

Tristan Bishop  
Konark Anand  
10 South Colonnade  
Canary Wharf  
London  
E14 4PU

Date  
1<sup>st</sup> September 2025

Contact: David Boyland  
Tel: 07385346208

By email: [strategicplanning@ofgem.gov.uk](mailto:strategicplanning@ofgem.gov.uk)

Dear Tristan Bishop and Konark Anand,

**Ref: SP Energy Networks response to Ofgem's consultation on the Draft Centralised Strategic Network Plan Guidance.**

SP Energy Networks (SPEN) represents SP Distribution (SPD), SP Manweb, (SPM) and SP Transmission (SPT). We operate electricity distribution networks serving over 3.5 million customers across Central and Southern Scotland, Merseyside, and North Wales, and are the Transmission Owner for Central and Southern Scotland.

This response is on behalf of SPT. We welcome the opportunity to respond to Ofgem's consultation on the draft Centralised Strategic Network Plan (CSNP) guidance. To avoid duplication, we have attached our recent response to the National Energy System Operators' (NESO's) consultation on the CSNP Methodology which should be read in conjunction with this response.

We recognise the significant effort NESO, Ofgem and industry have invested in developing the CSNP and acknowledge the importance of this consultation as a key milestone in the evolution of strategic network planning across Great Britain.

Throughout the development of the CSNP Methodology, SPT has remained actively engaged, providing detailed and constructive feedback to support the creation of a robust and transparent planning process. We view these consultations as critical steps in enabling a coordinated, long-term approach to network development that provides investment certainty and supports the timely delivery of infrastructure required to meet the Clean Power 2030 ambition and the UK's Net Zero targets.

SPT remains committed to ongoing collaboration with NESO, Ofgem and wider industry stakeholders to ensure the successful delivery of the first CSNP. We have summarised key areas of our response to this consultation below. The detailed response is provided in Annex 1.

The electricity system is expected to undergo the most substantial transformation to support net zero goals, with the natural gas system providing a critical back-up role throughout the transition to clean power, ensuring security of supply for the energy system in GB. In contrast, consideration for future hydrogen infrastructure is still in its early stages and it is anticipated to scale to the same extent as the existing natural gas system. The CSNP Methodology and plan is expected to reflect these differences in maturity and expected development across the three energy vectors in its scope.

## **1. Recognition of TO Statutory Duties and Licence Obligations**

It is SPT's view the CSNP Methodology must explicitly reflect the statutory responsibilities of Transmission Owners (TOs) to plan, develop and maintain an efficient, coordinated, and economical transmission system. TOs are not only uniquely positioned as experts to develop system reinforcement options but also legally responsible for ensuring that they are economic, efficient, and coordinated, while also integrating broader system drivers such as customer connections and asset health where appropriate. The CSNP Methodology should reinforce the shared accountability between NESO and TOs, particularly in light of potential new licence obligations under the CSNP-F.

## 2. Urgent Clarity on the Roles and Responsibilities of TOs and Key Stakeholders in the CSNP Process

We welcome Ofgem's recognition of the need for NESO to consider input from TOs and stakeholders. However, we are concerned that both the Ofgem guidance and NESO's CSNP Methodology lack clarity on the roles of TOs and third parties, which could hinder effective implementation. We urge Ofgem to require NESO to clarify how it will coordinate with TOs and third parties, and how differing views will be handled. We support Ofgem's position on enabling concerns to be raised for resolution.

While third parties bring varied experience, TOs as regional asset owners, operators and system planners operate under statutory duties and obligations defined by our transmission licences and the System Operator Transmission Owner Code (STC). These obligations must be upheld to ensure our role in network planning remains clear and undiminished, despite the proposed CSNP cooperation obligation, which currently lacks detail.

