

# Consultation

## RESP - Statutory consultation on licence modifications

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|--------------------|-------------------|
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We are consulting on proposed modifications to the Electricity System Operator Licence, Gas System Planner Licence, the Standard Conditions of the Electricity Distribution Licence and Part D of the Standard Special Conditions of the Gas Transporters Licence, to implement the Regional Energy Strategic Plan (RESP). We are also consulting on the RESP Guidance, an Associated Document that accompanies the proposed licence modifications.

This document outlines the scope, purpose and questions of the consultation and how you can get involved. Once the consultation is closed, we will consider all responses. We want to be transparent in our consultations. We will publish the non-confidential responses we receive alongside a decision on next steps on our website at [ofgem.gov.uk/consultations](https://www.ofgem.gov.uk/consultations).

If you want your response – in whole or in part – to be considered confidential, please tell us in your response and explain why. Please clearly mark the parts of your response that you consider to be confidential, and if possible, put the confidential material in separate appendices to your response.

## **Consultation** – RESP - Statutory consultation on licence modifications

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## Contents

|                                                                                                           |           |
|-----------------------------------------------------------------------------------------------------------|-----------|
| <b>RESP - Statutory consultation on licence modifications .....</b>                                       | <b>1</b>  |
| <b>Executive summary.....</b>                                                                             | <b>4</b>  |
| <b>1. Introduction .....</b>                                                                              | <b>5</b>  |
| Background .....                                                                                          | 5         |
| What are we consulting on .....                                                                           | 6         |
| Next steps .....                                                                                          | 8         |
| <b>2. Proposed modifications to the Electricity System Operator and Gas System Planner Licences.....</b>  | <b>9</b>  |
| Questions .....                                                                                           | 9         |
| Introduction.....                                                                                         | 9         |
| Section A: Definitions and interpretation.....                                                            | 9         |
| Proposed modifications to Section C: Strategic and operational functions ...                              | 13        |
| ESO Licence Condition C19 (New): Regional Energy Strategic Plan & GSP                                     |           |
| Licence Condition C13 (New): Regional Energy Strategic Plan .....                                         | 13        |
| Associated Document .....                                                                                 | 15        |
| <b>3. Proposed modifications to the Electricity Distribution and Gas Transporter Licences.....</b>        | <b>19</b> |
| Questions .....                                                                                           | 19        |
| Introduction.....                                                                                         | 19        |
| Definitions and interpretation.....                                                                       | 20        |
| Proposed modifications to the Standard Licence conditions of the Electricity Distribution licence .....   | 22        |
| Condition 54. Regional Energy Strategic Plan .....                                                        | 22        |
| Proposed modifications to Part D of the Standard Special Conditions of the Gas Transporters Licence ..... | 22        |
| Standard Special Condition D23. Regional Energy Strategic Plan .....                                      | 22        |
| Associated Document .....                                                                                 | 24        |
| <b>4. Your response, data and confidentiality .....</b>                                                   | <b>27</b> |
| Consultation stages.....                                                                                  | 27        |
| How to respond .....                                                                                      | 27        |
| Your response, your data and confidentiality .....                                                        | 27        |
| General feedback.....                                                                                     | 28        |
| How to track the progress of the consultation.....                                                        | 29        |
| <b>Appendices .....</b>                                                                                   | <b>30</b> |
| <b>Appendix 1.....</b>                                                                                    | <b>31</b> |
| Personal data .....                                                                                       | 31        |

## **Executive summary**

### **Purpose and scope**

Following our April 2025 Decision on the Regional Energy Strategic Plan (RESP) Policy Framework,<sup>1</sup> we are consulting on the proposed modifications to the licence conditions and RESP Guidance necessary to implement the RESP. This is a statutory consultation that follows our earlier policy consultation.<sup>2</sup>

### **Proposals**

We are proposing a new obligation for the Independent System Operator and Planner ("ISOP", also known as the National Energy System Operator or "NESO") to develop and deliver the RESPs. This will be achieved through modifications to NESO's Electricity System Operator (ESO) Licence and Gas System Planner (GSP) Licence.

We are proposing to introduce a requirement for the Distribution Network Operators (DNOs) and Gas Distribution Networks (GDNs) to participate and support NESO in the development of the RESPs. To do this we are proposing modifications to the Standard Licence Conditions of the Electricity Distribution Licence and Part D of the Standard Special Conditions of the Gas Transporter Licence.

We are proposing the RESP Guidance as an Associated Document which will provide further detail of obligations on and expectations of NESO, DNOs and GDNs in the development of the RESPs. The RESP Guidance contains two parts: Part A – NESO Guidance and Part B – DNO & GDN Guidance. The RESP Guidance will include, but is not limited to, details on the requirements for delivering the RESP outputs, RESP governance arrangements, and details of requesting and sharing RESP Information.

### **Next Steps**

Following this consultation, we will consider the responses and aim to publish our decision in early 2026. Dependent on the outcome of this consultation, the proposed licence modifications should come in to effect in the first quarter of 2026.

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<sup>1</sup> Regional Energy Strategic Plan Policy Framework decision:  
<https://www.ofgem.gov.uk/decision/regional-energy-strategic-plan-policy-framework-decision>

<sup>2</sup> Regional Energy Strategic Plan Policy consultation on Licence Modifications and Guidance Document: <https://www.ofgem.gov.uk/consultation/regional-energy-strategic-plan-policy-consultation-licence-modifications-and-guidance-document>

## 1. Introduction

This section provides background on the RESP Policy Framework, published in April 2025. It sets out what we are consulting on and next steps following this consultation.

