ESO RESP Licence Condition

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Condition C19

Introduction

- C19.1 The purpose of this condition is to set out the obligation of the licensee to develop a Regional Energy Strategic Plan (RESP) for each of the RESP RegionRESP nations and regions and a RESP Methodology, including setting out:
 - (a) in Part A, the requirement to create RESPs and a RESP Methodology;
 - (b) in Part B, the process for the Authority to issue and amend RESP Guidance;
 - (c) in Part C, the development and approval process for the RESP Methodology;
 - (d) in Part D, the approval process for the RESPs; and
 - (e) in Part E, the publication of the RESPs.

Part A: Requirement to create a Regional Strategic Energy Plan and a RESP Methodology

- C19.2 The licensee must, <u>and</u> in accordance with the RESP Guidance:
 - (a) develop and publish a RESP Methodology;
 - (b) develop and publish a RESP for each of the RESP RegionRESP nations and regions; and
 - (c) carry out assurance activities following the creation of the RESPs in line with C19.9C19.10.
- C19.3 The licensee must, and in accordance with the RESP Guidance:
 - (a) establish a National Steering Committee to provide strategic oversight and national-level coordination of strategic energy planning; and
 - (b) establish a Strategic Board for each <u>of the RESP RegionRESP nations and</u> <u>regions</u> and seek its recommendation and approval <u>in line with C19.25C19.26</u> at key decision-points in the RESP development process.
- C19.4 In the development of each RESP and in accordance with the RESP Guidance, the licensee must:
 - (a) draw from relevant datasets and undertake stakeholder engagement to develop a Regional Context Nations and Regions Context;
 - (b) conduct spatial modelling of future energy supply and demand to develop a single short-term RESP Pathway over a 10-year time horizon and multiple long-term RESP Pathways;
 - (c) produce an accessible geospatial tool to show <u>RESP</u> Pathways against network capacity data to develop a Spatial Context;
 - (d) identify and develop a Specification of Strategic Investment Need; and
 - (e) <u>develop-publish</u> a set of Consistent Planning Assumptions <u>with acceptable</u> ranges of variation to allow for nation and regional difference.
- C19.5 To support the development of each RESP and in accordance with the RESP Guidance, the licensee must:

- (a) actively seek to resolve gaps and inconsistencies in plans within and between RESP RegionRESP nations and regions and identify opportunities for whole-system optimisation; and
- (b) develop structured, transparent and accessible routes for stakeholder engagement in each RESP Region of the RESP nations and regions and develop proportionate forms of support for local government to engage in the development of the RESP.
- C19.6 During the development of the RESPs and in accordance with the RESP Guidance, the licensee must use best endeavours to operate in an efficient manner when requesting the provision of <u>RESP</u> Informationtelligence, including providing reasonable requirements regarding the timescale, format, and quality of the <u>RESP</u> Intformationelligence.
- C19.7 During the development of the RESPs the licensee must maintain the confidentiality of any RESP Information telligence provided to it by a stakeholder.
- C19.8C19.7 During the development of theeach RESPs and in accordance with the RESP Guidance, the licensee must consult;
 - (a) the Authority;
 - (b) holders of an Electricity Distribution Licence;
 - (c) holders of a Gas Transporter Licence with Distribution Networks;
 - (d) persons as set out in the RESP Methodology;
 - (e) publicly, other persons and parties that might be interested in the development of the RESPs;
 - (f) the relevant Strategic Board; and
 - (g) the National Steering Committee.
- <u>C19.9C19.8</u> The consultation in accordance with paragraph <u>C19.7C19.7C19.8</u> must be of such a form and duration to reasonably allow all parties set out in paragraph <u>C19.7C19.8</u> to provide representations.
- <u>C19.10C19.9</u> Following the creation of the RESPs, the licensee must, <u>and</u> in accordance with the RESP Guidance, carry out a targeted review of <u>relevant</u> gas and electricity distribution networks' <u>load-related-strategic</u> investment plans to <u>assureresolve</u> <u>mis</u>alignment with the relevant RESPs.

Part B: Regional Energy Strategic Plan Guidance

- C19.11C19.10The Authority may issue and amend the RESP Guidance by direction.
- C19.12C19.11The RESP Guidance will contain, but not be limited to:
 - (a) instructions and detailed guidance on the process, content, governance arrangements and timeframe for publishing the RESP; and
 - (b) instructions and detailed guidance for the process, content, and publication of the RESP Methodology.

