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Dear Fiona

ENWL response to Regional Energy Strategic Plan policy framework consultation

Electricity North West Limited (ENWL) is responsible for maintaining and upgrading £12bn of electricity infrastructure across the North West of England, delivering over 25 terawatt hours of electricity through our network and is relied on by over 5 million people across an area of 12,500 square kilometres.

We are uniquely positioned to enable the transition from fossil fuels to low carbon electricity to power our homes, businesses and transport. We are essential to achieving clean, green growth and we work incredibly closely with our local stakeholders to understand our region's ambitions and growth plans so we can help deliver them through our innovations and investment. As such, we welcome the engagement to date on the future of local energy institutions and governance, and the resulting introduction of a whole system Regional Energy System Plan (RESP) as one of the steps to move Britain towards becoming a clean energy superpower in line with the government mission to decarbonise Britain's power system by 2030.

This year, 2024, is pivotal for Ofgem policy development to keep pace with and get ahead of the changes that are needed to achieve the stretching targets that our democratically elected leaders are setting.

We have had positive engagement with Ofgem and stakeholders on RESP development and look forward to this increasing as, following the policy framework decision, we move into the critical methodology development stage with the NESO.

The electricity distribution sector is in a phase of extensive network reinforcement required to facilitate Net Zero, and we need the systems and regulatory frameworks in place to allow investment with confidence and to build supply chain and delivery capacity. The RESP reform should enable these key activities and not slow them down whilst the change is being implemented. ED2 has been carefully developed with agile frameworks in mind to react to this changing landscape.



Interaction between RESP and ED3 must be urgently addressed

Whilst we welcome a common planning pathway upon which to base our ED3 plans, this needs to be delivered during 2025 to be effective and influence DNO business plans. A RESP output in 2026 is too late to inform DNO ED3 business plans, which, by that time, will have gone through significant stakeholder engagement, internal development, forecasting, optioneering and design, scrutiny and challenge.

There is a risk that, without a clear view of the RESP impact on both ED3 business planning and sector specific framework development and decisions, a key dependency and interaction between RESP and DNO business plans will be lost, resulting in sub-optimal outcomes for DNOs, Ofgem and ultimately customers. A defined RESP output for ED3 input from NESO is key and we urge Ofgem to make clear in their ED3 framework open letter and the RESP framework decision how this will be achieved. ENWL are keen to work with Ofgem, industry, NESO and stakeholders on what this would look like.

Whole system is key

We are clear that a whole system RESP would add significant value. When we say whole system in this context, we consider the biggest areas to initially focus on should be both cross vector (gas and electricity) and across the transmission and distribution boundaries. A major and material issue of increasing importance to customers will be the co-ordination of the transition from gas to electricity and the need to ensure fairness of costs of the low carbon transition. Hence, an early priority area should be decarbonisation of industry ahead of a government policy decision on the decarbonisation of heat.

Clarification over the RESP output and status is sought

The consultation refers to a mix of words: directive, inform and align. We seek clarity from Ofgem on what is meant in which context. ENWL's view is that the RESP should inform networks' plans, and the network plans should demonstrate how they can facilitate their regions' requirements as laid out in the RESP. However, the RESP should not be prescriptive as to what network infrastructure should be built or delivered, when, where and how. Identifying specific system need is a role for the networks, whilst the RESP brings most value with a pathway and developing common assumptions and methodologies where appropriate.

As the RESP output becomes clearer, some of the queries around the meaning behind these words should naturally be resolved, and therefore early focus on what the RESP output should look like is key to networks' and stakeholders' understanding.

We ask that Ofgem is clear in the policy framework decision as to what is meant by 'directive' strategic Net Zero pathways. We suggest the definition is that strategic pathways are the minimum whole system cost paths to meet Net Zero. By using this definition, the pathways have a clear rationale that differentiates them from forecasting scenarios.

Accountabilities must be clear and maintained

We welcome Ofgem being clear that network companies will remain responsible for load forecasting for areas down to street level, optioneering and developing load related investment plans.

Accountabilities are key to consider when setting the policy framework and methodology for RESPs. Load forecasting, and stakeholder engagement are two critical functions that should not be duplicated, replaced or undermined by the RESP process. There should be no blurring of accountabilities and RESPs should focus on added benefits. For example, we consider that the NESO's technical assessment of distribution network plans should not replace Ofgem scrutiny.

