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Dear Doug,

### **SSEN Distribution response to the Consultation on the Future of Local Energy Institutions**

1. Thank you for the opportunity to respond to this consultation on the future of local energy institutions and governance. This response is on behalf of Scottish and Southern Electricity Networks' two distribution licence holders: Scottish Hydro Electric Power Distribution plc and Southern Electric Power Distribution plc.
2. We note this consultation is part of a wider package of Ofgem work, including the Future Systems & Network Regulation consultation, the Future of Distributed Flexibility Call for Input, and the Data Best Practice consultation. Ofgem must consider how all these pieces can fit together to deliver the regulatory and policy environment that supports delivering Net Zero at efficient cost.

#### **Enabling net zero growth**

3. As we transition rapidly to net zero, we are moving from a period of low growth and steady network development to very high growth and accelerated network development. In parallel, almost every new development- be it driven by housing or industry- needs grid capacity. The timely availability of grid capacity is therefore either a key enabler or major constraint on growth. Investment must be aligned with the UK and Scottish governments' net zero targets, and enable our local communities to meet their net zero ambitions.
4. Institutional design is key to enabling net zero; rapid delivery of the enabling infrastructure and market solutions requires rapid and high-quality decision making. This in turn requires clear accountabilities for who makes what decisions, a structure and shared understanding how those decisions should be reached and evidenced, and institutions and transparency that give all energy sector participants, and critically consumers, confidence that outcomes are fair and economic.
5. The democratisation of energy planning must be understood as an enabler to net zero rather than a box to tick; plans co-developed with local stakeholders will drive faster decarbonisation of our communities. The increasing interaction of energy systems, digitalisation of the sector, the increased volume of data to support decision making, and the imperative of decarbonisation all enable and necessitate a greater whole system approach from all industry participants, and markets that leverage these trends to deliver efficient and innovative solutions to grid and system constraints.

### **We are working to deliver transparency in DSO operations**

6. We welcome Ofgem's recognition of the benefits that are driven through retaining core Distribution System Operation (DSO) functions within the DNOs. As evidenced in our response to the call for input and NERA's report, this avoids functional duplication, unnecessary costs, and lengthy delays to mature DSO operation, as well as reflecting broad stakeholder views. We recognise Ofgem's call to keep improving transparency in our decision making, and both our DSO Action plan<sup>1</sup> and DSO Strategy<sup>2</sup> detail the steps we will take in RIIO-ED2 to ensure we deliver on this commitment. In addition, the DSO incentive will ensure companies are held to account and are incentivised to deliver further improvements in DSO operations.

### **Regional System Planning must be more precisely defined as a coordination role**

7. As a starting point, we should strive for a regional planning system that is democratic, transparent, and centred on the needs of local communities, while avoiding the need for additional and unnecessary complexity.
8. With regards to the Regional System Planner (RSP) role, we have previously stated a need for localised, cross vector coordination with a strong democratisation focus. The consultation does call out this gap in the current institutions and makes some high-level observations about how Ofgem's proposed RSP could interact with existing bodies. Local plans, and a level of coordination do exist today through Local Area Energy Plans (LAEPs) and the Distribution Future Energy Scenario (DFES) process, but the consultation rightly calls out the need for greater consistency around the country.
9. However, our biggest area of concern is around the scope of the RSP role, which is not clearly set out in the consultation.
10. Planning can mean different things; end-to-end network design involves detailed forecasting of potential network use, identification of network requirements through power system studies, and optioneering and design of reinforcements or selection of flexibility products that can be employed to meet these requirements. The DNO/DSO currently deliver these functions and should continue to do so, holding the key expertise, tools, understanding of our own networks and the accountability to maintain safe and reliable supplies. A new body that duplicates any of these functions would create duplication and confusion on accountabilities, and risk expertise being drained from DNOs at a time of significant competition for skills and resources.
11. However, in delivering these functions, we can do so in a more aligned way through partnership with RSPs, with that role better described as a 'Regional Energy Coordinator' (REC). This coordination role would indeed fulfil the principles discussed in the consultation:
  - (i) ensuring the forecasting we use is informed by and consistent with broader energy plans and national targets, for example through setting common assumptions for DFES;
  - (ii) flagging and resolving issues where electricity network plans don't synergise well with other vectors- for example housing and heat pump plans- which form part of the broader regional energy picture;
  - (iii) aligning plans at every level of the system; local plans to regional, and regional to national; and
  - (iv) delivering a 'local voice' and true democratic accountability into planning processes across the energy sector.

