Guidance

Draft RESP Guidance

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This is the RESP Guidance document issued by the Authority pursuant to Condition C19 of the Electricity System Operator (ESO) Licence, Condition C13 of the Gas System Planner (GSP) licence, Condition 54 of the Standard Licence Conditions of the Electricity Distribution Licence, and Condition D23 of Part D of the Standard Special Licence Conditions of the Gas Transporter Licence.

For the avoidance of doubt, Part A of this document should be read in conjunction with Conditions C19 of the ESO Licence and C13 of the GSP Licence. Part B of this document should be read in conjunction with Condition 54 of the Standard Licence Conditions of the Electricity Distribution Licence and Condition D23 of Part D of the Standard Special Licence Conditions of the Gas Transporter Licence. Where definitions are provided within the above licence conditions, they are not duplicated in this document and have the same meanings.

This document is directed at licensees as well as their stakeholders. The purpose of this document is to set out the requirements for the RESP Methodology, the governance arrangements and process for approval of the RESP Methodology and RESPs. Part B of the document sets out the requirements for distribution network companies to support the development of RESPs.

Contents

1. Introduction

Overview of the RESP

1.1 Following the decision on future local energy institutions and governance in 2023,[1] we identified the need for a more coordinated approach to energy system planning on the distribution network. Accordingly, the Regional Energy Strategic Plan (RESP) framework[2] was designed to enhance coordination, deliver confidence in system requirements, and enable proactive infrastructure investment, supporting an agile and cost-effective transition to a Net Zero energy system.

1.2 Following the RESP Policy Framework Decision[3], further collaboration with both National Energy System Operator (NESO) and wider stakeholders has informed the development of this Guidance to accompany the NESO and network company RESP Licence Conditions.

1.3 The RESP is part of the wider strategic planning reform in the energy sector, which has seen the introduction of the Spatial Strategic Energy Plan (SSEP) and the Centralised Strategic Network Plan (CSNP). The RESP will bring a strategic approach to energy system planning at distribution level, as the SSEP and CSNP do at transmission. It is our intent that these plans remain cognisant of each other and provide coherent direction for energy system development.

1.4 NESO, in its role as the Independent System Operator & Planner (ISOP), will produce one RESP for each of the 11 RESP Regions which together span the GB. Each RESP will draw together national-level objectives with regional priorities to provide a whole-system blueprint of how the energy system should develop.

Related publications

- 'Decision on the Regional Energy Strategic Plan Policy Framework' - The RESP Policy Framework sets out Ofgem's detailed policy design for the delivery of the RESP
- 'Decision on the framework for the Future System Operator's Centralised Strategic Network Plan | Ofgem'.- NESO was required to offer a coordinated, long-term approach to energy system planning on the transmission network

[1] References to the "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day-to-day work.
[2]Unless stated otherwise, defined terms within this document have the same meaning as given to them in the relevant licence.

- 'Strategic Spatial Energy Plan: commission to NESO - GOV.UK'- NESO was commissioned to deliver the SSEP to spatially set out the optimal location for new energy assets in line with Net Zero ambitions
- 'Strategic Spatial Energy Plan Methodology' -The methodology NESO are expected to follow in the delivery of the SSEP

RESP Guidance Document

1.5 This draft version of the RESP Guidance Document contains two parts. Part A (Chapters 2-7, inclusive) is applicable to NESO and Part B (Chapters 8 and 9) is relevant to Gas Distribution Networks (GDNs) and Distribution Network Operators (DNOs).

1.6 The RESP Guidance is the Associated Document of the licences. Part A of the guidance should be read in conjunction with Condition C19 of the Electricity System Operator[3] and Condition C13 Gas System Planner[4] licences while Part B of the guidance should be read in conjunction with the Condition 54 of the Standard Licence Conditions of the Electricity Distribution Licence[5] and Condition D23 in Part D of the Standard Special Conditions of the Gas Transporter[6] licence.

1.7 In Part A, we use 'licensee' to refer to NESO (in its role as the ISOP), and in Part B we use 'licensee' to refer to DNOs and GDNs.

1.8 Part A sets out our expectations for how NESO must develop their RESP Methodology and the subsequent RESPs. This includes how NESO will establish governance arrangements and conduct stakeholder engagement throughout RESP development.

1.9 Part B sets out our expectations for how GDNs and DNOs must participate in the RESP development and provide relevant Intelligence in a timely manner.

1.10 This document is the first draft of the RESP Guidance, to be revised and updated to reflect the agreed RESP Methodology expectations. The RESP Guidance will be updated following stakeholder consultation to allow clarification and reasonable evolution.

[3] ESO licence direction and terms and conditions
[4] Gas System Planner: licence terms and conditions
[5] Electricity Distribution Consolidated Standard Licence Conditions
[6] Standard Special Conditions - PART D Consolidated - 01 09 2021

Feedback

1.11 Feedback on this draft version of the RESP Guidance document can be forwarded to Ofgem via email: resp@ofgem.gov.uk. Respondents may wish to consider the following questions in developing their feedback:

- Do you agree that we have, to a reasonable extent, captured the expectations of NESO in the delivery of the RESP?
- Do you agree that we have, to a reasonable extent, captured the role of network companies participating in the RESP process?
- Are there any expectations that require clarification?
- Are there any considerations that are not captured in this guidance document that may impact the delivery of the RESPs?

1.12 Feedback may be provided, in an accessible format, to Ofgem by 8 August 2025.

Compliance

1.13 This document is subordinate to the relevant licences referred to herein. This document does not change any definition or obligations contained within the relevant licences and, in the event of any inconsistency between this document and the licence, the licence will take precedence. The licensees that are required to comply (in whole or in part) with the terms of this document must identify any inconsistency as soon as possible after it becomes aware of the same and make the Authority aware of said inconsistency. The contents of the document do not change the licensee's wider obligations under legislation, its licences or industry codes.