We would like to highlight two recent examples where SPT have committed to working with the NESO and Ofgem however requested further clarity on roles and responsibilities in relation to central and strategic planning in transmission:

- 1) **Stakeholder engagement executive letter** – In our response to Ofgem's recent executive letter in relation to stakeholder engagement we noted it is essential that Ofgem, NESO and TOs agree formal guidance for the following areas;
  - Joint working arrangements, including TO consultation before stakeholder engagement;
  - A framework (e.g. "balanced scorecard") to guide scheme decisions across priorities;
  - A shared methodology for valuing and balancing those priorities;
  - A collaboration agreement to apply the methodology and assure Ofgem of balanced outcomes;
  - Further engagement with Ofgem is also required on funding to support stakeholder and community involvement throughout RIIO-T3

2) **CSNP-F policy development** - As outlined in our 26 August 2025 SPT Response to Ofgem's RIIO-T3 Draft Determination, effective cooperation is essential for developing robust system models and ensuring quality outputs, especially given the critical data TOs provide. The CSNP-F is an Output Delivery Incentive (ODI) for RIIO-T3 which is directly linked to the CSNP, is near final determination and licence conditions drafting. At this late stage in the price control development we are concerned that the terminology continues to change without consultation with TOs. We were also disappointed NESO did not attend the first post RIIO-T3 Draft Determination on Tuesday 12 August '25 with Ofgem, despite prior notice, in the NESO's absence Ofgem presented positions on behalf of the NESO. Without the NESO's attendance this resulted in confusion and actions for the NESO to follow up, which to this date have not been completed. While we understand unforeseen issues can arise, we were left confused on the roles and responsibilities between Ofgem and the NESO in the development of the ODI – a price control mechanism which we fully expect should be led by the regulator.

## 3. Strengthen Environmental and Community Considerations

We welcome Ofgem's acknowledgement of the valuable role that network owners and stakeholders play in shaping the guidance for evaluating environmental and community impacts associated with high-level design proposals. We remain deeply concerned that the methodology continues to underrepresent the importance of environmental considerations and community engagement. It is imperative that these are embedded as core elements of the detailed design process and not treated as reactive measures.

Throughout the NESO's CSNP Methodology there is use of unclear and ambiguous language which could create unnecessary challenges and future planning and consenting risks. We strongly emphasise the need for clear, standardised terminology aligned with government publications (e.g. draft National Policy Statements) and removal of such vague phrases like "such as".

## 4. Clarification of Planning Framework Interactions

SPT broadly supports the scope and intention of the CSNP Methodology to address the imperative need for a strategic and coordinated approach to network planning and investment.

However, we urge Ofgem to require the NESO to clearly articulate the information sharing and data flow processes which will support the understanding of how network planning activities interact. This should include the associated timings of each process and clearly outline the role of key stakeholders.

The guidance and methodology must clearly articulate how planning tools such as Future Energy Pathways (FEP), Future Energy Scenarios (FES), Strategic Spatial Energy Planning (SSEP), and Regional Energy Strategic Plans (RESP) interact, detailing High Impact Low Probability (HILP) assessments.

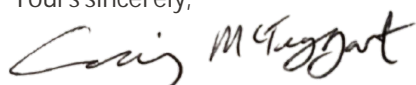
We encourage Ofgem to require the NESO to share a comprehensive explanation of how these key planning policies interact, alongside the mechanisms and processes which govern their interactions. We would also welcome a visual representation of these relationships, including timing and stakeholder roles, which we believe would greatly enhance transparency and stakeholder understanding.

## 5. Project Pipeline and Delivery Body Certainty

We support the CSNP's role in establishing a clear project pipeline but stress the importance of early identification of delivery bodies. Early competition assessments are vital to maintaining investor and supply chain confidence while also ensuring the investability and financeability of incumbent TOs. This is essential for accelerating transmission investment and meeting net zero targets.

Please do not hesitate to contact me should you wish to discuss any elements of our response in greater detail.

Yours sincerely,



**Craig McTaggart**  
Head of Transmission Network  
SP Energy Network

## Appendix One – Detailed Response to CSNP Methodology sections.

### Question 1 - Do you agree that Chapter 2 – developing and submitting the CSNP Methodology - adequately reflects the policy intent of the CSNP?