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<sup>1</sup> [Our DSO Action Plan - SSEN](#)

<sup>2</sup> <https://www.ssen.co.uk/globalassets/about-us/digital-strategy/our-digital-strategy/ssen-digital-strategy-2023-final.pdf>

In doing so, and by bringing key stakeholders together and democratises the process, a regional energy coordinator can serve to modify or add to the network requirements we plan for to help us better mean the whole energy system needs of our communities.

12. As currently drafted, the consultation and the language of 'Regional System Planner' leaves significant room for interpretation. We support an energy coordination role, but warn against the duplication of system planning activities for the reasons outlined in this response.

#### **A central market facilitator should take forward the ENA's work, complemented by code reform**

13. We agree with the need for a market facilitator role. The current range of flexibility markets, across distribution and those facilitated by the Energy System Operator (ESO), require coordination and standardisation to increase overall liquidity; there are many resources, including Consumer Energy Resources (CER), which could help us add critical grid capacity if market participation is made sufficiently discoverable, convenient and attractive. Many resources of this type do not consider the electricity system as their primary function- for instance EVs- so making market participation as easy as possible is a must, and depends on markets that all work well together while protecting network reliability and safety.
14. Ofgem also recognise the importance of primacy and stacking rules; these are key to ensuring there is clarity in what services will be delivered under what circumstances- key to the networks mandate of maintaining reliability. Recognition that the central responsibilities for reliability and safety remain with network companies is also welcome.
15. It is critical to maintain momentum in distributed market development while new roles and institutions are stood up, and to do so existing initiatives such as ENA product standardisation should be carried forward. A key opportunity this year is code reform work- a 'flexibility services code' which is designed with distributed flexibility at its core would serve the industry very well in the short and longer term.

#### **Delivering institutional change is challenging, and having the right skills and capabilities is critical**

16. Regarding the two proposed new roles (regional coordinator and market facilitator), we also have two linked practical concerns about delivery. One is the suitability of the Future System Operator (FSO) for delivery of both roles; certainly local planning has not historically been a part of the ESO's remit, meaning the capabilities of the FSO would need to undergo a step change to rise to this challenge. The market facilitation challenge is also different at the distributed level than at transmission, so it should not be assumed that the FSO would be ready on 'day 1' to hit the ground running.
17. The level of challenge for any organisation picking up these responsibilities exacerbates the second issue, of need for pace to deliver a net zero energy system by 2035, and aligning with Scottish and UK government net zero targets by 2045 and 2050 respectively. Enacting these new roles could take significant time, with uncertainty over how bodies could be empowered within the relevant regulations, codes, and acts. A hiatus in the development of regional/local energy plans and flexibility markets, as actors wait for change, must be avoided to keep the industry on track.
18. It is therefore critical we keep progressing in development of markets and local energy plans in the short term; for this reason we wish to see existing work recognised and supported while new institutional arrangements develop, and carried forward to help the emergent coordinators and market facilitator start from a point of momentum and continuity.
19. Relevant existing work includes: DFES processes, which are well aligned with the national FES and across DNOs and could readily be further strengthened through common methodology, scope and timelines; the production of LAEPs which show what democratised planning looks like; the Open Networks work that has, in the absence of a market facilitator, provided useful perspectives and product definitions that have given distribution flexibility markets some consistency already, and this year's code reform work, which is a key

opportunity to influence, rationalise and strengthen markets, potentially through creation of a code that covers all markets across distribution, transmission and system.

20. Finally, we would also welcome clarity from Ofgem on how it would propose to practically implement its proposals for the FSO to take on these new roles. It is unclear whether this would require additional legislative change, or whether Ofgem considers that changes could be implemented under section 11A of the Electricity Act 1989, or under the Energy Bill, once in place.