We have suggested in our answer to question one that a principle is added that is ‘consistent with accountabilities’. Whilst we are not suggesting that any methodology will be developed without accountabilities in mind, having it set as one of the guiding principles within the policy framework will ensure that this important requirement has the appropriate weight from the start.

Transparency and collaboration are key to success

The success of RESP relies on collaboration. Equally any methodology cannot be delivered in isolation and needs strong network and stakeholder input. We have suggested in our response to the consultation questions that an additional guiding principle of “transparency and collaboration” is added. As with our proposal on accountabilities, we do believe that this will be implicit in the approach the NESO takes to developing the methodology, however explicitly stating it as one of the guiding principles will be beneficial.

Timing and effectiveness are important considerations

The recent creation of the NESO is a positive development, and we can already see evidence of its recruitment activity and growing capability. We are however mindful of the weight of expectation on the new organisation, and the recent government commission to provide practical advice on achieving clean power by 2030 for Great Britain. The output of the CP2030 commission along with development of FEP, SSEP, CSNP and RESP methodology are all significant undertakings, and the timing and interaction between these pieces of work is critical for us and all stakeholders to better understand.

Based on the NESO licence dates, it appears that the RESP initial output could be the first of all of the strategic planning outputs to be published. All stakeholders will need to carefully understand the risks, opportunities, and implications on the ED3 planning process as part of this timeline, until all of the plans have methodologies set and cycles and interactions are established. We also expect that this will be an iterative process.

It is critical that NESO grows its talent and builds capability in order to deliver on its outputs and obligations. We also recognise that this skill building may be a challenge with limited experienced personnel in the workforce. It is important therefore that NESO expand the national pool of capability, helping build skills and workforce resilience for the energy sector more broadly.

We look forward to continuing to work with Ofgem, NESO, energy networks and our stakeholders as Ofgem work towards the decision on the policy framework, and then beyond as the methodology phase commences. In particular, we would be very supportive should Ofgem/NESO see value in piloting some of the new NESO/RESP planning processes within the North West.

Our appendix to this letter provides our detailed response to each of the questions posed in the consultation. Should you have any questions or queries or wish to discuss our response, please do not hesitate to contact Paul Auckland or myself.

Yours sincerely



Ben Grunfeld
Strategy and Growth Director

Appendix 1 – Questions response

Appendix 1 – ENWL response to Ofgem Regional Energy Strategic Plan policy framework consultation questions

Introduction

The creation of the NESO and its RESP accountabilities is a very positive development in the development of the energy system. Our newly elected government has put steps in place leading to a new impetus on the pace and drive to achieve decarbonisation targets, alongside the creation of Mission Control and seeking to accelerate delivery of a clean power system by 2030.

We see the introduction of a RESP whole system plan, shaped by place-based understanding, as one of the steps to move towards making Britain a clean energy superpower in line with the government mission.

At Electricity North West we are deeply passionate in our role to help make the North West a sustainable, healthy, thriving region for our communities. We are uniquely positioned to enable the transition from fossil fuels to low carbon electricity to power our homes, businesses, transport and heating. Insights and input from the NESO and its RESP whole system output will support this transition, informing our network plans and complementing the existing place-based engagement that is well established in our region.

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 one exception, the proposed principles for the NESO developing the RESP methodology however have some additional comments.

We strongly support place-based and whole system as two key guiding principles and agree with vision-led and proactive also.

Taking each in turn:

We agree with place-based – it is critical that any RESP methodology has place-based at its heart. This is the fundamental reason for the RESPs existence which is to reflect local needs, ambitions and priorities into a strategic energy plan and therefore must be front and centre of any methodology approach.

We agree with whole system – this is where we consider the RESP can add greatest value and is its prime reason for being. Without a whole system perspective, the RESP does nothing further than DNO or GDN current processes.

We do not agree with the words we have highlighted here in bold for vision-led, '*Be vision-led – provide a clear long-term objective for energy system development that reflects a region's characteristics and **sets** agreed priorities for the region while ensuring alignment with national priorities*'

Our rationale is that the RESP should **reflect** the agreed priorities for the region based on the local input it receives. We do not agree it should **set** the agreed priorities for the region as this infers that the RESP has extended powers which instead lie with the regions themselves.