### Background

- 1.1 As the UK transitions to net zero, reforming how we plan our energy infrastructure is essential to meeting the Government's Clean Power Action Plan 2030 and delivering a clean and secure energy system for the long term. To support this, we affirmed the introduction of the RESP in April 2025 — a new framework designed to enhance accountability and coordination in the strategic planning of the distribution network.
- 1.2 The purpose of the RESP is to provide a strategic view of the future of the energy system at a sub-national level and set the direction of distribution network planning. The scope is limited to the distribution level of the system; however, NESO should consider the wider context of the energy system and particularly boundary interactions with the transmission system.
- 1.3 The RESPs will be developed and delivered by NESO in 11 RESP nations and regions across Great Britain (GB). NESO will convene regional stakeholders to form a shared vision for how the energy system should evolve, aligning local priorities with national objectives. By coordinating development across multiple energy vectors, the RESP will help enable confident, efficient investment in the journey to net zero.
- 1.4 In our April 2025 decision, we outlined the approach for implementing the framework. This included the intention to make modifications to NESO's, GDNs' and DNOs' licences, alongside a RESP Guidance Associated Document.<sup>3</sup>
- 1.5 In July 2025 we consulted on the licence modifications and RESP Guidance,<sup>4</sup> we received 16 responses. Following this we have further developed the licences and RESP Guidance and are now re-consulting. We aim to publish a decision in early 2026.

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<sup>3</sup> Note that we refer to holders of an Electricity Distribution Licence and holders of a Gas Transporter Licence with Distribution Networks as DNOs and GDNs throughout this consultation document.

<sup>4</sup> [Regional Energy Strategic Plan Policy consultation on Licence Modifications and Guidance Document | Ofgem](#)

## **What are we consulting on**

- 1.6 We are consulting on proposed modifications to NESO's ESO and GSP licences as well as the Standard Licence Conditions of the Electricity Distribution Licence, and Part D of the Standard Special Conditions of the Gas Transporter Licence. These are included in this consultation as annexes, alongside the proposed RESP Guidance Associated Document.
- 1.7 The proposed licence conditions will ensure NESO, DNOs and GDNs comply with the RESP Policy Framework. The RESP Guidance details how NESO, DNOs and GDNs must fulfil licence obligations. This includes contributing to the development of the RESP Methodology and the creation of RESPs.
- 1.8 This consultation is a statutory consultation (in respect of the licence modifications) under s11A of the Electricity Act 1989 and s23 of the Gas Act 1986. This consultation is an opportunity for stakeholders to provide feedback on the proposed licence modifications.
- 1.9 The proposed modifications to the licences and RESP Guidance are included as annexes to this consultation:
- Annex A: Proposed Modifications to the Energy System Operator Licence
  - Annex B: Proposed Modifications to the Gas System Planner Licence
  - Annex C: Proposed Modifications to the Standard Licence Conditions of the Electricity Distribution Licence
  - Annex D: Proposed Modifications to Part D of the Standard Special Conditions of the Gas Transporters Licence
  - Annex E: Proposed RESP Guidance Associated Document
  - Annex F: Notice to modify standard and special standard conditions
- 1.10 We are proposing the changes to the following DNO licences:

| <b>Acronym</b> | <b>Group</b>                   | <b>Licensees (and acronym)</b>                   |
|----------------|--------------------------------|--------------------------------------------------|
| NPg            | Northern Powergrid             | Northern Powergrid: Northeast (NPgN)             |
|                |                                | Northern Powergrid: Yorkshire (NPgY)             |
| SPEN           | Scottish Power Energy Networks | Scottish Power Distribution (SP Distribution)    |
|                |                                | Scottish Power Manweb (SP Manweb)                |
|                |                                | Scottish Power Electricity North West (SP ENW)   |
| SSEN           | Scottish and Southern Energy   | Scottish and Southern Energy Power Distribution: |

|      |                                        |                                                                                                                                                                                                                                                                                                    |
|------|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|      | Networks                               | <p>Scottish Hydro Electric Power Distribution (SSEH)</p> <p>Scottish and Southern Energy Power Distribution:<br/>Southern Electric Power Distribution (SSES)</p>                                                                                                                                   |
| UKPN | UK Power Networks                      | <p>UK Power Networks: London Power Networks (LPN)</p> <p>UK Power Networks: South East Power Networks (SPN)</p> <p>UK Power Networks: Eastern Power Networks (EPN)</p>                                                                                                                             |
| NGED | National Grid Electricity Distribution | <p>National Grid Electricity Distribution (West Midlands) plc (WMID)</p> <p>National Grid Electricity Distribution (East Midlands) plc (EMID)</p> <p>National Grid Electricity Distribution (South Wales) plc (SWALES)</p> <p>National Grid Electricity Distribution (South West) plc (SWEEST)</p> |

1.11 We are proposing the changes to the following GDN licences:

| <b>Acronym</b> | <b>Group</b>                     | <b>Licensee (and acronym)</b>                                      |
|----------------|----------------------------------|--------------------------------------------------------------------|
| Cadent         | Cadent Gas Limited               | Cadent Gas Limited                                                 |
| NGN            | Northern Gas Networks Limited    | Northern Gas Networks Limited (NGN)                                |
| SGN            | SGN                              | Scotland Gas Networks plc (SGN)<br>Southern Gas Networks plc (SGN) |
| WWU            | Wales and West Utilities Limited | Wales and West Utilities Limited (WWU)                             |

## **Next steps**

- 1.12 This consultation will be open for 6 weeks until 28 November 2025. Feedback will inform our development of the RESP licence conditions and RESP Guidance. Following this statutory consultation, we will publish our decision on the licence modifications.
- 1.13 NESO plan to launch their RESP Methodology consultation in November 2025. We aim to overlap our consultation window with NESO's RESP Methodology consultation to give stakeholders the opportunity to review our proposals for the RESP licence conditions and RESP Guidance, alongside NESO's RESP Methodology consultation.



