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1<sup>st</sup> September 2025

**Dear Tristan,**

### **Consultation on Draft Centralised Strategic Network Plan Guidance**

Thank you for the opportunity to respond to Ofgem's consultation on the Draft Centralised Strategic Network Plan (CSNP) Guidance. This response is prepared on behalf of SSEN Transmission<sup>1</sup>, part of the SSE Group, responsible for the electricity transmission network in the north of Scotland.

We fully support the ongoing regulatory and policy shift towards more anticipatory strategic network planning, where the CSNP will work alongside Connections Reform, the Government's Clean Power 2030 Action Plan, the SSEP and RESPs, amongst others. The CSNP must provide certainty and confidence to allow delivery bodies to progress design and deliver critical national infrastructure. We remain committed to supporting CSNP development to ensure it delivers clear investment signals and facilitates the transition to a decarbonised energy system.

However, there is a fundamental lack of clarity regarding the fit of the CSNP Guidance in relation to NESO's CSNP Methodology, Ofgem's RIIO-T3 Determinations and wider regulatory frameworks. Ofgem must clarify the responsibilities of stakeholder groups in complying with this Guidance and we seek confirmation as to whether Ofgem intend this CSNP Guidance to be the Associated Document for the RIIO-T3 CSNP Co-Ordination Licence Obligation (LO).

We are concerned around the timing of this consultation coming after the closure of NESO's Draft CSNP Methodology consultation<sup>2</sup>. We are concerned that there will be insufficient time for NESO to update the Methodology in line with Guidance requirements. We urge Ofgem to provide clarity on expected timelines. Updates must be agreed no later than Q4 2025 ahead of the first CSNP commencing in early 2026.

Our consultation feedback is aimed at ensuring successful implementation of the enduring CSNP. Utilising our experiences as members of ongoing CSNP Workstreams, we have provided holistic feedback that we urge Ofgem to consider when finalising the NESO and TOs' CSNP regulatory frameworks. Ofgem and the NESO should unambiguously confirm the roles and responsibilities of all parties in the CSNP, and outline the funding route and process for projects moving into delivery.

In the absence of a confirmed position as to where the CSNP Guidance sits, we cannot share fully informed views. Instead, we outline points that Ofgem should address to ensure robust practical

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<sup>1</sup> Following a minority stake sale which completed in November 2022, SSEN Transmission is now owned 75% by SSE plc and 25% by Ontario Teachers' Pension Plan Board.

<sup>2</sup> [Centralised Strategic Network Plan Draft methodology for consultation](#)

implementation; noting where NESO's Draft Methodology does not meet CSNP Guidance requirements. We cover key issues below and respond to the consultation questions in Annex 1.

- **The Guidance should be updated to fully align with the CSNP decision.** While the Guidance broadly reflects Ofgem's 2023 Decision, several points diverge from policy intent and need addressed. We disagree with certain data sharing requirements; these do not reflect policy intent and lack justification. NESO and Ofgem should align on High Impact Low Probability and resilience modelling. NESO's Draft Methodology suggests these will not inform investment decisions, contrary to Ofgem's Guidance expectations. We request alignment between NESO and Ofgem on the use of HILP/resilience modelling - NESO's draft methodology states this modelling will not inform investment decisions which is contrary to Ofgem's expectations in this guidance. We support Ofgem's emphasis on collaboration but see further opportunities to enhance it.
- **Ofgem must require NESO to provide clarity on the practical implementation of the CSNP.** Key details on timings, stakeholder engagement, process inputs and outputs, and roles and responsibilities were absent from the NESO's Draft Methodology. It will be challenging to produce, review and agree a Methodology ahead of commencing the first CSNP without this information. NESO must confirm these details at the earliest opportunity.
- **Regulatory alignment is essential to give TOs certainty in meeting obligations.** Ofgem should confirm whether TOs' roles and responsibilities in the CSNP Guidance apply as part of the RIIO-T3 CSNP Co-Ordination LO. We support simple, transparent methodologies for projects' delivery dates and costs. Project reassessment and cancellation processes must be based on a clear baseline. Full alignment between Ofgem and NESO is critical throughout the CSNP.
- **Expanding third party participation in the CSNP is unclear.** There is a lack of detail regarding how collaboration between licenced and non-licenced parties will be facilitated, funded and complied with; essential requirements for third party options to be viable. These issues are best addressed through the regulatory licensing frameworks for NESO and TOs.

We seek collaboration between Ofgem, NESO and networks companies to collectively resolve the issues spanning Ofgem's CSNP Guidance, RIIO-T3 processes and the RIIO-T3 regulatory licence. We advocate for a series of workshops to agree timely resolutions ahead of T3 and the first CSNP commencing.