We agree with proactive – as Ofgem rightly recognise, we need to ensure investment can be made with confidence to achieve our local and national targets for decarbonisation and keep pace with requirements. The transmission networks have not been able to keep pace with requirements resulting in the connection queues we have seen, which are now impacting distribution requirements. We do not want to see the local networks experiencing the same constraints and welcome a proactive approach to strategic energy planning.

We recommend there are two further principles added:

Transparent and collaborative – it is essential that any RESP methodology is developed in an open, transparent and collaborative manner. Given the RESP will take a significant feed in from both national and local inputs, and equally has the ability to affect/inform a range of bodies, then developing the methodology must be done in conjunction with those key local actors.

Consistent with accountabilities – the NESO must be cognisant of local actors' core accountabilities, powers and responsibilities when developing the RESP methodology. Accountabilities must be clear between all parties, recognising the core legal and security obligations each DNO/GDN has under its relevant Act and associated licences. Blurring or duplicating accountabilities jeopardises delivery for customers, security of supply, and lack of clarity risks causing confusion and inefficiency. Local Authorities are responsible for LAEPs as a core output along with their other local plan requirements. DNOs provide vital input to the process and the RESP role should ensure the LAs have the support and can develop their capability to undertake a LAEP. Devolved authorities have different accountabilities and responsibilities based on their specific devolution agreements, and these must be recognised within the methodology development.

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.

It is very important that the definition of a pathway is clarified within Ofgem's consultation and decision document. Our response to this question has been made on the basis that:

- the "*long-term regional vision*" corresponds to a minimum whole system cost pathway that meets the national Net Zero target by 2050
- the "*short-term pathway*" corresponds to the first 5-10 years path of this minimum cost pathway
- the "*long-term directive Net Zero pathways*" correspond to a variation of the long-term regional vision accounting for key at the time uncertainties such as the future role of hydrogen

We consider that this is the right definition and description of a pathway and urge Ofgem to make this clear in their decision. By using this definition, the pathways have a clear rationale that differentiates them from forecasting scenarios.

We agree with Ofgem that that the RESP includes both long-term and short-term pathways, alongside a long-term regional vision.

We understand that a minimum cost whole system pathway is the right basis for Electricity Distribution (ED) network investment plans from network companies. It should also be noted that network companies must comply with licence obligations and legislative requirements around security of supply and economic network development and that these are directly

linked / associated with the detailed electrical demand parameters used in network planning (active power, installed generation capacities per type etc).

We would therefore expect that the RESP will define key decarbonisation path parameters such as the volumes of low carbon technologies that need to be facilitated rather than the detailed electrical parameters used in network planning.

Should Ofgem intend that the RESP defines detailed planning parameters (e.g. peak true demand) then this in practice means a shared accountability on DNO licence obligations between the NESO and DNOs which is against the core foundation of this institutional reform and creates additional risk for network operators.

The word ‘directive’ is used in a number of places within the consultation but is not explicit in what is meant by this word and its use. The pathways should not bind any LA or CA to any actions. Neither should it bind any network to delivering a specific asset solution, location or time. The benefit of a long-term directive Net Zero pathway is to signal what should happen to deliver on the long-term regional vision in order to provide important input to those bodies (LAs and networks) who are responsible for their own plans. We acknowledge and welcome Ofgem clarifying¹ that, with robust justification, DNOs are able to propose investments not aligned to the RESP direction.

The long-term vision needs to reflect place-based targets, which will likely not be consistent, even within a RESP region. For example, in the North West region, Lancashire, Cumbria, Greater Manchester and Liverpool all have different Net Zero target dates and this will need to be carefully considered when developing the RESP methodology and output.

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

There is no perfect answer as to the frequency of a RESP. Mismatches between timings for development and update of LA and CA strategic development plans, price control periods across vectors and timing of key government policy decisions means that there is no single answer that will align well to all of these moving inputs and RESP dependencies. As a result, it becomes ever more important for Ofgem to make clear in their policy decision what the prime user is for RESP and what the key dependency is, for example is it linkage to price control periods. This can then guide the timeline for updates and whether an annual refresh can bring any benefit.

We agree that as a holding assumption, full RESP updates every three years seems a sensible approach.