## **2. Proposed modifications to the Electricity System Operator and Gas System Planner Licences**

This chapter sets out our proposed modifications to both the ESO and GSP Licences to formally introduce the role of delivering the RESP to NESO.

For each relevant section of the licences and RESP Guidance Associated Document, we set out (i) the purpose of the proposed changes as set out in our July 2025 policy consultation, (ii) summarise the points raised by stakeholders in response to these proposed changes; (iii) provide our views and outline our suggested subsequent amendments based on stakeholder responses.

### **Questions**

- Q1. Do you agree that the changes made to the new licence text since our policy consultation, as set out in Annexes A and B, adequately reflect stakeholder feedback and the policy intent of the RESP? Please provide the reasons and any alternative suggestions if you disagree.
- Q2. Do you agree that the changes made to Part A of the RESP Guidance since our policy consultation, as set out in Annex E, adequately reflects stakeholder feedback and defines the expectations for NESO in their development of the RESP? Please provide the reasons and any alternative suggestions if you disagree.

### **Introduction**

- 2.1 In our November 2023 decision,<sup>5</sup> we confirmed NESO would deliver the RESP. This requires a change to both the ESO and the GSP Licences, and the introduction of new definitions. Given that the new licence conditions are the same across both the ESO and GSP Licences, they are discussed together in this consultation for simplicity.
- 2.2 The condition numbering in the proposed licence text, set out in Annexes A and B, is our working assumption of where the text will sit and will be finalised at our decision.

### **Section A: Definitions and interpretation**

- 2.3 The new licence conditions require several new definitions relevant to the introduction of the RESPs. The definitions apply to both the ESO and GSP Licences.

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<sup>5</sup> Decision on future of local energy institutions and governance: [Decision on future of local energy institutions and governance | Ofgem](#)

## **Summary of stakeholder responses**

Most respondents agreed that the definitions set out in our policy consultation adequately reflected the policy intent of the RESP. However, many requested further clarifications or amendments to the definitions. The key points raised by stakeholders are discussed below.

Some commented that it was unclear from the drafting whether the intent was for the Consistent Planning Assumptions to be the same across all RESPs or developed for each of the 11 RESPs. Respondents suggested the definition should include greater detail on the type of assumptions we expect NESO to develop.

Respondents noted that Intelligence appears as a defined term in the licence but does not appear in the list of definitions. Additionally, there was a concern the term Intelligence was not reflective of the type of information that may be collected.

Stakeholders raised that within the list of definitions we should refer to DNOs and GDNs as “holders of an Electricity Distribution Licence” and “holders of a Gas Transporter Licence with Distribution Networks”.

One stakeholder raised that given the ESO and GSP Licences refer to other instances of ‘Pathways’, we should use ‘RESP Pathway’ instead.

Finally, respondents highlighted inconsistency between the defined terms in the ESO and GSP Licences, network licences and the consultation document.

## **Ofgem response**

- 2.4 We appreciate the feedback on the Consistent Planning Assumptions definition. Our intent is for the NESO to develop a single set of assumptions to drive the coherent derivation of network requirements resulting from the RESP Pathways. Alongside the assumptions, we expect NESO to develop acceptable ranges of variation to account for differences in each RESP nations and regions. Therefore, we expect the Consistent Planning Assumptions and the associated range of variation to be published as part of each RESP. We have updated the licence text and definition to clarify our intent.
- 2.5 We have changed the term Intelligence to RESP Information as we agree that it better reflects the policy intent. We have included it as a defined term within the ESO and GSP Licences. We have not made any further changes to the definition of RESP Information; our reasoning is set out in paragraph 3.7.

- 2.6 We have adopted the proposed wording of “holders of an Electricity Distribution Licence” and “holders of a Gas Transporter Licence with Distribution Networks” when referring to DNOs and GDNs in the defined terms.
- 2.7 We have changed the defined term ‘Pathway’ to ‘RESP Pathway’ for clarity.
- 2.8 We have ensured that the defined terms across all proposed licence modifications are aligned.
- 2.9 Finally, through wider stakeholder engagement and to align with NESO, we have changed the defined terms ‘Regional Context’ and ‘RESP Region’ to ‘Nations and Regions Context’ and ‘RESP nations and regions’ respectively. This reflects that ‘region’ is not reflective of the devolved nations Scotland and Wales.

### **Full list of proposed definitions**

- 2.10 **Consistent Planning Assumptions:** means a single set of assumptions developed by the licensee which drive coherent derivation of network requirements resulting from the RESP Pathways.
- Policy intent:* To define a key component of the RESP that NESO will develop in line with the RESP policy decision.
- 2.11 **RESP Information:** 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;
  - (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.
- Policy intent:* To specify the information DNOs and GDNs must provide when requested by NESO to develop the RESP Methodology and/or RESPs.
- 2.12 **National Steering Committee:** means a GB-wide governance body that involves, at a minimum, the Authority, the licensee, the Secretary of State. Together they provide strategic oversight, expertise, advice, and national-level coordination of strategic energy planning during development of the RESP Methodology and the RESPs.

*Policy intent:* To define the GB-wide national governance arrangements for the RESP that will be established by NESO.

- 2.13 **RESP Pathway:** means a component of each RESP which provides a spatially modelled projection of energy demand and supply over the RESP nations and regions developed by the licensee in line with the RESP Guidance.

*Policy intent:* To define a key component of the RESP that NESO will produce for each RESP nation/region in line with the RESP policy decision.

- 2.14 **Nations and Regions Context:** means a component of each RESP which provides a long-term view of regional conditions and priorities in the RESP nations and regions developed by the licensee in line with the RESP Guidance.

*Policy intent:* To define a key component of the RESP that NESO will produce for each RESP nation/region in line with the RESP policy decision.

