

## RESP Consultation Response

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<p>1. 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.</p>
<p>We agree with the principles outlined in paragraph 2.8 for NESO's approach to developing the RESP methodology. However, we believe there are opportunities for refinement and expansion:</p> <ol style="list-style-type: none"> <li>1. Alignment with Existing Initiatives: The principles align well with existing Local Area Energy Plans (LAEPs) across GB and Local Heat and Energy Efficiency Strategies in Scotland. Heat Network Zoning is also a key national energy spatial planning framework which should be reflected in the RESP approach. RESP should clearly articulate how it will integrate with these established frameworks.</li> <li>2. Refining "Place-Based" Approach: While the intention is commendable, the current RESP approach seems to operate more at a macro-regional level. Consider how to bridge the gap between regional direction and local-level planning.</li> <li>3. Incorporating Social Factors: We recommend adding a principle focused on ensuring a "just transition." This should address critical issues such as energy affordability, access and fuel poverty.</li> <li>4. Expanding "Whole System" Perspective: Consider incorporating broader environmental factors like biodiversity, land use changes, and water systems, which significantly interact with the energy system. We would also be concerned if RESP focused mainly or exclusively on electricity and gas networks.</li> </ol>
<p>2. 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.</p>
<p>We agree with the overall approach proposed by NESO for its vision-led strategy and pathways, particularly the use of different timeframes to balance direction and flexibility in energy system planning. The proposal demonstrates a thoughtful consideration of the complexities involved in long-term energy system development. However, we would like to highlight several points for further consideration.</p> <p>While we understand the rationale behind the 5-to-10 year short-term pathway, this timeframe remains significant for DNOs. DNOs have competing priorities, with their primary obligation being to maintain system reliability and provide connections for new demand. There's a risk that overly prescriptive investment requirements could place an undue burden on DNOs. We suggest clarifying how NESO will ensure confidence in the short-term pathway, exploring mechanisms to reconcile RESP objectives with DNOs' operational priorities, and considering a more flexible approach to the short-term horizon, perhaps with rolling updates.</p> <p>The proposal to use digital tools presenting pathways down to granular geospatial level is positive. To maximise the utility of this approach, these tools need to be user-friendly and accessible to a wide range of stakeholders, providing clear documentation on data sources and methodologies, and considering how this granular data will be used in conjunction with higher-level regional planning. We also wonder what the rationale is for modelling at LSOA level. While LSOAs provide a standardised geographic unit, they may not align well with the actual distribution of energy infrastructure assets. Has NESO</p>

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<p>evaluated the potential benefits and drawbacks of modelling at the infrastructure asset level (e.g., DNO ESAs) instead of using LSOAs? From our experience delivering LAEPs, modelling at substation level provides greater value for infrastructure planning.</p>
<p>3. Do you agree there should be an annual data refresh with a full RESP update every three years? Please provide your reasoning.</p>
<p>While we understand the rationale behind the proposed annual data refresh and three-year full update cycle for the RESP, we have several questions about the feasibility and efficacy of this approach:</p> <ol style="list-style-type: none"> <li>1. Resource Requirements: Modelling at the LSOA level and performing annual updates will require a substantial amount of resources. Has NESO fully assessed the scale of resources needed to conduct this analysis and keep it regularly updated?</li> <li>2. Data Management: The proposed granular modelling at the LSOA level will generate and require processing of vast amounts of data. We have several questions regarding data management: <ul style="list-style-type: none"> <li>- How and where will this data be stored? The volume of data implies a need for a robust data architecture and management system.</li> <li>- Who will be responsible for managing this data and ensuring its quality and consistency?</li> </ul> </li> <li>3. Focus on Planning vs. Delivery: While regular updates can be valuable, we question whether such frequent planning cycles are the most effective use of resources. At what point does the focus need to shift from continual planning to delivery and monitoring of progress?</li> <li>4. Alignment with Other Processes: While the three-year cycle aligns with the CSNP's whole system assessment, how does it align with other relevant planning and regulatory cycles in the energy sector, such as network planning price control periods?</li> </ol>
<p>4. 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.</p>
<p>We see great potential value in the RESP informing system need identification in the three areas described, however we have some concerns about duplication of effort and integration with existing processes. We agree that a set of consistent assumptions across will be very valuable in informing planning and would recommend these are freely available for use for all. These will need to be well documented to ensure they are used appropriately. We also question how frequently the common assumptions and spatial views will be updated to remain relevant in a rapidly changing energy landscape.</p> <p>A spatial view of energy demand and generation growth also provides value, however many DNOs already use sophisticated geospatial tools (e.g., LENZA), so how will NESO's proposed visualisation integrate with or enhance these existing capabilities rather than replace them?</p> <p>How will it be ensured that RESP goes beyond being a mere conduit for data to become a tool for downscaling national policy and planning? Specifically, how will RESP provide LAEP developers or other local energy system planners with guidance on national or regional system assumptions (e.g., grid</p>