However, there are two key elements to be considered when setting the frequency of RESPs:

1. Consideration of key milestones such as major policy updates or regional developments. For example, the UK government decision on future role of hydrogen for domestic heating is expected to be in 2026. This is a crucial decision point and there must be a plan for any RESP to react to such a decision. There is also potential for a changing energy policy landscape, with the creation of Mission Control, GB Energy and Local Power Plans. If there are significant national or regional changes arising from

¹ Paragraph 2.19.... As such, within business plans or uncertainty mechanism proposals, they could propose investments that are not aligned to the RESP strategic direction, but these will require robust justification (eg to meet network engineering standards).

these, or other initiatives, then we would expect that at least some core adjustments on the full RESP are undertaken to ensure it remains fit for purpose. A set of triggers should be agreed so that RESP outputs adapt to emerging policy or plans. The long-term strategic nature of the RESP should mean that it is largely immune from minor year to year changes.

2. Interaction with price control periods. If Ofgem envisage that the RESP will inform network planning and the DNOs and GDNs will have a licence condition to align to the RESP, further detail is required as to how this can be an effective process given price control cycles are currently five years and DNOs and GDNs are also on different timeframes.

Ofgem reference in the consultation² that a three-year cycle will align with CSNP, however in the recent decision on the NESO licence³ CSNP is scheduled for December 2027, with SSEP in December 2026. Therefore the interaction between SSEP, CSNP and RESP would also benefit from greater visualisation from Ofgem in their policy decision. As SSEP is considered to be a key input to RESP, the question of what an initial RESP will look like, what it will consider in the absence of an SSEP and a heat policy decision, and what that means for ED3 business planning are crucial questions that need answers as soon as possible, and certainly by early 2025.

Annual data refreshes and sharing of FES and DFES data between ESO and DNOs is a well-established process that has been driven by various practicalities of transmission and distribution planning as well as national system operability. Many of the network data inputs listed in the consultation are publicly available or exist as part of established data-sharing processes. Equally, many of the local government data inputs are also publicly available.

As RESP is by its nature expected to be long-term and strategic, we are unconvinced of the benefit of annual data refreshes and do not consider it a necessary requirement at this point. There is a trade-off between ensuring information used is as up to date as possible, versus the cost, effort, benefit and risks associated with doing this less or more frequently. This is particularly pertinent at the early point of the processes before the SSEP and CSNP are live and established in their refresh cycles.

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 strongly welcome the confirmation in the consultation⁴ that networks remain responsible for load forecasting, optioneering and development of load related investment plans. This is a crucial clarification made by Ofgem which is in line with network accountabilities and must be part of the proposed additional guiding principle ‘Consistent with accountabilities’ that we propose in our response to question 1.

² Para 3.17 (...A further benefit of a three-year update cycle is that it aligns with the CSNP’s whole system assessment.

³ [Response to statutory consultation on National Energy System Operator licences and other impacted licences | Ofgem](#)

⁴ Network companies will remain responsible for load forecasting down to street level (eg mapping generation and demand loads to half-hourly profiles and mapping granular network assets), optioneering, and developing load related investment plans. However, we believe there is a role for strategic planning in setting the foundation for identifying capacity needs and ensuring network impact assessments are consistent and reflect the regional context, including potential optimisation opportunities for other vectors.

We also welcome the definition of strategic investment as shown in footnote 11⁵ of the consultation but recognise that this differs to the current definition in use for ED2 and request clarity as to whether this is a change to the definition to be implemented for ED2.

Taking each of the three areas in turn and answering from the perspective of electricity distribution networks, please see our views and rationale as follows:

- use of consistent assumptions: Whilst in principle common assumptions sounds attractive, in reality this is not practical because assumptions using local characteristics and inputs from engagement with local stakeholders taking into account the learning their interactions with DSO planning would be required. Additionally, there are regulatory mechanisms in place to hold DNOs accountable for their forecasting and planning assumptions (e.g., Load Index risk points per local substation).

DNOs already have commonality due to following common standards for system need identification, eg EREC P2/8 minimum planning standard. The examples provided within the consultation demonstrates the NESO intervening in detailed electrical parameters that result in shared accountability with DNOs on core licence obligations for security of supply and economic network development. We do agree that there is benefit in common methodology for developing assumptions however assumptions themselves should be regional, not necessarily common across all regions. The RESP is important to understand the regional context and valid reasons for regional variation.

