

Fiona Campbell
10 South Colonnade
Canary Wharf
London
E14 4PU

10 May 2023

Dear Fiona,

SSEN Transmission response to Future of Local Energy Institutions and Governance consultation

This response is prepared on behalf of SSEN Transmission¹, part of the SSE Group, responsible for the electricity transmission network in the north of Scotland.

We welcome the opportunity to respond to the proposals on the future of local energy institutions and governance. Decarbonising our electricity system by 2035, whilst maintaining security of supply, will require the right institutional framework where roles and responsibilities of all industry stakeholders are well-understood and clear at **local, regional, and national levels** rather than simply **national and sub-national levels**. Bridging the gap between local system plans (as proposed within this consultation) and national system plans, we propose, is a role for SSEN Transmission as the **regional system expert** in the north of Scotland transmission network.

Whilst the changes proposed within the consultation are primarily aimed at the distribution network level, we believe that local, regional, and national arrangements for network planning need to work together to optimise the system as a whole. Ofgem's current proposals do not consider energy systems in this way but rather mesh the regional and local together into 'sub-national'. The Holistic Network Design (HND) has set a precedent for a whole system approach and a new national Centralised Strategic Network Plan (CSNP); this would not have been possible without the vital function of regional planning and expertise from the TOs, supporting the ESO's national GB planning. Energy functions at a **local** level have a direct input and effect on the **regional** and national transmission system and therefore we propose Transmission Owners (TOs) continue to have an important role to play within a whole system network planning process as regional system experts. Ultimately coordination all the way from Local Authorities to the DNOs, TOs, and the ESO/FSO will be critical to delivering the best outcome for consumers.

In responding to the consultation, we have provided responses to the relevant questions below and would draw your attention to:

- **A whole system approach, not a one system approach:** Regional differences are undeniable and underappreciated whether this is at a technical, resource, cultural, environmental, or political level. Taking a whole system approach respects that regional differences may result in bringing pieces together which are different shapes and sizes. For example, in the North of Scotland there is a strong heritage to local hydro power, a devolved government with strong policies on just transition and a ban on new nuclear energy,

¹ Following a minority stake sale which completed in November 2022, SSEN Transmission is now owned 75% by SSE plc and 25% by Ontario Teachers' Pension Plan Board. SSEN Transmission encompass the licenced entity Scottish Hydro Electric Transmission Plc Registered in Scotland No. SC213461

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community energy alongside onshore wind, different network voltages to manage, and ancient woodlands to be respected. We support effective and efficient coordination with **all** parties within GB. Local (distribution networks), regional (regional transmission networks) and national (strategic transmission network) networks must be considered together to ensure effective whole system planning. Whatever the outcome of the proposed governance reforms, this must feed into transmission planning to ensure there is a consistent link between all levels of the system. We believe that TOs are well placed as the regional system expert at a transmission level to bridge the gap between local, regional, and national plans given our active role in designing and developing the regional transmission network. We would welcome further engagement with Ofgem to demonstrate how the role of TOs ultimately fits in with the wider energy system planning.