Despite SPT broadly agreeing with Ofgem's positioning on developing and submitting the CSNP Methodology, there remains a lack of sufficient obligations for the NESO to demonstrate how stakeholder input is being incorporated into the CSNP. We welcome the requirement for the NESO to set out the roles and responsibilities of TOs contributing to the CSNP, however further clarity is required on how NESO and TOs will coordinate with each other and third parties in practice and how third-party input will be considered and measured especially in cases of conflicting views.

Chapter 2 lacks sufficient detail on the processes and obligations for the NESO in managing conflicting views between TOs and the NESO. TOs need to have confidence in the CSNP Methodology process, and that the NESO will ensure stakeholder inputs, views and concerns are incorporated and adequately addressed. The NESO CSNP Methodology and this consultation do not provide sufficient comfort that there is a robust mechanism for dealing with points of contention between the TO and NESO. As the TOs are primary experts in developing system reinforcements, legitimate concerns that are raised by industry experts need to have a definable process to go through to ensure that the CSNP policy intent is being delivered in an economic, efficient and coordinated way, much like the TOs are obligated to do through our licence conditions.

It is essential that the CSNP Methodology reflects the rigorous process that TOs follow in discharging their duties. As stated, TOs are the primary experts in developing system reinforcements while also having significant obligations to ensure that the solutions proposed are economic, efficient and coordinated. Failure of the CSNP Methodology to reflect this, alongside the TOs' consideration of wider system drivers such as customer connections and asset health, erodes SPT's confidence in the proposed CSNP Methodology.

### Question 2 - Do you agree that Chapter 3 – general requirements applying to all CSNP stages - adequately reflects the policy intent of the CSNP?

We broadly support Ofgem's strategic direction in Section 3 of the CSNP Guidance, particularly the emphasis on robust scenario modelling, system needs identification, and the development of high-level options. However, we are concerned about the undefined role of TOs in the methodology development and decision-making framework, as well as the lack of clarity around stakeholder accountability mechanisms. It is also essential that the NESO are fully transparent with all stakeholders throughout this process.

While NESO is positioned as the central planner, the current guidance appears to understate the critical expertise and operational insight that TOs bring to strategic network planning. TOs possess decades of experience in asset management, system operability, and infrastructure delivery with a deep understanding of regional constraints, environmental sensitivities, and community engagement. Equally, TOs have proven capabilities in developing costed, deliverable and technically feasible network solutions, backed by the TOs' obligations to develop an economic, efficient and coordinated transmission network.

We are concerned that the methodology, as it is currently framed, does not explicitly require the NESO to incorporate TO expertise in the development of system needs or high-level options. This risks undermining the quality of the CSNP outputs. The NESO should have a requirement to ensure that as part of the CSNP, the NESO must integrate TO input into any development scenario, needs identification, and option assessments.

We strongly support the requirement for NESO to publish its methodology and planning data. However, we are concerned that the CSNP guidance does not provide sufficient obligations on the NESO. The TOs must have timely access to all data and assumptions undertaken by the NESO in its decision making to ensure the

proposed outputs are consistent and have factored in material considerations. The NESO should have an obligation to be transparent and forthcoming with the data to facilitate this.

Our experience with the NESO to date, on matters such as the Onshore Early Competition project selection, in which SPT's WCN2 project was recommended for the first competitive tender, evidenced the NESO's reluctance to transparently share the cost benefit analysis (CBA) underpinning the NESO's recommendation. The NESO provided a heavily redacted CBA following a Freedom of Information (FOI) request by SPT, despite SPT making numerous requests throughout the competitive policy development to have sight of the proposed CBA, and the fact that the majority of the redacted information involved information apparently obtained from SPT, the source. It is imperative that the NESO is required to be forthcoming with relevant data and to ensure that it is not unduly acting as a blocker for TOs and stakeholders to critically analyse and challenge any assumptions, data and modelling outputs.