We welcome ongoing engagement with Ofgem. We would value the opportunity to discuss the points raised within our response at the earliest opportunity.

Yours sincerely,

**Evelyn Morgan**

Senior Regulation Analyst  
SSEN Transmission

## Annex 1 – SSEN Transmission Detailed Response

In addition to addressing the consultation questions, we highlight areas where NESO's Draft CSNP Methodology does not meet the proposed Guidance requirements. We urge NESO to either rectify these omissions before the first CSNP or, as per the Guidance, provide justification to Ofgem for any unmet requirements.

### **Consultation Q. Do you agree that Chapter 2 – developing and submitting the CSNP Methodology - adequately reflects the policy intent of the CSNP? Please provide the reasons and any alternative suggestions if you disagree.**

In part. We broadly agree that the CSNP Methodology section reflects policy intent. We urge Ofgem to ensure NESO amends its Draft Methodology to align to these requirements.

- **CSNP Methodology:** We support the requirements in 1.8 and 2.2 for NESO to outline a process and detailed timeline. NESO have not provided this information at the required detail in the Draft Methodology. We are concerned that the absence of this information at this stage, ahead of commencing the first CSNP in 2026, will make it challenging to delivery robust, credible and on-time outputs from the first CSNP.
  - Ofgem's guidance should reflect differences in planning approval between Scotland and England/Wales, with Scotland using the Scottish Government's National Policy Framework and Local Development Planning regime. NESO must clarify how CSNP outputs will be used in Scotland's planning system.
- **CSNP Methodology Compliance:** Regarding Compliance and the requirement to review the Methodology, we urge Ofgem to confirm formal timescales that will allow NESO, third parties and TOs to plan resources. As the CSNP methodology and process is managed by the NESO, the NESO should be obligated to consult on changes, and this should include a specific obligation to consult with licence holders along with other interested parties. Strong change control requirements have been included in the NESO licence for the Connections Network Design Methodology, and we recommend this as a minimum standard that could be applied to the CSNP methodology.
- **Related Publications (Chapter 1):**
  - **Feedback loops:** We support the requirement for NESO to include feedback loops. NESO have not included adequate feedback loops within the Draft Methodology; we urge Ofgem to impose requirements for feedback loops including the following publications.
  - **SSEP:** The FES has historically been used in the ETYS process to develop network models for use in network planning activities such as NOA. The SSEP has a much lower resolution than FES. It is not clear how network models will be produced with sufficient resolution to carry out the CSNP. Given the CSNP is intended to replace the ETYS process, NESO must clarify this ahead of the first CSNP.

- **SSEP Pathway:** Ofgem should require NESO to confirm a process for allowing the CSNP to refine the SSEP pathway, noting the implications on wider plans and Connections Reform.
- **RESP:** We agree that NESO's Methodology should set out how network build as a result of the RESP relates to the CSNP, but this is not included within NESO's Draft Methodology. We note the complexities of aggregating outputs from the RESP to a high-level overview at the same resolution as the CSNP. We are developing our own planning approach for this. We urge Ofgem to embed a requirement on NESO to mitigate the challenges of translating between strategic plans, noting that TOs are best placed to support in stepping up from the RESP to the CSNP.

**Do you agree that Chapter 3 – general requirements applying to all CSNP stages - adequately reflects the policy intent of the CSNP? Please provide the reasons and any alternative suggestions if you disagree.**

In part. We support including aspects of local network planning in the CSNP. It is pragmatic and aligns with policy intent. For CSNP, we do not support all Ofgem's data sharing responsibilities for TOs; please refer to our Chapter 6 response for further details.

- **CSNP Methodology Scope:** We broadly support the scope and its alignment with policy intent.
  - **Connections:** We support NESO confirming the boundary scope for customer connection works. Linking connections to wider reinforcements will strengthen TOs' project cases.
  - **Interactions:** The methodology should detail how and when alignment with RESP will occur, acknowledging this alignment will look different in the first CSNP versus subsequent CSNPs. We seek clarity on managing any misalignment. Ofgem should update 3.14 with detailed requirements regarding interactions.
- **CSNP Methodology roles and responsibilities:** We support including a detailed project plan to produce the CSNP. As the number of steps and stakeholders in the process increases, the number of inputs, handovers, and deliverables will increase and clearly defined roles, inputs, outputs, and timelines are essential. This has not been included to the level of detail required within NESO's Draft Methodology. Ofgem should require NESO to produce this plan ahead of each CSNP cycle.
- **Ofgem should outline requirements for NESO's project plan to include and consult on:**
  - Timings of each process step;
  - Roles and responsibilities of each party in each process step;
  - Source and nature of inputs (e.g. SSEP Pathway);
  - Deliverables and deadlines for each step, including reference to standard documentation;
  - Timing and deliverables of stakeholder engagement, including: response timelines and expectations of how stakeholder feedback must be actioned by NESO, network owners and third parties respectively; clearly defined mechanisms and timelines for how feedback will be used; the information that will be shared with each stakeholder group at each stage;
  - End-to-end process mapping data ownership and handover points;
  - Proposed NESO–Ofgem engagement touchpoints.