NESO

1.14 Subject to our consultation on this draft RESP Guidance, NESO must comply with the provisions of Part A of this document as if it were a condition of its ESO and GSP licences.

1.15 Subject to our consultation on the proposed licence conditions, NESO is required under Licence Conditions C13.2(a) of the GSP Licence and C19.2(a) of the ESO Licence to develop the RESP Methodology and RESPs in accordance with this document, prior to submission to Ofgem for approval. The RESP Methodology must be submitted to Ofgem for approval in the timeframe and format described in this document.

Distribution Network Operators and Gas Distribution Networks

1.16 Subject to our consultation on the proposed licence conditions, DNOs are required under Condition 54.6 of the Standard Licence Conditions of the Electricity Distribution Licence to comply with this document when engaging in the RESP process.

1.17 Subject to our consultation on the proposed licence conditions GDNs are required under Condition D23.6 of Part D of the Standard Special Licence Conditions of the Gas Transporter Licence to comply with this document when engaging in the RESP process.

PART A – NESO Guidance

Throughout Part A, 'licensee' is used to describe NESO in its role as ISOP.

2. General requirements for the RESP Methodology

This chapter sets out general requirements the licensee must follow in developing and producing the RESP Methodology. This includes expectations for key activities critical to delivering the RESP outputs.

Scope

2.1 The RESP Methodology must meet the requirements set out in this Part A.

2.2 The RESP Methodology must detail how the licensee will produce a RESP, formed of the key outputs as prescribed by Licence Conditions C13.4 of the GSP Licence and C19.4 of the ESO Licence. These are:

- Regional Context
- Pathways
- Spatial context
- Specification of strategic investment need
- Consistent planning assumptions

2.3 The purpose of the RESP will be to develop a strategic view of the future of the energy system at a sub-national level and set the direction of distribution network upgrades. While the scope of the RESP is the distribution level of the system, the licensee must consider the wider context of the energy system and in particular boundary interactions with the transmission system.

2.4 The licensee must take a whole-system approach to strategic planning to deliver efficient plans which benefit current and future consumers, communities and the environment. By 'whole-system' we mean an approach that takes a comprehensive view of the factors which materially influence energy supply and demand in a region.

2.5 In the RESP Methodology, the licensee must determine what inputs are required to take a whole-system approach. We expect all energy vectors to be within scope as well as wider cross-sector inputs, including spatial planning inputs from local government. In developing the RESP Methodology, the licensee must ensure it considers the evolving nature of what may materially influence energy supply and demand.

RESP Regions

2.6 The RESP Methodology must support delivery of a consistent quality of plans across the 11 RESP regions.[7] It should also be cognisant of regional variation and the need to account for different characteristics and institutional governance arrangements in the different RESP Regions.

2.7 We note that two of the RESP Regions cover the jurisdiction of a devolved government. We expect this to be accounted for within the RESP Methodology, in particular in the governance arrangements.

2.8 The RESP Methodology must support the development of RESPs for the following 11 RESP Regions:

- Scotland
- North West
- North East, Yorkshire and Humber
- West Midlands
- East Midlands
- Central England
- Greater London
- East
- Wales
- South West
- South East

2.9 A map of these RESP Regions is shown in Appendix 1.

Time horizon

2.10 In the RESP Methodology, the licensee must set out the time horizon of the RESPs and its composite outputs. The time horizon of the RESPs must be a rolling horizon of no less than 25 years.

Roles and responsibilities

2.11 In the RESP Methodology, the licensee must set out how it will engage relevant local actors within the RESP development process. We expect this to span the relevant energy vectors as well as devolved and local government, cross sector actors and any other major actors of relevance. The RESP Methodology should

[7] The RESP Regions were established in our April 2025 Decision on the RESP Policy Framework.

describe the roles and responsibilities for contributors and the key areas of cooperation.

2.12 The roles and responsibilities must be presented to stakeholders as part of the licensee's RESP Methodology consultation. This must be supported by the development and publication of an overall RESP project plan which outlines the development process and associated timescales.

Place-based engagement and support for local authorities

2.13 To support the development of each RESP, and in accordance with licence conditions C13.5(b) of the GSP Licence and C19.5(b) of the ESO Licence, the licensee must develop structured, transparent and accessible routes for place-based stakeholder engagement and provide proportionate forms of support for local government representatives engaged in local energy planning.

2.14 In the RESP Methodology, the licensee must set out structured processes to ensure appropriate forms of place-based engagement to support efficient development on the RESPs. Engagement must support robust understanding of energy requirements in each RESP Region and facilitate testing and validation of plan outputs. The engagement processes must aim to be accessible to stakeholders with varying interests and levels of energy system knowledge. The licensee must also consider how RESP engagement processes fit within established engagement forums and regional partnerships.

2.15 The licensee must lay out in the RESP Methodology how it will develop targeted support for local government to remove barriers to engagement and enable the integration of local energy planning and relevant spatial plans into RESPs. The RESP Methodology must set out the forms of support to be provided, including what will be accessible to all relevant local actors and what will be exclusively provided to local government. Forms of support which may be in scope of the RESP Methodology include:

- proportionate technical advice on local energy plans
- a 'bank' of energy planning good practice to foster transparency and knowledge sharing
- energy sector training to enable meaningful participation and engagement
- common digital tools to facilitate data sharing and improve data consistency

Technical coordination

2.16 In Conditions C19.5(a) of the ESO Licence and C13.5(a) of the GSP licence, the licensee is obligated to undertake activity to ensure coherent energy system planning through:

- the resolution of gaps and inconsistencies between RESPs and adjacent strategic plans (SSEP and CSNP)
- the identification of opportunities for whole-system optimisation

2.17 This activity is a key function which should underpin all phases of RESP development to support delivery of technically sound and optimal strategic plans.

