

ESO RESP Licence Condition

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Introduction

C19.1 The purpose of this condition is to set out the obligation of the licensee to develop a Regional Energy Strategic Plan (RESP) for each of the RESP nations and regions and a RESP Methodology, including setting out:

- (a) in Part A, the requirement to create RESPs and a RESP Methodology;
- (b) in Part B, the process for the Authority to issue and amend RESP Guidance;
- (c) in Part C, the development and approval process for the RESP Methodology;
- (d) in Part D, the approval process for the RESPs; and
- (e) in Part E, the publication of the RESPs.

Part A: Requirement to create RESPs and a RESP Methodology

C19.2 The licensee must, in accordance with the RESP Guidance:

- (a) develop and publish a RESP Methodology;
- (b) develop and publish a RESP for each of the RESP nations and regions in accordance with the RESP Methodology; and
- (c) carry out assurance activities following the creation of the RESPs.

C19.3 The licensee must, in accordance with the RESP Guidance:

- (a) establish a GB Steering Committee to provide strategic oversight and national-level coordination of strategic energy planning for the purposes of RESP; and
- (b) establish a Strategic Board for each of the RESP nations and regions, consult it at key points in the RESP development process and seek its approval of the RESP, in accordance with the RESP Methodology.

C19.4 In the development of each RESP and in accordance with the RESP Guidance, the licensee must:

- (a) draw from relevant datasets and undertake stakeholder engagement to develop a Nations and Regions Context;
- (b) conduct spatial modelling of future energy supply and demand to develop a single short-term RESP Pathway over a 10-year time horizon and multiple long-term RESP Pathways;
- (c) produce an accessible geospatial tool to show RESP Pathways against network capacity data to develop a Spatial Context;
- (d) identify and develop a Specification of Strategic Investment Need; and
- (e) publish a set of Consistent Planning Assumptions with acceptable ranges of variation to allow for differences between RESP nations and regions.

C19.5 To support the development of each RESP and in accordance with the RESP Guidance, the licensee must:

- (a) actively seek to resolve gaps and inconsistencies in plans within and between RESP nations and regions and identify opportunities for whole-system optimisation; and
- (b) develop structured, transparent and accessible routes for stakeholder engagement in each of the RESP nations and regions and develop proportionate forms of support for local government to engage in the development of the RESP.

C19.6 During the development of the RESPs and in accordance with the RESP Guidance, the licensee must use its best endeavours to ensure that requests for the provision of RESP Information are efficient and coordinated, including by providing reasonable requirements regarding the timescale, format, and quality of the RESP Information.

C19.7 During the development of each RESP and in accordance with the RESP Guidance, the licensee must consult;

- (a) the Authority;
- (b) Distribution Services Providers;
- (c) relevant holders of a Gas Transporter Licence with Distribution Networks¹
- (d) persons as set out in the RESP Methodology;
- (e) publicly, other persons and parties that might be interested in the development of the RESPs;
- (f) the Strategic Board; and
- (g) the GB Steering Committee.

C19.8 The consultation in accordance with paragraph C19.7 must be of such a form and duration to reasonably allow all parties set out in paragraph C19.7 to provide representations.

Part B: RESP Guidance

C19.9 The Authority may issue and amend the RESP Guidance by direction.

C19.10 The RESP Guidance will contain, but not be limited to:

- (a) instructions and detailed guidance on the process, content, governance arrangements and timeframe for publishing the RESP; and
- (b) instructions and detailed guidance for the process, content, and publication of the RESP Methodology.

C19.11 Before directing that the RESP Guidance comes into effect, the Authority will publish:

- (a) the text of the proposed RESP Guidance; and

¹ As listed in Appendix 1 to Standard Special Condition D23 of the Gas Transporter Licence.

- (b) the period during which representations may be made, which will not be less than 28 days.

C19.12 Before directing any amendment to the RESP Guidance, the Authority will publish:

- (a) a consultation on the text of any amendments to the RESP Guidance;
- (b) the date on which the Authority intends the amendments to come into effect; and
- (c) the reasons for any amendment.