- **Allocation of responsibilities (3.21-3.23):**
  - We support NESO's responsibilities but **seek clarity on how Ofgem will hold network owners accountable** to their responsibilities.
  - Ofgem must **clarify the support network owners are expected to provide NESO in the development of options (3.22)**, including terms of reference, response timelines, dispute resolution, and regulatory funding. The current wording is too vague for effective planning.
  - Ofgem must **confirm if this Guidance is the Associated Document referred to in the RIIO-T3 Draft Determination CSNP Co-Ordination LO. It is unclear how TOs are expected to comply with the CSNP in their licences**. Any LO must be drafted to ensure it complies fully with the principles of use of associated documents<sup>3</sup> with appropriate change control.
- **Co-Ordination Protocol (3.25):** The term "*co-ordination protocol*" is unclear and may unnecessarily duplicate existing groups like DSI or JPC, where we are standardising data modelling assumptions. **NESO should not lead this alone; network owners should contribute insights and challenge assumptions. Ofgem should revise this to reflect a collaborative approach.**
- **Stakeholder Engagement:** We support transparent, consistent engagement but urge Ofgem to **require NESO to clarify how input will be used and how TOs and third parties should respond (3.26-3.27)**. Compressed timelines risk limiting meaningful input. A coordinated approach is essential to avoid confusion and ensure effective community involvement. **Ofgem should define when regional engagement by NESO is "appropriate" (3.27).**
- **Governance:** The governance structure broadly reflects policy intent and is captured in NESO's Draft Methodology. We request **clarity on how it will interact with the stakeholder engagement plan**. We support increased transparency and the proposed governance tiers (noting minor discrepancy between the two tier process in the Guidance and the three tier structure in NESO's Draft Methodology). NESO should use the governance structure to ensure Ofgem has full visibility and involvement. This will ensure Ofgem has a strong understanding of the needs case and a smooth transition to post-CSNP regulatory decision making. NESO's Methodology should be updated to clarify:
  - Meeting schedules;
  - What information will be shared with each group at each meeting;
  - TOs' roles in each tier;
  - How feedback is integrated into CSNP;
  - Clarity on third party participation;
  - Engagement touchpoints with Ofgem;
- **Managing disagreements:** We support NESO developing a process for managing disagreements and request that proposed details be included in the Draft Methodology.

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<sup>3</sup> [Decision on principles of use for RIIO-2 Associated Documents | Ofgem](#)

**Do you agree that Chapter 4 – Stage 1: model future energy supply and demand - adequately reflects the policy intent of the CSNP? Please provide the reasons and any alternative suggestions if you disagree.**

We broadly agree. We welcome the SSEP, CSNP, RESP and the new connections process but note they operate on different timescales. **Ofgem should require NESO to explain how these plans will interact to deliver a coherent GB energy network design.** TOs offer strategic insight and valuable input into these processes, including evaluations of the local pipeline beyond connections and transmission boundaries.

- **FES vs FEP:** We interpret Ofgem's reference to the FEP as equivalent to NESO's FES. We urge Ofgem and NESO to align terminology for clarity.
- **Misalignments:** We support Ofgem's requirement for NESO to plan for misalignments across strategic plans. NESO must collaborate with TOs, given their critical data role, and clearly communicate any deviation from the SSEP, including impacts on whole system energy planning. **Ofgem should require NESO to develop a process and stakeholder engagement plan to manage misalignments.**

**Do you agree that Chapter 5 – Stage 2: identifying system needs – adequately reflects the policy intent of the CSNP? Please provide the reasons and any alternative suggestions if you disagree.**

We broadly agree with Ofgem's expectations, but we see opportunities for clearer direction on where TOs should collaborate or provide input. We support Ofgem's requirement for engagement with network owners to define CSNP system needs. Early involvement of TOs is essential, as initial CSNP stages rely heavily on TO data. Late engagement risks inefficiencies and poor outcomes.