- **Enhanced data sharing and ensuring security of supply:** Across all proposals within the consultation, communication and coordination with TOs will be critical to ensure that the system as a whole remains resilient and flexible enough to support the changes to the use of the system at a regional level. This must be achieved whilst also maintaining the current world class levels of resilience and ensuring ‘**capacity adequacy**’ as we move towards more intermittent and less dispatchable energy in the system. In addition, consideration must be given to cyber security where simplicity of systems and ease of access need to be assessed against protection against cyber threats. This must be a key consideration and included within the impact assessment as part of any new governance framework. Improvement in information and data sharing will allow the electricity system to achieve net zero in the most efficient way and for the most efficient cost possible.
- **Interactions with ongoing institutional reform:** We welcome the recognition within the consultation document of the many interactions with other ongoing institutional reforms that will interlink with the proposals set out in this consultation. Ultimately reform in one area of industry will have a bearing on other parts, and reforms must be considered holistically to ensure there are no unintended consequences. It will be important for any assessment criteria and overarching guiding principles to be considered against all industry reform and aligned where possible to ensure a consistent approach. As the proposals are progressed, we would welcome further thinking on how these key workstreams will ultimately work together. Policy development for the Central Strategic Network Plan, the Future Systems Regulatory Framework, the Offshore Transmission Network Review and Connections Reform are of particular importance. We firmly advise against a wholesale review at this stage, and some of the changes proposed, which put at risk addressing the very challenges Ofgem set out. Institutional changes take time to implement and given the timescales required to deliver for net zero, there can be no hiatus to the development of local energy plans and flexibility markets to ensure that we remain on track to meet government targets.
- **Accountability and independent evaluation:** The electricity transmission network is critical national infrastructure with profound consequences when something goes wrong. The public place significant trust in the stewardship of the providers of essential services and want to know who is responsible. Before implementation goes live, it is vital that there is a clearly defined framework for roles and responsibilities, with all necessary legislation, licencing changes, and code modifications in place. We support a co-ordination and facilitation role of the FSO across local, regional and national plans and there is real value in the FSO providing independent challenge to plans. For example, the current Network Options assessment and the Holistic Network Design allows the TOs to input options, developed by their regional expertise, to the ESO for independent assessment, evaluation and challenge. At the same time TOs can provide this evaluation and challenge back to the ESO, ensuring the most technically feasible, cost-effective and efficient solution for the GB consumer. We are concerned that if the FSO’s role (in this case at a local and regional level but similarly at a national level) is expanded to input options this valuable accountability and challenge, which we support for the FSO, will be lost at the cost to the GB consumer.

- **Infrastructure development versus flexibility:** Whilst we are supportive of proposals to improve current market facilitation arrangements, it is important to highlight that flexibility at a local and regional level alone will not be enough to deliver net zero. Infrastructure development needs to be considered on an equal basis to ensure that short term economic benefits can be balanced against long term environmental and socio-economic benefits. We're supportive of flexibility service markets and connecting emerging technologies to provide these services. A balance of both flexibility markets-based solutions and infrastructure development will be required to meet rather than one or the other.

The **credibility** of the institutions undertaking the energy systems functions, as well as trust and transparency will be critical. It is important to recognise however that there are significant parts of the current institutional and governance arrangements that are already delivering and transforming to meet future challenges in the most cost-effective way for consumers, achieving the objective set out in Ofgem 2023-24 Forward Work Plan. The next step in developing these proposals must be to undertake an impact assessment to ensure there is a strong justification behind any disruptive and complex changes to ensure it will deliver material benefits to ensure a **just transition** for consumers, local communities, and the environment.

We welcome further engagement in this area, and should you wish to discuss any aspect of this response please do not hesitate to get in touch.

Yours sincerely,

Cara Dalziel
Senior Regulation Analyst

Q1. Do you agree with our proposal to introduce Regional System Planners as described, who would be accountable for regional energy system planning activities? If not, why not?

We are supportive of the proposal to introduce greater coordination and consistency within local energy planning. We would note however that the language within the consultation may cause confusion. Our understanding of the intent of the proposal is to have a single body that facilitates the coordination of energy plans between DNOs/DSOs, GDNs, and Local Authorities. This is very different from a 'system planner' role which we would interpret as being the end-to-end design of the network. This function is currently carried out by DNOs who should continue to carry out this role as the party with the relevant expertise and knowledge in this area. It would not be efficient to duplicate this function – doing so would risk confusion over responsibilities and expertise being drained from the DNOs. We believe that there could be benefit in establishing a facilitator role to strengthen cross-vector coordination and ensure there is a stronger democratisation element within the development of local plans. Clarity on the terminology and exact function of a 'Regional System Planner' as proposed would therefore be welcomed to avoid any confusion moving forward.

