



RIO-3 Draft Determinations for the Electricity Transmission, sectors.

Response to Draft Determinations for Electricity Transmission

- Further to our submission Dated 7th February and in light of the publishing of draft termination published July 1st.

Prospect is the UK's leading energy union and a strong advocate for a secure and decarbonised energy system that supports good jobs across the whole country. Many thousands of our members work directly in the energy sector. They are the engineers, managers and specialists who keep the system running every day and are driving the transition to a net zero future. Our members are employed across energy generation, transmission, distribution, retail and research roles throughout the UK, and we have a particularly strong membership base in the electricity network companies. This submission is informed directly by their experiences and expertise.

Confidentiality

Our response is not confidential.

Views on the draft determinations

The investment plans set out in the draft determinations are ambitious and have the potential to deliver transformative change to the UK energy system and to local labour markets. However, we are concerned that the determinations do not fully enable transmission companies to maximise the economic benefits of this expansion or to create long-term, sustainable employment that can strengthen both the industry and the wider economy.

Funding of indirect costs

One of the most significant issues is the treatment of so-called “indirect” employment costs. The draft determinations do not provide adequate funding for many of the core roles performed by our members including lead designers, customer liaison staff, environmental advisors, land officers, health and safety professionals, legal staff and CAD operators. While these posts are classified as indirect, they are fundamental to the success of the expansion and to ensuring that the investment delivers positive long-term outcomes. If indirect staffing costs are not properly funded from the outset, companies will face uncertainty that discourages long-term planning, and will be pushed towards short-term or piecemeal employment decisions. This in turn limits their ability to build and sustain a talent pipeline within the communities they serve.

The failure to secure sustainable funding for these functions also risks encouraging companies to pursue efficiencies to an unsustainable degree, which can contribute to a culture of excessive hours and fatigue, problems that are already widespread in the energy sector. It appears that the current approach is partly based on cost assumptions from RIIO-T2, which are not sufficient to match the scale and ambition of the RIIO-T3 expansion.

Funding of vital services that need to grow with the expansion

We are also concerned that delays or shortfalls in upfront funding will impact areas such as cyber resilience, biodiversity, net zero delivery and just transition commitments. These are not ancillary matters but are essential if the UK is to deliver a secure, sustainable and fair energy system. Without clear provision for these areas, the sector risks missing a major opportunity to deepen the skills base, strengthen resilience and support a just transition across the economy.

More broadly, the determinations should provide certainty that the benefits of this infrastructure investment will flow through to the UK economy and supply chains. Companies should be encouraged, incentivised and, where necessary, required to make long term investments, purchasing in a way that benefits the UK economy. Upfront and guaranteed funding for infrastructure, workforce resilience and skills development would give companies the confidence to take a longer-term view of their supply chains and to invest in developing domestic skills capacity. This would ensure that the expansion of the electricity networks benefits not only the companies themselves but also the wider UK economy and local communities.

Clean Power 2030 & Net Zero 2050

The upgrade of the transmission network is fundamentally important to Clean Power 2030 and Net Zero 2050. Our research shows a high degree of scepticism amongst the existing energy sector workforce regarding the achievability of these goals.

Electricity networks are fundamental to decarbonisation, with the large scale investment and significant strengthening of distribution networks required to achieve Clean Power 2030. However, our members consistently set out concerns that terms and conditions in energy companies are typically worse than the rest of comparative sectors. This further underlines the need to ensure roles are appropriately funded, and industry 'career paths' are attractive and reliable. Workforce issues such as these threaten the achievability of Clean Power 2030/Net Zero 2050. For example, when asked about potential barriers to this objective, our members consistently cite general staff shortages, skill shortages, and retention of industry staff.

Net Zero

In the view of our members the regulator, and government more broadly, must take a much more directive and supportive role on the path to decarbonisation. The lack of comprehensive support from government will be a significant barrier to these aims. RIIO-T3 should ensure this opportunity is not missed.

Conclusion

In conclusion, the regulator has a critical opportunity to remove uncertainty and to ensure that the determinations enable employers to maximise the societal benefits of RIIO-T3. That means fully funding indirect staffing costs, supporting roles connected with sustainability and just transition, and ensuring long-term investment in UK jobs and supply chains. Doing so will help deliver not just the infrastructure the UK needs, but also the skills, jobs and economic growth that must go hand-in-hand with a successful energy transition and Net Zero Goals.