We strongly support Ofgem's position on managing disagreements between the TOs and NESO. We agree that the parties should endeavour to resolve disagreements without the need for Ofgem to be involved. However, we welcome the recognition that there may be instances where there is no viable resolution between the TOs and the NESO and as such the matters can be escalated to Ofgem. We would encourage the NESO to follow a process similar to the requirements we have set out above to mitigate the need for such interactions with Ofgem.

**Question 3 - Do you agree that Chapter 4 – Stage 1: model future energy supply and demand - adequately reflects the policy intent of the CSNP?**

### **Environment and Consenting Considerations**

The CSNP should be limited to highest amenity designations e.g. international and national landscape, natural and cultural heritage designations, settlement dispersion, and physical constraints such as landform, topography, and water bodies. These factors may restrict future optioneering and should inform the identification of strategic corridors, as defined within the strategic parameters. The CSNP Methodology must clearly state that detailed environmental impacts and mitigation measures e.g. undergrounding are out of scope at this stage and should be addressed during the detailed design and consenting phases.

### **Clarity required on the role of Key Strategic Planning Policies**

Stakeholders require clearer guidance from NESO to understand how these planning tools will evolve and interact, and how to align their own strategic planning accordingly.

We strongly encourage Ofgem and NESO to provide a comprehensive explanation of how the FEP/FES, RESP, SSEP, and the enduring gated connection process interrelate, along with clear guidance on the mechanisms and processes that govern their interaction. This clarity is essential to help stakeholders understand the broader strategic context and how these policies influence the CSNP.

It is particularly important that SPT, and other network operators, can critically engage with both Ofgem and NESO on these matters, to ensure transparency and confidence in the resulting outputs of the CSNP. A well-defined framework will support meaningful insight and allow stakeholder to align planning and investment strategies accordingly.

We would also recommend that the methodology include a clear and accessible diagram that illustrates the relationships between the key policy developments. This visual aid would also help clarify how HILP assessments are incorporated into the planning framework, supporting greater transparency and stakeholder understanding.

**Question 4 - Do you agree that Chapter 5 – Stage 2: identifying system needs – adequately reflects the policy intent of the CSNP?**

We support the inclusion of voltage, stability, and thermal analysis within the scope of the NESO's CSNP Methodology. However, we have several concerns regarding the minimal reference to the significant role that TOs play in identifying system needs and inputs to the NESO.

It is imperative that the CSNP Methodology adequately reflects the role of the TOs and recognises that TOs have statutory duties and licence obligations, including to develop networks that comply with the Security and Quality of Supply Standard (SQSS). This responsibility should not be treated as optional or supplementary, but as a core part of the planning process.

Similarly, the overview on Residual Voltage, noted in the NESO's CSNP Methodology Consultation states that NESO will conduct annual voltage analysis to determine reactive power requirements. In accordance with the System Operator – Transmission Owner Code (STC), this is a joint responsibility, and TOs must be actively involved in ensuring SQSS compliance through appropriate analysis.

In light of these obligations, we advocate for a collaborative TO/NESO working model—similar to the approach used for NESOS and subsequent operability studies—to be adopted as the standard. This model should serve as the blueprint for future planning activities, rather than defaulting to market-based solutions.

It is essential that NESO considers voltage, stability, and thermal assessments in close coordination with the relevant TOs to develop long-term, economic, efficient, and coordinated solutions. This approach will help avoid scenarios where short-term market interventions, designed to address isolated issues, inadvertently create new challenges elsewhere on the network. Such outcomes could require further intervention and risk delaying the connection of renewable generation.

**Question 5 - Do you agree that Chapter 6 - Stage 3: identifying options - adequately reflects the policy intent of the CSNP?**

We welcome Ofgem's recognition of the importance of network owners and stakeholder perspectives in shaping the guidance for assessing environmental and community impacts associated with high-level designs. While we agree with the intent behind Ofgem's messaging, we are concerned that the current framework does not provide sufficient safeguards to ensure that NESO fully acknowledges the critical role Transmission Owners (TOs) play in evaluating environmental and community impacts within their respective licence areas.