2.18 Within the RESP Methodology, the licensee must describe the processes by which it will maintain coherence of planning:

- within and between RESP areas
- upward to transmission network planning
- across energy vectors
- with regional priorities and key elements of relevant spatial plans

2.19 The RESP Methodology must establish how and when technical coordination will support the development of each of the RESP outputs to allow early identification of gaps, inconsistencies and opportunities for optimisation. The licensee must develop protocols through which input assumptions will be aligned, planning data will be exchanged and conflicts or overlaps in responsibilities will be managed.

2.20 The RESP Methodology must set out the expected role of stakeholders in delivering technical coordination activity. Specifically, the licensee must set out at what stages of the RESP development process stakeholders could be expected to provide data and/or participate in collaborative working groups to support technical coordination activity. The RESP Methodology must establish agreed procedures and timescales for stakeholder participation and articulate the role of RESP governance structures in navigating required trade-offs between parties.

2.21 The RESP Methodology must lay out where in the end-to-end process of RESP output development the licensee will undertake technical coordination activities to review and assure the coherence of each RESP with adjacent plans as listed in paragraph 2.18. We note that coherence need not imply alignment of outputs, but that the licensee must clearly articulate the reasons for material

misalignments and any implications arising from these. The RESP Methodology must indicate which adjacent plans will be considered, and these must at a minimum include SSEP and CSNP.

2.22 We expect the licensee to articulate their approach to whole-system optimisation within the RESP Methodology. The licensee must consider how and where in the RESP development process opportunities for optimisation could arise and the parameters against which plans should be optimised. We expect this to include consideration of opportunities to protect the interests of current and future consumers through provision of best value and/or limitation of disruption. The RESP Methodology must lay out how the licensee will identify opportunities for optimisation, how it will bring these forwards to relevant stakeholders, and how it will work collaboratively to progress an optimal solution for inclusion in the RESP.

Data

2.23 The RESP Methodology must establish a framework for the data inputs which will underpin the development of the RESPs. In the RESP Methodology the licensee must outline:

- how it will establish protocols for data sharing by stakeholders
- how the credibility of data sources will be assessed
- how datasets will be kept up-to-date
- how principles of transparency and accessibility will be balanced with legitimate requirements to maintain confidentiality

2.24 In the RESP Methodology, the licensee must clearly articulate expectations for stakeholder data sharing. The licensee must review existing industry codes to consider any modifications that may be required to support the effective and efficient exchange of information in relation to the RESP. We expect the licensee to identify any gaps in existing data sharing arrangements and propose a remediation plan.

2.25 The RESP Methodology must articulate robust processes to assess the credibility of data sources. We expect this to include consideration of the reputability of source, recency, stakeholder validation, granularity, completeness.

2.26 In the RESP Methodology, the licensee must outline how stakeholders will be engaged during the data collection and audit process. Where submitted data does not meet the required standard, the licensee must provide feedback. Throughout RESP development, the licensee must ensure data requests are

reasonable, clearly specified and that they work with relevant parties, where appropriate, to scope the data request.

2.27 The RESP Methodology must detail a process for refreshing datasets to ensure they remain up-to-date and fit-for-purpose. The licensee must outline the cadence and scope of regular data refreshes necessary to support the development of the RESPs and subsequent monitoring of delivery against the RESPs within the RESP Regions.

2.28 The RESP Methodology must describe how the licensee will ensure that the data used to develop the RESPs is appropriately transparent and accessible. The licensee must comply with Data Best Practice Guidance[8] when developing RESPs. Input and output data, models, and algorithms must be treated as Presumed Open[9] and subject to an Open Data Triage[10] process.

2.29 The licensee must outline within the RESP Methodology how it will provide data to stakeholders in a format that is accessible and practical for their use, enabling them to carry out their own operational and investment planning forecasts. The shared data must facilitate third-party participation in the network planning process without bespoke or proprietary software.

2.30 The licensee must lay out in the RESP Methodology how it will establish appropriate criteria and protocols for identifying and managing potentially sensitive and/or confidential stakeholder data. The licensee must clearly communicate how potentially sensitive data will be used and, where appropriate, establish individual agreements to ensure stakeholders maintain control over the distribution of critical datasets. The licensee must protect confidential data, and detail how it will be managed in line with the provisions of the UK GDPR and any other relevant legislation.

In-development register

2.31 The RESP Methodology must outline how the licensee will establish and maintain an up-to-date in-development register of early-stage projects in each RESP Region.

2.32 We expect the in-development register to collate information which provides insight into potential material future energy system needs but is not yet

[8] Data Best Practice Guidance: Data_Best_Practice_Guidance_v1.pdf
[9] As defined in the Data Best Practice Guidance
[10] As defined in the Data Best Practice Guidance

sufficiently developed and/or definitive to be directly included in the RESP inputs.

2.33 While we expect that the in-development register may be most relevant to the development of the Pathways (3.8-3.17) and Specification of Strategic Investment Need (3.22-3.28), the licensee must articulate its function and scope in the RESP Methodology.

Environmental assessment

2.34 The licensee must detail in the RESP Methodology how it will effectively consider and assess the environmental impacts associated with the RESPs and seek to ensure that negative environmental impacts are mitigated where possible. It should detail how areas of environmental significance will be considered in the RESP development.

3. Methodology for the content of a RESP

The sections below provide guidance on the NESO's development of the RESP Methodology to deliver the required elements of a RESP.

Whole product cohesion

3.1 In line with Conditions C19.4 and C13.4 of the ESO and GSP licenses, respectively, the licensee must develop the five elements comprising a RESP for each RESP Region. As illustrated in Figure 1, these elements are inter-related.

3.2 Within the RESP Methodology, the licensee must set out a process flow describing the inputs and outputs of each of the elements and how they will combine to deliver a cohesive RESP for each RESP Region and facilitate its use by stakeholders.