### **Local governance arrangements must work for local communities**

21. Local authorities will be key to delivering net zero at the local level. As such, they must be actively engaged in the development of any new institutional arrangements.
22. With that in mind, we have sponsored Regen to carry out an initial piece of work to seek the views of Local Authorities specifically on the RSP role, and explore their perspectives on their requirements for energy planning and gaps in the current landscape. The report is not yet complete, but early insights indicate that:
  - (i) It is an imperative to keep pace and avoid lost time or wasted effort in the near term, while the RSP role is fully defined; bodies should be continuing to develop their approaches and plans with energy networks confident that the RSP won't render these moot;
  - (ii) Focus of the RSP should be on wider system and cross-vector coordination, incorporating existing activities such as LAEPs and driving consistency across regions;
  - (iii) Stakeholders are concerned it becomes a 'black box' process. LAs are central, want to be engaged and have a critical understanding of growth patterns and as well as detailed knowledge of the local environment, all of which will be key to successful delivery of net zero; and
  - (iv) Political boundaries should be the starting point in defining regions – there is a need to be pragmatic to avoid creating unnecessary additional complexity.
23. We would encourage Ofgem to explore opportunities to further engage with local authorities on the design of the governance arrangements.
24. We will be continuing our own proactive engagement with all 72 of our local authorities. Through our RIIO-ED2 business plan we have committed to providing local authorities with baseline support for the development of their local energy and heat strategies. This is supplemented by additional targeted support focusing on a coordinated and effective delivery strategy for whole systems and net zero.
25. Our recent work with the Isle of Wight council and Regen<sup>3</sup> is an excellent case study of how we can successfully build on the existing DFES and planning processes, taking a partnership approach to support local community ambitions and identify investment requirements under upcoming uncertainty mechanisms.

### **Next steps**

26. Please find attached appendix 1 answering the questions as set out in the consultation.
27. We will also be providing further commentary on the RSP role in particular in response to Ofgem's consultation on the Future of Systems and Networks, which we note appears to be going further in extending the role of the RSP at transmission level and to determining delivery models. It is critical that there is a clearly and consistently defined regional coordinator role to avoid confusion.

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<sup>3</sup> <https://www.regen.co.uk/project/isle-of-wight-network-study/>

28. We look forward to continuing to work with you on these critical developments that will shape our industry and determine how effectively the networks, market participants, and our communities can rise to the net zero challenge.

Your sincerely,

Clothilde Cantegreil

**Head of Strategy – SSEN Distribution**

## Appendix 1: Consultation question responses

### **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?**

- 1.1 We have previously stated a need for localised, cross vector coordination with a strong input from parties with a democratic mandate. The description of the 'Regional System Planner' given, however, can be interpreted in different ways, some of which we believe would be counterproductive.
- 1.2 The consultation does call out this gap in the current institutions and makes some high-level observations about how it could interact with existing bodies. Local plans, and a level of coordination do exist today through LAEPs and the DFES process, but the consultation calls out the need for greater consistency around the country.
- 1.3 There is a gap in the industry today in coordinating across different vectors and planning areas, for example water, heating, power, natural gas, hydrogen, EV charge point networks, housing, and spatial planning. By better aligning development plans across these areas, synergies can be found, and inefficiencies and delays avoided. There is also a lack of standardisation in how elected representatives feed in to and steer net zero plans for their own regions. The creation of a body to take on the role of coordinating cross vector considerations into coherent, regional net zero plans owned by democratic bodies is therefore required.
- 1.4 Interpretations to be avoided however include any duplication of network planning functions. The name 'Regional System Planners' implies some overlap with network planning, where we strongly prefer a term that better aligns to the description above, 'Regional Energy Coordinator' (REC). Note that we have used the term REC throughout our response, and this should be interpreted as discussing the RSP role. We give more feedback on what we view as the right interpretation of the role in the following responses.