- **Requirements for identifying system needs:** While NESO often notes the equivalent level of ambition within their Draft Methodology, **the Methodology lacks detail on how this will be delivered. Ofgem should require NESO to specify:**
  - Which parties are responsible for each piece of analysis;
  - How residual analysis fits into the wider CSNP process, including option development;
  - Inputs to residual vs. boundary analysis;
  - Timeline interactions between annual and three-year CSNP cycles.
- **Managing uncertainty:** We support NESO developing a process to manage long-term uncertainty which is currently missing from the Draft Methodology. The process must be heavily collaborative.
- **Requirements for defining CSNP system needs:** We support clearly defined boundaries of responsibility between NESO and TOs on a project-by-project basis as this strengthens justification for progressing options into delivery. NESO should elevate this from ambition to confirmed Methodology. **Ofgem and NESO should explicitly reference interactions, especially when TOs or third parties may bundle multiple projects with differing drivers into a single programme of works.**
- **Requirements for defining the modelling approach for identifying system needs:** We are concerned that NESO may not meet Ofgem's modelling ambitions for the first CSNP, given the reliance on TO data and the resources needed to build modelling capability. **Ofgem should reassess expectations and ensure modelling is completed collaborative with TOs.**



- **Communicating system needs:** Ofgem must define what constitutes “early” publication of NESO’s system need statement. Ambiguity could negatively impact TOs’ and third parties’ resource planning.
- **Defining the modelling approach:**
  - **5.10** We support including ETDP in the CSNP. The Methodology must outline a clear process with defined timelines and deliverables.
  - **5.11** Ofgem must clarify “system nodes” to avoid confusion between SSEP and power system modelling nodes.
  - **5.12-5.13.** Modelling frameworks should be agreed collaboratively as part of a cross-industry group such as the JPC modelling Group to avoid duplication and streamline efforts.
  - **5.13** Ofgem should confirm the frequency of modelling methodology and assumptions updates. We advocate annual updates.
  - **5.14** The ambition that NESO will lead operability studies alone is unrealistic. The role of TOs in operability analysis is unclear in CSNP Guidance and Draft Methodology. Historically, TOs have collaborated closely with NESO, providing essential data and expertise to complete analysis. This modelling typically exceeds CSNP timelines and relies heavily on TO input. TOs must remain key partners in operability analysis due to operational expertise and data ownership. See our Chapter 6 response for comments regarding data sharing.

**Do you agree that Chapter 6 - Stage 3: identifying options - adequately reflects the policy intent of the CSNP? Please provide the reasons and any alternative suggestions if you disagree.**

We partly agree. We request dialogue with Ofgem and TOs on NESO’s data needs, particularly the categories in section 6.5. The data sharing requirements diverge from policy intent and could pose risks to critical national infrastructure, cyber security, data governance, and operational and commercial sensitivity. Ofgem risks introducing NESO’s obligations in a piecemeal and uncoordinated manner across multiple areas, each with separate governance, processes and data sharing portals / routes, adding unnecessary complexity. These are being introduced in addition to data sharing obligations already set out in the licence and industry codes, creating avoidable complexity that will create regulatory risk and operational inefficiencies for both NESO and TOs.

**Effective Data Exchange:** For the CSNP, we query the requirement for NESO to have “live data sharing capabilities” and “direct access” to “real-time” or “near-real-time access to critical data” to several data categories in 6.5. We are concerned that there could be a risk of unfiltered, uncontrolled access to our data through Ofgem’s requirements for NESO to “include provisions for extending access to academia, not-for-profits, and organisations involved in developing network innovations”. We believe Ofgem’s proposals risk contradicting DESNZ’ work on electricity networks’ data risks and Ofgem’s own Data Best Practice Guide (notably principles 9 and 11). The rationale and intended uses of such data are unclear, with no proposed safeguards against misuse. Ofgem must define “direct access” and reconsider its suggestion that “Recognising operational or commercial sensitivities” is sufficient for sharing sensitive data.

TOs triage data based upon wider sensitivities, and data classification dictates access rights. Any data access requirements must align with triage processes and ongoing efforts to embed data best practice in industry codes.

Ofgem should confirm that NESO's obligations to "*monitor and report on data access requests and usage trends to Ofgem to support transparency and accountability*" relates only to CSNP activities. There must be supporting guidance that sets a baseline for measuring all TOs objectively. This guidance should ensure monitoring and reporting are proportionate, impose no unnecessary regulatory burden, and provide defined timescales. *Monitoring and reporting of TO performance should promote a culture of improvement. Ofgem should regularly review whether a LO for sharing data remains necessary or if TO/NESO collaboration could achieve CSNP objectives via industry codes and methodologies.*

Ofgem should clearly define TOs' obligations for sharing information with third parties involved in the CSNP, given the potential for a variety of project development and delivery stakeholder combinations. Ofgem and NESO should confirm how third-party access will be managed, ensuring transparency, and safeguards. Third parties must meet the same standards as TOs regarding sharing information with NESO.

Regarding 6.4, Ofgem's requirement to "*lead a review of existing data sharing agreements*" risks duplicating ENA Data and Digitalisation Steering Group efforts. Ofgem must clarify roles. We support NESO developing "*appropriate templates, instructions and guidance*" aligned to Ofgem's Data Best Practice Guide.

