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8th October 2024

Dear Fiona,

SSSEN Networks response to the Consultation on RESP policy framework

1. Energy networks are already playing a central role in meeting net zero ambitions. Distribution networks are enabling a local transition, driving economic growth and delivering wider social and environmental benefits. Through SSEN Transmission's Pathway to 2030 programme, we are also investing over £20bn this decade to deliver critical grid infrastructure that will help deliver the Government's mission for a clean power system by 2030.
2. **We are supportive of the introduction of a RESP framework that could build on existing successes and adds value to current processes.** We welcome the strong emphasis on enabling long-term investment at the local level to go ahead with confidence. The NESO must ensure that bottom up local-level energy planning, driven through Local Area Energy Plans (LAEPs) aligns with the Strategic Spatial Energy Plan (SSEP) and the Centralised Strategic Network Plan (CSNP), ensuring a GB wide coordinated approach. Failure to do this, risks frustrating local net zero ambitions.
3. Our response focuses primarily on the role of RESP at Distribution level. However, our response represents the views of our distribution and transmission licensees, and the RESP framework must actively consider interactions with the transmission network, as well as account for wider whole system considerations.

Decarbonising at scale and growing the economy requires new approaches

4. There is clear consensus that **networks have a key role in enabling net zero, ensuring security of supply and keeping bills low**, by releasing the right capacity at the right time to connect low carbon demand and generation technologies to the grid.
5. This has been recently reinforced by the establishment of Mission Control for Clean Power 2030, which will require further acceleration.¹ At the same time, while investments to meet wider 2045 and 2050 net zero targets will continue well into the 2040s, there is clear recognition that decisions will need to be made well ahead of time to enable a more efficient roll-out, avoid disruption and minimise costs.²

¹ <https://www.gov.uk/government/news/chris-stark-to-lead-mission-control-to-deliver-clean-power-by-2030>

² <https://nepc.raeng.org.uk/media/uoqclnri/electricity-decarbonisation-report.pdf>

6. As an industry, we have therefore reached a turning point and have a significant opportunity now to set ourselves up to deliver the right investment at the right time, in the run-up to 2050. This will require a step change in our planning and delivery processes. At SSEN Distribution, we believe DNOs now need to evolve their methodologies of planning to address these challenges, and this is what we have done:
- (i) We have published our first **Strategic Development Plans (SDPs)** for each key point of our network.³ These provide a blueprint of long-term electricity system needs to 2050. They enable in-depth engagement with our stakeholders to ensure their requirements are met, through a mix of network investment and flexibility options.
 - (ii) We have successfully rolled out our **Local Energy Net Zero Accelerator (LENZA)** tool to all our local authorities, supporting their strategic and spatial planning needs.⁴
 - (iii) We have **established or enhanced our relationships with our local authorities** and communities to ensure we can support each other in energy planning, and increase transparency in network planning.
 - (iv) We have published our updated **Distribution Network Options Assessment (DNOA) methodology**, enhancing transparency by giving visibility our decisions to meet future capacity needs across our licence areas.⁵
7. **Our methodology, built around our SDPs, provides the foundation for network planning in a net zero world. The RESP framework could unlock further benefits** by providing long-term certainty and democratic validation, enabling a whole system approach, and enhancing deliverability. This can be leveraged to deliver funding of services and infrastructure in a more strategic, coordinated way.

We support the proposed policy design, however the detail of how it is realised is critical

8. The consultation document is broadly aligned with the recommendations found in the Roadmap to RESP⁶ and ENA DNO group reports we have contributed to. The two reports go beyond the scope of the consultation in terms of detail, and the additional detail will be a valuable input to the next phase of design.
9. We are **broadly supportive of the overall policy framework and the three building blocks** presented by Ofgem: (i) strategic direction-setting, (ii) technical coordination, (iii) inputs to RESP. We consider that the RESP model can add greatest value as follows:
- (i) Setting clear pathways that bring together local ambitions, defined through LAEPs, with national targets and SSEP;
 - (ii) Providing a formal channel for democratically accountable, regional representatives to participate in energy planning;
 - (iii) Providing coordination in plans between energy vectors and across the whole system;
 - (iv) Validating strategic requirements that can facilitate strategic investment;
 - (v) Validating ambition, and ensuring that all relevant strategic plans are captured. This could take the form of an “in-development register” (see Roadmap to RESP report), and ultimately could bridge the gap between strategic planning and connections reform;

³ [DSO Consultation Library - SSEN](#)

⁴ <https://www.ssen.co.uk/our-services/tools-and-maps/lenza/>

⁵ <https://www.ssen.co.uk/globalassets/about-us/dso/publication--reports/ssen-dnoa-methodology-final-march24.pdf>