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

- 2.1 Planning can mean different things; end to end network design involves detailed forecasting of potential network use, identification of network requirements through power system studies, and optioneering and design of reinforcements or selection of flexibility products that can be employed to meet these requirements. The DNO/DSO currently deliver these functions and should continue to do so, holding the key expertise, tools, understanding of our own networks and the accountability to maintain safe and reliable supplies. A new body that supersedes any of these functions would create duplication and confusion of accountabilities, and risk expertise being drained from DNO, at a time of already significant competition for skills and resources.
- 2.2 However, in delivering these functions, we can do so in a more aligned way through partnership with what Ofgem refers to as RSPs, with that role better described as a 'Regional Energy Coordinator' (REC). This coordination role would indeed fulfil the principles discussed in the consultation. It could do this by ensuring that the forecasting we use is informed by and consistent with broader energy plans, including through setting assumptions. Another key facet of the role will be flagging and resolving where, electricity network plans do not necessarily interface well with other vectors- for example housing & heat pump plans- which form part of the broader regional energy picture.
- 2.3 In aligning forecasting and identifying synergies, in a way which brings key stakeholders together and democratises the process, a REC can serve to modify or add to the network requirements we plan for to help us better meet the whole energy system needs of our communities.



- 2.4 This consultation asks what the right boundaries are for RECs, and that question is linked to the ‘depth’ of said plans. Our innovation project LEO, and our proposal for a follow up, LEO-N have considered the possibility and value of neighbourhood level plans, while the ESO has a clear role in setting out transmission system plans. The REC role is focused between these two level, however there is still significant variation in how granular this could be. Regardless of the selected boundaries for planning regions, the work of the REC should be integrated with planning at lower and higher levels of granularity- working with LAEPs as much as with Transmission regional plans, & FSO-led national plans. These different layers of planning need not be entirely consistent with each other, as each plan will need to manage risk and uncertainty at their own ‘layer’, and the efficient strategies they follow to do so may be different from their respective perspectives- however coordination and understanding of any differences will be required.
- 2.5 Coordination is thus at the heart of this role, not just in linking different parties across vectors, but vertically linking plans that vary in scope and detail from street level to national. Linking plans in this context means ensuring coherence- communicating where plans conflict or miss synergies, and arbitrating resolutions where such issues arise.
- 2.6 As discussed in our response to Q4, implementation of the consultations proposals will take some time, at a point where it’s critical that the industry maintains momentum in net zero planning at all levels of the network. We would therefore flag that the design of the RECs, and their delivery, should prioritise building on existing work.
- 2.7 The DFES process already provides significant coherence around GB, allowing DNOs to plan to scenarios built on assumptions that are consistent with national plans, and across DNO boundaries. This process also includes significant stakeholder input, with a focus on democratically accountable actors- LAEPs form a key part of the evidence base used to tune DFES. Continuing improvement of the DFES can be undertaken immediately, through increasing consistency in methodologies, scope and timings used by different DNOs- and in future the REC should have a role in delivering this.
- 2.8 LAEPs themselves also already provide a template for localised, democratically accountable, net zero compliant energy plans that can direct and support infrastructure planning. Their interaction with regional energy plans (which will a key component of the RECs remit) should be explicit, and their development encouraged and actively supported ahead of and following the creation of RECs. These plans don’t yet work well everywhere- there are particularly issues with consistency between different LAs. We are addressing these through applying lessons from our LEO innovation project<sup>4</sup>, the ongoing RESOP project<sup>5</sup>, the whole system support services we are committed to delivering through our RIIO-ED2 outputs<sup>6</sup>. We have also already demonstrated how a collaborative approach can drive robust local plans, for instance on the Isle of Wight<sup>7</sup>.

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

- 3.1 Boundaries should first and foremost align with the relevant political units- democratic bodies who have planning responsibilities for an area should be able to align their planning with a single regional energy plan. This is because the democratic mandate, as well as the alignment of energy planning with spatial planning, should come first to deliver regional energy plans with the required political buy-in to be delivered

<sup>4</sup> [Project LEO | SSEN Innovation \(ssen-innovation.co.uk\)](https://www.ssen-innovation.co.uk)

<sup>5</sup> [RESOP Project to help local authorities plan low carbon infrastructure - SSEN](https://www.ssenfuture.co.uk/wp-content/uploads/2021/12/24645-SSEN-ED2-Final-Business-Plan-Website.pdf)

<sup>6</sup> <https://www.ssenfuture.co.uk/wp-content/uploads/2021/12/24645-SSEN-ED2-Final-Business-Plan-Website.pdf>

<sup>7</sup> [Isle of Wight - Network Investment Study - Regen](https://www.ssenfuture.co.uk/wp-content/uploads/2021/12/24645-SSEN-ED2-Final-Business-Plan-Website.pdf)

at pace. There should also be alignment between the local areas and bodies that have created LAEPs and the REC they coordinate with.