*We have concerns about using DSI for data sharing.* This was a MVP trialled by the NESO and there is limited time to resolve issues prior to CSNP implementation. Legal agreements and policies need to be in place **now** to clarify access data rights and responsibilities, not wait until development of DSI. Current legal agreements must have data best practice principles embedded within them. We require data sharing agreements for any data that it is published.

The link between NESO's code review and CSNP Co-Ordination LO is unclear. There is an absence of joined up thinking around the regulatory framework needed for TOs to be clear on their obligations. For example, the Methodology lacks clarity on whether model exchanges under ETYS will shift from annual to three-yearly. *New processes to support NESO's design options and subsequent obligations on TOs, must be clearly defined under CSNP, STC, and STCPs. Ofgem must ensure future code managers are considered in guidance.*

- **Defining the minimum level of design for high-level options:**
  - **6.16** As per our response to Draft Methodology consultation, Technical Solution design requirements should *exclude "indicative route corridor" references.*
- **Specific requirements for options development**
  - **6.22** *We support integrating ETDP in the CSNP. A clear process with timelines and deliverables must be included in the Methodology.*
- **Specific requirements for the high-level options identification process:** NESO must detail coordination opportunities and update the Draft Methodology accordingly.



- **Specific requirements for high-level option designs brought forward by the licensee (NESO):** We support NESO's role in developing high-level options but request a formal route for TOs to challenge NESO's technical assumptions to ensure feasibility. There is a risk of NESO or third parties selecting technologies outside network operators' expertise. As TOs will likely operate the future network, TOs must be able to challenge assumptions, specifications and standards to ensure designs are fit for purpose.

NESO must work closely with incumbent TOs in developing NESO's options. There are a range of possible interventions on the transmission network (asset maintenance/replacement, customer connections, wider system reinforcement) and the CSNP does not cover all of these. Only the host TO has full visibility of all investment drivers and their interactions, as well as the potential within their network for bay availability, site expansion, etc. For NESO options to be credible, they must be developed with close involvement with the incumbent TO to ensure the proposed option is realistic and aligned with other future network developments outside the scope of the CSNP.

- **Specific requirements for the licensee's support for third party participation in the CSNP:** We support Ofgem's requirements on NESO to develop processes for third parties and have appropriate formal governance. However, we urge Ofgem and NESO to address the lack of detail on third-party involvement in the CSNP. We have identified a myriad of options for third parties to be involved in the development and delivery of CSNP projects, though neither Ofgem nor NESO have provided a clear list of potential partnerships. The potential arrangements around partnering and provision of technical support / information from TOs to third parties raises important commercial, regulatory, confidentiality and security considerations. We welcome working with NESO to explore these options and their implications, including funding, codes, and regulatory impacts.

NESO's Draft Methodology proposed a "separate, structured framework" for third parties. Ofgem and the NESO must confirm if it is intended that third parties will follow a different CSNP process and requirements, or if it is referring to a different regulatory framework.

There is insufficient detail on how collaboration between licensed and non-licensed parties will be facilitated – an essential requirement for third-party options to be viable. While the Draft Methodology suggests voluntary partnership agreements, significantly more detail is needed to assess the feasibility and challenges of this approach. Adding a requirement on TOs to provide support to third parties at the same time as their own development work introduces further complexity and there is a risk of overlap or conflict with TOs plans. These interactions need to be carefully mapped. Other concerns regarding a voluntary development model include how such agreements would function within the CSNP's tight timelines, service level agreements, how interactions would be codified (e.g. data sharing, dispute resolution) and funding allocation, particularly given that non-licensed parties currently lack access to regulatory funding for development activities.

**Do you agree that Chapter 7 - Stage 4: decision-making framework - adequately reflects the policy intent of the CSNP? Please provide the reasons and any alternative suggestions if you disagree.**

We broadly agree that Chapter 7 reflects policy intent. We have concerns about implementing processes to assess whole-system needs and environmental/community impacts. We do not support NESO solely evaluating deliverability or assigning delivery dates. We request that detailed methodologies for setting delivery dates and developing indicative project costs are urgently established collaboratively between NESO, Ofgem and TOs.

**Appraising Whole System Energy Needs:** We welcome the CSNP's ambition for a 'whole system' approach, but the Draft Methodology is unclear on how this will be achieved for electricity transmission boundary reinforcements. As noted in our comments on Chapter 2, Ofgem should require NESO to clarify timelines and interactions between CSNP, SSEP, RESP, and FEP.

