



Email to:

resp@ofgem.gov.uk

10 March 2025

Dear Fiona,

RE: RenewableUK response to Ofgem's consultation on the Regional Energy System Plan Impact Assessment

RenewableUK members are building our future energy system, powered by clean electricity. We bring them together to deliver that future faster; a future which is better for industry, billpayers, and the environment. We support over 500 member companies to ensure increasing amounts of renewable electricity are deployed across the UK and access markets to export all over the world. Our members are business leaders, technology innovators, and expert thinkers from right across industry.

RenewableUK welcomes this consultation and thanks to Ofgem for the opportunity to respond. RenewableUK supports the development of the Regional Energy System Plans (RESP) and is pleased to see this consultation as a next step in implementing the RESP process. We have been engaged in the process of RESP development and have responded to Ofgem's previous consultation in October 2024¹.

While we welcome this consultation and it is good to see progress in the RESP process, it is challenging to respond to an Impact Assessment ahead of the first RESP and not having seen any outputs to date in the process. We, therefore, agree with Ofgem that the costs and benefits of RESP are difficult to quantify. However, we believe that the quantitative section of the final

¹ <https://www.renewableuk.com/media/2tyfrulw/ofgem-regional-energy-strategic-plan-policy-framework-response.pdf>

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impact assessment could be strengthened, for instance by examining indicative examples of investments where RESP could help deliver benefits.

As such, we are pleased to see the commitment from Ofgem to develop a transitional RESP (tRESP). We view this as a real opportunity for all participants in the RESP process to 'stress test' the RESPs and then make improvements going forwards. The first RESPs should be seen as an iterative process and allow for changes and improvements to be made.

Ultimately, RenewableUK is generally supportive of the conclusions of this Impact Assessment (IA) document. However, we encourage Ofgem to continue to work with NESO and evaluate the process as it starts to be realised, starting with the tRESP. Ofgem should also listen to stakeholders from across the regions and participants, to ensure that the RESPs are achieving their aims of being whole-system, place-based, vision-led and proactive. Moreover, regular monitoring and evaluation of the RESP costs and outputs will be important, once the RESP framework is established and operational.

RenewableUK and our members are very eager to continue our involvement in the RESP process as it evolves and as such, please reach out to us and use us a resource as required. We would also be happy to discuss this response with you in more detail if necessary.

Yours sincerely,

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1. Do you agree that we have, to a reasonable extent, identified and understood the potential impacts of the introduction of the RESP?

It is still very early in the process of delivering the RESPs and careful review of each stage and new output will be needed to ensure continued understanding. The hub-and-spoke model will be critical to ensuring that the impacts are measured individually across the various regions as there will be differences in impact depending on local and regional contexts.

Ofgem, in partnership with NESO, should perform a detailed analysis of the tRESP process and identify any impacts that are significantly different to predicted, or were not previously anticipated.

2. Do you agree that we have, to a reasonable extent, captured and understood the potential impacts of the introduction of the RESP on different stakeholders, including persons engaged in the generation, transmission, distribution or supply of electricity, as well as consumers?

There are significant regional differences across the RESP zones as proposed, and even within them. For example, some RenewableUK members feel that the decision to include Scotland as one zone should be reversed due to the wide diversity of stakeholders within Scotland and therefore very different potential impacts. As such the Scottish regional system planner must at the very least demonstrate how they are planning to address the sub-regional differences within the Scotland region. This approach may also be valuable in other regions and we expect that each regional planner will need to make an assessment on sub-regional impacts. Within Scotland also, there is the need to consider that the distribution/transmission boundary is lower than the rest of GB at 132kV which will change the scope and impact of the RESP in Scotland.

There will also be different impacts depending on previous focus of local actors prior to the RESP. For example in Wales, there has been significant work to deliver Local Area Energy Plans (LAEPs) and therefore these should be used to support the RESP consultation and avoid double-working.

We would also welcome greater clarity on how the RESP will align with other spatial strategies for land including Local Nature Recovery Strategies (LNRs) in England and the upcoming Land Use Framework.

3. Has anything in this draft IA changed your views/response to our July 2024 RESP policy framework consultation? If so, please explain what part of your response/view has changed and the reasons why. Please provide as much detail as possible.

N/A

4. Do you agree that we have, to a reasonable extent, identified and understood all the potential costs of implementing the RESP?

RenewableUK is not best placed to comment on the quantifiable impacts in financial terms but encourage ongoing monitoring and engagement with NESO and stakeholders to assess this going forwards. We note that there may be discrepancies in delivery costs for different regions within the RESP due to geographical and social factors which must be accounted for. We also believe that there may be an opportunity to strengthen the quantitative section of the Final impact assessment, by examining and quantifying indicative examples of investments where RESP could help deliver benefits.

We also note that some costs will not necessarily fall on NESO themselves. Ofgem will have an increased role and associated cost in assessing the RESPs and should ensure adequate funding and resourcing for this. There will also be an associated cost within communities for engaging with the RESPs

and Ofgem should consider ways to quantify and potentially support community costs for engaging.

5. Have we, as accurately as possible, identified and understood all the potential benefits of implementing the RESP?

We agree with the benefits that Ofgem have identified within the impact assessment. We believe that the RESP process and outputs must be as transparent as possible, in order for these benefits to be realised. Similarly, without transparent outputs and deep, lasting engagement with the relevant stakeholders and particularly communities in each of the RESP zones, the benefits become significantly reduced. There is also potential benefit from incorporating existing social and economic data that may help realise benefits around delivering a just transition.

6. Are there any unintended consequences of implementing RESP that we have not identified?

A key mitigation for any unintended consequences will be a thorough, iterative review process of outputs – beginning with the tRESP and continuing throughout the RESP life-cycle. If possible, identifying real-world examples and impacts of the RESP as early as possible will significantly improve engagement and allow for more detailed assessment.