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capacity) and set expectations for local area's contribution to the national system, while allowing these local plans to determine feasibility and implementation?	
5. Do you agree technical coordination should support the resolution of inconsistencies between the RESPs and network company plans? Please provide your reasoning.	
<p>The inclusion of whole system optioneering is commendable and something that is already extensively done as part of LAEPs. However, practical challenges remain. How will complex energy vectors like heat, transport, and industry be represented, given their diverse and fragmented stakeholder landscape? This complexity goes beyond the relatively straightforward representation of gas and electricity through DNOs and GDNOs. Furthermore, what mechanisms will be in place to manage conflicting interests that are likely to arise during the coordination process? The composition of the governance board overseeing this coordination is crucial – who exactly will be sitting on this board to ensure fair representation across all relevant sectors?</p> <p>Lastly, there is a risk of duplicating existing efforts and governance structures. Some coordination mechanisms are already in place in the sector. How will NESO ensure that this new layer of technical coordination adds unique value rather than creating unnecessary complexity?</p> <p>In addition, heat networks are expected to play a major role in the future energy systems, and heat network developers / operators should be included in the sphere of “network companies” for the purposes of RESP technical coordination.</p>	
6. 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?	
While the three proposed building blocks for the RESP provide a solid foundation, we believe the framework doesn't adequately account for local appetite, objectives and conflicting priorities. How will these building blocks ensure the RESPs are locally appropriate and implementable, rather than just technically robust?	
7. Do you agree with the framework of standard data inputs for the RESP? Please provide your reasoning.	
While the proposed framework for standard data inputs provides a comprehensive approach to energy system planning, how will NESO address the likely high variability in quality, granularity, and availability of bottom-up inputs across different regions to ensure consistent and reliable planning outcomes?	
8. Do you have any suggestions for criteria to assess the credibility of the inputs to the RESP?	
<p>We suggest aligning with the Green Book, which includes several key elements to ensure data credibility:</p> <ul style="list-style-type: none"> <li>• <b>Transparency;</b> The guidance advocates for data sources and methodologies to make sure assumptions and limitations are clearly documented.</li> </ul>	

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<ul style="list-style-type: none"> <li>• <b>Consistency:</b> The guidance promotes the use of consistent and standardised methods for data collection and analysis to maintain reliability across different evaluations.</li> <li>• <b>Relevance:</b> Data used must be relevant, to ensure that it accurately reflects the context and objectives.</li> <li>• <b>Accuracy:</b> Ensuring data accuracy is crucial, and the Green Book provides guidelines on how to verify and cross-check data to avoid errors.</li> </ul> <p>In our own whole-system energy analysis, we assess our inputs based on the following criteria:</p> <ul style="list-style-type: none"> <li>• <b>Publication Date:</b> When was the dataset was last updated? Older datasets may risk providing outdated information.</li> <li>• <b>Owner:</b> Evaluate the credibility of the dataset provider. Is it a trusted organisation or institution?</li> <li>• <b>Traceability:</b> Can you contact someone responsible for the dataset for further clarification or support?</li> <li>• <b>Completeness:</b> Does the dataset includes all necessary information and is well-organised.</li> <li>• <b>Consistency:</b> Ensure the data is consistent throughout, without errors or contradictions.</li> <li>• <b>Metadata:</b> Confirm the dataset comes with clear metadata that explains data fields, units and assumptions.</li> <li>• <b>Accuracy:</b> Benchmark the dataset against other sources to verify its reliability and correctness.</li> <li>• <b>Granularity:</b> Consider the level of detail provided. Does the dataset offer sufficient depth for your analysis?</li> <li>• <b>Relevance:</b> Does the data reflect what was asked for?</li> </ul>
9. Do you agree with the framework for local actor support? Please provide your reasoning.
<p>We agree with many aspects of the framework but have also identified some concerns that may restrict its effectiveness.</p> <p>We see value in providing training for local authority representatives on the energy sector, particularly in upskilling them on current energy trends. This training would enhance their understanding of how different elements of the energy system interact. It is important that this training is coordinated with the programmes already offered by the Net Zero Hubs for Local Authorities to avoid duplication of effort.</p> <p>We agree that improving data consistency would be valuable, especially for local energy planning. Standardised datasets would help ensure consistency across the modelling process involved in the local energy planning process. However, certain elements of local energy plans will still require unique, tailored datasets. In the past, local authorities have requested that we incorporate data from strategic projects they are working on. Since we complete the future energy system modelling ourselves, we are able to accommodate their requests by incorporating these datasets to reflect the impact of specific projects on trends.</p>

