



Independent Networks
Association

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Consultation on Ofgem's 2023/4 Workplan

I am writing on behalf of the Independent Networks Association (INA) who represent the Independent Distribution Network Operators (IDNOs) and the Independent Gas Transporters (IGTs). Thank you for the opportunity to respond to this consultation. The INA and its members support Ofgem's work plan, and this broadly accords with the INA's strategic risk register. Specific comments are below:

Consumer interest framework and strategic priorities

The INA broadly agrees with the proposed consumer interests matrix and priorities. Under the heading of the low-cost transition and facilitating infrastructure investment, the INA would expect to see a focus on competitive delivery of infrastructure in order to deliver infrastructure rapidly at lower net cost.

Short term priorities

The INA welcomes the priorities on vulnerable customers.

Longer term priorities: Facilitating Infrastructure Investment

Enabling time-critical investment in infrastructure - The INA and its members fully support this area of the work programme. Members are very concerned about the delays to connecting generation at the distribution level, due to the need for transmission



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investments and there are emerging areas of constraint on the distribution systems. This will delay the delivery of new smart enabled homes and delay EV charging hubs. This links to the future network regulatory framework work package and the need to create a competitive delivery model for investment. The INA also agrees that under this heading, consideration should now be given to the optimal approach for the future of the gas grid.

The hydrogen workstream is a priority, it is crucial that we have a number of options for our transition to net zero and this discovery phase that we are in should allow a thorough examination of its potential. Enabling early investment in transportation and storage is an important step, as well as broader consideration of a well-designed model to support the growth of later developments.

Longer term priorities: Developing and delivering market reforms

We agree that flexibility needs to be a priority. Many INA members focus on the delivery of energy networks for new homes. Through changes mandating smart EV charging and technology, such as PV mandated under the first stage of the Future Homes Standard, new homes can already be smart, flexible networks. However, we run the risk of having smart pockets emerging with no way to manage the potential flexibility because of the lack of market mechanisms and consumer protections being in place. This will result in delays to right sizing future networks and place more demand into the connections queue.

On wholesale charging arrangements and network charging arrangements, it is critical that the Distribution Use of System (DUoS) review starts as soon as possible. Whilst some of the wider issues mentioned under this heading are long term priorities, DUoS reform is a short-term priority. The INA understands why Ofgem decided to split the Access and DUoS reforms but the DUoS arrangements are out of date and an SCR precludes any industry-led changes being brought forward. A way forward and a clear plan needs to be created in the short term.

Longer term priorities: Reforming governance arrangements

FSO and local governance – Local energy governance is a key area that will drive the distribution investment agenda forwards as we decarbonise heat and transport. Focus is urgently needed at the distribution level to avoid queuing projects and to align local interests to facilitate and speed up sub-national investment.



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The INA also notes the reference to energy code reform and has put its comments into the call for input in this area.

Please let me know if there are any questions on any area of our submission.

Yours sincerely,

Nicola Pitts
Executive Director