More specifically on the examples provided in the consultation document:

- o on LCT profiles: [ENEA ON WS1b P2 report on time-series profiles alignment](#) explains why local profiles are required and the value of sharing profiles/knowledge but not foreclosing innovation works to better understand their evolution.
 - o on profiles for growth in flexibility provision: DFES currently incorporates non-DSO triggered flexibility in demand profiles as these profiles are the basis to define DSO flexibility services. This is different from FES modelling. ENWL, along with Northern Power Grid commissioned research by WSP to better understand flexible resources at a regional level. The report⁶ showed that the evidence suggested a strong regional bias to the barriers affecting the development of flexibility markets and therefore we do not support a common assumption for flexibility provision across GB. Any assumptions must take into account the region-specific circumstances.
- setting out the spatial context for capacity needs: we agree with this proposal on the basis that capacity headroom information is provided by DNOs and is consistent with load and capacity information that is published in standardised format across all DNOs (incl. LIs, LTDS, NDP network capacity headroom report for demand and generation)

We do not however agree with the spatial mapping going to LSOA level because it is very granular (HV and LV networks) and overlaps with DNO granular forecasts used in distribution network planning. Importantly, these DNO developed granular forecasts will reflect local stakeholder plans and learnings from DNO planning interactions with

⁵ Investment that goes beyond the needs of immediate system needs, reflecting the future needs in line with the regional pathway.

⁶ [Regional variation in uptake of flexibility services](#)

stakeholder plans. This will allow DNO planned interventions to comply with licence obligations for security of supply and economic network development, whilst DNO regulatory reporting (incl. newly introduced DSO reporting) holds DNOs accountable for their local network interventions.

- informing strategic network investment: we agree in principle, although this item seems more relevant to informing proactive network development needs considering whole system inputs and processes, rather than single vector system needs identification. We welcome Ofgem clarifying what is meant by ‘identifying the location for strategic investments’ as this could be interpreted in different ways. We provide two examples below – one where NESO and RESP process will benefit from informing strategic network investment and one where it will not.

Example 1 - NESO can add value by informing strategic network investment through the RESP by whole-system planning. For example, in the Lancaster area, reinforcement was required at both the distribution and the transmission networks and is a good example of how best to approach strategic investments. In coordinating the planning and design of the solution between the ESO, NGET and ENWL, the building of a new Grid Supply Point was well-justified and as a result the required 132kV connections were optimised, unlocking the capacity needed to fulfil the current and future expectations of local stakeholders.

Example 2 - Many strategic developments are likely to be improved if they are developed locally by DNOs working together with local actors and stakeholders. A great example of this is motorway service areas (MSAs). Owing to the remote geographical location of the MSA sites relative to existing distribution networks the capacity required is typically much higher than what is currently available. Depending on the forecasts provided by National Highways, this will likely require significant network upgrades at both 132kV and 33kV, however, the forecast demands are unlikely to have any material impact on the wider Transmission System. As such, while there is value in coordinating the underlying demand assumptions, which are typically driven by government transport policy decisions in combination with local factors, the development of the strategic network development solution is a matter for the local network operators, considering the needs of both the MSA and the other customers in the vicinity, ensuring the solutions deliver optimal outcomes for all customers.

For the avoidance of doubt, our support of this building block is based on RESP informing strategic investment, not defining or prescribing an action or solution, in line with being consistent with each actors’ accountabilities.

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

We are unclear of the intent of the technical coordination element. It is referred to as one of three building blocks of the RESP, however we cannot see a scenario where technical coordination would feature within a RESP (with RESP defined as a Plan rather than a Planner). Instead, what is written in the consultation section appears to describe a role for the NESO rather than a building block of a plan. We welcome clarity from Ofgem on what is intended.

If it is a role for the NESO, we do agree with the proposal in paragraph 3.34⁷ as we agree there is a benefit to this function which is not currently undertaken. In the future particularly, should there be a plan by a GDN for strategic decommissioning of an area of the network, there is naturally likely to be a resulting impact on electrification requirements. There is a current challenge in undertaking this cross-vector co-ordination due to the current mis-matched timings between the ED price control and all other sectors which would need to be carefully considered.