We would also not entirely agree with the view that there has been 'insufficient and ineffective' coordination to date. There are many examples of cross-sector working well, such as on Shetland and Orkney where we have led the regional system planning and development by working closely with SHEPD and local stakeholders to develop optimum whole system solutions that address the needs of the local system and deliver the best outcome for consumers. At a local level, DNOs have made good progress in developing Distribution Network Future Energy Scenarios (DFES) which provide scenario projections of growth in electricity generation, storage, and demand capacity and considers the future increase of EVs, heat pumps, etc. At a transmission level, SSEN Transmission annually develop North of Scotland Future Energy Scenarios which feed into the ESO's national FES. Providing greater clarity and accountability throughout national, regional, and local system planning could improve energy system planning activities and help to enable net zero, however it is important to recognise what is currently working well within existing arrangements, including the role of SSEN Transmission as regional system expert, and ensure that these positive elements continue to be taken forward into any potential reform.

We strongly support Ofgem's criteria of: accountability, credibility, competence, co-ordination, simplicity and dynamic. In addition, we would suggest including criteria of a just transition to ensure consumers (including security of supply), local communities and the environment are considered. This criteria is essential in any assessment as to which party or what role the Regional System Planner undertakes, this criteria should be considered on a **regional basis**.

Q2. What are your views on the detailed design choice considerations described?

Whilst we are supportive of the need for greater coordination within local energy planning and noting the limited detail available at this early stage, we do have concerns over elements of the detailed design considerations.

Effective energy system planning at a regional and local level requires effective and efficient coordination with **all** parties. It is right that coordination between DNOs, GDNs, and Local Authorities has been singled out within the consultation document and that there is a drive to deliver greater whole system thinking across different energy vectors at the local level. We would note however that there is little mention of how the regional system plans as described will interact with the regional and national transmission network. Local (distribution networks), regional (regional transmission networks) and national (strategic transmission network) networks must be considered together to ensure effective whole system planning and ensure that national, regional, and local plans are aligned to the same strategic direction, i.e., the targets set by government to meet net zero.

The process as described within the consultation document feels that it could create a gap between local, regional and national energy system planning. We know that the FSO will be responsible for the facilitation of planning the strategic, main boundary network (the Centralised Strategic Network Plan – 'CSNP') and the consultation does note that *'the*

regional energy system planning approach much be coherent and coordinated with national energy system planning (transmission)'. However, this assumes that the FSO will be responsible for planning the entire transmission system (rather than facilitating and evaluating strategic investments that will be put forward by TOs in the CSNP) and fails to recognise the important role of TOs in developing the regional transmission networks. Rather than creating a separate process, we believe that local and regional system plans must feed into and underpin the CSNP as outlines below in Figure 1: Future System Planning Responsibilities.

