

# NGET response to Ofgem's consultation on the draft Centralised Strategic Network Plan Guidance

## Part 1: Executive Summary

1 September 2025

This response to Ofgem's Consultation on the draft Centralised Strategic Network Plan (CSNP) Guidance (CSNP Guidance or Guidance) is from National Grid Electricity Transmission (NGET). As a Transmission Owner (TO), our response focuses on the electricity transmission elements of the CSNP Guidance. Our response is split into two parts:

- **Part 1: Executive Summary:** sets out our key messages on the CSNP Guidance
- **Part 2: NGET response to the Consultation Questions:** contains our responses to the 10 questions asked in the consultation.

### PART 1: EXECUTIVE SUMMARY

We welcome the consultation on the draft CSNP Guidance and the opportunity to provide feedback on the requirements and expectations of the National Energy System Operator ('NESO' or 'the licensee') to deliver the CSNP Methodology and CSNP.

The Guidance provides a valuable framework to support NESO in both finalising the CSNP Methodology and in developing the first CSNP. The draft CSNP Methodology NESO has recently consulted on does not currently meet the full requirements of the Guidance and the Guidance therefore helps reinforce the areas where updates and changes are needed before the Methodology is finalised. **It is important that NESO is given appropriate time to update the Methodology in line with the Guidance.** Front-loading efforts now, to ensure a thorough process and governance is set out in the Methodology, with sufficient clarity to allow Ofgem to review and assure this process when approving the CSNP, will enable more timely delivery of a quality CSNP output and help unlock long term consumer benefits. As a TO, we will play an integral role in the development of the CSNP and we are committed to supporting NESO as it finalises the Methodology, builds up its capabilities and commences development of the first CSNP.

We have set out further detail on these key messages below:

#### **The CSNP Guidance provides a valuable framework of requirements and expectations that will support NESO in finalising the CSNP Methodology and developing the first CSNP**

**We agree with the foundational requirement that the CSNP Methodology must "define the end-to-end process, from analysis to publication, and identify the roles and responsibilities of the licensee and other parties that will contribute to the development of the CSNP".** We also support the confirmation that the Methodology needs to include the data inputs, modelling methods and details of analysis that users can clearly understand. These requirements are **critical to ensuring that all parties participating in the process understand what is expected of them and when.** This should facilitate quality and timely inputs and outputs throughout the process and ensure that options that are put into the delivery pipeline can be progressed at pace once the CSNP is published.

Ofgem's expectations that the CSNP Methodology enables the **endorsement of strategic parameters in the National Policy Statements, the confirmation of the needs case and the timely approval of regulatory funding** should together help de-risk and accelerate the planning process for major reinforcements; we therefore welcome the Guidance setting this out explicitly.

The CSNP Guidance also calls for appropriate **integration and coordination** of the CSNP with other strategic processes and plans which NESO is responsible for producing, such as the Strategic Spatial Energy Plan (SSEP) and Regional Energy Strategic Plan (RESP), as well as ensuring that links with other initiatives, policies and regulations in the energy sector, such as connections reform, Clean Power 2030 and the Review of Electricity Market Arrangements (REMA) are taken into account. **To maximise consumer value, policy decisions and developments on strategic demand, for example the Government's expected decision regarding AI growth zones, must also be considered within the CSNP process, as they have the potential to materially impact the system requirements and CSNP.** We agree that **effective interactions with broader strategic activities, policies and regulations will be critical for development of a whole-system CSNP as well as being key to ensuring the CSNP aligns to relevant Government's targets.** This will also require consideration of the practical timing and sequence of the different processes.

The Guidance does not currently refer to the **transitional Centralised Strategic Network Plan Refresh (tCSNP2 Refresh)**, which is a key process on the pathway to the first CSNP. The outputs of the tCSNP2 Refresh may also be subject to Ofgem's proposed regulatory framework for the CSNP (the CSNP-F). We therefore think it is important that the CSNP Guidance builds on the advances that have been achieved through the tCSNP2 Refresh in terms of clarifying the **maturity and approach to options development**. This will help ensure greater certainty and confidence in the investment signals the CSNP provide and form the basis of a sound regulatory framework from which those investments can be taken forward at pace. The Guidance should also require the CSNP Methodology to articulate the **interactions between the investment signals from the tCSNP2 Refresh and the CSNP**, for example, in terms of which options will form part of the baseline for the CSNP and which may go through further assessment as part of the CSNP for inclusion in the delivery pipeline or options funnel.