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<p>Providing access to common digital tools would also be helpful, particularly if the tool offers a spatial representation of the data. However, some existing tools have already been developed by Distribution Network Operators (DNOs), such as ‘Your Local Net Zero Hub’ and LENZA, which local authorities are already using. If additional tools are developed, we recommend ensuring they integrate with those already in use.</p> <p>The framework does not currently acknowledge the local authorities that have already completed their local energy plans. These authorities would benefit from clarity on how the RESP will provide support after their local energy plans have been finalised. Whilst the framework focuses heavily on the development stage, local authorities are increasingly concerned with the delivery phase — ensuring that their plans can be effectively implemented and translated into actionable projects. As such, it is important that the framework outlines a clear path for ongoing assistance to ensure these plans are successfully realised.</p> <p>In terms of providing technical advice, we think there needs to be a clear explanation on how the RESP should be integrated with the local energy planning. Both the LAEP and LHEES follow a defined methodology that currently does not account for RESPs. There needs to be clear guidance to ensure LAEP practitioners are using information from the RESP consistently.</p> <p>The proposed approach suggests that local actors will be required to provide data to RESP while also engaging in additional working groups. If they are simultaneously going through the local planning process, they will also need to deliver further workshops and meetings.</p> <p>More broadly, the overall demands placed on local authorities will be quite significant, which Ofgem cannot expect them to perform without appropriate funding and access to technical resources. Attending additional working groups and training programmes could put further strain on their often-limited pool of resources. In our experience working with local authorities on LAEPs and LHEES, their capacity is often constrained and there is sometimes hesitation in implementing proposed actions due to uncertainty about their ability to deliver. We observe that the development of LAEPs has happened where local areas could secure funding and has not happened where they couldn’t. This random patchwork cannot be allowed to continue under the RESP framework.</p> <p>A further point to consider is that DESNZ has been undertaking tremendous efforts to develop an effective target operating model for the future zoning bodies under Heat Network Zoning. This includes local zone coordinators whose role in heat network planning will have many overlaps of both capabilities and tasks with those called for to support RESP. DESNZ has also put considerable thought into the appropriate funding and support framework needed by local areas. We consider that Ofgem should actively engage with DESNZ to explore the potential for an integrated local area energy service operating model which comprises heat network zoning, RESP and LAEPs (and potentially other energy programmes and projects).</p>
10. Do you agree with the purpose of the Strategic Board? Please provide your reasoning.
<p>We agree with the purpose of the Strategic Board. Its governance structure will help streamline direction and uphold good governance principles. However, it is important to clarify the composition of the board members to ensure its objectives are met. Will the board consist primarily of more senior decision-makers, or will there also be a need for technical representatives who can offer whole-energy system insights?</p>