- 2.15 **Regional Energy Strategic Plan (RESP):** means a whole-system energy plan developed for RESP nations and regions by the licensee comprised of a Nations 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.

*Policy intent:* To define the output that NESO will produce for each RESP nation/region.

- 2.16 **RESP Guidance:** means the document of that name issued and amended by the Authority from time to time pursuant to condition C19.10/C13.10.

*Policy intent:* To define the Ofgem owned Associated Document that will accompany the licence conditions and detail of the requirements.

- 2.17 **RESP Methodology:** means the methodology, approved by the Authority and the Secretary of State, describing how the licensee will develop RESPs, in accordance with condition C19.16/C13.16.

*Policy intent:* To define how NESO will develop the RESPs, including their data and modelling processes, stakeholder engagement and governance.

- 2.18 **RESP nations and regions:** means a geographic area, as defined in the RESP Guidance, for which a RESP is developed.

*Policy intent:* To define the area for which a RESP will be developed.

- 2.19 **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 nation/region developed by the licensee in line with the RESP Guidance.

*Policy intent:* To define a key component of the RESP that NESO will produce for each RESP nations and regions in line with the RESP policy decision.

- 2.20 ***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 nations and regions which are of high economic and/or system value and necessary to the delivery of regional priorities as defined by the Nations and Regions Context.

*Policy intent:* To define a key component of the RESP that NESO will produce for each RESP nation/region in line with the RESP policy decision.

- 2.21 ***Strategic Board:*** means a governance body for the delivery and approval of each RESP that involves 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.

*Policy intent:* To define the nation/region governance arrangements for the RESP that will be established by NESO and strategic outputs.

## **Proposed modifications to Section C: Strategic and operational functions**

### **ESO Licence Condition C19 (New): Regional Energy Strategic Plan & GSP Licence Condition C13 (New): Regional Energy Strategic Plan**

- 2.22 These are new proposed licence conditions. The changes apply to both the ESO and GSP Licences. The full text of the proposed licence conditions is in Annexes A and B of this consultation.
- 2.23 The reason for proposing the licence conditions is to give effect to our April 2025 Policy Framework Decision for NESO to deliver a RESP for each of the RESP nations and regions.
- 2.24 The effect of the condition is to:
- oblige NESO to create a RESP Methodology, develop RESPs for each of the RESP nations and regions and to carry out assurance activities to support alignment to RESPs;

- oblige NESO to establish the necessary governance to deliver the RESP including a National Steering Committee and Strategic Board for each RESP nation/region;
- specify the key components that must be developed within each RESP, as well as key activities NESO must undertake to support RESP delivery
- establish the process for approval and publication of the RESP Methodology<sup>6</sup> that NESO must follow; and
- explain the nature of the RESP Guidance document and the process the Authority will follow when directing changes to that guidance.

## **Summary of stakeholder responses**

Many stakeholders agreed that the licence text, as set out in Annexes A and B, adequately reflected the policy intent of the RESP. The key points raised by stakeholders are discussed below.

Respondents noted that the threshold for a “clear representative majority” for the Strategic Board to approve the RESP was imprecise. One respondent highlighted that they expect the details of the approval process for the RESPs to be defined in the NESO Methodology.

Stakeholders requested more details on the targeted review of gas and electricity distribution networks’ load-related investment plans and highlighted that the term ‘load-related’ was not clear for gas distribution networks.

Many stakeholders supported the confidentiality provision in the licence, but some felt it could go further. However, one respondent opposed the provision due to concerns that it overlapped with the existing licence condition B7 of the ESO licence and condition B6 of the GSP licence.

One stakeholder argued that establishing the Strategic Board should be a ‘best endeavours’ clause, as it requires participation from a range of actors who are not within NESO’s control. Another suggested that where there is a ‘best endeavours’ obligation placed on NESO to operate in an efficient manner when requesting RESP Information this should be a ‘reasonable endeavours’ obligation.

Respondents suggested several specific drafting and wording improvements.

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<sup>6</sup> We note that where dates for consultation, approval and publication are included within the licence condition, we may issue a derogation, if required.

## **Ofgem response**

- 2.25 We understand concerns that the approval process as set out in the licence and RESP Guidance for the RESPs is imprecise. However, as the specifics of the approval mechanism are still to be developed by NESO's Methodology, we cannot add further detail to the licence. To address these concerns, we have reframed our articulation of the approval process. In the licence, we have clarified our expectation for NESO to design the details of the RESP approval mechanism in their Methodology (C19.17/13.17). To ensure the design aligns with our policy intent, we have expanded on our expectations in the RESP Guidance. We have also moved our articulation of Ofgem's power to approve all RESPs, only if required in specific circumstances, from the RESP Guidance into the licence (C19.26/C13.26).
- 2.26 We recognise feedback that the term 'load-related' is not clear for all distribution networks, therefore we have reworded clause C19.10/C13.10 (now C19.9/C13.9), to refer to the gas and electricity strategic investment plans. This change should provide clarity on the scope of the targeted review.
- 2.27 After considering the range views and conducting our own analysis on the protection of confidential information, we have removed this clause from the licence. Our view is that it is sufficiently covered by the existing licence condition B7 of the ESO Licence and condition B6 of the GSP Licence. Avoiding an additional confidentiality provision should simplify NESO's compliance practices and avoid any duplication.
- 2.28 We recognise that engagement from other organisations in relation to the Strategic Board is not within the NESO's control. However, as part b of C19.3/C13.3 requires NESO to set up a Strategic Board for each RESP nations and regions, our view is that this is within their control. We consider 'best endeavours' remains appropriate in C19.6/C13.6, as ensuring requests are efficient and reasonable will be vital to successfully gathering RESP Information, and building trust between stakeholders.
- 2.29 We have made several minor wording edits where appropriate to reflect feedback - these are highlighted as tracked changes in the subsidiary documents.