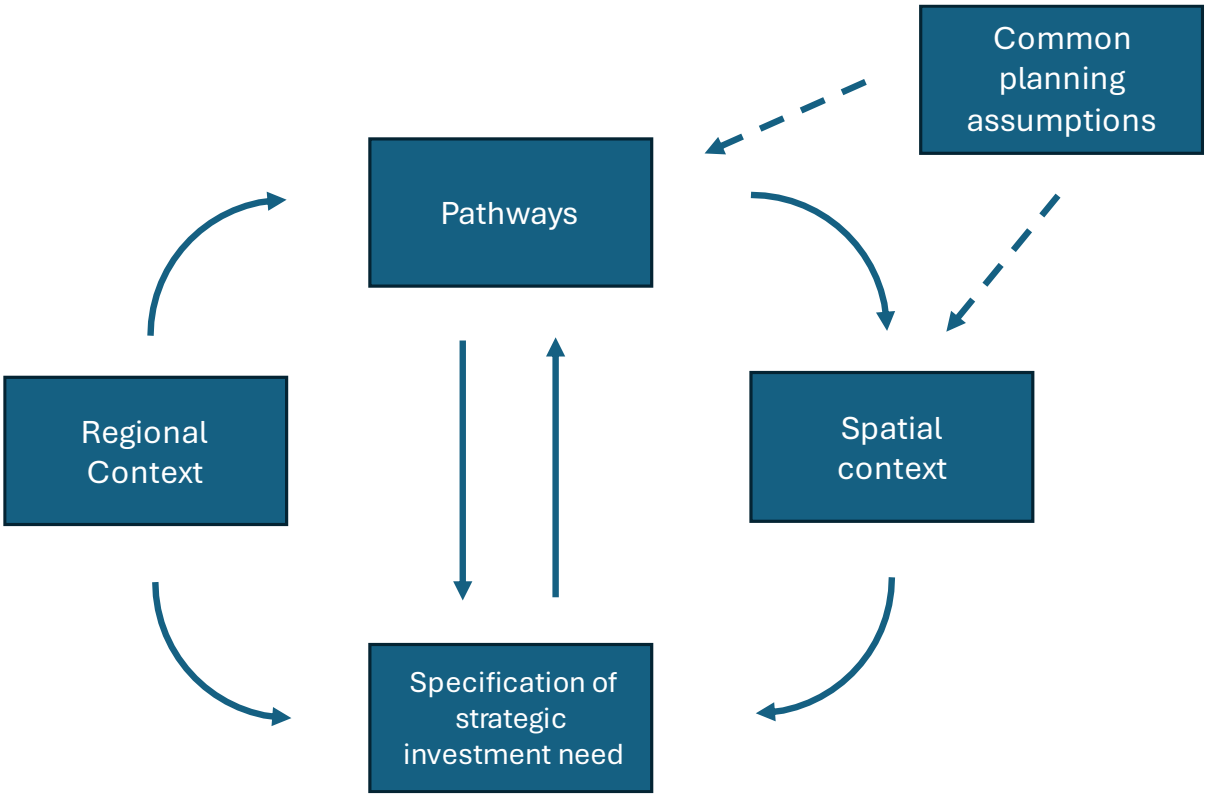

Figure 1: Illustrative diagram of inter-relationship between RESP outputs

Regional Context

3.3 Conditions C19.4 and C13.4 of the ESO and GSP licenses, respectively, obligate the licensee to develop a Regional Context for each RESP Region, drawing on relevant datasets as well as insights from regional stakeholder engagement.

3.4 The RESP Methodology must set out how the licensee will develop the Regional Context to ensure it provides a comprehensive view of regional conditions and priorities, including key challenges, opportunities, and implications for strategic energy planning in the RESP Region.

3.5 In the RESP Methodology, the licensee must outline processes for identifying, selecting, analysing and incorporating both quantitative and qualitative data collected through proactive regional engagement. The RESP Methodology must also include an approach to identifying and mitigating gaps in data availability.

3.6 We expect the licensee to set out the process that describes how the Regional Context informs both the Pathways and Strategic Investment Need.

3.7 The RESP Methodology must detail how the licensee will ensure the Regional Context is tested through engagement with stakeholders within each RESP Region.

Pathways

3.8 As set out in Conditions C19.4 and C13.4 of the ESO and GSP licences, respectively, the licensee must develop a single short-term Pathway and multiple long-term Pathways for each RESP Region. The Pathways should be outputs of spatial models of energy supply and demand which provide a holistic, long-term view of energy need in a RESP Region. They are intended to act as a blueprint for how the future energy system will develop and must model total energy need in a format which can be taken as an input into detailed distribution network impact assessment and optioneering.

3.9 In the RESP Methodology, the licensee must provide a clear and detailed articulation of the Pathways modelling approach. The RESP Methodology must set out which supply and demand inputs will be modelled, how the baseline will be set, what growth assumptions will underpin projections, how energy need (including annual peak demand and total demand) will be assessed, and how this information will be presented as a Pathway.

3.10 The Pathways must describe the location, scale and timing of changes to energy supply and demand at a sufficient granularity to provide a detailed basis for network planning and to support broader spatial planning. As stated in the RESP Policy Framework Decision, electricity and gas distribution network plans submitted via the Ofgem price control process, will be expected to align to the Pathways at primary substation and low-pressure network level, respectively. Where practicable, spatial modelling should extend to Lower Super Output Areas (LSOA) level in England and Wales and Data Zone level in Scotland. The RESP

Methodology must indicate the spatial granularity, on both network asset and geographical bases, and the temporal granularity of the RESP Pathways. If relevant, the licensee should indicate where modelling to LSOA/Data Zone level may not be practicable and set out an appropriate alternative approach.

