

Enterprise Portfolio Management Office
Ofgem
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Ofgem's Forward Work Programme - 2024/25

This response to the consultation is submitted on behalf of ESP Utilities Group Ltd (ESP). The Group includes ES Pipelines Ltd, an independent gas transporter (IGT), and ESP Electricity Ltd, an independent distribution network owner (IDNO). ESP has been operating independent networks for over 20 years and serves over 1 million connections right across Great Britain.

We welcome this opportunity to respond to the Programme of work Ofgem has set out. Given the new Net Zero and Growth duties Ofgem has been handed, and the proposed strategy and policy statement to be confirmed by Government, it is vital that the work Ofgem proposes to undertake is clearly understood by stakeholders.

We agree with the high priority given to protecting vulnerable customers and support the intention to expand the scope and effectiveness of the Priority Services Register. To ensure that all vulnerable customers have the same opportunity to benefit from the positive outcomes of this work it is essential that IDNOs and IGTs are included in the scope of this project. Approaching 4 million customers are now served by IGT/IDNO networks and we would urge Ofgem to ensure that this population is not overlooked.

As more Heat Networks are introduced servicing greater numbers of customers, it is appropriate that a proportionate regulatory framework is introduced. We welcome the proposal to extend guaranteed standards of performance to this sector along with other market protections.

We understand that as providers of critical infrastructure it is essential that consumers and the market have confidence in the financial resilience of all network providers. We are pleased that Ofgem has included a workstream to underpin protections in place for consumers on independent networks and look forward to working collaboratively to ensure the necessary assurance is in place, and can be evidenced, both bilaterally and through our Trade Association, The Independent Networks Association.

The IDNO model has enjoyed success due to the benefits it brings to connecting customers through flexibility, speed of service and partnership. Interaction with DNOs and TOs is part of the process for every connection, and we are keen to work with Ofgem and Industry to ensure that these arrangements are proportionate and equitable and do not present obstacles to timely connections.

Electricity Networks will undergo significant change to support the transition to Net Zero and whilst some of this work is already underway, there is much more to do. Investment will be needed to support new requirements for, network monitoring, the growth of low carbon technologies on existing networks, and adaptation due to climate change. It is vital that Regulation should keep pace with these new requirements and to ensure that the necessary changes offer an attractive investment proposition.

The continued work on DUoS charging, in particular the EHV methodology review, will have consequences for IDNOs as well as Suppliers and Customers and we urge Ofgem to ensure that all interested parties have the opportunity to feed into these important discussions.

Gas networks are also facing significant change and Ofgem should ensure that the impact of these change on IGTs are part of developing the solutions to protect current and future consumers as well as investors.

Please do not hesitate to contact me should you require any clarification on our response.



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