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Date  
2 August 2021  
Contact / Extension  
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Dear Alastair,

**Statutory Consultation on licence amendments to facilitate the introduction of an Electricity System Restoration Standard**

This response is from SP Transmission (SPT) which holds the transmission licence for the south and central Scotland.

We very much welcome the introduction of a new legally binding Electricity System Restoration Standard (ESRS). SPT, as a transmission owner and member of the E3C and the Black Start Task Group, has been calling for some time now on the need for a GB-wide Restoration Standard. We are therefore pleased to have the opportunity to comment on the proposed amendments to the ESO's licence conditions and the consequential amendments to SPT's licence conditions, to facilitate the introduction of an ESRS. This response should be read alongside the points made in SPT's response to the earlier consultation on licence amendments to facilitate the introduction of the ESRS, dated 14th May 2021.

We welcome the fact that these licence changes are being proposed now, to ensure that the ESO adheres to this new Standard, from the current intended date of 31st December 2026. Once the ESRS has been set by the BEIS Secretary of State, the ESO will need to ensure there is sufficient capability and appropriate arrangements in place across the electricity sector, and across all regions, to restore electricity supplies to consumers within the target restoration timeframes. We consider the timeline to 31st December 2026 is an appropriate period in which the ESO must work with the TOs, DNOs and restoration service providers to ensure that the necessary facilities and capabilities are in place to support the ESRS. Investment in network infrastructure and generation plants will be required, as will widespread changes to the relevant grid codes, all of which the ESO must show strong and collaborative leadership on.

One way in which this Standard will be achieved is by ensuring, through the ESO's new licence condition, that the ESO is obligated to work closely with TOs, DNOs and restoration service providers on what is required to be connected onto the GB system and importantly where on the system, as well as additional facilities and capabilities to allow the ESRS to be met. We would therefore have liked the proposed amendments to the ESO's licence, to go further, in this regard. However, we do have concerns with the proposed amendment to SPT's licence to include the definition of Electricity System Restoration Standard, which is proposed to be updated as follows: *"Electricity System Restoration Standard means the target Restoration Time(s) that the Secretary of State directs the licensee to have the capability to meet"*. As a TO, we are not responsible for delivering, or contracting with, generation capacity to meet the target restoration timescales proposed under the ESRS. The TOs' responsibility is to make network and organisational facilities available, which can support a system recovery under agreed restoration plan(s). This definition of Electricity System Restoration has been lifted from the proposed amendments to the ESO's licence and is not appropriate for use in the TOs' licence. This

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definition must therefore be amended to read as follows: *“Electricity System Restoration Standard means the target Restoration Time(s) that the Secretary of State directs the ESO to have the capability to meet”.*

In the event of a widespread failure event, i.e. a Black Start event as currently defined, existing arrangements should continue whereby in the event that electricity system restoration is required, the ESO will work closely with the TOs and other parties to restore power in a timely, effective and safe manner. Such an approach should also continue as this Standard is developed for electricity restoration events in the future, including those arising from the introduction of Distributed Restart.

We are in absolute agreement with Ofgem that monitoring the ESO's compliance with the ESRS, following implementation, is very important to instil confidence in the reliability, resilience and restoration capability of the GB electricity system. Ofgem is proposing that the ESO will use its existing Restoration Model as the central tool for monitoring compliance with the ESRS. As Ofgem notes, the ESO has developed a Restoration Model with input from industry. Regular engagement with TO's, DNO's and restoration service providers with regards to the continued validity of the Restoration Model over time and its input parameters, will be vital. This must also include provisions for overseeing the ESRS model itself. The assurance framework must therefore facilitate engagement and appropriate transparency, such that key industry stakeholders can have confidence in the model and its outputs, noting its link to, amongst other things, investment requirements and decisions.

We welcome the proposal for the ESO to draft and consult on an ESR Assurance Framework that will be submitted to Ofgem for approval and then published annually on the ESO's website. It is important that this Framework is reviewed and refreshed on a regular basis in dialogue with TOs, DNOs and restoration service providers. The assurance framework should facilitate such engagement and appropriate transparency, such that key industry stakeholders can have confidence in the model and its outputs, noting its link to, amongst other things, investment requirements and decisions.

It will also be important that a wider governance procedure is put in place on the relevance of the ESRS itself. As part of the development of the ESRS, we expect both BEIS and Ofgem to provide further details on what a robust and transparent monitoring and governance framework will look like, for this new Standard, in due course.

Please do not hesitate to get in touch if you would like further details on the points raised in this response.

Yours sincerely



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