it is essential that the process is underpinned by robust governance arrangements and clear accountability to ensure its success.

**Q6. What are your views on the three building blocks which come together to form the RESP in line with our vision? Are there any key components missing?**

We agree with the building blocks put forward in Table 1. However, as stated in our response to Q5, for technical coordination to be valuable, there must be clear guidelines or a governance framework in place that outlines how this coordination will be managed, who will be responsible for various aspects of the process, and how conflicts will be resolved. Without such a framework, there is a risk that technical coordination may become fragmented or ineffective, undermining the objectives of both the RESPs and the network companies.

**Q7. Do you agree with the framework of standard data inputs for the RESP? Please provide your reasoning.**

Yes. Regional plans should be comparable and therefore have a standard data input. We do have some doubt about the practicalities of this. If the relevant data for each region uses different software and is stored in different formats, who will be responsible for standardising them? To give an example, the consultation states that network data will be a key input. Distribution Network Operators (DNOs) in the UK store data in different ways, leading to inconsistencies and challenges in data management across the energy sector. This issue was highlighted by the Energy Networks Association (ENA) in their efforts to address discrepancies in how data is interpreted and utilised by various DNOs.[[2]](#footnote-2) Whilst work is clearly being undertaken to address standardisation, for example through the implementation of a Digital Sharing Infrastructure, this is something that should be considered – especially when deciding on timelines.

**Q8. Do you have any suggestions for criteria to assess the credibility of the inputs to the RESP?**

n/a

**Q9. Do you agree with the framework for local actor support? Please provide your reasoning.**

We agree.

**Q10. Do you agree with the purpose of the Strategic Board? Please provide your reasoning.**

Yes.

**Q11. Do you agree that the Strategic Board should include representation from relevant democratic actors, network companies and wider cross-sector actors in each region?**

Yes .

**Q12. How should actors (democratic, network, cross-sector) be best represented on the board? Please provide your reasoning, referring to each in turn.**

n/a

**Q13. Do agree with the adaptations proposed for Option 1? Please provide your reasoning.**

n/a

**Q14. Do you agree with our assessment that Option 1 is a better solution than Option 2? Please provide your reasoning.**

We agree.

**Q15. Do you agree a single region for Scotland is optimal? If you think a two region solution is better, do you agree the split should occur at the SSEN and SPEN DNO boundary? If not, please provide your reasoning and alternative option(s).**

n/a

1. <https://nic.org.uk/studies-reports/net-zero-opportunities-for-the-power-sector/> [↑](#footnote-ref-1)
2. <https://www.energynetworks.org/work/open-networks/> [↑](#footnote-ref-2)