C19.13 The consultation in accordance with C19.11 or C19.12 must be of such a form and duration to reasonably allow all parties set out in paragraph C19.7(b)-(g) to provide representations.

Part C: Development and Approval of the RESP Methodology

C19.14 Unless otherwise directed by the Authority, the licensee must publish the RESP Methodology within 4 weeks of approval, in accordance with paragraph C19.21.

C19.15 The RESP Methodology must, in accordance with the RESP Guidance, develop a detailed mechanism for the approval of the RESP.

C19.16 During the development of, and prior to submitting the proposed RESP Methodology to the Authority and the Secretary of State pursuant to paragraph C19.19 and C19.20, the licensee must consult:

- (a) the Authority;
- (b) the Secretary of State;
- (c) Distribution Services Providers;
- (d) relevant holders of a Gas Transporter Licence with Distribution Networks²;
- (e) publicly, other persons and parties that might be interested in the development of the RESP Methodology;
- (f) once established, the Strategic Board; and
- (g) once established, the GB Steering Committee.

C19.17 The consultation in accordance with paragraph C19.16 must be of such a form and duration to reasonably allow all persons and parties set out in paragraph C19.16 to provide representations.

C19.18 The requirement of paragraph C19.16 may be satisfied by actions taken before or after this licence condition comes into effect.

C19.19 By 30 June 2026 and by 30 June of every third year thereafter, the licensee must (unless otherwise directed by the Authority) submit to the Authority and the Secretary of State for approval the proposed RESP Methodology.

² As listed in Appendix 1 to Standard Special Condition D23 of the Gas Transporter Licence

C19.20 Submissions made under paragraph C19.19 must include:

- (a) a detailed explanation of the consultation process undertaken in the development of the RESP Methodology;
- (b) a summary of views from all parties and an explanation of how these were considered in the development of the RESP Methodology; and
- (c) copies of any formal responses submitted to the licensee as part of its consultation process.

C19.21 The Authority and the Secretary of State may on receipt of a submission under paragraph C19.19 either:

- (a) approve the proposed RESP Methodology (or any revised version); or
- (b) if either the Authority or the Secretary of State does not approve the RESP Methodology, issue a direction to the licensee that the new (or revised) RESP Methodology requires further development, and the date by which the licensee is required to submit a revised RESP Methodology to the Authority and the Secretary of State for approval.

Part D: Approval of the RESPs

C19.22 By 30 September 2028 and by 30 September of every third year thereafter, unless otherwise directed by the Authority, the licensee must submit each proposed RESP to the relevant Strategic Board for approval, in accordance with the RESP Methodology, subject to C19.27.

C19.23 Submissions made under paragraph C19.22 must include:

- (a) a detailed explanation of the consultation process undertaken in the development of the RESPs;
- (b) a summary of views from all parties and an explanation of how these were considered in the development of the RESPs; and
- (c) copies of any formal responses submitted to the licensee as part of its consultation process.

C19.24 Prior to publication of a RESP in accordance with paragraph C19.28, the licensee must ensure that either:

- (a) the Strategic Board has approved the proposed RESP in accordance with the RESP Methodology; or
- (b) where, having used reasonable endeavours, the licensee has been unable to obtain such approval, they submit the proposed RESP to the Authority for further consideration and approval in accordance with paragraphs C19.25, C19.26 and C19.27.

C19.25 The Authority may on receipt of a submission under paragraph C19.24(b) either:

- (a) offer facilitation to enable approval of the RESP; or

- (b) give a direction to the licensee that the proposed (or revised) RESP requires further development, and the date by which the licensee is required to submit a revised RESP to the Authority for approval; or
- (c) approve the proposed (or revised) RESP.