## **Associated Document**

- 2.30 Part B of the ESO and GSP licence conditions introduces the RESP Guidance as an Associated Document to the licences. The RESP Guidance contains two parts: Part A – NESO Guidance and Part B – DNO & GDN Guidance

2.31 Part A of the RESP Guidance (applicable only to NESO) sets out:

- the general requirements NESO must carry out for the RESP Methodology, including setting out roles and responsibilities, stakeholder engagement and support for local authorities, technical coordination, and data expectations
- the methodology for the content of a RESP, including Nations and Regions Context, RESP Pathways, Spatial Context, Specification of Strategic Investment Need and, Consistent Planning Assumptions
- the methodology for RESP Governance detailing the establishment of both the National Steering Committee and the Strategic Boards, as well as the engagement process and working groups
- the methodology for carrying out assurance activities that NESO must undertake following creation of the RESPs
- the development and approval process of the RESP Methodology
- the approval process of the RESPs
- the publication process of the RESPs

2.32 For the avoidance of doubt, Part B of the RESP Guidance is not applicable to NESO.

2.33 The full proposed RESP Guidance is published in Annex E of this consultation.

### **Summary of stakeholder responses**

Most respondents agreed that the content of Part A of the RESP Guidance adequately defined the expectations for NESO in their development of the RESP. The key points raised by stakeholders are discussed below.

Stakeholders considered that the RESP Governance arrangements should be expanded, including further details on selecting members of the Strategic Boards, the contents of the Terms of Reference and the role of the National Steering Committee.

Some respondents highlighted there was an inconsistency between the text in the Guidance and licences on the approval of the RESP. They argued that the details of the approval mechanism should be included in the Methodology, and if required, Ofgem should direct a change through the approval of the RESP Methodology.

As this is a novel process, many respondents suggested that the RESP Guidance should tightly bound the expectations for information requests, confidentiality and timescales of requests.



A concern was raised about the sign-off process for the RESP Methodology and the potential for disagreement between Ofgem and the Secretary of State for Energy Security and Net Zero (Secretary of State).

Stakeholders suggested the RESP Guidance contain more detail on how consumer interests will be accounted for in the RESPs.

Respondents called for greater consistency and clarity on terms used in the RESP Guidance, in particular local government and place based.

Finally, several respondents argued that our expectations for NESO's Methodology on Spatial Context and Specification of Strategic Investment Need strayed into network planning which remains the responsibility of network companies.

### **Ofgem response**

- 2.34 We appreciate stakeholders request for additional detail on the governance arrangements. We have clarified points on governance in the RESP Guidance, for example clarifying the link between working groups, the Strategic Board and National Steering Committee. We agree further details on governance are required within the full detail of NESO's Methodology. We expect NESO to follow the intent and direction of our licence and RESP Guidance when developing the Methodology.
- 2.35 We agree there was inconsistency between the RESP Guidance and licence on the articulation of the approval of the RESPs. To rectify this, as outlined in 2.25, we have clarified the section on the approval of the RESPs in the licence. In the RESP Guidance we have expanded the requirement for NESO to design the detailed RESP approval process, including establishing a fair, efficient and representative voting process, in their Methodology. This avoids the ambiguity in the licence and allows for the additional detail to be developed in NESO's Methodology.
- 2.36 We agree further details on data and information sharing are required. We have clarified our expectations for existing confidentiality and data protection obligations to be followed by NESO. But we expect further details on the data and information sharing process to be included within NESO's Methodology.
- 2.37 We are working with DESNZ to develop a detailed process for smooth joint approval of the RESP Methodology between Ofgem and Secretary of State.
- 2.38 We agree with stakeholders on the importance of ensuring consumer interests are reflected in the RESPs. This aligns with the guiding principle of the RESP development to 'be fair', and make balanced, consumer-centric decisions. We

have expanded our expectations for the governance mechanisms to ensure there are opportunities for the consumer voice to influence development of RESPs. We have added a new Consumer Voice section to the RESP Guidance.

- 2.39 In response to feedback on terminology, we've changed 'place-based' to 'in each RESP nations and regions' and we have changed 'local government' to 'local authorities'.
- 2.40 On the interaction with network planning, the RESP Guidance is reflective of our policy intent. As expressed in our Policy Framework Decision, detailed network optioneering and planning will remain the responsibility of network companies. However, we note that information, such as capacity data, from networks will be necessary to support NESO's development of the RESP. We do not agree that the inclusion of network data in the RESPs blurs the responsibility for network planning.

### **3. Proposed modifications to the Electricity Distribution and Gas Transporter Licences**

This section sets out our proposed modifications to both the Standard Licence Conditions of the Electricity Distribution Licence and Part D of the Standard Special Conditions of the Gas Transporters Licence to oblige DNO and GDN participation in the development of the RESPs.

For each relevant section of the licences and RESP Guidance Associated Document, we set out (i) the purpose of the proposed changes as set out in our July 2025 policy consultation, (ii) summarise the points raised by stakeholders in response to these proposed changes; (iii) provide our views and outline our suggested subsequent amendments based on stakeholder responses.

#### **Questions**

Q3. Do you agree that the changes made to the new licence text since our policy consultation, as set out in Annexes C and D, adequately reflects stakeholder feedback and the policy intent of the RESP? Please provide the reasons and any alternative suggestions if you disagree.

Q4. Do you agree that the changes made to Part B of the RESP Guidance since our policy consultation, as set out in Annex E, adequately reflects stakeholder feedback and defines the expectations for GDNs and DNOs in their participation of the RESP? Please provide the reasons and any alternative suggestions if you disagree.