It is essential that NESO is not only receptive to stakeholder input but also held to a clear obligation to demonstrate how such input has influenced its outputs. The NESO must be able to transparently justify its decisions, particularly where stakeholder recommendations have not been adopted, to maintain trust and accountability throughout the CSNP process.

**Question 6 - Do you agree that Chapter 7 - Stage 4: decision-making framework - adequately reflects the policy intent of the CSNP?**

SPT fully supports Ofgem's requirement for NESO to engage meaningfully with stakeholders and to ensure that the CSNP Methodology reflects the outcomes of that engagement. As highlighted throughout this response, it is essential that stakeholders have confidence in the process and can see that their contributions are being taken seriously.

While we agree with the importance of NESO being transparent and open in its interactions, we believe it is equally important that NESO is held to a clear obligation to demonstrate how stakeholder input has been considered. This should include a transparent explanation of how feedback has influenced decisions, as well as a reasoned justification where stakeholder views have not been adopted.



We welcome Ofgem's position on the evaluation of environmental and community impacts for the CSNP Methodology CBA. However, we have significant concerns with the NESO's quantitative matrix for assessing environmental and community matters.

SPT is concerned that the formulas that have been developed for the proposed methodology are extremely difficult to interpret, understand and explain, even amongst the various environment and community assessment specialists attending NESO and TO workgroups. Ultimately, we are unconvinced that the conclusions and outputs of this could be used to explain the weighting of environment and community assessment conclusions to communities and other external stakeholders (including consents decision makers) during later stages of the process project development process.

TOs use qualitative based analysis, supported by the expert professional judgement of relevant environment and landscape experts as this reflects the level of detail available at the strategic stage of the process. Using qualitative narrative and analysis to explain the environment and community considerations and the balances between these (often competing) considerations is preferred as it is notoriously difficult to challenge these judgements through formal scrutiny during the decision-making processes.

The primary issue with the current approach to qualitative environmental and community analysis, both within the CSNP and historically through previous NOAs, is the lack of transparency and explanation surrounding this component. In that context, the introduction of a formal appraisal methodology for the tCSNP2 and its subsequent refresh, even if largely qualitative, represents a positive development.

Looking ahead to an enduring process, we recommend that NESO consider incorporating summary quantitative tools, such as BRAG matrices, that reflect and support the qualitative narrative and conclusions. This would be preferable to the proposed use of a complex and untested formula as the basis for qualitative interpretation. Relying on such a formula risks undermining the credibility of the analysis and could expose projects to third-party challenges during the consenting process, regardless of any strategic endorsement provided by the National Policy Statement (NPS) through the CSNP.

We have significant concerns regarding the proposed use of Optimal Delivery Dates (ODD) as referenced in the consultation. In determining ODDs, NESO must be required to consult directly with the relevant Transmission Owners (TOs) whose projects are affected. This consultation should be subject to appropriate scrutiny to ensure that the dates reflect the realities and risks associated with project delivery.

Our experience with the ASTI framework has shown that using Earliest In-Service Dates (EISDs) to set Output Delivery Incentives (ODIs) without sufficient contextual understanding can lead to misaligned expectations. These dates often do not account for key risks that may or may not be mitigated in advance, which undermines the effectiveness of using such milestones as performance indicators.

We therefore urge both Ofgem and NESO to engage closely with TOs and to establish robust safeguards that allow TOs to challenge any proposed ODDs. This is essential to ensure that NESO's outputs accurately reflect the practical realities of project development and delivery.

Furthermore, the data and assumptions underpinning NESO's ODD assessments must be shared transparently with TOs. TOs should have the opportunity to conduct their own due diligence and engage constructively with NESO to validate the appropriateness of the data being used. This level of transparency and collaboration is critical to maintaining confidence in the planning process and ensuring that delivery expectations are realistic and achievable.