C19.26 Where the Authority makes a direction under C19.25 or C19.27:

- (a) the licensee must submit the relevant RESP(s) to the Authority for approval in such form and manner as the Authority may specify;
- (b) the Authority may approve the relevant RESP(s) with or without conditions, or require the licensee to make such modifications as the Authority may specify and to resubmit the relevant RESP(s) within a period specified by the Authority; and
- (c) if so required by the Authority, the licensee must carry out further consultation with the persons specified by the Authority, in accordance with such process and timeframes as the Authority may specify, prior to the Authority determining whether to approve the relevant RESP(s).

C19.27 The Authority may also generally, by direction:

- (a) require that any RESP which has been approved in accordance with the RESP Methodology must be resubmitted to the Authority for review and approval; and/or
- (b) require that any RESP which has not yet been approved must be submitted to, and approved by, the Authority prior to publication.

Part E: Publication of the RESPs

C19.28 By 31 December 2028 and by 31 December of every third year thereafter, the licensee must publish a RESP for each of the RESP nations and regions in accordance with the latest RESP Methodology unless another date has been directed by the Authority.

C19.29 The licensee must publish the RESPs and supporting material as described in C19.23 on its website in an accessible format.

Interpretation and Definitions

Consistent Planning Assumptions means a single set of assumptions developed by the licensee which drive coherent derivation of network requirements resulting from the RESP Pathways.

Distribution Services Provider means any Electricity Distributor in whose Electricity Distribution Licence the requirements of Section B of the standard conditions of that licence have effect (whether in whole or in part).

RESP Information: means such information (other than information subject to legal privilege) to be provided by Distribution Services Providers and relevant holders of a Gas Transporter Licence with Distribution Networks³ to the licensee which:

(a) relates to the Distribution Services Providers and relevant holders of a Gas Transporter Licence with Distribution Networks;

(b) is in the possession or control of the Distribution Services Providers and relevant holders of a Gas Transporter Licence with Distribution Networks; and

(c) the licensee considers necessary to develop the RESP Methodology or the RESPs.

GB Steering Committee means a governance body that involves, at a minimum, the Authority, the licensee, and the Secretary of State. Together they provide strategic oversight, expertise, advice, and national-level coordination of strategic energy planning during development of the RESP Methodology and the RESPs.

RESP Pathway means a component of each RESP which provides a spatially modelled projection of energy demand and supply over the RESP nations and regions developed by the licensee in line with the RESP Guidance.

Nations and Regions Context means a component of each RESP which provides a long-term view of regional conditions and priorities in the relevant RESP nation or region developed by the licensee in line with the RESP Guidance.

Regional Energy Strategic Plan (RESP) means a whole-system energy plan developed for RESP nations and regions by the licensee comprised of a Nations and Regions Context, a single 10-year RESP Pathway and multiple longer-term RESP Pathways, a Spatial Context, a Specification of Strategic Investment Need, and Consistent Planning Assumptions. The plural acronym RESPs is used to refer to multiple Regional Energy Strategic Plans.

RESP Guidance means the document of that name issued and amended by the Authority from time to time pursuant to condition C19.9.

³ as listed in Appendix 1 to Standard Special Condition D23 of the Gas Transporter Licence

RESP Methodology means the methodology, approved by the Authority and the Secretary of State, in accordance with condition C19.14, describing how the licensee will develop RESPs.

RESP nations and regions means a geographic area, as defined in the RESP Guidance, for which a RESP is developed.

Spatial Context means a component of each RESP which provides a geospatial view of RESP Pathways against network data indicating network capacity requirements over the RESP nations and regions developed by the licensee in line with the RESP Guidance.

Specification of Strategic Investment Need means a component of each RESP developed by the licensee in line with the RESP Guidance which identifies areas of investment need within the RESP nations and regions which are of high economic and/or system value and necessary to the delivery of regional priorities as set out in the Nations and Regions Context.

Strategic Board means a governance body for the oversight of the delivery and approval of each RESP that involves Distribution Services Providers and relevant holders of a Gas Transporter Licence with Distribution Networks, devolved and local governments, and regional cross-sector bodies to provide oversight and steer to the RESP development process and strategic outputs.