#### **Introduction**

- 3.1 In our RESP Policy Framework, we set out that the key to its success was ensuring the DNOs and GDNs are highly engaged throughout the process. We outlined that modifications would be proposed for the DNO and GDN licences obligating them to support NESO's development of the RESP.
- 3.2 Therefore, we are now proposing the introduction of a new licence condition for DNOs and GDNs, respectively, to work transparently and collaboratively with NESO to support the development of both the RESP Methodology and the RESPs.
- 3.3 Given the importance of DNO and GDN participation, introducing this obligation into their licences will cement the RESP as a priority, ensuring their ongoing involvement and support. Further, based on our review of existing obligations on the DNOs and GDNs, we do not believe that any existing obligations alone would adequately ensure their participation in the RESP development.

- 3.4 The condition numbering in both the Standard Licence Conditions of the Electricity Distribution Licence and Part D of the Standard Special Conditions of the Gas Transporters Licence texts in Annexes C and D, is our working assumption of where the text will sit in the licences and these will be finalised at our decision.

## **Definitions and interpretation**

- 3.5 The new licence conditions require several new definitions relevant to the introduction of the RESPs. The definitions are listed below.
- 3.6 These definitions will apply to:
- Standard Licence Conditions of the Electricity Distribution Licence
  - Part A of the Standard Special Conditions of the Gas Transporters Licence

## **Summary of stakeholder responses**

Most respondents agreed that the definitions set out in our policy consultation adequately reflected the policy intent of the RESP. However, some requested further clarification or amendments to the definitions. The key points raised by stakeholders are discussed below.

Concerns were raised around the term Intelligence and its definition. Stakeholders suggested the term Intelligence (i) could infer more advanced processing of the data, and they argued the term RESP Information better reflected the intent and (ii) was too vague, open to interpretation and fails to provide protection for confidential or commercially sensitive information.

## **Ofgem response**

- 3.7 We have changed the term Intelligence to RESP Information as we agree that it better reflects the policy intent. We acknowledge concerns about the definition not including specific details about what information may be requested. However, our view is that the definition includes sufficient steer whilst recognising further details are best placed in the RESP Guidance and in the RESP Methodology. As outlined in 2.36, existing confidentiality and data protection compliance duties are in place for NESO and are referred to in the RESP Guidance. Our view is that existing confidentiality provisions are sufficient, and as we do not want to create unnecessary duplication, we have not added any additional protection for confidential information.

### Full list of proposed definitions

- 3.8 **RESP Information:** means such information (other than information subject to legal privilege) to be provided by the licensee to the ISOP which:

- (a) Relates to the licensee's Distribution System;<sup>7</sup>
- (b) Is in the possession or control of the licensee; and
- (c) the ISOP considers necessary to develop the RESP Methodology or the RESPs.

*Policy intent:* To specify the information DNOs and GDNs must provide when requested by NESO to develop the RESP Methodology and/or RESPs.

- 3.9 **Regional Energy Strategic Plan (RESP):** means the strategic energy plan developed for RESP nations and regions by the ISOP in accordance with the ISOP's obligation under the ISOP's Electricity System Operator Licence and Gas System Planner Licence.

*Policy intent:* To define the output that NESO will produce for each RESP nations and regions.

- 3.10 **RESP Guidance:** means the document of that name issued and amended by the Authority from time to time pursuant to condition 54.7/D23.7.

*Policy intent:* To define the Ofgem owned Associated Document that will accompany the licence conditions and detail of the requirements.

- 3.11 **RESP Methodology:** means the methodology describing how the ISOP will develop RESPs, approved by the Authority and the Secretary of State, in accordance with condition C19 of the ISOPs Electricity System Operator Licence and condition C13 of the Gas System Planner Licence.

*Policy intent:* To define how NESO will develop the RESPs, including their data and modelling processes, stakeholder engagement and governance.

- 3.12 **RESP nations and regions:** means a geographic area, as defined in the RESP Guidance, for which a RESP is developed.

*Policy intent:* To define the area for which a RESP will be developed.

- 3.13 **Strategic Board:** means a governance body for the delivery and approval of each RESP that involves 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, established by the ISOP in

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<sup>7</sup> Note that for Part A of the Standard Special Conditions of the Gas Transporters Licence, "Distribution System" will be replaced with "Distribution Network".

accordance with condition C19 of the ISOPs Electricity System Operator Licence and condition C13 of the Gas System Planner Licence

*Policy intent:* To define the nation/region governance arrangements for the RESP that will be established by NESO.

## **Proposed modifications to the Standard Licence conditions of the Electricity Distribution licence**

### **Condition 54. Regional Energy Strategic Plan**

- 3.14 This is a new proposed licence condition. The reason for proposing this licence condition is to obligate DNOs to work transparently and collaboratively with NESO, and share relevant information, to support the development of both the RESP Methodology and the RESPs. The full proposed licence condition is in Annex C of this consultation.
- 3.15 The effect of this proposed condition is to:
- oblige DNOs to use their best endeavours to participate in the development of the RESP Methodology and the RESPs;
  - oblige DNOs to provide appropriate representation on the Strategic Boards in the relevant RESP nations and regions;
  - make provisions for DNOs to request to change their level of participation in a Strategic Board where there is justification to warrant a change;
  - oblige the DNOs to share RESP Information with NESO within a suitable timeframe and of appropriate quality and format; and
  - explain the nature of the RESP Guidance document and the process the Authority will follow when directing changes to that document.

## **Proposed modifications to Part D of the Standard Special Conditions of the Gas Transporters Licence**

### **Standard Special Condition D23. Regional Energy Strategic Plan**

- 3.16 This is a new proposed licence condition. The reason for proposing the licence condition is to obligate GDNs to work transparently and collaboratively with NESO, and share relevant information, to support the development of both the RESP Methodology and the RESPs. The full proposed licence condition is in Annex D of this consultation.
- 3.17 The effect of this condition is to:
- oblige GDNs to use their best endeavours to participate in the development of the RESP Methodology and the RESPs;
  - oblige GDNs to provide appropriate representation on the Strategic Boards in the relevant RESP nations and regions;

- make provisions for GDNs to request to change their level of participation in a Strategic Board where there is justification to warrant a change;
- oblige the GDNs to share RESP Information with NESO within a suitable timeframe and of appropriate quality and format; and
- explain the nature of the RESP Guidance document and the process the Authority will follow when directing changes to that document.

