

## **Pure Leapfrog RIIO-ED3 consultation**

Q61. How should DSOs best coordinate with other parties (eg NESO, local authorities, iDNOs, gas networks) to deliver whole-system outcomes through network planning? Are there specific governance or data-sharing arrangements that should be strengthened?

We broadly agree with the role presented in ED3 for DSOs, but would like to see DSOs work with a broader range of stakeholders, including innovators and smaller parties. In particular, we would like to see more integration of community energy in achieving DSO objectives, and increased access of community energy groups in network planning.

Q62. What additional data, digital tools, or visibility improvements are needed to enable DSOs to deliver proactive, spatially targeted network planning in ED3? Please provide examples of gaps or best practices.

There is a need for real-time visibility at the low-voltage level, where most new clean technologies are connected. For example, digitalisation at the level of secondary substations, not just asset-level, could promote digitally controlled grids and emphasising the opportunity for innovation.

68. Do you agree with the proposed voltage management responsibilities, for DSOs? Are there any aspects you disagree with, or any additional responsibilities we should consider?

Voltage-based flexibility is a proven, low-carbon system-balancing tool. However, we would like to see ED3 make scope for innovation by not limiting this to DSOs, and allowing access for market-based solutions.

It is clear to us that there have been negative effect of ED2 on innovation opportunities. By assuming voltage control can only be delivered by DNOs, this framework excludes innovators and makes investment unattractive. DSOs should enable access but not monopolise delivery.

72. For each of the options outlined for Providing Flexibility what are the advantages and disadvantages, and which would be your preferred option, including any that we have not considered?

The existing options may overlook the most innovation-friendly approach. We would like to see a non-discriminatory market for voltage-based flexibility, where DSOs provide access to network functions, but third parties are able to compete to provide the service. This will accelerate innovation, reduce system costs and aid new entrants to the climate tech space, benefitting not only innovation but also energy cost and the capacity for community-level projects.

74. Do you support the requirement for a published voltage management strategy from each DSO, with an annual reporting requirement?

Mandating a detailed annual strategy could be burdensome and prescriptive. Framework-based approaches enable more innovation than rigid reporting requirements. Flexibility markets could drive innovation and system optimisation.

Q81. Do you agree that the proposed aims for the DSO incentive framework appropriately reflect the core functional areas for ED3 (flexibility services, network planning, voltage and loss management)? Are there any additional priority areas that should be included, and how should these be measured?

We believe that access to market solutions has been overlooked in ED3. The proposed framework underplays market development and over-emphasises prescriptive operational duties, particularly around voltage management. Incentivising innovative solutions and enabling low-cost solutions that can be driven by other energy parties and communities would be helpful to avoid a monopoly from DSOs, and enable a greater range of solutions from a more diverse array of organisations.