The suggestion that the CSNP (7.4) shall resolve gaps in the SSEP does not reflect policy intent. The resolution of SSEP is different to the resolution required in the CSNP, making it unclear how the 'whole system' approach in SSEP inputs into the CSNP. While we acknowledge there is uncertainty in aspects of the new strategic planning processes, the CSNP process is complex already. The SSEP must be sufficiently comprehensive to avoid introducing a new proposed process, whole system energy optimisation, within the CSNP. Ofgem should recognise that intensive stakeholder engagement will be needed to address misalignments.

We support Ofgem's proposal for NESO to "look at opportunities for co-optimising whole system demand and supply" but seek its distinction from SSEP and clarification on the use of Plexos. The CSNP methodology should be updated accordingly.

**Evaluation of environmental and community impacts:** We agree with the policy intent but have concerns around how this will be translated into the final Methodology and its implementation in practice. We have concerns about NESO's proposed impact appraisal matrix, which leans heavily on the quantitative approach, rather than qualitative. A system with quantitative bias could fall short in terms of explanation of how a factor has been assessed, both in isolation and with consideration of other factors / interdependencies. There is a risk of overlooking important aspects and misrepresenting complex issues which cannot be simplified into a numerical output score. The methodology should clearly incorporate appropriate qualitative factors into scoring and assessment, and provide transparent scoring justification.

We support an impact prioritisation framework but it must be context sensitive. NESO's must confirm how prioritisation enables early options screening. NESO should be required to engage with TOs before excluding options, to avoid overlooking viable solutions due to untested mitigations.

We request that Ofgem provide further clarity around what is meant by "as transfers, community benefit schemes shouldn't be incorporated into the CBA".

**The near-term 'Delivery Pipeline':** We support the development of an Optimal Delivery Date methodology but note misalignment across NESO and Ofgem's recent publications. Please see our response to Chapter 9.

We do not believe NESO are best placed to effectively evaluate deliverability. NESO must clarify how it will source reliable data on operating costs and delays. There is a risk of inaccurate dates and costs being developed and imposed on delivery bodies, as these evolve during detailed design. Ofgem and NESO should consult TOs on all aspects of network delivery, including buying, building and operating networks.

We are concerned that NESO may lack the expertise to balance criteria for project selection, risking projects being inappropriately progressed into the Delivery pipeline. Ofgem and NESO must define "deliverability", "technology readiness" and supply chain considerations, avoiding procurement biases and considering competing supply chain demands.

Operability assessments must be clearly integrated into the CSNP. Ofgem should require NESO to define when these assessments occur, roles and responsibilities, deliverables, how outputs feed into CSNP, and the change control process.

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

We broadly agree Chapter 8 reflects policy intent but note the Methodology lacks implementation detail. There are no references to regulatory mechanisms for funding option development.

While we support Ofgem's requirement for NESO to prepare a CSNP for consultation, the Draft Methodology must include a formal stakeholder engagement plan. Ofgem should require NESO to develop and agree this plan with network owners before the first CSNP (see Chapter 2 comments).

We welcome Ofgem's reference to Pre-Construction Funding for projects progressed into the Delivery pipeline. However, Ofgem have not outlined intended funding allocation for the various CSNP stages prior to projects entering the Delivery pipeline. As noted in our cover letter, Ofgem's expectation for TOs to support NESO and third-party option development could impose significant resource burdens on TOs. Ofgem must address how these activities will be funded, considering the range of collaborative scenarios or partnerships that may occur.

**Do you agree that Chapter 9 – Stage 6: handover to a delivery body - adequately reflects the policy intent of the CSNP? Please provide the reasons and any alternative suggestions if you disagree.**

We partly agree that Chapter 9 reflects policy intent. The regulatory planning framework for the CSNP lacks sufficient detail to enable efficient and effective implementation. There is misalignment across the CSNP Guidance, NESO's Draft Methodology, Ofgem's T3 Draft Determination and subsequent updates from NESO and Ofgem. The CSNP Methodology and Guidance are fundamental to understanding the wider framework governing the setting of CNSP Output Delivery Incentive parameters and specifically, the determination of project delivery dates by NESO. The absence of a clearly defined methodology for establishing delivery dates creates a gap between regulatory expectations and CSNP readiness.

Change control processes and governance for managing interactions between TO licence mechanisms and CSNP materiality triggers need to be clearer.

We support Ofgem's requirements in the "Overview of CSNP output requirements" section, including NESO's obligation to "clearly articulate details of the project to the delivery body". NESO must update the Draft Methodology to include supporting implementation processes.

**Regulatory framework:** Consistency is needed between NESO's Methodology, CSNP Guidance and RIIO-T3 mechanisms. The lack of a completely joined-up approach between consultations and incomplete methodologies makes it difficult to fully evaluate the Guidance and regulatory framework linked to the CSNP. This raises concerns about the fair and balanced application of CSNP-F ODIs under RIIO-T3 and beyond.

