

Camlin Group: Response to ED3 Sector Specific Methodology Consultation

Camlin Group welcomes this consultation as an important next step in shaping the ED3 framework, and we are pleased to see greater clarity set out on the incentives, delivery mechanisms and accountability frameworks that will guide the next price control. We see this as a significant and positive step towards ensuring Great Britain's electricity networks are equipped to deliver a resilient, flexible and affordable system for the years ahead.

As a UK-based manufacturing and technology company working across the electricity distribution sector, Camlin is not a DNO, but a key part of the UK supply chain supporting network resilience and reliability. Our response is therefore focused on the broad strategic direction set out in the consultation rather than specific operational detail. We have concentrated our feedback on the sections and questions most relevant to our capabilities and expertise, particularly around long-term investment and network planning, delivery accountability, innovation, reliability and resilience, and the supply chain.

Through this response, we aim to share our perspective on how Ofgem's proposals can best enable DNOs to deliver smarter, more resilient, and more affordable networks - supported by a strong and innovative UK technology base. We would welcome the opportunity to discuss any of these points in further detail and to engage more closely with Ofgem as the ED3 framework develops.

Long-term integrated network development plans

(Q1, Q5)

We support Ofgem's emphasis on ensuring that DNOs take a long-term, strategic approach to investment planning under the ED3 framework. The consultation rightly highlights that decisions made during this price control must deliver value not only over the five-year period but through to 2050, supporting the UK's net zero transition and ensuring networks are future-ready. Achieving this requires DNOs to have deep, real-time visibility of their assets, and intelligent systems to enable the planning of efficient interventions that maximise lifetime value and minimise disruption to consumers.

Camlin's technologies provide this capability - enabling DNOs to 'touch the network once to 2050'. Through advanced monitoring, analytics and forecasting tools, our systems give operators the ability to assess the health, utilisation and future performance of assets before committing to major reinforcements. This allows DNOs to prioritise investment where it delivers the greatest whole-system benefit, avoid unnecessary duplication of works, and ensure that every intervention supports long-term resilience and capacity needs.

By integrating data-driven insights into their business plans, DNOs can deliver the kind of efficient, forward-looking investment that Ofgem seeks - building a network that is smarter, more affordable and capable of meeting the UK's evolving energy demands in the years ahead.

Innovation

(Q54-55)

We are delighted to see Ofgem's decision to review the scope and eligibility of innovation funding under the ED3 framework. We share the concern that the current criteria - re-focused for ED2 - has inadvertently limited the range of technologies able to access support and excluded system-wide innovations that can deliver major benefits in reliability, affordability, and decarbonisation. Ofgem's innovation mechanisms have historically demonstrated remarkable success in fostering the development of world-class UK technology. The ED1 framework in particular has played a pivotal role in enabling the creation and commercialisation of solutions that have since been widely deployed across the UK and exported globally for the benefit of customers. By contrast, the reduced eligibility during ED2 has constrained progress and risked slowing the pace of innovation precisely when network transformation is most needed.

We would therefore encourage Ofgem to adopt a broader, more inclusive definition of eligible innovation, encompassing proven, scalable technologies that deliver measurable system benefits - not just early-stage research or consumer-focused trials. This approach would allow technologies that enhance safety, resilience, and asset performance to be supported through innovation allowances, bridging the gap between proven pilot and network-wide deployment.

Reliability

(Q98-100)

We welcome Ofgem's proposal to retain the IIS as a core mechanism within the ED3 framework. The IIS has been one of the most successful price control incentives, driving sustained improvements in reliability and delivering substantial benefits for customers through reductions in both the frequency and duration of supply interruptions.

We support Ofgem's intention to strengthen the scheme further in ED3, as this will ensure that the IIS adequately reflects the increasing dependency of a decarbonised and digital society on supply continuity, and that DNOs act proactively to meet the evolving needs of consumers.

We would encourage Ofgem to go further by explicitly mandating improvements in storm resilience and restoration capability. Proven technologies are now available that allow DNOs to deliver enhanced resilience in both 'blue sky' and storm conditions. Advanced asset monitoring, predictive analytics, and real-time visibility can materially reduce both the likelihood and duration of outages, while simultaneously increasing network capacity at lower cost than traditional reinforcement.