- 3.2 Secondary to this, alignment with network 'patches' should be designed in as far as possible, with the overall goal of minimising the number of regions each network touches and vice versa (considering all types of network), to reduce complexity, while also keeping each region as granular as practicable to facilitate truly detailed plans.

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

- 4.1 The FSO has not yet been established as an independent body. Primary legislation is being brought forward with this purpose, and the FSO will be founded on the existing capabilities of the ESO, and some capabilities of NGG. Under Ofgem's proposed approach, its remit would go significantly beyond the current capabilities of the ESO and NGG, to include the whole energy system - while the two constituent existing bodies focus on electricity and gas transmission, at a national level.
- 4.2 The FSO therefore will need to rapidly develop the required skills and capabilities to fulfil its expected roles, before considering the addition of the REC role described. The REC role itself is quite different a role from the duties ESO has performed to date, with a greater focus on coordination and regional detail, and integration of issues such as spatial planning. We therefore don't think the FSO currently has the relevant characteristics, and that should it take on this role there would be significant time needed for the full development of the relevant capabilities- which equally a new body may be able to develop in similar timescales. Moreover, there remains the risk that if this role stretches beyond coordination this could create competition for scarce resources by duplication system planning roles served by DNOs/DSOs.
- 4.3 This relates to our general view that, in parallel to a new entity taking on the REC role developing their capabilities, and the regulatory and policy regimes evolving to facilitate an effective new institution, existing processes must continue and be fully supported- activities such as the generation of LAEPs and the DFES that DSOs currently produce. A conservative estimate of two years for new institutional arrangements to reach a steady state of operation is two years we cannot afford to lose to inertia, in the context of delivering net zero goals.

**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?**

- 5.1 We agree with the need for a market facilitator role. The current range of flexibility markets, across distribution and those facilitated by the ESO, require coordination and standardisation to increase overall liquidity; there are many resources, including CER, which could help us add critical grid capacity if market participation is made sufficiently discoverable, convenient and attractive.
- 5.2 Many DER resources, and all CER resources, do not consider the electricity system as their primary function- for instance EV batteries are a key resource to consider- so making market participation as easy as possible is a must, and depends on markets that all work well together while protecting network reliability and safety.
- 5.3 Ofgem also recognise the importance of primacy and stacking rules; these are key to ensuring there is clarity in what services will be delivered under what circumstances- which enables the networks to fulfil their mandate of maintaining reliability. Recognition that the networks key responsibilities for reliability and safety remain with network companies is also welcome.



5.4 In our response to Ofgem's Call for Input on the Future of Distributed Flexibility, we discuss in more depth the "common end vision" for distributed markets, which the market facilitator will play a key role in.

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

- 6.1 The roles highlighted for the facilitator require a collaborative approach, convened by the facilitator-participant voting rights on rules and products is key, particularly for those whose network operations will depend on market outcomes in order to fulfil 'safe and reliable' accountabilities. Service users- such as DSOs- would also need to engage with market participants- the market facilitator need not always act as a 'middleman', although we agree the market facilitator would have a key role.
- 6.2 Settlement, payment, credit and clearing roles are all key parts of the existing wholesale markets, and their future functioning in flexibility markets is tied to code reform. While the market facilitator and platform will always have a role in operation of these processes, they should be robustly defined within a new code that includes distributed flexibility to give market participants clearer rights, obligations, and visibility.

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

- 7.1 As per the question 6 response, we suggest some of these roles are key issues for ongoing code reform work- codifying generally agreed rights and obligations simplifies some of these roles. We also suggest that dispute resolution is explicitly considered, processes outlined, and an entity mandated to arbitrate, for situations where disagreements arise between market participants and the market facilitator.