3.11 The RESP Policy Framework states that in each RESP Region a single short-term Pathway must consider a 10-year time horizon and multiple long-term Pathways must reflect uncertainty in projections to 2050. The RESP Methodology must determine the optimal number of long-term Pathways to support appropriate treatment of uncertainty and adaptability in long-term planning. It is our expectation that the same number of long-term Pathways will be provided in each RESP Region.

3.12 The RESP Methodology must define suitable metrics for uncertainty and deliverability, including network deliverability, and lay out approaches to sensitivity analysis and stress testing. The RESP Methodology must contain robust processes to select a deliverable short-term Pathway and identify the key sensitivities in the long-term Pathways.

3.13 The modelling of the Pathways should draw on data or algorithms describing current conditions and future expectations. The RESP Methodology must establish a framework for data inputs for the Pathways, including the SSEP pathway and additional inputs. The licensee should lead work with Ofgem and Department of Energy Security and Net Zero (DESNZ) to identify the appropriate data sources.

3.14 The RESP Methodology must describe how input from the SSEP and other national-level plans will be used within the modelling of the RESP Pathways. It is expected that the SSEP modelling of optimal locations of energy assets will be a primary consideration in development of the RESP Pathways. The RESP Methodology must set out how any significant misalignment between the SSEP and the RESP will be addressed and outline how feedback loops between the two plans will inform future iterations.

3.15 The modelling of the Pathways should also use bottom-up data gathered through engagement with regional stakeholders. The RESP Methodology must explain how the data sources will be identified, assessed and selected for inclusion in Pathways modelling. The RESP Methodology must outline how the licensee will source the necessary bottom-up data within each RESP Region and lay out processes to identify and resolve gaps in data availability through proactive engagement with and support of local actors.

3.16 The RESP Methodology must ensure that all Pathways will meet the Scottish Government's, and the UK and Welsh governments' requirements of Net Zero by 2045 and 2050, respectively. The RESP Methodology must set out how the licensee will determine to what extent other national-level plans and objectives should constrain the Pathways modelling. The licensee must establish clear criteria to identify any conflict between top-down and bottom-up plans and objectives and transparent processes to manage these in the Pathways development, including the role of RESP governance structures.

3.17 The RESP Methodology must articulate how technical coordination activity, as described in paragraph 2.17, will enable the development of coherent, technically sound, and deliverable Pathways. Where coherence is not possible, the licensee must clearly lay out the reasons for this and any material implications.

Spatial Context

3.18 As set out in Conditions C19.4 and C13.4 of the ESO and GSP licences, respectively, the licensee must develop a Spatial Context component for each RESP.

3.19 The RESP Methodology must lay out the approach to developing an accessible digital geospatial mapping tool that presents the Pathways against electricity and gas distribution network capacity availability and whole-system data to show the resulting system need.

3.20 The tool must present data using both a geographical and network asset basis and allow users to interrogate system needs, including where potential constraints may emerge, spatially and temporally.

3.21 The licensee must develop a formalised coordination process with all DNOs and GDNs, outlining how relevant network data will be exchanged to inform the geospatial tool. This should include standardised processes for input data submissions and agreed timelines.

Specification of Strategic Investment Need

3.22 As set out in Conditions C19.4 and C13.4 of the ESO and GSP licences, respectively, the licensee must develop a Specification of Strategic Investment Need. In the RESP Methodology, the licensee must lay out its approach to identifying, categorising, and providing appropriately detailed specifications of areas of strategic investment need within each RESP Region.

3.23 As noted in our RESP Policy Framework Decision, we consider investment strategic if is both a) of high economic and/or system value and b) necessary to delivery of key regional priorities, including those driven by national targets and plans. The RESP Methodology must describe how potential areas of strategic energy investment in each RESP Region will be identified through structured regional stakeholder engagement, including the production of the Regional Context, and through analysis of the Pathways and Spatial Context outputs.

3.24 The RESP Methodology must indicate how the licensee will establish clear and accessible processes for regional stakeholder input into the identification and confirmation of areas of strategic energy need.[11] The licensee must also indicate how it will identify and, where possible, mitigate gaps in its knowledge of key drivers of energy network need. In addition, the licensee must lay out their approach to balancing necessary commercial sensitivities and confidentiality requirements against transparency in development of the Specification of Strategic Investment Need output.

3.25 The RESP Methodology must outline how the licensee will use the Pathways and Spatial Context outputs to identify areas of energy need which are significantly complex and/or which emerge as 'hotspots' of future need. In doing so, the RESP Methodology must highlight where collaboration with and/or data from network companies will be required, indicating the sequencing of analysis stages and where technical coordination activities to align planning across relevant stakeholders may be required. Finally, the RESP Methodology must consider how the licensee will map areas of strategic energy need against network capacity to determine where there is need for strategic investment.

3.26 The RESP Methodology must provide a clearly articulated framework by which potential areas of investment need are judged to be in or out of scope for inclusion in the Specification of Strategic Investment Need output. As described in the RESP Policy Framework Decision, this framework must exclude areas of investment solely related to network maintenance, safety and security of supply, or straightforward, low-value, load-related works. In contrast, the framework must include high-value areas of future investment need which are key to regional priorities and more complex due to timescale, geography, or required trade-offs between vectors, priorities or actors. This may include strategic

[11] We use the term 'strategic energy need' to describe priority areas of energy need identified within a RESP Region, regardless of whether those needs can be met by existing networks. We use 'strategic investment need' to describe areas in which the identified need cannot be met by the networks without further investment.

investment needs beyond those to be delivered by DNOs and GDNs, such as heat networks, IDNOs and hydrogen.

3.27 The Specification of Strategic Investment need output is intended to support coordinated network development and provide justification of energy need in the context of price control business plans and/or funding decisions. The RESP Methodology must lay out how the licensee will categorise identified areas of strategic investment need to support common regulatory approaches for investments with similar levels of / types of risk; and communicate the degree of certainty of investment need to stakeholders. The rationale for and implications of the chosen categorisation scheme must be clearly articulated within the RESP Methodology.