**Delivery Dates:** Ofgem should collaborate with NESO and TOs to develop a single, consistent and transparent delivery date methodology that reflects project maturity, delivery risk, and TO expertise - ensuring regulatory financial incentives remain fair, proportionate, and aligned with consumer value.

As noted in our response to NESO's Draft CSNP Methodology, the lack of a consistent Methodology for setting delivery dates poses significant risks to TOs, third parties and consumers. The balance of risk and reward ultimately depends on when and how delivery dates are set. Without a robust, transparent methodology for setting delivery dates, TOs may be unfairly penalised or over-rewarded against dates that are not realistically deliverable. Key concerns for methodology development are outlined below.

NESO assessing delivery dates in isolation risks unrealistic delivery expectations. While we support NESO developing capability to scrutinise delivery plans, the reality is that NESO do not have the same market experience or visibility as TOs, whose viewpoint is updated at every market interaction. NESO's lack of expertise in deliverability, combined with the risk of optimism bias and a lack of detailed design at the point at which Ofgem intend to set ODIs, risks delivery bodies being unfairly penalised. Delivery dates can only be established once scope is defined, supply chain capacity constraints are confirmed, and contracts are in place. TOs should be afforded the opportunity to establish target delivery dates.

As noted in our RIIO-T3 Draft Determination response, TOs' role in setting delivery dates must be clearer. Network reinforcements are subject to increasing levels of detailed design as they get closer to delivery - unforeseen but unavoidable delivery risks can emerge as detail is developed. If NESO subsequently advances or delays dates in the CSNP outputs, without reflecting the underlying delivery risks or project maturity, the application of rewards and penalties may become misaligned with deliverability. In our view, delivery dates must be based on real schedule analysis, not theoretical dates set by NESO. Relying solely on consumer value could lead to prolonged negotiations over achievable dates and potentially a proliferation of scope change requests and/or Delay Event applications, leading to an increasing regulatory burden. TOs must have the ability to propose justified adjustments to delivery dates.

The Methodology must allow for TOs to input into all projects they are assigned. There is a risk of TOs being assigned third-party designed CSNP projects with timelines that are unrealistic, potentially resulting in unfair penalties. If NESO transfers projects proposed by external parties without meaningful collaboration on delivery feasibility, there is a significant chance that TOs could be held accountable to schedules they were never able to endorse or deliver.

**Project Costs:** Similar to our delivery dates comments, Ofgem should collaborate with NESO and TOs to develop a standard methodology for realistic indicative cost estimation and cost updates that inform CSNP assessments and CBA. Holding TOs accountable to early-stage cost estimates poses risks. Initial estimates at the point at which projects move into the Delivery pipeline – based on desktop-level design - quickly become outdated as projects progress through detailed design over a period of years. Holding TOs to outdated costs estimates in a regulatory setting could risk frequent change control processes and regulatory inefficiencies as costs mature and become more robust.

**Change Control:** We support a defined change control process. We seek collaboration with Ofgem, NESO and the other TOs to ensure the process works in practice.

We encourage Ofgem to explicitly state that change control is to be used by exception, not the default. We would like to see the majority of CSNP projects remain in the delivery pipeline. The options assessment process and CBA should use robust information to determine which projects progress into the delivery pipeline. Uncertainty risks deterring contractors and investors. A high, clear threshold for triggering change control - aligned with consumer interest - is essential.

NESO should be clearer on which parties can be responsible for triggering the change control process. We encourage Ofgem and NESO to consider that there must a robust baseline which materiality triggers can be applied to. Neither the Guidance nor NESO's Draft Methodology defines this. We encourage Ofgem and NESO to consult on an appropriate baseline that reflects project evolution, including cost and programme refinement.

We are concerned that the system logic of evolving project design and regulatory mechanisms on materiality triggers does not flow through the CSNP process. Ofgem and NESO should confirm touchpoints in the CSNP for triggering change control, acknowledging the risk of cancelling projects and including how to recover sunk costs if projects are cancelled. Ofgem should clarify interactions with regulatory decisions. It is not clear if a TO was to apply for a CSNP-F Delay Event or a Cost and Output Adjusting Event (COAE), if this would trigger the CSNP change control process, or if a CSNP change control would be required to apply for a Delay Event or COAE. These decisions could affect regulatory settlements. Clear processes and information flows between NESO, Ofgem, and TOs are essential.

Ofgem must confirm how the change control process will assess projects with multiple investment drivers and interactions to other projects. The CSNP aspires to identify reinforcement options that have additional drivers such as customer connections or asset health replacements. For example, a project required as enabling works which also provides boundary uplift could be altered through the change control process – the Methodology should be clear how change control impacts other drivers governed by separate processes.