It is important to note that since the publications of this consultation and the RIIO-T3 Draft Determinations Ofgem's policy position has shifted from ODD being used for ODIs to now the Target Delivery Date (TDD) being set by the recommended in-service date by NESO. SPT's position and concerns in which are noted above and throughout this consultation response remain unchanged.

**Question 7 - Do you agree that Chapter 8 – develop a CSNP - adequately reflects the policy intent of the CSNP?**

We support Ofgem's overall approach to the development of the CSNP and agree with its strategic positioning. SPT strongly endorses the need for the CSNP Methodology to clearly demonstrate how the provisional CSNP aligns with the SSEP, and where relevant, integrates FEP and RESPs.

To ensure stakeholder confidence in the CSNP and its associated outputs, we encourage Ofgem to require NESO to directly address the key concerns outlined throughout our response. It is essential that stakeholders not only have visibility into NESO's decision-making processes but also have meaningful avenues to hold NESO to account where necessary.

**Question 8 - Do you agree that Chapter 9 – Stage 6: handover to a delivery body - adequately reflects the policy intent of the CSNP?**

We have serious concerns regarding NESO's proposed approach to setting the recommended in-service date based solely on internal data and assumptions, without providing TOs the opportunity to scrutinise or validate the inputs used. It is inappropriate for NESO to determine in service dates, particularly when Ofgem intends to use them as the basis for ODIs, without meaningful engagement with the industry experts responsible for delivering the projects. TOs must be able to contribute to the assumptions and ensure that any in service dates and associated ODI accurately reflect the practical realities and risks inherent in project delivery. This includes TOs inputting robust assumptions from QSRA analysis.

As outlined earlier in our response, NESO has shown a tendency to adopt the most optimistic delivery dates, which are often the least achievable, simply because they assume no delivery risk. For example, planning and consenting risks, entirely outside the control of TOs, can significantly affect project timelines. Ignoring these risks, which can vary depending on each individual project, distorts the credibility of the NESOs in service dates and undermines the incentive structure intended by the RIIO framework, which is designed to reward early and on time delivery.

We therefore urge Ofgem to ensure that TOs are actively consulted in the data sharing, assessment, and evaluation processes that underpin NESO's proposed in service dates. TOs must have a formal route to challenge any in service date determinations which should be clearly outlined within the appropriate licence conditions, with Ofgem acting as the final decision-maker. Additionally, all data and assumptions used by NESO in setting in service dates should be transparently shared with TOs, enabling them to conduct due diligence and engage constructively in validating the appropriateness of the proposed delivery timelines.

Using the NESOs recommended in service dates as the target for setting ODIs presents a fundamental flaw in the CSNP-F framework. As currently proposed, this approach offers little to no incentive for early delivery. Instead, the ODI mechanism risks becoming solely a tool for managing exposure to penalties tied to unrealistic delivery expectations.

As outlined earlier, our concern is that the NESO setting in service dates may be based on overly optimistic assumptions that do not reflect the practical challenges and risks faced by projects. Without proper scrutiny and input from Transmission Owners, the ODD could be misaligned with actual delivery timelines, undermining the intent of the RIIO framework to encourage timely and efficient delivery.

**Question 9 - Do you agree that Chapter 10 – Other planning roles in CSNP - adequately reflects the policy intent of the CSNP? 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?**

Although, we broadly agree with Ofgem's positioning on the other planning roles within the CSNP, it is vital that the CSNP Methodology for offshore network design is closely aligned and coordinated with onshore



planning processes. Given the significant impact that offshore design decisions can have on shaping onshore infrastructure requirements, this relationship must be clearly defined and actively managed.

We are concerned that offshore designs, once developed, are frequently subject to challenge or revision during the Impact Assessment (IA) process, particularly by non-regulated developer entities. This introduces uncertainty and risks undermining the coherence and integrity of the overall network design.

To address this, a more integrated and stable planning approach is needed, one that ensures consistency between offshore and onshore development and fosters greater confidence across the wider stakeholder community.