3.28 The RESP Methodology must lay out the content of the specification which will be provided for each in-scope area of strategic investment need. Following the RESP Policy Framework Decision, this must include at a minimum:

- location and spatial context
- network licence area(s)
- categorisation
- expected demand growth
- network capacity need
- vector and network level, where relevant
- detail of a needs case suitable to underpin detailed technical optioneering

Consistent Planning Assumptions

3.29 As set out in Conditions C19.4 and C13.4 of the ESO and GSP licences, respectively, the licensee must develop a set of Consistent Planning Assumptions to drive consistent derivation of network impacts from the RESP outputs.

3.30 The RESP Methodology must lay out how the licensee will develop a single set of Consistent Planning Assumptions to be used across all RESP Regions. The RESP Methodology must also indicate how the licensee will provide acceptable ranges of variation to allow for regional difference and how these will apply in each RESP Region.

3.31 The licensee should prioritise inclusion of Consistent Planning Assumptions that are most material in driving consistent derivation of network impacts and diversity assumptions.

3.32 The RESP Methodology must describe how the set of Consistent Planning Assumptions will be reviewed and, where necessary, updated during each RESP development cycle.

3.33 We expect the licensee to demonstrate how the Consistent Planning Assumptions will be developed, and reviewed, in a transparent way, drawing on stakeholder expertise and using the best available data. The development process must include clear routes to enable appropriate scrutiny and challenge throughout.

3.34 We expect the licensee to develop guidance for stakeholders, including DNOs and GDNs, on how to apply the Consistent Planning Assumptions to translate changes in supply and demand into impact on the networks.

4. Methodology for RESP Governance

4.1 In accordance with Conditions C19.3 and C13.3 of the ESO and GSP licences, respectively, the licensee must establish national and regional governance processes. The governance mechanisms must be transparent, robust, and facilitate engagement from key stakeholders.

National Steering Committee

4.2 The licensee must establish a GB-wide National Steering Committee to provide strategic oversight, expertise and national-level coordination of strategic planning, including with the CSNP and SSEP. The licensee must be represented on the committee alongside, at a minimum, senior leadership representatives from Ofgem and DESNZ.

4.3 To reflect the decision-making role of the Authority in approving the first RESP Methodology, Ofgem will chair the initial meetings of the committee to support the development of the RESP Methodology. Beyond this, the licensee must work with Ofgem to determine the appropriate roles and responsibilities to Chair the committee.

4.4 In the RESP Methodology, the licensee must set out how any wider bodies may be represented on the National Steering Committee and their expected role.

4.5 The RESP Methodology must include a Terms of Reference (ToR) for the National Steering Committee, including expectations for the frequency of meetings to ensure appropriate oversight across the whole RESP development process and for providing advice to the licensee.

4.6 The RESP Methodology must set out the process for the National Steering Committee to resolve issues escalated by the licensee from RESP regions, including trigger points for issues to be escalated and how the advice from the National Steering Committee will be transparently communicated to stakeholders.

Strategic Boards

4.7 The licensee is required under Conditions C19.3(b) and C13.3(b) of the ESO and GSP licences, respectively, to establish a Strategic Board in each RESP Region.

4.8 The RESP Methodology must detail the process to transparently select representatives to sit on each Strategic Board. We expect each Strategic Board to have in the region of 15 members and appropriate representation from the following three groups:

- DNOs and GDNs

- devolved and local government - strategic authorities and upper-tier local authorities in England, and devolved government and unitary councils in both Scotland and Wales
- cross-sector actors

4.9 We expect the licensee to ensure the members of each Strategic Board are of an appropriate level of seniority to have substantive strategic influence and can represent the perspectives their network, place or sector. The selection process should set out how local government members will reflect the institutional landscape in each region and the energy system context.

4.10 The licensee must provide a seat on the Strategic Board to all the relevant DNOs and GDNs, regardless of the size of their licence area coverage in the RESP Region.

4.11 The RESP Methodology must include details of how the Strategic Board will steer and influence RESP development at key points in the process. This should include a process to transparently resolve any substantive conflicts arising at working level which require escalation to the Strategic Board for a decision.

4.12 The RESP Methodology must include a template ToR for the Strategic Board. The ToR template must include, at minimum:

- logistical details (eg frequency of meetings)
- the role of members, including expectations that Strategic Board members work collectively to support the objectives of RESPs
- requirements for voting on the approval of the RESP (see paragraphs 6.5 - 6.8).

Engagement processes

4.13 As set out in paragraphs 2.13 - 2.15, place-based engagement processes will be vital throughout the RESP development to effectively integrate consumer, local and regional views in a coherent manner. Alongside their overarching approach to place-based engagement, the licensee must develop two key elements to form the foundation of the governance framework: public consultation and working groups.

Public consultation

4.14 In the RESP Methodology, the licensee must set out the timelines and details for public consultations on the draft RESPs including a description of the channels used to reach different stakeholder groups.

Working groups

4.15 The licensee must set up working groups in each RESP Region which reflect the regional context. We expect the RESP Methodology to detail how function-based working groups will support key elements and stages of RESP development, and how thematic groups will bring specific perspectives to inform the RESP. Where appropriate, the thematic groups could be convened on a cross-regional or national basis.

4.16 The RESP Methodology must include details on how a local authority working group for each RESP Region will be established to ensure local authorities have a direct route of engagement to the RESP development and governance.

4.17 The RESP Methodology must detail the number, composition, cadence, and type of working groups and how stakeholders can participate in the working groups.

4.18 The RESP Methodology must set out mechanisms for working groups to inform the Strategic Board at key points throughout the RESP development and provide a transparent route to escalate any unresolved conflicts to the Strategic Board for a decision.