We do not however agree that there is a requirement or benefit from a technical analysis of individual network companies' business plans outside of this whole system aspect. This appears to duplicate or replace the role of the Ofgem engineering hub and move decisions away from Ofgem which is a key responsibility and accountability that should be retained.

We understand and agree that RESPs will incorporate whole system value and strategic/proactive network investment into network companies' planning. Network company plans need to meet their licence obligations with the right Ofgem tools in place, for example Load Index reporting to ensure network investment at primary substations and above secures supply and develops an economic network.

The RESP can provide a whole system basis for network companies to produce their network investment plans. Therefore, there is a need for network company plans to show:

- that the RESP is facilitated in a timely and cost-efficient manner through companies' network investment plans
- that, if the RESP requirements do not cover all network investment requirements to allow DNOs comply with their licence obligations for security of supply and economic network development (especially at granular level driven by granular forecasts), then any additional requirements are to be presented and justified. We welcome Ofgem's recognition of this within the consultation.
- DNOs should demonstrate how their plans deliver the RESP strategic direction. This would provide Ofgem and stakeholders with confidence that each DNO's investment plan meets regional decarbonisation needs and contains appropriate levels of investment.

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 have shared our views within our responses to questions 4 and 5 and these should be read in conjunction with our response here to question 6.

On modelling supply and demand the RESP focus should be on producing the regional whole system decarbonisation path that would describe the volumes and types of LCTs and the many other decarbonisation schemes that need to be facilitated by network companies through proactive network investment. It would also need to provide the associated rationale of the pathways (eg, any minimum whole system cost modelling involved) to allow network companies to better understand if and what additional network investment is required to

⁷ We propose, in delivering the RESPs, NESO has a technical coordination role to support resolution of any resulting gaps and inconsistencies of constituent network company plans in a region and identify whole system opportunities.

comply with their licence obligations for security of supply and economic network development.

Additional building blocks required are:

- whole system co-ordination: a key building block missing from the proposed RESP is that of a whole system co-ordinator that will incorporate data inputs from network companies (electricity/gas, T/D), local government to define a regional whole system decarbonisation path(s) including the gaps from Local Area Energy Plans (such as industrial clusters) and other local government led decarbonisation plans
- regional data processing: aiming to standardise the data inputs that network companies use in their business plans and network planning, there is a role for NESO to gather regional data that can be made available to network companies and other stakeholders (eg Local Area Energy Planners). This can include DVLA data for EV volumes, transmission connected generation, demographics, economic growth data etc. This can help an informed dialogue between NESO, Ofgem and network companies on understanding alignment and justification of assumptions behind network planning.

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

We agree in principle with the framework of standard data inputs however it needs to be further clarified precisely what supply and demand parameters the RESP will be modelling. We understand that these are not detailed electrical parameters (eg, peak true active power demand and fault level contributions from generators) that are granularly forecasted and correlated with licence obligations of network companies. We also understand that these parameters are more relevant to quantify the decarbonisation and economic growth activities that need to be facilitated by network companies, eg volumes of LCTs and future housing developments.

If it is intended for RESP to model the detailed granular demand and generation forecast at substation level and mandate that network companies use these, then this directly conflicts with the licence obligations of network companies for security of supply and economic network development and should not be taken forward as part of these proposals.

However, if the intention is for RESP to model energy requirements (electricity consumption) at regional level (not substation level) then this can form the right basis for justification of potential network investment proposed by network companies beyond the RESP requirements.

There is a significant number of data inputs listed from local government, and it is important that NESO can provide support to enable the local actors to participate, generate and share this data. It is important that the creation of the RESP does not place undue burden on actors outside of the regulatory framework with no way to mandate or support involvement.

Paragraph 3.47⁸ proposes that the RESP methodology should establish assumptions where there is limited local energy planning information. This is a really important element for the NESO and stakeholders to consider how this is best undertaken.

⁸ Where there is limited specific local energy planning (eg no form of local energy plan), the RESP methodology should establish assumptions to generate the demand and generation growth projections and regional pathway.

We are hearing from local stakeholders that providing all of the proposed local government data may be a challenge for some areas, and therefore the support package will be important to help those actors engage and build the required information. It is important that a lack of local data does not result in an automatic 'over-ride to national policy'.