### **Summary of stakeholder responses**

Most stakeholders agreed that the new licence text, as set out in Annexes C and D, adequately reflects the policy intent of the RESP. The key points raised by stakeholders are discussed below.

Network company respondents suggested 'reasonable endeavours' was more appropriate, due to concerns 'best endeavours' would require over-prioritisation of RESP over other business needs and misalignment with their wider licence. Other respondents were in support of 'best endeavours' given that networks involvement is critical to the success of RESPs.

Another point that was noted is that licence conditions are not applicable to IDNOs or IGTs, stakeholders sought further clarity on whether RESP requirements will expand to independent networks.

Further clarity was sought on how appropriate representation on the Strategic Board will be defined.

Some respondents said that the sharing of information necessary to develop the RESP Methodology or the RESPs was fully at the discretion of NESO and argued there should be a challenge process if they do not disclose this information to the NESO.

### **Ofgem response**

- 3.18 We have extensively considered the use of 'best endeavours' vs 'reasonable endeavours'. Our view remains that 'best endeavours' is appropriate, to affirm that networks must be sufficiently engaged in the RESP development process. Whilst there are other licence conditions that use 'reasonable', there are also similar licence conditions that use 'best endeavours'. We do not view this as placing an undue obligation on the DNOs and GDNs to a level of cost and effort that would be detrimental to consumers, and we will continue to monitor network costs through the price control process.
- 3.19 We have decided not to use licence conditions to obligate independent networks to support the development of the RESPs at this stage. The RESP Methodology should accommodate independent networks through clearly setting out how they

can participate and provide information to support the RESPs. We will keep this issue under review and may consult on expanding the licence conditions in the future.

- 3.20 We understand concerns about NESO's discretion regarding information requests. However, as set out in the RESP Guidance we expect the licensee to work with NESO on these requests to help reach a joint understanding.
- 3.21 We have made several minor wording edits where appropriate to reflect feedback - these are highlighted as tracked changes in the subsidiary documents.

### **Associated Document**

- 3.22 Part C of the proposed Condition 54 of the Standard Licence conditions of the Electricity Distribution Licence and Condition D23 of Part D of the Standard Special Conditions of the Gas Transporters Licence introduces the RESP Guidance as an Associated Document to the licence. The RESP Guidance contains two parts: Part A – NESO Guidance and Part B – Network Guidance
- 3.23 Part B of the RESP Guidance (applicable only to DNOs and GDNs) sets out:
- how the GDNs and DNOs are expected to participate in the RESP development, in particular, the RESP Methodology and the Strategic Boards; and
  - details of how the GDNs and DNOs are expected to provide RESP Information to NESO, and further information about what we expect GDNs and DNOs to be asked by NESO.
- 3.24 For the avoidance of doubt, Part A of the RESP Guidance is not applicable to the DNOs and GDNs.
- 3.25 The full proposed RESP Guidance is published in Annex E of this consultation.

### **Summary of stakeholder responses**

Stakeholders broadly agreed that the RESP Guidance successfully provides an outline for representation, participation and data sharing. Many respondents specified aspects needing clarification and offered suggestions for refinement to better align to the intention of RESPs. The key points raised by stakeholders are discussed below.

Several responses requested further details around Strategic Board participation. Specifically, around how the board would function, attendance requirements, and conflict resolution processes. Regarding attendance requirements, there were concerns that missing one meeting would warrant the loss of a vote on the Strategic Board or breach of licence.



The 'Intelligence' section raised concerns around the suitability of the term as a descriptor, and the protection of confidential information. Some respondents suggested all legally and commercially sensitive data be excluded. Others requested personal data is not included.

A recurring concern was raised regarding the use of the word 'must', which was considered overly burdensome and inconsistent with the licence's 'best endeavours' expectations.

Regarding eligible Strategic Board members, it was suggested that 'substantive strategic influence' be replaced with a reference to stakeholders having 'sufficient knowledge'.

Stakeholders suggested that a 3-year tenure on the Strategic Board was too restrictive, as the level of resource commitment is not yet fully understood. They argued that exemptions should be requested annually for the first RESP cycle.

### **Ofgem response**

- 3.26 Though we acknowledge stakeholders want to better understand the commitments required on Strategic Boards, it is ultimately for NESO's Methodology to further define this level of detail. We expect NESO to provide a Terms of Reference (ToR) detailing logistics, roles and requirements. Ofgem will sign off the Methodology and ensure that governance details are reasonable for members. In response to concerns that missing a single meeting could breach the licence, we emphasise that this is not the intent. We expect the Strategic Board ToR to be reasonable for all parties, and the development of such will be the responsibility of NESO.
- 3.27 As covered in 2.5 and 3.7, we have changed 'Intelligence' to RESP Information in the RESP Guidance. For clarity, we have further detailed the forms of RESP Information that networks may be required to provide to NESO. We have specified where we expect NESO to work with DNOs and GDNs to determine the details of the RESP Information required (including type, format, deadlines).
- 3.28 We have adjusted the terminology to better align with expectations set with 'best endeavours'. We have acknowledged where best endeavours must be made, and where further actions *should* be taken.
- 3.29 We recognise the importance of Strategic Board members having necessary knowledge to inform their decisions. The policy intent is to ensure Strategic Board members are credible representatives for their place or organisation. As such, we have updated this description to better reflect that Strategic Board members are selected based on both their level of seniority and experience.

