

Tristan Bishop
strategicplanning@ofgem.gov.uk

29 August 2025
Our ref.: Ørsted/Ofgem Draft
CSNP Guidance 01092025

Ørsted Response to the Draft Centralised Strategic Network Plan Methodology Guidance

Ørsted welcomes the opportunity to respond to Ofgem's draft guidance on the Centralised Strategic Network Plan (CSNP) methodology. We broadly support Ofgem's proposed expectations and requirements for NESO in developing the CSNP methodology and recognise its important role in delivering a more coordinated, cost-effective and resilient future energy system.

We agree with the expectations set out for NESO to ensure the CSNP methodology supports the optimal and timely delivery of infrastructure needed for net zero and a resilient network. In our response, we emphasise the importance of an alignment between the CSNP and other key frameworks - particularly the Spatial Strategic Energy Plan (SSEP), REMA, and the Clean Power 2030 Action Plan. These processes should be developed in parallel, with clear two-way information flows, to avoid misalignment and ensure that network investment aligns with wider system needs.

We also highlight the importance of a transparent and well-defined methodology. NESO should clearly set out roles, responsibilities and points of engagement, ensuring it works closely with all relevant parties, including developers, to identify and integrate a broad range of solutions. A flexible approach will be essential to allow the CSNP to evolve alongside new insights and changing system needs.

The current framework lacks clear incentives and support for third-party participation. If the CSNP is to unlock innovative and cost-effective solutions, it must provide a level playing field, supported by better access to data, a clearer process for engagement, and stronger drivers for collaboration between Transmission Owners (TOs) and third parties.

Meaningful stakeholder engagement must be embedded throughout the process - not just as a formality. NESO should provide clarity on when and how stakeholders will be engaged and demonstrate how feedback has been reflected in the development of the CSNP.

We also stress the need for greater integration with environmental and spatial planning frameworks, both onshore and offshore. Early coordination with bodies such as The Crown Estate (TCE) and alignment with marine and land-use plans will be critical to avoiding delays and ensuring deliverability.

Our ref.: Orsted/Ofgem Draft
CSNP Guidance 01092025

Finally, the CSNP must be supported by effective governance, transparent change control processes, and a clear understanding of regulatory barriers that may impact implementation. NESO should work with Ofgem and wider stakeholders to identify where changes are needed to enable the delivery of system needs efficiently and fairly.

We have set out below our response to the consultation questions, and they provide constructive input to support the development of a credible and deliverable CSNP.

Yours sincerely
Ørsted

Chiamaka Nwajagu
Senior Regulatory Analyst/Advisor
chinw@orsted.com
Tel +447854225866

Consultation response

Our ref.: Orsted/Ofgem Draft
CSNP Guidance 01092025

1. 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.

Yes, we agree that the proposed requirements for NESO in developing the CSNP methodology broadly reflect the policy intent of the CSNP. However, we believe there should be a stronger emphasis on alignment and coordination with related initiatives, particularly the SSEP, Clean Power 2030, Connections Reform, and REMA.

The CSNP and SSEP should be developed in parallel, with ongoing two-way engagement, to ensure that network investment aligns with the location of generation and demand. Developing these frameworks sequentially risks misalignment, potentially resulting in infrastructure that is unable to support the asset locations identified by the SSEP or that comes at a significantly higher cost.

To ensure long-term effectiveness and support investor confidence, the CSNP should also retain flexibility in its early iterations. This will allow for future updates to be integrated with minimal disruptive shifts or uncertainty for the industry.

2. 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.

We broadly agree. We would also encourage Ofgem to strengthen the requirements on NESO in some areas to ensure effective delivery.

The CSNP methodology should clearly define roles and responsibilities across network owners, third parties, and other stakeholders - along with when and how they are expected to contribute. NESO should also be transparent in how it assesses and selects options to meet system needs, including those proposed by third parties, and how stakeholder input is incorporated.

It's vital that NESO identifies not only operational risks, but also regulatory barriers that could affect the future network. This will support Ofgem in ensuring the right frameworks are in place to enable delivery.

On governance, developers and wider industry must be explicitly recognised as key stakeholders, given the direct impact of the CSNP on their projects and the value of their technical expertise which NESO can leverage in the development of the CSNP.