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

It is important that information used is from trusted sources, and a clear rating or understanding of the information is in place as to its completeness, cleanliness, accuracy and confidence levels.

Confidence factors based on maturity of plans and proposals are commonly used across the industry and local government.

In terms of the credibility of RESP, correlation of any pathways modelling/data with the associated decarbonisation and economic growth plans that are intended to be facilitated is critical.

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

Yes, we agree with the proposed framework as we understand that the primary purpose of RESP is to promote whole system planning and reflect both central and local government decarbonisation plans within the output.

ENWL conduct an annual stakeholder survey which received responses from public, private and third sector. The 2024 survey analysis tells us that local government want to engage but the top two barriers to engagement are being time-poor (46%) and needing greater subject understanding (21%) followed by ability to travel to a central location (17%). We take these learnings to continually refine our engagement approach, and feel these learnings are very relevant to share with Ofgem to inform the RESP development.

There is a risk that the policy framework places an over-reliance on LA resource in the absence of support, therefore, a support package is a crucial element to ensuring a successful RESP in line with the vision laid out.

Equally, it is an important consideration that Ofgem has no formal powers or levers to ensure involvement from local stakeholders, and no funding to entice them to participate. Whilst the matter of funding to local government is a matter for the relevant policy makers and central government, the education and support package provided by NESO will be important to demonstrate the benefit that participation will bring, increase knowledge and create the basis to allow meaningful participation that is beneficial for all parties.

The accountability for LAEPs sits with local authorities, and RESP has an important role to support local energy planners with whole system planning inputs, to optimise the benefits that LAEPs can bring to communities.

Local Authorities, Combined Authorities and equivalents are a primary stakeholder for ENWL and our existing relationships are critical and must be maintained so we can discharge our duties and obligations well. NESO undertaking its RESP duties should also engage with local actors to provide the relevant support, understand the region's requirements, plans, ambitions

and targets. This engagement should add value, and not be duplicative, replace or impede ongoing DNO engagement.

For example, RIIO-ED2 has established requirements on DNOs to support local planning, and there are real, tangible benefits to stakeholders in maintaining DNOs' engagement with LAs, including DNOs being embedded in their local communities and supporting progress and development of LAEPs. For continuity and in the interest of customers it is important that this and other engagement avenues are retained within the proposed structure.

For the RESP to be successful, it must be whole system and strongly place-based and therefore local input is invaluable. As a result, any support framework put in place must support these outcomes and is a critical component and we encourage that sufficient development of this is undertaken up-front.

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

We broadly agree with the purpose of the Strategic Board. A forum to look at trade-offs, ensure that the RESP is focused on whole system planning and reflects regional input is a critical component of this reform. It must be transparent in order to support trust building in the new RESP output.

We also support the proposal that the Strategic Board will produce a recommendation and potential steer on key decisions being made. There is a risk however that the board looks only at the process by which the RESP is produced, rather than also looking at the output itself meaning that the board cannot influence and inform the whole system planning process for the region directly. We support the Strategic Board providing its view on the actual RESP including where it agrees with it and why as well as any areas it does not.

We understand the challenge that Ofgem faces in giving decision making powers to a body outside of the NESO (whose accountability the RESP) is. We support the stance by Ofgem that the NESO will be the final decision maker on the content of the RESPs. It is this same rationale that we hold when taking the position that the DNO must be the final decision maker on load forecasting and network investment plans as these are part of our accountabilities and should not be devolved or blurred to another actor, including the NESO. The powers of the Strategic Board must sit comfortably within the existing regulatory and political framework without causing friction.

We agree that where the NESO does not follow the Strategic Board recommendation it must lay out the reasons why to ensure there is an open and transparent process. Ensuring trust and legitimacy is a crucial component which the policy framework must ensure is built-in by design.

Saying this, we do not agree with the Ofgem position that there is no need for a distinct conflict resolution mechanism separate from the RESP development process. A clear conflict resolution process will strengthen the governance approach to the development of RESPs and it will allow the Board and wider stakeholders to see where there are areas of disagreement and on what basis. If Ofgem is right, no independent conflict resolution mechanism is required, then it will not be used in anger but we believe the confidence for parties of knowing a mechanism exists is worthwhile.