4.19 Similarly to the Strategic Board, the RESP Methodology must include a template ToR for the working groups.

5. Methodology for assurance activities following creation of the RESPs

5.1 In accordance with Conditions C19.10 and C13.10 of the ESO and GSP licences, respectively, the licensee must conduct a targeted review of distribution networks' load-related investment plans to assure alignment with the direction of the RESP or RESPs which overlap their licence areas.

5.2 Ofgem will trigger the timing of the review, at the appropriate interval following the publication of the RESPs. The purpose of this review is to ensure whole-system coherence and optimisation of the RESP is maintained through the development of single-vector network plans. The scope of the review should be limited to that necessary for this purpose.

5.3 In the RESP Methodology, the licensee must articulate its approach to assuring network investment plan alignment to the direction of the RESP, when required by Ofgem. It must specify:

- inputs required from network companies, including expected format and timing of input provision
- methodology for checking network plans will deliver development in line with the direction of the RESP Pathways
- methodology for checking that network investment plans deliver proposals in line with the Specification of Strategic Investment Need
- protocol for identifying, communicating and seeking to mitigate any material misalignments, or escalating where mitigation is not possible

6. Development and approval of the RESP Methodology

Development of the RESP Methodology

6.1 We expect the licensee to publish a timeline for developing the RESP Methodology, in line with Conditions C19.17/C19.21 and C13.17/C13.21 of the ESO and GSP licences, respectively. This should include a programme plan for the activities and workstreams to define key elements and stages of the RESP Methodology. The licensee should share development timelines in advance with Ofgem and other relevant stakeholders.

6.2 The licensee must develop proposals for the RESP Methodology in an open, transparent, and collaborative manner. In particular, the licensee must work with stakeholders affected by aspects of the RESP or that have expertise in an area that is relevant to the RESP Methodology.

6.3 The licensee should outline any industry working groups it plans to convene to support the RESP Methodology development and explain how relevant stakeholders can participate.

6.4 The licensee must also consult with wider stakeholders, including Ofgem, DESNZ, national governments and devolved governments, and significant interested parties on its proposed RESP Methodology before submitting the RESP Methodology to Ofgem and the Secretary of State for Energy Security and Net (SoS) for approval.

Approval of the RESP Methodology

6.5 In line with Conditions C19.21 and C13.21 of the ESO and GSP licences, respectively, the licensee must submit its proposed RESP Methodology to Ofgem and the SoS for approval.

6.6 Alongside the proposals, the licensee must explain how stakeholders have contributed to the RESP Methodology and how it has considered specific obligations set out in this RESP Guidance.

6.7 In our approval, we will ensure we are satisfied the RESP Methodology delivers in line with our policy framework and RESP Guidance. This should result in high quality and robust RESPs capable of supporting confident energy system investment decisions.

6.8 Failure to prepare the RESP Methodology in accordance with the necessary requirements may result in non-approval. In this case, Ofgem and the SoS would consult with the licensee to direct revisions.

Review of the RESP Methodology

6.9 In line with Conditions C19.2(a) and C13.2(a) of the ESO and GSP licences, respectively, ahead of each successive RESP cycle, the licensee must review the RESP Methodology and consider any adjustments that may improve the RESP development process and resulting RESPs. We expect the National Steering Committee to provide strategic oversight, expertise and advice during the review of the RESP Methodology.

6.10 Further, ahead of each successive RESP cycle, Ofgem may identify changes required to the RESP Methodology and direct the licensee through update to the RESP Guidance, following a consultation period.

6.11 The licensee must submit all proposed amendments to the RESP Methodology to Ofgem and the SoS for approval before implementing any changes.

6.12 If required, in exceptional cases, major updates to the RESP Methodology can take place outside of the planning cycle. The licensee must consult with stakeholders on the criteria for triggering a major update out of cycle and set this out as part of its RESP Methodology. The licensee must seek approval from Ofgem for a major update out of cycle.

7. Approval of the Regional Energy Strategic Plans

7.1 In line with Conditions C19.24 and C13.24 of the ESO and GSP licences, respectively, the licensee must submit each proposed RESP to the relevant Strategic Board for their approval every 3-years. The approval process should verify the RESP is credible, reflective of how the energy system should develop in that region and reflects the steers from the Strategic Board given during the development process. As stated in paragraph 4.12, the ToR for each Strategic Board should set out expectations for members to work as a collective and consider the objectives of the RESP in their approval.

7.2 In developing their RESP Methodology, the licensee must work alongside Ofgem to set out a transparent process for Strategic Board members to vote on the approval of the RESP. The design of the voting process should enable different stakeholder groups, per paragraph 4.8, to fairly represent the perspectives of their network, place or sector.[12] Further, the voting process should seek to minimise the risk of one stakeholder group being over-represented.

7.3 We expect to work closely with licensee to determine a suitable threshold level for approval of the RESPs. The level should reflect the composition of the Strategic Boards and design of the voting process. It is our view that 80% is an appropriate starting point for the threshold level. Once the threshold level for approval is determined, we will make an update to this RESP Guidance to allow the level to be included.

7.4 As set out in Conditions C19.26(b) and C13.26(b) of the ESO and GSP licences, respectively, where a clear representative majority cannot be reached by the Strategic Board, the licensee must establish a mechanism to submit the proposed RESP to Ofgem for review. Ofgem will either approve the RESP or give further direction to the licensee with a deadline for the submission of the revised version. The licensee must consider any direction given by Ofgem and establish appropriate processes to consult the Strategic Board of potential changes made to the RESP, including the timelines for re-submission to Ofgem.

7.5 Ofgem will retain overall decision-making responsibility regarding how each RESP inputs into the price control funding decisions. Therefore, the licensee must work with Ofgem to design a mechanism that enables further consultation with the Strategic Board if it becomes apparent that their approval of the RESP is not in line with the RESP Methodology and our overall policy intent.

[12] For local government representatives, their 'place' may extend beyond their specific local authority to surrounding areas.