We are also concerned about the compressed timelines and consultation overlaps across the Strategic Energy Planning process, which may limit both the quality of stakeholder responses and NESO's ability to properly consider them. It is often the case in large change programmes that as delay risks increase, end user testing and engagement is compressed. It is important that this is not allowed to happen, and that sufficient time must be allocated and protected for meaningful engagement, especially given the long-term implications of these plans.

Finally, as previously mentioned, close alignment with the SSEP and other strategic frameworks is essential. The CSNP team must be involved from the onset in other related planning processes to ensure consistency and system-wide optimisation.

3. 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.

Yes, we agree. We also support Ofgem's expectation of an alignment between the CSNP and SSEP which should be reinforced through a clear feedback loop on input modelling.

While the CSNP is expected to explain how it uses and extends inputs from SSEP, FEP, and other sources, the SSEP should also be required to consider high-level inputs from the CSNP. This two-way coordination is essential to identify and resolve any modelling inconsistencies early, ensuring a coherent and efficient system-wide plan.

4. 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.

Yes, we agree. We would encourage further improvements in the areas highlighted below in.

We support the expectation for NESO to develop robust modelling capabilities and maintain an integrated system modelling framework. This should also explicitly include cross-border interactions, as interconnectors, both Non-Standard and Multi-Purpose Interconnectors, will play a critical role in the future energy system. Currently, there is limited information on how these technologies are treated in the SSEP, and it remains unclear how NESO plans to model and integrate them within the CSNP.

As system complexity grows, NESO must engage early with developers and other stakeholders to understand innovative solutions that address emerging technical and operational challenges. These insights should inform system need assessments and enable adoption of novel approaches where appropriate.

Finally, while the guidance expects NESO to help third parties understand where they can contribute, the current methodology lacks clear incentives, defined roles, and a transparent process for progressing third-party proposals. Without this clarity and support from Transmission Owners, the third-party participation framework risks being underutilised.

5. 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.

Our ref.: Orsted/Ofgem Draft
CSNP Guidance 01092025

Yes, we agree. We believe that the requirements on NESO in several key areas could be further enhanced to ensure success of the CSNP and delivery of the optimal infrastructure and network solutions needed for net zero.

Data sharing is critical. NESO must establish a clear, enforceable data-sharing framework that sets out data ownership, access rights, and responsibilities. Currently, industry struggles to access the network data needed to develop innovative or alternative solutions. NESO should lead on data governance, with the authority to compel adequate participation from TOs and others to enable a level playing field for third parties.

We support the requirement for NESO to consider environmental and community impacts, aligning the CSNP with National Policy Statements for England and Wales (in particular EN-1, EN-3, EN-5), and the National Planning Framework for Scotland. We recommend that NESO also ensures alignment with the Marine Management Organisation's (MMO) marine plans, the land-use framework, and The Crown Estate's "Whole of Seabed" approach. Early coordination will prevent misalignment and reduce planning delays. NESO should also engage not only network owners but developers who bring deep consenting and delivery expertise.

Regarding option development timelines, NESO should provide clear, feasible timeframes for option submission, especially for third parties. Issues during the Connections Gate 2 process - such as inadequate pre-submission support, a malfunctioning portal and a very short application window - must not be repeated. NESO should provide structured support and clear submission pathways.

Clarity is also needed around the Interested Persons' options vs. Third Party options. NESO should explain how both are integrated into the CSNP framework, how they differ, and how they interact with TO and NESO-led options to avoid fragmented planning.

Currently, the methodology lacks clear incentives for third-party participation. It must define roles, responsibilities, and collaboration mechanisms for TOs and third parties. Without clear drivers, the third-party Expression of Interest process risks being underused.

We support the requirement for NESO to provide timely and accurate data to all parties and monitor whether third-party participation is growing. If it is not, NESO should identify and report the barriers - be they regulatory, operational, or market-based - so they can be addressed by the relevant parties, including Ofgem.

Finally, we support NESO being required to recommend regulatory changes. Existing rules limit the participation of some third parties, such as generators offering grid-forming services. NESO should be required to work with industry to identify these barriers and support reforms that enable a more flexible, efficient, and competitive system.

6. 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.

Our ref.: Orsted/Ofgem Draft
CSNP Guidance 01092025

We broadly agree.

