

BEAMA Response to Ofgem Consultation on Proposed Centralised Network Planning Model

This is the BEAMA response to the proposed centralised network planning model.

Question 1	What are your views on our key objectives for future ET network planning arrangements that can deliver Net Zero at lowest cost to consumers?
	We Agree with the basic principles set out. However, it is our view that the distribution system needs a similar approach as the ability to deliver the necessary investment may result in similar challenges in forward planning. Whilst BEAMA supports the objective of finding the least cost solutions for delivering net zero, we also note that underinvestment that results in multiple interventions can easily take least cost to high cost if future demand is underestimated. Investment decisions made (or not made) by the DNO will impact of the challenges facing the transmission system, we are indeed looking at transforming the entire electrical system and the distribution system planning must be integrated to some extent in the work of the CNPM.
Question 2	Are there any other key workstreams that interact with this review that we need to align with?
	The central planning function will need to take account of workstreams on electric heat and EV charging (and V2X) to fully understand the likely impact of these new loads on the transmission and distribution networks.
Question 3	Do you have any views on the scope of the review? Are there any key topics that we have missed?
	BEAMA considers that the CSNP function should be linked to a series of 5 year rolling plans that identify what should be delivered in each 5-year period and also anticipates what must be put in place to deliver the following 5-year targets. The scope of this exercise should be wide and involve all key stakeholders involved in delivering the plans, including the supply chain.
Question 4	Do you have any views on the success criteria? Are there any key areas that we have missed?
	There will need to be consideration about the ability of the supply chain to meet investment needs and wider UK economic benefits. These are very large investments and we cannot be agnostic to the impact of UK industry (both positive and negative). Successful delivery of network investments is an obvious success criterion and this cannot be divorced from the capacity of the supply chain to deliver.
Question 5	What are your views on our enduring vision for Centralised Strategic Network Planning?
Question 6	Do you have any views on the proposed central network planner's role, who that planner might be, and how it may perform this function?
	BEAMA agrees that it is important to have a stable view of future system requirements and that this must be owned by an authoritative party that is independent from financial rewards of their decisions and is technology neutral. However, this freedom means that

	they must operate in a transparent way so that all parties can understand, and if appropriate challenge, decisions. The supply chain will need to have clarity about likely product and services demand so that it can invest in meeting this demand is essential. A central energy scenario (or even several scenarios) will go a long way to meeting this need.
Question 7	What are your views on the proposed stages and focus of the enduring CSNP model? If you can suggest alternative approaches to any of the stages then please do so.
	No view
Question 8	What are your views on closer stakeholder co-working to break longer-term uncertainty deadlocks?
	BEAMA welcomes any opportunity for the supply chain to be engaged in decision making given that it is often the source of innovation or of best practice demonstrated in other countries. It is noted that some decisions on least cost investment will depend on strategic government decisions regarding the future energy system. BEAMA would be keen to support a wider involvement across industry in establishing the evidence base to support these decisions and recognises that the role of the CSNP will be critical in providing the foundations for these decisions.
Question 9	What are your views on allocating risks and accountability for various aspects of the CSNP, and for delivering the options finalised under CSNP? Do you have any suggestions to mitigate any of the risks?
	It must be recognised that the role of the central network planner will be critical in the design of the future GB energy system and that this will have great commercial significance for many parties. It is obvious that the CNP should be commercially and technically neutral but it will be very difficult to ensure that there is equal rigour applied to the analysis of each option. The CBA will have to be transparent and open to stakeholders for challenge but the level of technical detail will make it extremely difficult for rigorous challenge by stakeholders owing to resource and information asymmetry. It will be for the CNPO to ensure that this detailed challenge is provided.
Question 10	What are your views on the proposed Transitional arrangements?
	No view
Question 11	Do you have any views on the next steps to implement CSNP?
	No view
Question 12	What are your thoughts on our initial view of the areas to be covered in the next phase of the review? Are there other areas that aren't included that you would like us to include?
	BEAMA contends that there will be significant reinforcement required to the distribution system and while this is expected to be adequately dealt with by the normal regulatory planning cycles, this should not be assumed and an overview of distribution reinforcement included in the initial review.