



Independent Networks
Association

To:

Electricity Systems Team, Department for Energy Security and Net Zero
Future System Operation, Office of Gas and Electricity Markets

Email: nesoproject@energysecurity.gov.uk and FSO@ofgem.gov.uk

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DESNZ and Ofgem consultation on National Energy System Operator (NESO) licences and other impacted licences: statutory consultation

Thank you for the opportunity to comment on this consultation. I am writing on behalf of the Independent Networks Association (INA) who represent Independent Distribution Network Operator (IDNO) licence holders and Independent Gas Transporter licence holders (IGTs) that operate across Great Britain providing networks for customers in new housing developments, commercial estates, mixed public/private sector developments, EV charging, generation and storage facilities.

Independent networks compete against themselves and incumbents to provide networks for their customers. The use of competitive networks has grown significantly in popularity as, in order to win the business, they provide a tailored service to developers, working with them to provide agile solutions to enable them to progress their projects and enable growth that supports net zero goals in a timely fashion, at a time when we require a more dynamic and innovative approach to network provision. IDNOs are increasingly operating at Extra High Voltage and existing and future projects increasingly look to connect into the Transmission system where there are advantages for those projects to do so. Competition has therefore provided benefits to the GB energy sector and its use for network provision should be encouraged across all energy networks and all sectors.

Annex D sets out the Independent System Operator and Planner and Electricity System Operator Licence Conditions but there appears to be a lack of consistency as regards the promotion of competition. Under B3.3 (Conduct) it refers to the need not to restrict competition and prevent the distortion of competition. However, later conditions E1.13(c) referring to the Balancing and Settlement Code refers to promoting competition. Conditions E2.4b(ii) Connection and Use of System Code, E3.2b(ii) Grid Code and E4.5(d) System Operator/ Transmission Owner Code all refer to facilitating effective competition. The INA



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and its members believe that in all cases the Independent System Operator and Planner and Electricity System Operator Licence Conditions should align with those of Ofgem of delivering its functions in the manner that, wherever appropriate, promotes effective competition. This provides a better alignment with the Regulator and alignment with the wider competition regulatory framework in Great Britain as befitting a new public body.

Please let me know if you have any questions on this non-confidential response.

Yours sincerely,

Nicola Pitts
Executive Director