On system and network appraisal, we again emphasise the need for strong alignment between the CSNP and other spatial plans, particularly the SSEP. To avoid misaligned investment decisions, the CSNP and SSEP should be developed in parallel, with continuous coordination and two-way data sharing to ensure an optimised, integrated network plan and delivery.

Regarding the near-term electricity delivery pipeline, we support the inclusion of a change control mechanism for projects already in the pipeline. However, it is essential that NESO keeps industry well-informed throughout this process. Timely communication of any changes and their implications is vital, particularly for developers whose project timelines may be affected.

For projects recommended for funding, NESO should also provide the latest allowable delivery dates and the associated incremental costs of delay. This information would support Ofgem in developing incentives and penalties more effectively, ensuring timely delivery and minimising additional system costs.

Overall, the decision-making framework must remain transparent, coordinated, and responsive to stakeholder needs, particularly in the context of rapid system change.

7. 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. There are areas where the guidance to NESO could be improved to support more effective delivery and stakeholder confidence.

On regulatory and planning alignment, in addition to compliance with SEA and HRA, the CSNP should demonstrate alignment with the Marine Conservation Zones (MCZ), Marine Protected Areas (MPA), National Policy Statements (NPS), the National Planning Policy Framework (NPPF), the Land Use Framework, and marine spatial plans. NESO should clearly set out how the CSNP meets the requirements of these frameworks to streamline delivery and avoid delays.

On the consultation process, NESO should ensure timelines are realistic and avoid overlap with other major industry activities. For example, the draft CSNP methodology consultation coincided with the Connections Gate 2 application window, which limited the ability of stakeholders to respond meaningfully. Sufficient time and careful scheduling are essential to maximise engagement and quality of feedback.

Following consultation, NESO should transparently demonstrate how stakeholder input has been incorporated into the final CSNP. This is necessary for maintaining trust and ensuring that engagement is meaningful, not procedural.

On Ofgem approval, we support the requirement for NESO to show how the CSNP and its projects align with policy objectives. Additionally, NESO should clearly identify where enabling policies or regulatory changes are needed - particularly for projects that have been assessed to be technically and economically beneficial but face non-technical barriers.

Our ref.: Orsted/Ofgem Draft
CSNP Guidance 01092025

Clear, transparent, and coordinated development of the CSNP will be essential for long-term system optimisation and stakeholder support.

8. 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 agree that the requirements regarding the handover to a delivery body appropriately reflect the policy intent of the CSNP.

We support Ofgem's use of the Optimal Delivery Date (ODD) to inform delivery incentives. To enhance this, NESO should be required to also include the latest permissible delivery dates and outline the potential consequences of delays. This additional clarity would better support Ofgem in determining appropriate incentives and penalties for timely/ late delivery respectively.

On the electricity-specific change control process, we agree that NESO should develop a robust and transparent change control mechanism in collaboration with Ofgem. It is essential that any changes are identified early and communicated clearly and promptly to industry. Given the potential impact on developer timelines and investment decisions, regular updates during the change control process are crucial to ensure stakeholders can adjust accordingly and maintain confidence in the CSNP process and network delivery.

9. 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. 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 generally agree with the proposed CSNP methodology requirements regarding its wider planning roles, including offshore network planning.

On interconnectors and offshore hybrid assets (OHAs), we support the requirement for NESO to clarify in the CSNP methodology how these will be modelled and integrated, and how they align with the SSEP. Currently, both the CSNP and SSEP lack detail on how Multi-Purpose Interconnectors (MPIs) and offshore hybrids will be treated. Given their strategic value, NESO should set out its approach and ensure coordination with neighbouring countries to align with their plans, maximise cross-border system efficiency, and ensure market compatibility.

Regarding offshore network planning, we agree that offshore connections should fall within the CSNP's scope to enable a whole-system approach. However, delivery of coordinated offshore networks hinges on addressing key regulatory and commercial barriers. NESO should clearly outline the regulatory and commercial risks identified through industry engagements, and work with Ofgem to support a viable regulatory framework. This is essential to ensure that the chosen offshore network design is not only technically robust, but commercially and legally deliverable.

Our ref.: Orsted/Ofgem Draft
CSNP Guidance 01092025