- <u>C19.13C19.12</u>Before directing that the RESP Guidance comes into effect, the Authority will publish:
 - (a) the text of the proposed RESP Guidance; and
 - (b) the period during which representations may be made, which will not be less than 28 days.
- C19.14C19.13Before directing any amendment to the RESP Guidance, the Authority will publish:
 - (a) a consultation on the text of any amendments to the RESP Guidance;
 - (b) the date on which the Authority intends the amendments to come into effect; and
 - (c) the reasons for any amendment.
- C19.15C19.14 The consultation in accordance with C19.12C19.12C19.13 and/or C19.13C19.13C19.14 must be of such a form and duration to reasonably allow all parties set out in paragraph C19.7C19.8(b)-(g) to provide representations.
- <u>C19.16C19.15</u> The requirement of paragraph <u>C19.12C19.12C19.13</u> may be satisfied by actions taken before or after this licence condition comes into effect.

Part C: Development and Approval of the RESP Methodology

- C19.16 By 30 April 2026 and by 30 April of every third year thereafter, unless otherwise directed by the Authority, the licensee must publish the RESP Methodology.
- C19.17 The RESP Methodology must, and in accordance with the RESP Guidance, inter alia, develop a detailed mechanism for the approval of the RESP.
- C19.18 During the development of, and prior to submitting the proposed RESP Methodology to the Authority pursuant to paragraph C19.22C19.22C19.22, the licensee must consult:
 - (a) the Authority;
 - (b) the Secretary of State;
 - (c) holders of an Electricity Distribution Licence;
 - (d) holders of a Gas Transporter Licence with Distribution Networks; and
 - (e) publicly, other persons and parties that might be interested in the development of the RESP Methodology.
- C19.19 The consultation in accordance with paragraph C19.18C19.18C19.18 must be of such a form and duration to reasonably allow all persons and parties set out in paragraph C19.18 to provide representations.
- C19.20 The requirement of paragraph <u>C19.18</u> may be satisfied by actions taken before or after this licence condition comes into effect.

- C19.21 By 31 January 2026 and by 31 January of every third year thereafter, the licensee must (unless otherwise directed by the Authority) submit to the Authority and the Secretary of State for approval the proposed RESP Methodology.
- C19.22 Submissions made under paragraph C19.21 must include:
 - (a) a detailed explanation of the consultation process undertaken in the development of the RESP Methodology;
 - (b) a summary of views from all parties and an explanation of how these were considered in the development of the RESP Methodology; and
 - (c) copies of any formal responses submitted to the licensee as part of its consultation process.
- C19.23 The Authority and the Secretary of State may on receipt of a submission under paragraph C19.21 either:
 - (a) approve the proposed RESP Methodology (or any revised version); or
 - (b) give a direction to the licensee that the new (or revised) RESP Methodology requires further development, and the date by which the licensee is required to submit a revised RESP Methodology to the Authority and the Secretary of State for approval.

Part D: Approval of the Regional Energy Strategic Plans

Part E: Approval of the Regional Energy Strategic Plans

- C19.24 By 30 September 2027 and by 30 September of every third year thereafter, unless otherwise directed by the Authority, the licensee must submit each proposed RESP to the relevant Strategic Board for approval, in accordance with the RESP Methodology, subject to C19.26.
- C19.25 Submissions made under paragraph -C19.24 must include:
 - (a) a detailed explanation of the consultation process undertaken in the development of the RESPs;
 - (b) a summary of views from all parties and an explanation of how these were considered in the development of the RESPs; and
 - (c) copies of any formal responses submitted to the licensee as part of its consultation process.
- C19.26 <u>The Authority may, by direction-:</u> The licensee must, and in accordance with the RESP Guidance, use reasonable endeavours to ensure the Strategic Board on receipt of a submission under paragraph <u>C19.23</u>C19.24 either:
 - (a) in the event of a clear representative majority approve the proposed RESP; orspecify that any or each RESP(s), approved in accordance with the RESP Methodology must be resubmitted to and approved by the Authority; and/or

(b) specify that any or each RESP(s), must be submitted to and approved by the Authority prior to publication.