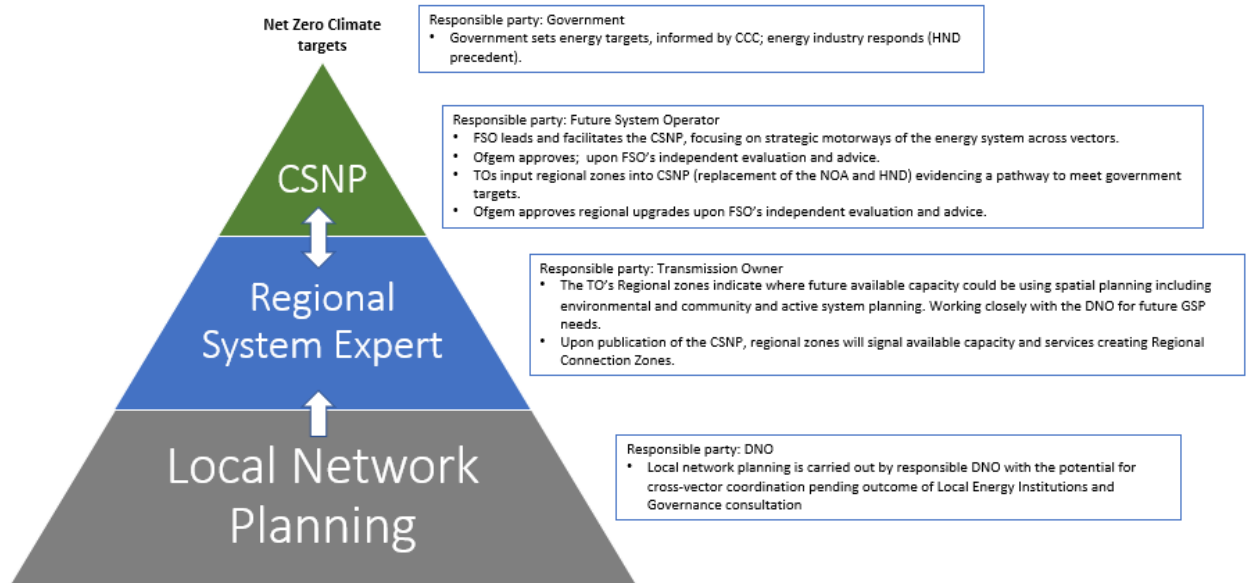


Figure 1: Future System Planning Responsibilities

Considering this, we believe that TOs should take on a more proactive role in designing and developing the regional transmission network and to ultimately assume a regional system expert role for the transmission system in the North of Scotland. Taking on a more active role in system planning and connections is a proposal we wish to engage further on with Ofgem and we discuss our view on this role further within the Frameworks for Future Systems and Network Regulation consultation, due to close on 19th May. This would require a deep understanding of what is happening at the local level and how this ultimately impacts the transmission network. Whatever the outcome of the proposed governance reforms to local energy system planning, this must feed into transmission planning to ensure there is a consistent link between all levels of the network.

To illustrate how we see this working in practice with the local energy system planning described within the consultation, TOs would need to work closely with the local system planners, as well as local communities and environmental stakeholders, to ensure a holistic, cost-effective planning approach. This means enhanced engagement to understand the future requirements of the distribution system at a Grid Supply Point (the interface between Transmission and Distribution) level. Through strong engagement, coordination, and enhanced data exchange processes, TOs will be uniquely placed to bridge the gap between local and national level system planning as they are independent from the local system planning processes and can ensure alignment of system planning assumptions with a truly place based understanding of the region. As well as providing greater awareness of capacity required at Grid Supply Point (GSP) level, the increased coordination and transparency will ensure that network and flexibility services can be properly implemented without causing disturbance to the operation of the national transmission network. Using the criteria set out by Ofgem for the proposed RSP role, TOs are well-placed to undertake an enhanced TO role that bridges the gap between local and national plans:

- **Accountability:** TOs already work closely with the DNOs within their network areas, and we expect there will be close coordination between a future FSO and TOs in delivering a new CSNP framework (pending further consultation on the specific roles and responsibilities). This means that TOs will be well placed to ensure that there is a consistent link from local network planning, through to regional plans and nationally strategic requirements.
- **Credibility:** TOs already own the wider stakeholder relationships not only at a national level, but importantly at the regional level and in the communities, environmental and political that we invest in. We have spent decades building trust and credibility with these stakeholders. We are experts in the regional needs of our stakeholders. We are also experts and accredited in stakeholder engagement with a score of 85% on the AccountAbility Stakeholder Engagement Maturity Ladder in its 2022/23 AA1000 Healthcheck.
- **Competence:** TOs provide crucial value to network development and management, as we collect practical, real-world knowledge. This information comes from years of managing the network, understanding the geography and topology of our network areas, and brings significant value when designing and developing the network. Ultimately, network planning cannot be undertaken in isolation from design, development, and delivery considerations. “Non-system” considerations, such as challenging locations and topography, sensitive environments, transmission specific environmental impact assessment, and logistics of transporting assets through these areas needs to be considered when scoping solutions. TOs have ‘boots on the ground’ experience within our licence areas and are best placed to assess these non-system considerations.
- **Coordination:** There are many examples of a cross-sector whole system approach working well, including on Shetland and Orkney where we have led the regional system planning and development by working closely with SHEPD and local stakeholders to develop optimum whole system solutions that address the needs of the local system and deliver the best outcome for consumers.
- **Simplicity:** Engagement with regional stakeholders should be simple and clear with parties’ roles and responsibilities clear and agreed from the outset. However, as outlined by economist Dieter Helm energy networks are complex systems and do not neatly disaggregate with each party specialising in their own area; this does not have to come at the cost of effective engagement and we have experience of effective coordination between parties to deliver whole system outcomes as outlined above.
- **Dynamic:** Our approach to delivering regional network plans is dynamic, based on the changing needs of our connection customers, government policy, regulatory framework, and environmental and community stakeholders. We have a strong track record of advocating for regional stakeholders needs for example the Alternative Approach with Orkney, the Holistic Network Design following the needs of ScotWind customers and delivering changes to projects to meet stakeholders needs. We have an industry-leading approach to ensuring local environments are enhanced and protected against regional specific climates.
- **Just transition:** A cost-effective transition whilst maintaining security of supply should be at the heart of any industry reforms. We are not proposing that regional planning remains the same as before, however we are proposing that best practice and innovation is built upon by those parties who meet this criteria. TOs have world class standards of reliability and protection from consumers whilst delivering cost-effectively through the price control process. Taking a whole system approach will avoid duplication of effort ensuring efficiency. As outlined above a just transition also needs to consider regional environmental and community stakeholders which TOs have long standing credible relationships.