With storms and adverse weather events increasing in both frequency and severity, there is an increasing public safety element to resilience, alongside the impact of outages. Downed overhead lines present a significant risk to communities and field engineers, and protecting the public from such incidents should form a central part of resilience planning under ED3. The technology now exists which can mitigate against this risk - with overhead line monitoring and fault location analytics enabling real-time visibility of asset conditions, allowing DNOs to act before harm occurs. Initial deployments have already demonstrated this type of technology's value in detecting failures and hazards early. We would therefore urge Ofgem to

ensure that measures of this kind are appropriately encouraged across the network in the upcoming regulatory period, delivering substantial benefits across reliability and consumer safety.

Resilience re-opener

(Q109)

Camlin welcomes Ofgem's proposal to introduce a single resilience re-opener within the ED3 framework. We see this as an important and positive evolution of the price control, reflecting the growing need for dynamic regulation that allows Ofgem the flexibility it needs to respond to emerging risks and resilience challenges.

Resilience is a dynamic requirement which will continue to evolve over the course of ED3 as new threats, technologies and policy expectations arise. Allowing for adjustments to DNO allowances where government mandates new activities, or where new resilience capabilities become available, will ensure the regulatory framework remains agile and responsive to customers' needs and technological progress.

We also welcome the flexibility for the re-opener to include activities arising from climate stress testing or significant capability improvements. As the consultation acknowledges, the increasing volatility of weather patterns and the rising societal cost of outages demand a more proactive and adaptive approach to resilience investment. The re-opener will provide a vital pathway for this.

We would encourage Ofgem, when appropriate, to ensure that the eligibility criteria for this re-opener remain broad and inclusive, enabling the adoption of proven, cost-effective technologies that deliver measurable resilience benefits for customers and the wider economy.

At the same time, we would stress the importance of ensuring that essential resilience measures are delivered pre-emptively by DNOs through the ED3 period, and not in response to new shocks or emergencies - thereby reducing the likelihood that a re-opener will be required. A proactive approach - consistent with Ofgem's stated objectives of touching the network once in the journey to 2050 - will deliver greater long-term value, avoiding the far higher financial and social costs that arise when resilience investments are made reactively. Early deployment of proven, cost-effective technologies can help mitigate risks before they materialise, ensuring that the electricity network remains robust, reliable, and safe for customers.

Supply chain and work force

(Q117-118)

We wholeheartedly support Ofgem's vision for more intelligent and adaptable networks and recognise the positive impact this transformation will have on customers, the UK's energy infrastructure and the broader economy. The realisation of this vision is contingent on the prompt response of DNOs at scale, to integrate technologies such as real-time visibility and predictive monitoring across their networks. The requisite capabilities needed can only be fully realised through technology-facilitated partnerships. By embracing new delivery models,

innovative technologies and AI-driven analysis, DNOs can accelerate delivery of Ofgem's goals: reduced costs for customers, enhanced system reliability, and faster integration of clean energy generation.

Ofgem's foresight in supporting UK innovation through earlier price controls has resulted in these capabilities already being present within the UK supply chain. This presents a substantial opportunity to meet regulatory objectives while simultaneously supporting domestic industrial growth. Consequently, fostering collaboration between DNOs and UK technology providers will be pivotal in ensuring that the ED3 framework effectively delivers its intended benefits at scale and speed.

We believe more can be done to encourage DNOs to work proactively with the UK supply chain, rather than attempting to deliver new technical capabilities entirely in-house. Integrated 'supply, install and monitor' contracts offer a practical and efficient model for deploying new technologies at pace and scale - ensuring that equipment is installed correctly, performance is monitored continuously, and system benefits are realised rapidly for consumers. This approach leverages existing UK expertise and capacity while creating new high-value jobs across manufacturing, installation, and data services.

Camlin has extensive experience in developing and deploying new technologies in partnership with DNOs, resulting in measurable improvements to safety, reliability, capacity and efficiency across multiple network areas - evidencing the value of collaborative, UK-led innovation. We look forward to continuing this under ED3 - working with DNOs to demonstrate how UK-developed innovations can deliver smarter, more resilient and more affordable electricity networks for customers.

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