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<p>11. Do you agree that the Strategic Board should include representation from relevant democratic actors, network companies and wider cross-sector actors in each region?</p>
<p>We agree that the stakeholders listed should be represented on the board, as each has a role in the energy transition. To develop a regional plan that addresses the whole-energy system, input from these stakeholders will be essential to ensure all aspects are accurately considered. However, as noted in the consultation, managing the size of the group will be challenging, particularly due to the large number of democratic actors. The composition of the Board will need to be carefully considered - balancing a broad representation whilst also maintaining a manageable size that allows for productive and strategic discussions.</p> <p>In this context we would reiterate a concern that membership is not concentrated only on electricity and gas network actors but includes representatives across the whole energy system.</p> <p>Another key consideration is the potential for conflicting priorities. These local actors will likely have varying and/or competing motivations. Balancing these interests requires careful facilitation to ensure that all voices are heard without allowing any single perspective to dominate. We therefore believe the convener should take an independent stance, with no vested interests in any particular outcome. This impartiality is important for managing conflict resolution effectively, promoting collaborative decision making and ensuring that no single agenda takes precedence over the common goal of achieving Net Zero.</p> <p>Finally, as acknowledged in the consultation, if the Board involves a range of representatives, NESO should keep discussions accessible by avoiding overly technical language during meeting, allowing all participants to follow the conversation. This also relates to our earlier point regarding the composition of the board. Representatives attending the Strategic Board should be carefully selected to promote balanced discussions and encourage active contributions and engagement from all members.</p>
<p>12. How should actors (democratic, network, cross-sector) be best represented on the board? Please provide your reasoning, referring to each in turn.</p>
<p>Democratic actors: As mentioned in previous questions, having every local authority representative attend would make the board too large and unmanageable. We agree that having low-tier authorities be represented by a combined authority would help in reducing the size. This structure would however require setting up a formal engagement forum where lower-tier authorities can share their views with the Strategic Board through an appointed representative. The representative would also need to ensure that key points from the discussions are communicated back to their respective authorities.</p> <p>For example, in Wales, there are 22 unitary councils, which is arguably too many for direct participation on the Strategic Board. Instead, subregions like the Cardiff Capital Region could attend on behalf of these councils.</p> <p>Another key question, which has been highlighted in previous responses, is who exactly will represent the local authorities at these meetings. Should it be a senior leader, or someone with more specialised knowledge in energy planning?</p>

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<p>In this context we would again refer to the work by DESNZ to develop target operating models for local zoning bodies under Heat Network Zoning. Local Authorities will find it much easier to engage with the energy system if these multiple frameworks – RESP, LAEP, HNZ etc. – are brought into some kind of coordinated arrangement with boundary and mission alignment.</p> <p><b>Network companies:</b> There should be a representative from the DNO and GDNO at the Strategic Board. Where major heat networks are in development or operation, these network operators should also be represented. As mentioned in a previous response - it is important the representative communicates complex/ technical infrastructure requirements in a way that is understandable by all. A decision needs to be made around who within the network company should attend, carefully considering the purpose of the meeting.</p> <p>From our experience, we have observed conflicting priorities between the networks; this will need to be managed by the Board's convener to not overpower discussions.</p> <p><b>Cross-sector organisations:</b> Attendance will vary by region, depending on which organisations are involved. How will you determine which cross-sector organisations are eligible to attend the meetings versus those not considered suitable? We believe there should be clear justification for how organisations are granted a position on the Board to ensure fairness and proper representation.</p>
13. Do you agree with the adaptations proposed for Option 1? Please provide your reasoning.
While we broadly agree with the proposed regional boundaries for the RESP, we recommend that NESO reconsiders its terminology and approach for Wales and Scotland to appropriately reflect their status as devolved nations with distinct legislative powers, and as such are not “regions”
14. Do you agree with our assessment that Option 1 is a better solution than Option 2? Please provide your reasoning.
While we broadly agree with the proposed regional boundaries for the RESP, we recommend that NESO reconsiders its terminology and approach for Wales and Scotland to appropriately reflect their status as devolved nations with distinct legislative powers, and as such are not “regions”.
15. 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).
While we broadly agree with the proposed regional boundaries for the RESP, we recommend that NESO reconsiders its terminology and approach for Wales and Scotland to appropriately reflect their status as devolved nations with distinct legislative powers, and as such are not “regions”.