⁶ <https://www.regen.co.uk/wp-content/uploads/Roadmap-to-RESP-v2-Regen.pdf>

- (vi) Energy efficiency will be an important piece of any successful energy plan and is at the intersection of network and building planning. Explicit detail on how RESP, networks, LAs and other stakeholders can commonly plan for energy efficiency deployments could serve as an exemplar of value generation.
10. There are several issues that will require further urgent consideration as part of the detailed design. Resolving these will be critical to ensuring value-add, building on existing successes and momentum:
- (i) **Clearer role for LAEPs:** many local authorities have or are developing LAEPs, and these should form the bedrock of the RESP. We welcome a role for the NESO in supporting local authorities, and LAEPs should be mandated and funded by government;
 - (ii) **Clear roles and responsibilities for place-based engagement:** this will be necessary to ensure accountabilities are clear, existing positive relationships maintained, and stakeholder fatigue avoided. Governance should ensure all relevant stakeholders have an equal voice. DNOs who are “minority partners” in their RESP region must have an equal seat at the table. Duplication of roles should be avoided (and a general principle of the framework); we support LAs and will continue to, and there is a clear complementary role for the NESO in providing support in bringing together energy plans which span vectors.
 - (iii) **Clarity on 132kV system:** Distribution voltage levels in England & Wales includes the 132kV network. In Scotland, the DNO limit is 33kV. Transmission Owners will fill the gap between the DNO/RESP and the tCSNP.
 - (iv) **Clear roles and responsibilities for energy and network planning:** we welcome Ofgem’s confirmation that DNOs will retain responsibility for load forecasting down to street level, detailed optioneering, and business planning. Detailed design will need to be regularly reviewed to ensure risks are appropriately allocated as the model further develops.
 - (v) **Firmly defined outputs and a clear understanding** of how different outputs (e.g. Distribution Future Energy Scenarios – DFES) fit together, and their level of detail. Duplication of outputs at the same level of granularity, should be avoided (and a general principle of the framework)- for instance, in the case of providing visualisations at the LSOA level, this should be based on network data as we are responsible for disaggregating pathways down to the specific asset level.
11. In Appendix 2, we provide several examples of how the RESP could add additional value, and provide initial suggestions for resolving some of these issues.
12. Further discussion of the interactions between the RESP, Gas Distribution Networks (GDNs) and Independent Distribution Network Operators (IDNOs) will also be required, to inform policy development.

Interactions with RIIO-ED3

13. The consultation targets a first RESP to be in place by early 2026. This is ambitious given the scope of this new planning process, which will require new capabilities.
14. RIIO-ED3 timescales will require draft DNO business plan data tables to be submitted by Summer 2026. It is unlikely a full RESO output will be available to input into DNO load plans in time for this draft submission.
15. We still believe **RESP can and should start generating value as soon as possible**, to secure broad buy-in for the process and support RIIO-ED3. We think it is more useful to think of the **RESP as a range of activities that can be started well ahead of generating and validating complete regional plans**. The key consideration in the price control context is how RESP processes could add benefit into the ED3 framework, rather than be driven by the NESO’s capabilities.
16. These activities could involve both the “hub” and the “spoke” and could include:

Hub activities:

- (i) Setting consistent assumptions such as those that underpin technology profiles;
- (ii) Determining appropriate the planning scenario or pathway for baseline business plans to be based on;
- (iii) Setting out definition of 'strategic investment' and other investment archetypes to allow for more tailored evidence and assessment; and
- (iv) Develop a methodology for T/D interactions.

Spoke activities which could be layered on:

- (v) Explore setting regional priorities or objectives;
- (vi) Support the identification of strategic investment needs, for example industrial clusters; and
- (vii) Explore an "in-development" register to ensure all strategic activity in a region is captured and robustly tested.

17. A benefit of the hub and spoke model is it **allows differences in regions to be reflected in differences of approach**- for example, if a region has networks and stakeholders ready to execute some RESP-linked deliverables, the spoke model should allow that region to proceed.
18. In Appendix 3, we provide more information how we think RESP for RIIO-ED3 could evolve, and our working definition of strategic investment.
19. DNOs are already starting to prepare for RIIO-ED3, and core business plan development is likely to take place between April 2025 and April 2026. We are also in a period of significant industry change. We therefore have an opportunity to **rethink the business planning process and take a lighter-touch approach**, focussing on setting clear core assumptions, supplemented by an element of regional specificity, and simplifying the needs case development phase.

An agile approach can accelerate the effective deployment of RESP

20. We are supportive of the need for collaboration across the sector and a learn by doing approach. Trials in different regions can reveal what arrangements work effectively, and how regional differences could lead to different structures/processes/outcomes in different RESPs. This will help us avoid pitfalls and quickly deliver a paradigm that meets 2030, 2045 and 2050 goals and greens and grows the economy. Local planning has not historically been a part of the ESO's remit, so NESO will need to develop new skills and capabilities, which will take time to mature. We are keen to work in partnership with NESO to support RESP.
21. Having clarity on T/D boundaries is crucial. In particular, the TOs in Scotland have a unique role and can help to 'bridge the gap' between local distribution (DNO/RESP) and national strategic (CSNP) by developing the 132kV network in Scotland for decarbonized energy & transport, aligned with 2030 targets. The government led 'Clean Power 2030' has given SSEN Transmission, the opportunity to test our Area System Plan (ASP) approach by providing detailed insights into network needs by coordinating local demands defined through RESPs and strategic demands outlined in the CSNP.
22. RESP continues to form part of a wider package of work, which includes the ongoing Market Facilitator role development, and industry reform (including Clean Power 2030, GB Energy REMA, SSEP). A holistic approach to regulatory and institutional change is critical to delivering Net Zero efficiently. RESP's role in ED3 could function as a pathfinder for this holistic approach, which can vary depending on regional characteristics including DNO readiness.
23. Please find attached:

- (i) Appendix 1: Our detailed responses to the questions set out in the consultation
- (ii) Appendix 2: Examples of where and how we think RESP will add value with reference to our planning processes and existing strategic planning case studies
- (iii) Appendix 3: Further detail on how RESP can start adding value in the setting of ED3

Your sincerely,

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