We have concerns regarding some of the Materiality Triggers:

- **Generation or demand assumptions in the plan:** Ofgem must confirm what is meant by a “material change”. We caution that we expect movement in the generation or demand background; Ofgem and the NESO must craft the CSNP Methodology to be cognisant of how changes to SSEP or other inputs may materially impact project need. We caution that if the SSEP changes, it is an area where TOs have limited impact.
- **External changes:** Ofgem should clarify who can initiate change control under this trigger, and what constitutes a change. With frequent updates to external codes and methodologies, Ofgem must define clear thresholds and timing to avoid excessive change control activity. NESO should be required to explain how changes to one CSNP project will affect other T3 and CSNP projects. It is unclear how the SSEP pathway can be facilitated if a CSNP project is cancelled but the SSEP remains unchanged.



- **Cost and delivery pipeline:** We support these as valid triggers but urge Ofgem to consult on what defines a “material change.”

Ofgem must confirm a clear decision-making process to support practical implementation of change control. The current Guidance and Draft Methodology lack detail on plan scrutiny, information requirements, and stakeholder engagement. NESO should outline how stakeholders will be kept informed throughout the process to ensure transparency and accountability.

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

In part. Ofgem should set requirements for NESO to update the Draft CSNP Methodology with clear, practical implementation processes for each section. This should include defined roles and responsibilities, required inputs, and how outputs will feed back into the CSNP process.

**Climate and Broader Resilience:** We support the consideration of resilience within the CSNP. NESO’s Draft Methodology should include feedback loops for resilience testing.

However, we note that NESO’s Draft CSNP methodology (p. 56) states that resilience in the CSNP will not be used for decision making: *“For electricity, the CSNP decision making process uses the single SSEP pathway. Resilience scenarios will therefore not directly change any CSNP decision but are to be used to indicate any potential resilience risks. If any risks are identified, they can be taken forward for further analysis.”* This does not align with Ofgem’s requirements in the CSNP Guidance that resilience scenarios will inform decision making. NESO and Ofgem should resolve this discrepancy.

The Methodology should clarify how HILP scenarios sit alongside core CSNP analysis. HILP scenarios may either dominate a conventional CBA assessment due to their extremely high cost or be ignored if probability was factored in due to their definitionally low probability. Given Ofgem’s Guidance states that HILP analysis should be used to inform investment decision making, NESO’s Methodology should explicitly confirm how HILP analysis integrates with the core analysis that forms the assessment of CSNP options using the SSEP and FEP.

The NESO should clarify how to proceed when core analysis supports a particular reinforcement strategy, but HILP analysis indicates significantly greater levels of reinforcement are required. The Methodology must clearly outline how reinforcement will be recommended against these different analysis approaches.

**Onshore competition:** We agree with Ofgem that the CSNP Methodology should set out a clear and transparent approach for competition assessments. In particular, the methodology must be clear on how projects that are eligible for competition will be managed if they are not to be put out to competition in the short term but are part of a pipeline of projects. For example, we seek to understand if development of these projects would cease until the tender process commences, even if the project is in a queue in which case there could be 1-2 years with no material project development.

**Customer connections:** We are concerned that NESO and Ofgem have not fully addressed how Connection Reform feeds into the CSNP and other strategic planning processes. It is our view that these cannot be run in parallel without substantial divergence risk. Ofgem should update section 10.35 to clearly delineate that the SSEP shall feed into the CSNP, and that subsequent connections will be within

**the bounds of what the CSNP sets.** As per our comments on Chapter 2, the Draft Methodology should confirm inputs, outputs and interactions of strategic plans.

We partly agree with Ofgem's intent of 10.36. We support collaborating with NESO to develop a cohesive process confirming the prioritisation of connections against reinforcement plans, and a supporting mechanism to reopen connection offers if required.

We support a process to manage misalignment between the CSNP, SSEP and Connections Reform. NESO's Draft Methodology must be updated to include such a process. We stress the importance of NESO confirming *"clear feedback loops and enhanced co-ordination with TOs on the connections process so that the CSNP can support efficient network development and capacity allocation"*. This is key for CSNP and Connections Reform working successfully in partnership.

**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?**

**We support the inclusion of offshore connections in the CSNP.** We welcome Ofgem's recognition of challenges from HND and HNDFDUE, and we support Ofgem's requirement for NESO to put forward processes for mitigating or eliminating such challenges in the CSNP. Our confidence in the process depends on the success of the first CSNP.

We support Ofgem's emphasis on openness and transparency in options assessment, analysis and decision-making, including clear reasoning and the ability to challenge assumptions. We support Ofgem's requirement for offshore connections to be *"planned strategically and in a coordinated manner"* and for greater transparency regarding the risks and assessment of stranded assets. We support Ofgem's requirement (10.28) for structured decision points and stakeholder engagement. NESO must update its Methodology to include all of the above elements.