Given the CSNP will identify network options based on system requirements from the SSEP and focus on investments offering boundary capability and operability, the CSNP will only identify part of the overall investment required on the transmission network. We think the Guidance should make it clearer that the CSNP Methodology must enable information from the network owners regarding **related drivers and network investments** to be properly taken into account when making decisions and establishing the needs case as to the optimal investments for the CSNP, so that those options are properly coordinated with other investments that need to take place on the network.

Best practice across government and the wider construction industry is to recognise that uncertainty is inherent in large projects and to move away from planning construction projects around single costs and dates, to instead **plan with ranges and for uncertainty**. We welcome the suggestion in the Guidance that consideration of uncertainty is required for the drivers of network build (such as generation and demand); however, uncertainty equally exists on the cost and duration of network development, and NESO should also be required to **develop a probabilistic methodology which can fully consider uncertainty in delivery cost and date**. We note this represents a significant shift from past transmission planning practice, but believe experience with the ASTI portfolio to date, demonstrates the need for, and potential consumer value of, such consideration.

The CSNP methodology must also reflect how the impacts of its conclusions of the evolution of network development to be undertaken across GB over time will be considered. If the CSNP recommends a large volume of work is completed over a condensed period of time, the overarching impact on GB's capacity and capability to deliver such work volumes and the potential associated costs to the consumer should be considered as part of the publication.

In addition to the requirements for the CSNP Methodology, the Guidance provides a useful outline of Ofgem's expectations for the use of CSNP outputs in terms of **setting the needs case for projects that are eligible for pre-construction funding** under the CSNP-F mechanism, and the need for robust governance to confirm the project's necessity and feasibility. It also highlights the role the CSNP will play in establishing the target **delivery date for the project delivery incentive**. We understand Ofgem intends, wherever possible, this will be taken as the recommended date from the CSNP (as the later of the economically optimal date or the deliverable date). The Guidance should be updated to ensure it aligns with the RIIO-T3 framework when it is finalised.

It is important that the development of the CSNP and each part of the end-to-end process is supported by **appropriate governance** and provides clarity on when and how **stakeholder and public consultation** will be carried out. While the Guidance sets out expectations and requirements in respect of the overarching CSNP governance, we think a specific requirement should be added for the CSNP Methodology to set out the relevant decision points, and **with input from practitioners and non-practitioners**, clarify the relevant roles and responsibilities of the governance bodies at each stage of the process so that it is clear how those bodies and the individual representatives in those bodies are expected to input into or oversee the different parts of the process and support the development of the plan. As the licensee retains ultimate responsibility for decision-making, it would also help for the Guidance to clarify **what level of accountability and responsibility the governance bodies have**, for example, is it advisory, or for challenge and review, etc., and how **feedback from stakeholder and public consultations should be taken into account**.

In our responses to the questions raised against each of chapters of the draft CSNP Guidance (Part 2 of our response), we have identified a number of additional areas where we think the Guidance could be **refined or clarified** further to help strengthen the document and, in turn, the CSNP Methodology and CSNP.

**NESO's draft CSNP Methodology does not currently meet the full requirements of the Guidance, which reinforces the areas where updates and changes are needed before the Methodology is finalised**

The expectations in the CSNP Guidance reinforce and validate the key messages we included in our response to NESO's consultation on the draft CSNP Methodology. In that response, we highlighted where the **draft methodology currently has insufficient detail across the end-to-end process, unclear roles and responsibilities and a lack of alignment with wider industry policies and processes**. We provided constructive recommendations to improve the Methodology,

which would also help bridge the gap between the Guidance and the Methodology. We remain committed to working with both NESO and Ofgem to support the necessary changes.

As the CSNP Methodology currently stands, there are clear gaps and divergence in approach. These appear material and will need to be resolved before the methodology is finalised, otherwise development of the first CSNP would likely be inefficient, as parties try to understand what is required of them and when. This would likely lead to the first CSNP falling short of its intended aims.