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

- 8.1 The ENA has, through Open Networks, delivered portions of the role in the absence of any other body. In our view Open Networks has delivered effectively, for instance in product standardisation, but this role is not the purpose of the ENA and could be moved on to a different body.
- 8.2 As with our discussion of the REC role in our question 4 response, the FSO is yet to be fully created and won't immediately have the relevant capabilities- managing the transmission system and distribution markets are different challenges, and many of the analogous functionalities at transmission are fulfilled by Elexon. Additionally, there could be perceived conflicts of interest- ESO is a buyer in these markets and thus having final say on primacy/stacking rules could prioritise its own requirements, or be perceived to.
- 8.3 Robust rules, and transparent processes for rule setting and dispute resolution, could mitigate this conflict to an extent but requires careful consideration while fully specifying the market facilitator role.

**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?**

- 9.1 We have no immediate suggestions for entities that could take forward this role, but stress the need that they must have the characteristics of neutrality, relevant technical expertise (which may take time to acquire), and the ability to be in place and carrying out the role effectively as soon as possible. Their governance must ensure all relevant parties, particularly those with safety and reliability obligations are fully consulted.

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

10.1 We agree with this proposal. As we have stated in our response to the Call for Input, separation would be costly, creates inefficient duplication in the sector, destroy synergies, and causes significant delays and uncertainties with material impacts on the net zero transition. The NERA report we drew upon to evidence our position quantified related costs- overall, NERA's analysis shows that, regardless of the degree of DNO-DSO separation, the costs of separation would be substantial, and could be up to around £2.8 billion in Present Value (PV) terms at the GB level.

10.2 We note the call for further increased transparency in DSO operations, and have set out our plans to continue improving in our DSO Strategy<sup>8</sup> and Action Plan<sup>9</sup>.

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

11.1 The impact assessment is a key tool to ensure policy changes will deliver value for consumers, and must be undertaken ahead of implementing any of the proposals within the consultation. However, speed of implementation is also important to get the most benefit from these proposals, making it critical that Ofgem proceeds with the impact assessment as soon as possible.

11.2 Ofgem reference the Future World Impact Assessment carried out by Baringa on behalf of the ENA. This analysis is very rigorous, and a similar scope should be delivered by an impact assessment for this consultation's proposals, including detailed methodologies around reinforcement synergies. It should be noted however that the study was focused on the electricity network- regional planning generates benefits outside of the electricity network that will be challenging to quantify.

11.3 To fully assess costs, there needs to be a very clear design for the consultation's proposed institutional arrangements that outlines how these will work in practice ahead of assessment. This is needed so that accurate resourcing requirements (including FTEs, data systems for each body- the REC, the market facilitator, and any interacting parties- can be established.

11.4 An issue with the benefits listed is around flexibility- both 'Flexibility (provision, connections, synergies)' and 'Improved market participation of flexible resources' are not benefits in themselves- but rather the expectation that increased flexibility participation generates cost efficiencies and synergies, and it is these that must form part of the IA.

11.5 On the cost side, nomination of the FSO does suggest they would be best placed to attempt to quantify the range of potential costs that they would incur in developing these capabilities. A supplementary analysis of the synergies the FSO would leverage could then be used to establish additional costs other parties may incur if they instead took up either role.

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

See Q11 response

<sup>8</sup> [https://ssenfuture.co.uk/wp-content/uploads/2021/12/A\\_11.1.\\_DSO\\_Strategy\\_CLEANFINAL\\_REDACTED.pdf](https://ssenfuture.co.uk/wp-content/uploads/2021/12/A_11.1._DSO_Strategy_CLEANFINAL_REDACTED.pdf)

<sup>9</sup> [Our DSO Action Plan - SSEN](#)

**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.**

See Q11 response

**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.**

14.1 As in our response to Q11, additional costs are driven by the detailed scope of the proposed roles. Some interpretations of the proposals could result in very significant extra costs, through duplication of existing system planning functions.

**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.**

See Q11 response