



Tristan Bishop/Konark Anand  
Ofgem  
29 August 2024

Dear Sirs

## **Re: Consultation on the Draft Centralised Strategic Network Plan Guidance**

Thank you for the opportunity to provide representation on the above consultation. Please find below NGN's responses to your consultation questions.

### **Do you agree that Chapter 2 adequately reflects the policy intent of the CSNP? Please provide the reasons and any alternative suggestions if you disagree.**

Yes. It is impossible to overstate the importance of genuine engagement with, and cooperation from, relevant stakeholder and local communities. Without this, the CNSP risks becoming a top down wish-list that will be undeliverable on the ground. It would be beneficial to see a clear statement that commits the licensee to undertake external consultation with every three year cycle, so that improvements recommended from external parties that have begun to better understand the process can be fed back into the Methodology.

### **Do you agree that Chapter 3 adequately reflects the policy intent of the CSNP? Please provide the reasons and any alternative suggestions if you disagree.**

Yes. However, as outlined above, the effectiveness of the stakeholder identification and engagement will be a critical success factor for the CNSP.

Of equal importance is the process by which disputes and disagreements are identified and addressed. Transparency will be a key component of any dispute resolution governance structure and there should be a clear line of independence from the licensee should it not be possible to resolve matters through localised governance structures.

In 3.20, the guidance does not explain how cross-sector collaboration, innovation and design will be leveraged through electricity, gas and hydrogen network operators. This will need to be further detailed in the Methodology before being enacted in the CSNP.

In 3.21 there is explicit reference to the Methodology evaluation of 'negative impacts on communities'. It is strange that there is no emphasis on evaluation of the beneficial jobs, industrial, investment opportunities at community level.

There is a statement in 3.28 whereby NESO have to 'put the interests of the consumer at the heart of decisions and reflect the views of local communities'. In contradiction, the



contents of paragraphs 3.37 and 3.38 outline plans for a 'working-level governance body' that does not need to have an explicit requirement for a Consumer Representative stakeholder. This appears inconsistent with 3.28.

**Do you agree that Chapter 4 adequately reflects the policy intent of the CSNP? Please provide the reasons and any alternative suggestions if you disagree.**

Yes. In relation to the statement '*Strategic planning must account for regional differences in hydrogen market development*' the licensee should work closely with networks who are already exploring regional models for hydrogen storage and transportation. Chief among these will be the East Coast Hydrogen project, which has commenced a FEED study that will be an important asset to CNSP and SSEP planning.

**Do you agree that Chapter 5 adequately reflects the policy intent of the CSNP? Please provide the reasons and any alternative suggestions if you disagree.**

Yes. However, there is no reference in Section 5 as to how the methodology will accommodate future weather patterns. This is surprising as energy security in unknown climate scenarios demands that we do not isolate existing, proven, reliable, robust energy solutions at the expense of theoretical solutions.

**Do you agree that Chapter 6 adequately reflects the policy intent of the CSNP? Please provide the reasons and any alternative suggestions if you disagree.**

Yes.

**Do you agree that Chapter 7 adequately reflects the policy intent of the CSNP? Please provide the reasons and any alternative suggestions if you disagree.**

Yes, in part. Under 7.23 of the Guidance, there is reference to the Optimal Delivery Date, and how that should be calculated. There is currently no focus on regionality and the associated benefits directed to local communities from energy investment. Given the natural resources of some regions, and the skilled workforce concentrated in certain regions, it is surprising not to see more emphasis on community benefits to investment. In its manifesto the Government said it would 'use the skills of our offshore workforce', as it '...recognises the proud history of our offshore industry and the brilliance of its workforce, particularly...in the North East of England'. From these statements, there should perhaps be an expectation that the Government commitments are reflected in the CSNP Guidance.

**Do you agree that Chapter 8 adequately reflects the policy intent of the CSNP? Please provide the reasons and any alternative suggestions if you disagree.**

Yes.

**Do you agree that Chapter 9 adequately reflects the policy intent of the CSNP? Please provide the reasons and any alternative suggestions if you disagree.**

Yes.

**Do you agree that Chapter 10 adequately reflects the policy intent of the CSNP? Please provide the reasons and any alternative suggestions if you disagree.**

**We're proposing that offshore connections should be planned within the scope of the CSNP. We set out our requirements on the licensee with regards to this additional scope (see Chapter 10: Electricity – offshore network planning in the CSNP). What are your views on this proposal?**

Yes.

**Do you have any comments about the overall process of this consultation?**

A common theme across all chapters is a distinct lack of commitment to milestones and key dates. There is passing reference to the commencement of the Licensee's role in 2026, but no further clarity on delivery dates.. Considering the premise of this documentation is to support the Centralised Strategic Network Plan, SSEP and the Methodology, further commitment to key dates would be expected.

I hope these comments will be of assistance and please contact me should you require any further information in respect of this response.

Yours sincerely,

Greg Moulds  
Head of Policy and Engagement