We would like to further explore the role of working groups in the process and interaction with the Strategic Board before we are able to comment further on the working groups.

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?

We agree that local government must be part of the governance structure in order to reflect the democratically elected representatives' views in regional energy planning.

We welcome the representation of network companies on the Strategic Board. We note that the consultation and previous decision documents have not referenced Independent Distribution Network Operators (IDNOs) or Independent Gas Transporters (IGTs) and consider that those with a material presence in a region (potentially on a threshold set by Ofgem) should also have representation on the board. They will also be key providers of data to the process and therefore need to be a participant in the process.

We also agree with the representation of wider stakeholders in RESP governance with consideration given to ensuring that the composition of Strategic Boards does not become too large, making them operationally less effective as a result. The composition of Strategic Boards is likely to differ from one region to the next. Care will need to be taken to ensure there is fair representation and balance, avoiding the potential for, for example, the voice of wider cross sector actors or very vocal connected customer(s) detracting from those with a democratic mandate. Our experience with our ENWL advisory panels is that a representative from a stakeholder group rather than an individual voice is more representative and can add most value. There is a risk that an actor with an individual interest could present a bias that is unhelpful to the efficient and successful operation of the Board.

We consider that there may be an opportunity for wider stakeholders to join the Board on an ad hoc basis to join on a special interest item, or alternatively there could be a route to submit evidence to consider or feed in via the working groups.

Ofgem do not confirm whether they intend to have a seat on the Board and would welcome that this is clarified in the decision document. ENWL consider that Ofgem should receive the output of the Board, but not be a member themselves.

Finally, the chair is an important role and we consider that this should be given to one of the upper tier authorities on a rotating basis, and not be given to the NESO by default. We propose that NESO provide secretariat functions to the board.

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

We agree with the Ofgem proposal that local government should be represented by upper tier local authorities. Local authorities and the democratically elected representatives should be in a position to reflect their views on regional energy strategic plans. Clarity is required on the interactions between central government and local government inputs to the regional energy planning. This needs to consider where local government policies differ from central government ones, e.g. air quality zones and the associated limitation on use of internal combustion engine vehicles. It is our view that the local government policies should take precedent over national policies, where they apply.

For network companies, we welcome and support the inclusion of energy networks with customers in the RESP region. This includes for example if a RESP region crosses more than one DNO network, then all DNOs should be represented. This should also include independent network operators (where they cover a certain threshold of customers).

As we lay out in our response to question 12, wider cross-sector actors are likely to be highly region-specific. It will be important that membership is representative of the cross-sector actors that will have the most relevant input in a given RESP region. Where possible, consideration should be given to representation through relevant association groups, cognisant of the need to ensure the Strategic Board does not become unwieldy.

There is potential that these could join the Board on an ad hoc basis or participate in the governance process by way of evidence submission, or input to any working groups which are established to feed up to the Board. How this could work in practice will need further exploration.

For all members of the Board, the representative must be senior enough to have the authority to speak on behalf of their organisation, and sufficiently knowledgeable to engage in the subject at hand. This will likely require pre-work ahead of any Board meetings.

Consistency of representation is also an important consideration in the successful operation of a Board. We propose that members join with a time and duration commitment that seeks to ensure consistency and knowledge build. Whilst we acknowledge that these commitments will not be binding and personnel changes are possible, as a general principle this approach would lead to an optimal outcome and a more effective Board.

There is a balance to be struck between the size of the group to ensure optimum operation and the numbers required to ensure fair representation.

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

We welcome the stakeholder engagement that Ofgem undertook to consider RESP boundaries, particularly the regional workshops that looked specifically at the North.

Ofgem have responded to stakeholder input and we agree with the resulting proposal of separating the Transport for the North STB into two, with a North West (where ENWL area is located) and a North East, Yorkshire and Humber RESP region. This separation line is broadly in line with the delineation between ENWL and Northern Powergrid's border and the Pennines is a logical split for geographical, economic, energy, transport and democratic reasons.

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

We agree with Ofgem that that either option 1 or option 2 would be viable. Given that both option 1 and option 2 are the same for the North West where our ENWL licence area is, we consider that other stakeholders affected are better placed to provide comment on this subject.

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).

As with recommendations on other RESP regions, it is important that the decision for Scotland is stakeholder led by those who will be most affected by these decisions.