We'd welcome further engagement with Ofgem on the regional system expert for Transmission function and how this role ultimately fits into the wider sub-national energy system planning.

Q3. Do you have views on the appropriate regional boundaries for the RSPs?

In addressing the question of boundaries, it is important to recognise the differences in networks across GB. In Scotland transmission voltages start from 132kV, whilst in England and Wales this is distribution level. There are also different levels of government to be considered across the regions, with Wales and Scotland having devolved governments with differing policies and targets, as well as different geographies, environmental aspects, and local stakeholders. Unlike the other network areas, the North of Scotland is unique in that for a majority of the time it mainly exports electricity south rather than importing.

As we've discussed in Q2, we believe that TOs should take on a more active system planning role within their network areas as regional system experts. Our current thinking is that this could involve us splitting our area into more specific regional zones as we currently do for the North of Scotland Energy Scenarios (e.g., 5 key regions: islands, north, central, east and northeast, and Argyll). It is difficult to determine the most appropriate boundaries for a local energy coordination role without more detailed proposals, however we would look to work closely with SHEPD (the local DNO) to outline local boundaries, most likely at a GSP level.

Q4. Do you agree that the FSO has the characteristics to deliver the RSPs role? If not, what alternative entities would be suitable?

No, we do not agree that the FSO has the characteristics to deliver the RSP role. As we outlined in our covering letter whole system planning does not equal one system planning with one party taking on every energy system role.

We have consistently raised concerns with the ever-expanding role of the FSO, given the significant upskilling and resourcing that would be required to allow the FSO to perform its responsibilities and we discuss our concerns on the impact of this in more detail in response to Q14-15. The role as described within the consultation is an incredibly large brief for a function that currently does not exist (i.e., multiple branches throughout GB that would all require the relevant skills, expertise, digital infrastructure to carry out their role with competence and credibility). We already know that the FSO will be responsible for facilitating and evaluating the CSNP which will identify strategic investments at a national transmission level. This task alone already adds significant additional responsibilities onto the FSO, before even considering the other responsibilities being discussed for the FSO such as: managing the increasing challenge of balancing the system including moving towards central dispatch, ensuring capacity adequacy, undertaking an energy code manager role, statutory advisory duty to Ofgem and government, driving forward competition, and more. There is a serious risk of **over-loading** the responsibilities of the FSO. This risk should not be considered lightly given that the electricity network is critical national infrastructure with profound consequences if something were to go wrong.

Extending the FSO's responsibilities to a regional and local level could also jeopardise the **critical independent evaluation function of the FSO**. Whilst the FSO will be an independent body, there is a risk of potential bias if the FSO is responsible for the end-to-end system planning for national, regional and local plans. For this reason, at a regional level the FSO's role should be focused on independent evaluation of local and regional plans, rather than their design and delivery. This would play to the FSO's strengths given that it would not have the existing capabilities to efficiently design and deliver these plans. The benefits of independent evaluation are key to the system planning process as it allows for constructive challenge and discussion between parties to refine options and produce the most cost-effective outcome for consumers. This process also allows the TOs and the ESO to develop alternative network options for national and regional system needs. We have real concerns that the consumer value of this process will be lost if the FSO is over-loaded and prevented from the independent evaluation function.