- 3.30 We understand concerns around a 3-year tenure on the Strategic Board whilst the RESPs are in their infancy, and the level of resource commitment is not fully understood. However, our expectation is that stakeholders will commit to a shorter tenure for the initial RESPs as the first RESP cycle will be shorter.

## 4. Your response, data and confidentiality

### Consultation stages

- 4.1 The consultation will be open until 28 November 2025. Responses will be reviewed, and we aim to publish our decision in early 2026. We may hold working groups during this period if needed to support the development process.

### How to respond

- 4.2 We want to hear from anyone interested in this consultation. Please send your response to [resp@ofgem.gov.uk](mailto:resp@ofgem.gov.uk).
- 4.3 We've asked for your feedback in each of the questions throughout. Please respond to each one as fully as you can.
- 4.4 We will publish non-confidential responses on our website at [www.ofgem.gov.uk/consultations](http://www.ofgem.gov.uk/consultations).

### Your response, your data and confidentiality

- 4.5 You can ask us to keep your response, or parts of your response, confidential. We'll respect this, subject to obligations to disclose information, for example, under the Freedom of Information Act 2000, the Environmental Information Regulations 2004, statutory directions, court orders, government regulations or where you give us explicit permission to disclose. If you do want us to keep your response confidential, please clearly mark this on your response and explain why.
- 4.6 If you wish us to keep part of your response confidential, please clearly mark those parts of your response that you *do* wish to be kept confidential and those that you *do not* wish to be kept confidential. Please put the confidential material in a separate appendix to your response. If necessary, we'll get in touch with you to discuss which parts of the information in your response should be kept confidential, and which can be published. We might ask for reasons why.
- 4.7 If the information you give in your response contains personal data under the General Data Protection Regulation (Regulation (EU) 2016/679) as retained in domestic law following the UK's withdrawal from the European Union ("UK GDPR"), the Gas and Electricity Markets Authority will be the data controller for the purposes of GDPR. Ofgem uses the information in responses in performing its statutory functions and in accordance with section 105 of the Utilities Act 2000. Please refer to our Privacy Notice on consultations, see Appendix 4.

- 4.8 If you wish to respond confidentially, we'll keep your response itself confidential, but we will publish the number (but not the names) of confidential responses we receive. We won't link responses to respondents if we publish a summary of responses, and we will evaluate each response on its own merits without undermining your right to confidentiality.

### **General feedback**

- 4.9 We believe that consultation is at the heart of good policy development. We welcome any comments about how we've run this consultation. We'd also like to get your answers to these questions:
1. Do you have any comments about the overall process of this consultation?
  2. Do you have any comments about its tone and content?
  3. Was it easy to read and understand? Or could it have been better written?
  4. Were its conclusions balanced?
  5. Did it make reasoned recommendations for improvement?
  6. Any further comments?

Please send any general feedback comments to [stakeholders@ofgem.gov.uk](mailto:stakeholders@ofgem.gov.uk)

## How to track the progress of the consultation

You can track the progress of a consultation from upcoming to decision status using the 'notify me' function on a consultation page when published on our website. Choose the notify me button and enter your email address into the pop-up window and submit.

[ofgem.gov.uk/consultations](https://ofgem.gov.uk/consultations)

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Once subscribed to the notifications for a particular consultation, you will receive an email to notify you when it has changed status. Our consultation stages are:

**Upcoming** > **Open** > **Closed** (awaiting decision) > **Closed** (with decision)

## Appendices

Index

| <b>Appendix</b> | <b>Name of appendix</b>         | <b>Page no.</b> |
|-----------------|---------------------------------|-----------------|
| 1               | Privacy notice on consultations | 31              |

## Privacy notice on consultations

### Personal data

The following explains your rights and gives you the information you are entitled to under the General Data Protection Regulation (GDPR).

Note that this section only refers to your personal data (your name address and anything that could be used to identify you personally) not the content of your response to the consultation.

#### **1. The identity of the controller and contact details of our Data Protection Officer**

The Gas and Electricity Markets Authority is the controller, (for ease of reference, "Ofgem"). The Data Protection Officer can be contacted at [dpo@ofgem.gov.uk](mailto:dpo@ofgem.gov.uk)

#### **2. Why we are collecting your personal data**

Your personal data is being collected as an essential part of the consultation process, so that we can contact you regarding your response and for statistical purposes. We may also use it to contact you about related matters.

#### **3. Our legal basis for processing your personal data**

As a public authority, the GDPR makes provision for Ofgem to process personal data as necessary for the effective performance of a task carried out in the public interest. i.e. a consultation.

#### **4. We will not share your personal data**

#### **5. For how long we will keep your personal data, or criteria used to determine the retention period.**

Your personal data will be held for twelve months after the project is closed

#### **6. Your rights**

The data we are collecting is your personal data, and you have considerable say over what happens to it. You have the right to:

- know how we use your personal data
- access your personal data
- have personal data corrected if it is inaccurate or incomplete
- ask us to delete personal data when we no longer need it
- ask us to restrict how we process your data
- get your data from us and re-use it across other services
- object to certain ways we use your data

- be safeguarded against risks where decisions based on your data are taken entirely automatically
- tell us if we can share your information with 3<sup>rd</sup> parties
- tell us your preferred frequency, content and format of our communications with you
- to lodge a complaint with the independent Information Commissioner (ICO) if you think we are not handling your data fairly or in accordance with the law. You can contact the ICO at <https://ico.org.uk/>, or telephone 0303 123 1113.

**7. Your personal data will not be sent overseas**

**8. Your personal data will not be used for any automated decision making.**

**9. Your personal data will be stored in a secure government IT system.**

**10. More information** For more information on how Ofgem processes your data, click on the link to our "[ofgem privacy promise](#)".