For example, in contrast to the requirements of the CSNP Guidance, the draft methodology:

- fails to identify the **inputs, modelling methods, details of analysis, outputs, and roles and responsibilities** of the parties involved in each step in sufficient detail for users to understand it
- does not reflect the requirement for **timings for option submission to be feasible and appropriate** and allow sufficient time for the anticipated volume of options to be developed to the required minimum level
- does not clarify which **industry standards and codes** will apply to the CSNP, nor how they will be updated to reflect the evolving roles and responsibilities of relevant stakeholders
- does not clearly set out what **whole energy system and network optimisation** the CSNP will consider, nor how it will consider interactions with other infrastructure types such as communication or transport to minimise disruption to communities and ensure efficient utilisation of proposed assets for multiple drivers.

The Methodology also diverges from the Guidance, using different **naming convention and division of activities for the 6 steps** set out in its end-to-end process compared to the six stages set out in the Guidance, as well as **different descriptions for the same activities** between the two documents, which makes it hard to know if all elements of the Guidance have been reflected. We have highlighted further examples of where divergence exists within our responses to questions 1-9 in **Part 2 (NGET response to the Consultation Questions)**.

Whilst we support the proposed **integration of the Offshore Design** into the CSNP to produce a holistic offshore and onshore electricity plan, the CSNP Methodology is currently unclear as to if and how the offshore design will be incorporated into the CSNP (i.e., with offshore options included in the options funnel and delivery pipeline) or just act as an input into the onshore network design. We believe it is **critical that the onshore and offshore networks are planned together and to the same level of maturity**. Optionality should reduce as options are progressed to the requisite maturity, which should help confirm the need and viability of solutions in a coordinated onshore and offshore design. We agree with the CSNP Guidance, that *“coordinating offshore and onshore network design presents significant technical challenges, particularly due to the sequential nature of offshore planning and the constraints imposed by, among other things, the timing of when generation materialises, the final power output of the generators, and changing onshore network flows.”* Given this complexity and the different underlying drivers between the onshore and offshore design in the CSNP, it will require thoughtful and robust consideration to manage delivery risks and changes effectively. It is therefore important that this is properly reflected in the final CSNP Methodology.

**Ofgem should ensure NESO is given appropriate time to update the CSNP Methodology in line with the final Guidance to ensure its subsequent implementation can fully realise the CSNP's potential**

The CSNP Guidance provides a helpful framework for NESO to improve the CSNP Methodology, in turn ensuring that the development of the first CSNP allows it to meet its intended objectives. While we recognise Ofgem wanted to allow NESO the opportunity to explore potential approaches openly, without being limited by pre-set requirements, publishing the Guidance after the CSNP Methodology consultation means that **it is important NESO has sufficient time to now reflect that Guidance in the updated Methodology**, before it can be finalised.

Given the gaps in the current Methodology, and the need for Ofgem to consider the feedback to this consultation before finalising the CSNP Guidance, we do not believe it is possible for NESO to address the missing details and comply with the Guidance ahead of submitting the final CSNP Methodology to Ofgem by 30 September 2025, as is currently required in NESO's licence. We believe that rushing to meet this deadline would result in a suboptimal Methodology, in turn affecting the quality of the first CSNP. **There is a lot to achieve to deliver a new process in a short period of time and it would therefore help for the Guidance to be more specific as to which requirements must be met for the first CSNP and where requirements are only expected to be met if time permits. Taking appropriate time now** to ensure the Methodology complies with the fundamental requirements of the Guidance and sets out a thorough process and governance, with sufficient clarity to allow Ofgem to review and assure this process when approving the CSNP, **will benefit the subsequent implementation of the Methodology and quality of the first CSNP output**. Together this can ensure the intended aims of the CSNP, helping to speed up overall delivery of critical network infrastructure.

In line with our response to NESO's consultation on the draft CSNP Methodology, we also recommend that Ofgem, NESO and DESNZ work together (with engagement with relevant stakeholders) to consider the **timelines needed for**

**each stage of the end-to-end CSNP process** and assess whether the dates in NESO's licence conditions need to be revisited in order to achieve a high-quality and reliable first CSNP output.

We are keen to ensure the Guidance has the best support possible and can be reflected in the final CSNP Methodology and we will continue to feed in any further insights as we give further consideration the Guidance and its implications. **We look forward to continuing to collaborate with both Ofgem and NESO in support of finalising the Guidance and the Methodology, and in the delivery of the first CSNP.**