We agree that planning responsibilities should sit with those parties who are competent and have the right expertise to deliver them. We believe this should be the existing parties, and not another regulated body, given the existing

wealth of knowledge and expertise that these bodies have. We would also stress the importance of recognising and understanding how current actors conduct their planning activities at the moment. The consultation envisages that 'existing actors plan for their own assets and within their own competencies' whilst RSPs focus on 'coordination and coherence'. As outlined by economist Dieter Helm energy networks are complex systems and do not neatly disaggregate. This means that investment decision making is a holistic process with load growth, asset management and performance/operability considered holistically to identify the best solution (whether that be asset replacement, reinforcement of existing assets, or new build investments) alongside key stakeholders including local environmental and community stakeholders.

Q5. Do you agree with our proposal for a single, neutral expert entity to take on a central market facilitation role? If not, why not?

We are supportive of the creation of a central market facilitator. We would note however that considering the work that has already been undertaken in this area, we would raise concerns around how another entity could get up to speed with the change and processes efficiently. We would also urge Ofgem to consider cyber security in any data exchanges including any new industry party.

We do welcome that closer alignment between distribution and transmission has been called out as a key responsibility of a new central market facilitator. Communication and coordination with TOs will be critical to ensure that the system as a whole remains resilient and flexible enough to support the changes to the use of the system at a subnational level, whilst maintaining the current high levels of resilience. A 'culture of openness' is required to enable the appropriate actions on the system to enable net zero and this culture must include a very strong level of coordination between DSOs, TOs, the FSO and/or any other governance institution that may take on this market facilitator role to ensure that services do not conflict with each other, that any potential market gaming opportunity is removed, and the avoidance of any unintended consequences in relation to the efficient operations of the electricity networks to maintain security of supply.

Q6. Do you agree with the allocation of roles and responsibilities set out in Table 2? If not, why not?

No comment.

Q7. Are there other activities that are not listed in Table 2 that should be allocated to the market facilitator or other actors?

No comment.

Q8. What are your views on our options for allocating the market facilitator role?

We would reiterate the concerns raised in response to Q4 on over-loading the responsibilities of the FSO.

Q9. Are there other options for allocating the market facilitator role you think we should consider? If so, what advantages do they offer relative the options presented?

No comment.

Q10. Do you agree that DNOs should retain responsibility for real time operations? If not, why not?

Yes, we agree that real time operations should remain with the DNO at a local level. Local knowledge of system should not be underestimated when it comes to adding value to real time operations. Whether this is local technical knowledge, local weather patterns, geography and community needs. Local and regional knowledge of DNO and TO systems for real time operations has resulted in world class reliability and protection against cyber threats to date. We would reiterate again the importance of coordination with TOs within this space. Understanding what is happening on the network at a regional level is critical to ensure the secure operation of the network at a local, regional and national

level and therefore it is important that TOs are included within bilateral data exchanges to ensure there are no unintended consequences including ensuring the long-established protection of data exchanges from cyber threats and ensuring world class security of supply at both a local and regional.

Q11. What is your view on our proposed approach to the undertaking of an impact assessment as outlined in Appendix 1?

We fully support the undertaking of an impact assessment as these proposals continue to progress and develop. We would suggest including a just transition as outlined in this response to Q2. Institutional reform can be highly disruptive and therefore it is essential that the impact of proceeding with such fundamental changes to the current governance arrangements is assessed and consulted on with industry. We believe that there are significant parts of the current institutional and governance arrangements that are delivering well for our future challenges. There must therefore be strong justification behind the implementation of any disruptive and complex changes to ensure it will deliver material benefits.

Q12. What is your view on the most appropriate measure of benefits against the counterfactual?

Firstly, we would strongly urge Ofgem to include the provision of security of supply and system resilience (including climate resilience and cyber protection) into any assessment that is undertaken. Electricity networks are critical national infrastructure and therefore it is of the upmost importance that reform does not put the secure and resilient supply of electricity at risk.