(a)

- (b) in the absence of a clear representative majority submit the proposed RESP to the Authority for consideration.
- C19.27 Where the Authority makes a direction under C19.26 The Authority may on receipt of a submission under paragraph <u>C19.25</u>C19.26(b) either:
 - (a) approve the proposed (or revised) RESP; or
 - (a) give a direction to the licensee that the proposed (or revised) RESP requires further development, and the date by which the licensee is required to submit a revised RESP to the Authority for approval the licensee must submit the relevant RESP(s), and any subsequent revisions, to the Authority for approval in such form and manner as the Authority may specify;
 - (b) the Authority may approve the relevant RESP(s) with or without conditions, or require the licensee to make such modifications as the Authority may specify and to resubmit the relevant RESP(s) within a period specified by the Authority; and
 - (b)(c) if so required by the Authority, the licensee must carry out further consultation with the persons specified by the Authority, in accordance with such process and timeframes as the Authority may specify, prior to the Authority determining whether to approve the relevant RESP(s).

Part F:Part E: Publication of the Regional Energy Strategic Plans

- C19.28 By 31 December 2027 and by 31 December of every third year thereafter, the licensee must publish a RESP for each of the RESP Region RESP nations and regions in accordance with the latest RESP Methodology unless another date has been directed by the Authority.
- C19.29 The licensee must publish the RESPs and supporting material as described in C19.25 on its website in an accessible format.

Interpretation and Definitions

- **Consistent Planning Assumptions** means a <u>single component of each RESP</u> developed set of assumptions developed <u>published</u> by the licensee which <u>provides consistent network planning assumptions to drive</u> consistent coherent derivation of network requirements resulting from the RESP Pathways.
- RESP Intelligence formation: means such information (other than information subject to legal privilege) to be provided by holders of an Electricity Distribution Licence and holders of a Gas Transporter Licence with Distribution Networks to the licensee which:
 - (a) Relates to the holders of an Electricity Distribution Licence and holders of a Gas Transporter Licence with Distribution Networks Distribution System;
 - (b) Is in the possession or control of the holders of an Electricity

 Distribution Licence and holders of a Gas Transporter Licence with

 Distribution Networks; and
 - (c) the licensee considers necessary to develop the RESP Methodology or the RESPs.
- National Steering Committee means a governance body that involves, at a minimum, the Authority, the licensee, and the Secretary of State-who.

 Ttogether they provide strategic oversight, expertise, and advice, and national-level coordination of strategic energy planning during development of the RESP Methodology and the RESPs and to assure national-level coordination.
- **RESP Pathway** means a component of each RESP which provides a spatially modelled projection of energy demand and supply over the RESP Region RESP nations and regions developed by the licensee in line with the RESP Guidance.
- Regional ContextNations and Regions Context means a component of each RESP which provides a long-term view of regional conditions and priorities in the RESP RegionRESP nations and regions developed by the licensee in line with the RESP Guidance.
- Regional Energy Strategic Plan (RESP) means a whole-system energy plan developed for a RESP RegionRESP nations and regions by the licensee comprised of a Regional ContextNations and Regions Context, a single 10-year RESP Pathway and multiple longer-term RESP Pathways, a Spatial Context, a Specification of Strategic Investment Need, and Consistent Planning Assumptions. The plural acronym RESPs is used to refer to multiple Regional Energy Strategic Plans.
- **RESP Guidance** means the document of that name issued <u>and amended</u> by the Authority from time to time pursuant to condition C19.1<u>0</u>4.

- **RESP Methodology** means the methodology, approved by the Authority and the Secretary of State, of the name describing how the licensee will develop RESPs, approved by the Authority, in accordance with condition C19.167.
- **RESP Region**RESP nations and regions means a geographic area, as defined in the RESP Guidance, for which a RESP is developed.
- **Spatial Context** means a component of each RESP which provides a geospatial view of RESP Pathways against network data indicating network capacity requirements over the RESP Region RESP nations and regions developed by the licensee in line with the RESP Guidance.
- **Specification of Strategic Investment Need** means a component of each RESP developed by the licensee in line with the RESP Guidance which provides itemised specification of areas of strategic network investment need within the RESP RegionRESP nations and regions which are of high economic and/or system value and necessary to the delivery of regional priorities as defined by the Regional ContextNations and Regions Context.
- **Strategic Board** means a governance body for the delivery and approval of each RESP that involves Distribution Network Operators (DNOs), Gas Distribution Networks (GDNs) holders of an Electricity Distribution Licence and holders of a Gas Transporter Licence with Distribution Networks, devolved and local governments, and regional cross-sector bodies to provide oversight and steer to the RESP development process and strategic outputs.