7.6 It is imperative that Ofgem is satisfied the RESP Methodology delivers in line with the RESP policy framework and Guidance and will result in high quality RESPs. If the RESP Methodology cannot sufficiently provide an appropriate mechanism for the Strategic Board to approve the RESPs and for Ofgem to re-consult with the Strategic Board, we reserve the right that all RESPs will revert to Ofgem for sign-off.

8. Publication of RESPs

8.1 The licensee must publish the RESPs every 3-years, as per the requirements of Conditions C19.28 and C13.28 of the ESO and GSP licence, respectively.

8.2 An annual 'minor' update to the RESPs may be published in intervening period, if the licensee determines this is necessary. In their RESP Methodology, NESO must outline the criteria for a minor update and set out how they will consult with stakeholders ahead of any update to the RESPs.

8.3 The RESP Methodology must include details of how the RESPs will be published in transparent and accessible manner, reflecting the varying needs of different stakeholder groups.

PART B – Network Guidance

'Licensee' is used throughout Part B to refer to the network companies – Distribution Network Operators and Gas Distribution Networks – unless specifically noted.

9. Participation in the RESP development

This section sets out general requirements network companies must follow when engaging with the RESP development process.

RESP Methodology

9.1 In accordance with Condition 54 of the Standard Licence Conditions of the Electricity Distribution Licence and Condition D23 of Part D of the Standard Special Licence Conditions of the Gas Transporter Licence, the licensee must participate in the development of the RESP Methodology. This should ensure the RESP Methodology is developed in a transparent and collaborative manner and maximises use of existing best practice.

9.2 We expect this to include the active participation in bilateral meetings and working groups to provide expertise to assist in the development of the RESP Methodology.

9.3 The licensee must also engage in the RESP Methodology consultation process, as described in paragraph 6.4, to provide feedback to NESO on its proposals.

RESP Development

9.4 In accordance with Condition 54 of the Standard Licence Conditions of the Electricity Distribution Licence and Condition D23 of Part D of the Standard Special Licence Conditions of the Gas Transporter Licence, the licensee must participate in the development of each of the specified RESPs for their licence area.

9.5 The licensee must participate throughout the development of the RESP through engagement forums such as bilateral meetings and relevant working groups. We expect this participation to be constructive and collaborative and to support delivery of an optimal and robust strategic plan.

9.6 In Part A of this RESP Guidance, we set out obligations on NESO to ensure the RESP Methodology defines roles and responsibilities for contributors, key areas of cooperation, and an overall project plan for producing RESPs. This should support effective participation within RESP development.

Representation on Strategic Boards

9.7 In accordance with Condition 54.2(c) of the Standard Licence Conditions of the Electricity Distribution Licence and Condition D23.2(c) of the Standard Special Licence Conditions of the Gas Transporter Licence, the licensee must, subject to any exemption as laid out in paragraphs 9.10 to 9.13, provide a representative for the Strategic Board(s) of any RESP(s) which overlaps their licence areas.

9.8 The representative provided by the licensee must be capable of providing appropriate oversight and steer to the RESP development. We expect the representative to have substantive strategic influence and be empowered to represent the perspectives of their network. The licensee must adhere to the ToR for the Strategic Boards (see paragraph 4.12) set in the RESP Methodology, including those relating to meeting attendance and participation requirements.

9.9 The licensee must sufficiently engage in the Strategic Board to help guide the best outcome for the overall ambitions of the region. If the licensee does not adhere to the necessary attendance criteria within the Strategic Board's ToR, they will not be entitled to a vote on approval of the RESP.

Exemptions

9.10 In accordance with Condition 54.3 of the Standard Licence Conditions of the Electricity Distribution Licence and Condition D23.3 of the Standard Special Licence Conditions of the Gas Transporter Licence, the licensee can request an exemption from participation in the development of a specific RESP and representation on the associated Strategic Board.

9.11 The licensee must submit a request for an exemption to Ofgem, including:

- a proposed list of the RESP Regions which overlap with their licence but where the licensee will not participate in the development of the RESP and will not provide appropriate representation to the Strategic Board
- sufficient justification for why they should be permitted to have differing levels of participation

9.12 Exemptions must be requested by the licensee before the next RESP cycle begins. The level of participation will only be reviewed every 3-years.

9.13 We will only make changes to the level of the licensee's participation in the development of RESPs and representation on associated Strategic Boards where satisfied that the request is well-evidenced and would cause no material detriment to the development of the RESP in the relevant RESP Region(s).

10. Provision of Intelligence

10.1 As set out in Condition 54.4 of the Standard Licence Conditions of the Electricity Distribution Licence and Condition D23.4 of Part D of the Standard Special Licence Conditions of the Gas Transporter Licence, the licensee must provide NESO with relevant Intelligence as required to develop the RESP Methodology and RESPs.

10.2 We expect this Intelligence to be information related to the Distribution System or Network that is held or controlled by the licensee, this could include but is not limited to:

- Energy System Data[13]
- documents
- records
- reports

10.3 We do not expect the licensee to provide Intelligence that is subject to legal privilege. Where the Intelligence is evidenced as being subject to a binding obligation of confidentiality and/or commercially sensitive, we expect the licensee to work with NESO to determine the appropriate course of action to ensure confidentiality.

10.4 We expect the licensee to work with NESO on these requests to help reach a joint understanding of the type of information that will best meet the intended use case.

10.5 The licensee must work closely with NESO to agree a suitable format for the information requested. The format should enable NESO to efficiently access and use the information requested.

10.6 We also expect the licensee to work with NESO to agree a suitable deadline to provide the Intelligence. We expect this to vary based on the nature of the request, but it should consider the complexity, volume and availability of the information. Where it is evident that the agreed deadline is unlikely to be met, we expect the network companies to promptly notify NESO and request a reasonable extension.

[13] As defined in the Data Best Practice Guidance.

Appendix 1 – Map of the RESP Regions