We also note Ofgem's reference to the potential benefit of avoided or deferred network investment through provision of flexibility. Whilst we are supportive of proposals to improve current market facilitation arrangements, it is important to highlight that flexibility at a subnational level alone will not be enough to deliver net zero. Infrastructure development needs to be considered on an equal basis to ensure that short term economic benefits can be balanced against long term environmental and socio-economic benefits. A balance of both flexibility markets-based solutions and infrastructure development will be required to meet rather than one or the other. Improving coordination between the local, regional and national networks as discussed under our proposal for a Regional Transmission System Expert will help to ensure that investments are considered holistically and deliver whole system benefits, ultimately ensuring the most efficient solution for consumers. Flexibility service markets alone will not be enough to deliver what is required for net zero, but rather it will require a balance of markets-based solutions and infrastructure development.

Q13. How should we attribute these benefits between the governance changes in the proposed option, and other changes required to achieve the benefits? We particularly welcome analysis from bodies that have undertaken an assessment of benefits, specifically how those benefits might be attributed to different policy reforms that are required to achieve those benefits.

No comment.

Q14. What additional costs might arise from our governance proposals? We welcome views both on the activities that may arise and cause additional costs to be incurred, as well as the best way to estimate the size of the costs associated with those activities.

For system planning and market facilitation to reach its full potential, it is crucial that the organisations responsible for these activities have sufficient resources to carry out their roles to a high standard. If the FSO were to assume the Regional System Planner role, this would require significant resourcing and upskilling to ensure it is able to effectively act in multiple regions across GB. Local planning has not historically been a part of the ESO's remit which would make this change even more challenging given the lack of existing knowledge in this area. Recruiting for these highly technical roles is a challenge which cannot be taken lightly. Importantly, system planning teams within network companies currently are integrated within the business which is hugely important for developing effective system

plans. Integration with teams such as development, asset management, innovation, consenting, environmental, and stakeholder engagement, allows for cross-team coordination to check viability of solutions early on. It is also not clear whether the FSO would be required to be based within each region which could result in significant costs related to establishing multiple sites and ultimately a resource drain on established parties. We do not believe this is in line with Ofgem's objective of a cost-effective transition to net zero.

Likewise, whichever entity takes on a central market facilitator role will also require significant resourcing and upskilling. If this were to be the FSO, it is important to highlight that market facilitation at a distribution level is different from what the ESO may be familiar with at a transmission level and so again, there would be no existing expertise in this area within the FSO.

Q15. What additional costs may arise from sharing functions with several interacting organisations? We welcome views on set up cost, lost synergies, and implementation barriers.

Moving roles and functions between various bodies can create a high level of complexity which runs the risk of key skills being lost during the transition. This also leads to inefficiencies where processes may be duplicated by different parties. Before any changes are made, there must be clear accountability laid out for the roles and functions each body will continue or begin to undertake. Additionally, there should be transparency of commercial and technical information should there be one entity who manages contracts and facilitates the market.

As we have noted in the previous question, recruiting for technical system planning roles is a real challenge. Whilst Ofgem has noted that it sees a distinction between the proposed Regional System Planner role and the system planning activities undertaken by local actors, should the FSO take on the Regional System Planner role there is serious risk of loss of expertise and competition between DNOs, TOs, and FSO for staff. Avoiding duplication of roles will result in a more cost-effective outcome for consumers.

Lastly, Ofgem has rightfully highlighted the many ongoing institutional reforms which interact with the proposals within the consultation. Many of these reforms are still subject to ongoing policy development and therefore there is still uncertainty over exact roles, responsibilities, and processes that will be in place. It will be important for any assessment criteria and overarching guiding principles to be considered against all industry reform and aligned where possible to ensure a consistent approach. Ultimately all changes in one area of industry will have a bearing on other parts. There is a risk that ongoing reviews lead to industry uncertainty which ultimately negatively effects investor confidence and stability of the market. It is therefore imperative that Ofgem and DESNZ have joined up thinking and a coordinated approach to all the moving facets to avoid any unnecessary and unintended consequences.