**Ofgem RESP consultation February 2025:**

**Regional Energy Strategic Plan policy framework Draft Impact Assessment**

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

Kent County Council recognises the difficulties associated with identifying and understanding the potential impacts of the introduction of the RESP given the significant number of unknowns that will influence the plans’ impacts and the challenges of modelling potential future impacts in the absence of the RESPs. However, the Council agrees that the potential impacts of the introduction of the RESP have been reasonably identified and understood as evidenced by the literature cited and used for the analysis. Given the potential magnitude and importance of unknown impacts, we believe that it is important that implementation of the RESPs is able to take an adaptive approach in order to address any unforeseen impacts as they emerge.

* 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?

The Council agrees that, to a reasonable extent, the assessment captures and understands the potential impacts of the introduction of the RESP on those engaged in generation, transmission, distribution and supply of electricity. However, by the report’s own admission, ‘assessing the potential distributional effects for consumers cannot be done at this stage because we only have indicative benefits based on the review of the literature. However, given the large benefit cost ratio, we do not expect that any section of the consumer population will be worse off due to this proposal.’ This assumption must be interrogated to ensure that the clean energy transition does not, in practice, negatively impact any section of the population. The Council would expect a robust EqIA to be undertaken at the earliest practical opportunity and for it to be subject to regular review alongside the preparation of the RESP.

* 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.

The Council’s views have not changed as a result of this draft IA. KCC expressed its strong support for the introduction of the RESPs in the July 2024 policy framework consultation and the need for local government to play a key role in regional energy planning. The evidence presented in this consultation demonstrates the significant financial and non-financial benefits of a more strategically planned energy system, corroborating the Council’s responses to the previous consultation.

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

The Council does not have a position on this issue. As a County Council, we are not in a position to provide an informed critique of the nature and the magnitude of potential costs of implementing a national level energy policy framework.

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

The Council believes that the quantitative and qualitative analyses presented in the IA have identified and understood the fundamental benefits of implementing the RESP, and the synergies that are likely to result. It is encouraging to see that the benefits and level of investment identified in the literature highlight that the efficiency savings required to reach the breakeven point for the RESP policy are conservative. The risk analysis is also positive given that only under extreme conditions, when very low network infrastructure investment rates and low efficiency gains from RESP occur, would the costs of the policy exceed the benefits. However, as the document states, both these conditions are unlikely to occur simultaneously.

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

The evidence presented in the consultation indicates that, in all likelihood, implementation of the RESP will deliver financial benefits that outweigh the costs, enable energy savings across the network and benefit consumers by lowering the transition costs to net-zero. However, there is no indication of timescales over which these benefits are likely to emerge and their impacts on energy prices in the short term. Customer bills are only mentioned once in the entire document; ‘benefits would be realised through lower energy bills associated with lower network and generation costs, as well with better use of flexibility’. The Council agrees that lower energy bills should result from the clean energy transition in the medium to long-term. However, the IA does not address the potential impacts on customer bills in the short term from the huge upfront investments required to modernise the grid and deploy record levels of renewables generation and storage. We believe that this is a significant impact that needs to be identified and analysed as part of the RESP process.