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Dear Sir/Madam,

Thank you for the opportunity to comment on the consultation. Colchester City Council welcomes Ofgem's recognition in the Consultation of the proposed role of local government in future energy system governance and the subsequent functioning of a network to achieve Net Zero.

As a local authority we recognise the benefits of the energy transition, including sustainable growth, high-value employment opportunities and the building of greater resilience in our communities and wish to play an active role in helping to deliver these benefits through working closely with our stakeholders.

We acknowledge that we and other local authorities are operating in challenging times, with regards to finance and resource, and would request that any systemic changes to governance should reflect this and subsequent changes are delivered in a way that we comprehend and do not put undue pressure on limited resources. This raises a critical question of who will be responsible for providing the resource, both temporal and financial, to help facilitate the changes and support the collaboration between local authorities and other actors.

The responses to the Consultation questions are provided below:

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

The proposal to introduce Regional System Planners (RSP) is supported however the role of the RSP to create Regional Plans and 'develop and own the critical planning assumptions' raises several questions:

- If all stakeholders are not in agreement with the planning strategy is there a process of arbitration to achieve an agreed strategy?
- Will regional assumptions vary and, if so, how will they be resolved?
- Will there be flexibility built into the strategy to allow for changes in assumptions due to external forces/modern technology etc.?

With these questions in mind, it is essential that the introduction of RSPs and their role would need to carefully consider the following:

- Any plans formed by the RSPs should seek to align with Local Area Plans and a mechanism for arbitration/resolution should be included if such plans prove to be at odds with local planning. Ideally a collaborative approach should be sought.
- Local/regional stakeholders should have the recourse to object to Regional Energy System Plans and further clarity needs to be provided as to who will manage such a process and who will be designated to resolve such conflicts.
- The proposal makes a case for system reform, however there is insufficient detail as to how the effective collaboration and coordination between stakeholders would be achieved.
- Provide further clarity on data management, including the use, transfer and ownership of data and the agreement between stakeholders and RSPs to data management protocols.

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

It makes sense to have the RSP designated to sit within the FSO and a public body which will be fully accountable. However, it is not clear as to how they would coordinate with the TSO and how they would work to resolve issues.

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

Matching the current boundaries of DNOs would appear to be a reasonable approach however it is imperative that the strategies and plans adopted by different regional RSPs must be aligned and coordinated as there are instances of local authorities and other stakeholders whose boundaries may lie in different

regions and this requires consideration to avoid a situation where they may be having to work to non-aligned strategies.

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

The Future System Operator (FSO) does appear to be placed in the ideal position to take on the role of RSPs however, as a new organization (2022) it is not possible to comment on the effectiveness of the body. No other body comes to mind that has the same strategic 'fit.'

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?

A single body would help to ensure consistency of approach to market facilitation. However, such a body would need to be innovative in their approach to market testing, access to markets and the adoption of modern technologies and systems of working.

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

We agree with the roles and responsibilities identified in Table 2 however we would suggest that the role of rule setting and market oversight would ideally be kept separate from the operational role of the market facilitator. Furthermore, it may be useful to include a section on adapting to innovative technologies and systems of working.

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

The principal concern we have with Table 2 is there is no mention of the roles of regulation, scrutiny and system oversight. If Ofgem is proposing that they regulate the process, then this should be clarified in the proposal. Furthermore, there are questions as to the ability of Ofgem to provide sufficiently vigorous oversight of energy markets.

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

The role of market facilitator should ensure that ALL consumers and stakeholders are considered in the decision-making process, regardless of organisational size and that the operational limits of smaller organisations are not placed under undue pressure.

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

The role of market facilitator should be fully independent which would help to provide greater assurance for consumers and stakeholders.

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

We agree that the current DNOs retain responsibility for real time operations, however we suggest that the DNOs become more customer-focused and more responsive to stakeholder requirements and local needs.

Yours sincerely

A handwritten signature in black ink, appearing to read 'SD', with a long horizontal line extending to the right.

Your name: Simon Davison, Sustainability and Climate Change Manager,  
Colchester City Council