

# Call for input

## DSO Performance Panel 2025/26

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Response deadline: 30 April 2026

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This call for input outlines our call for evidence on Distribution System Operator (DSO) performance during 2025/26 under the RIIO-ED2 framework using the Appendix 2 DSO Assessment Scoring Guide. Ofgem uses this evidence to support the DSO Performance Panel's annual assessment, which informs financial rewards or penalties for distribution network operators. Stakeholders are encouraged to provide clear, practical examples of where DSOs have met, exceeded, or fallen short of expectations between April 2025 and March 2026. Submissions will help reduce information asymmetry and improve transparency in decision-making. Written responses are preferred, though informal engagement is also welcome, with submissions due by 30 April 2026.

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## 1. Introduction

### Purpose of this call for input

- 1.1 We set price controls for the companies that operate Great Britain's gas and electricity networks. The RIIO-ED2 price control is aimed at electricity distribution networks operators (DNOs) and runs between April 2023 and March 2028.
- 1.2 As part of RIIO-ED2 we introduced the new DSO financial operational delivery incentive (ODI-F). The DSO ODI-F aims to drive DNOs to more efficiently develop and use their network, taking into account flexible alternatives to network reinforcement, in turn resulting in lower bills for consumers. DNOs are then rewarded or penalised financially based on their performance.
- 1.3 A key part of the DSO incentive evaluation process is the DSO Performance Panel assessment. The Panel is a mix of independent experts and DSO stakeholder representatives who have a role in challenging and evaluating DNOs' performance in RIIO-ED2. The Panel will provide DSO stakeholders and industry experts with a platform to hold the DNOs to account, adding greater transparency to the DSO incentive decision making process. Assessment will be made annually against a pre-agreed set of criteria, as set out in Appendix 1 and 2. This call for evidence is an opportunity for stakeholders to input into this process.
- 1.4 The process concludes with the publication of our report on the outcome of the DSO ODI-F by 30 September 2026.

### Context and other publications

- 1.5 This can be read alongside
  - [RIIO-ED2 Final Determinations](#)
  - [Distribution System Operation Incentive annual report: 2024 to 2025 | Ofgem](#)

### Call for input stages

**Stage 1** Call for input open: 19 March 2026

**Stage 2** Call for input closes. Deadline for responses: 30 April 2026

**Stage 3** Responses reviewed and published: May 2026

**Stage 4** DSO Performance Panel and publication of our report: By 30 September 2026

### How to respond

- 1.6 We want to hear from anyone interested in this call for input. Please send your response to the person or team named on the front page of this document before the response deadline.

- 1.7 We have asked for your feedback in relation to Appendix 1 and Appendix 2. Please respond to each one as fully as you can.
- 1.8 We will publish non-confidential responses on our website.

## **Your response, data, and confidentiality**

- 1.9 You can ask us to keep your response, or parts of your response, confidential. We will respect this, subject to obligations to disclose information. For example, under the Freedom of Information Act 2000, the Environmental Information Regulations 2004, statutory directions, court orders, government regulations, or where you give us explicit permission to disclose. If you do want us to keep your response confidential, please clearly mark this on your response and explain why.
- 1.10 If you wish us to keep part of your response confidential, please clearly mark those parts of your response that you do wish to be kept confidential and those that you do not wish to be kept confidential. Please put the confidential material in a separate appendix to your response. If necessary, we will contact you to discuss which parts of the information in your response should be kept confidential and which can be published. We might ask for reasons why.
- 1.11 If the information you give in your response contains personal data under the General Data Protection Regulation (Regulation (EU) 2016/679) as retained in domestic law following the United Kingdom's withdrawal from the European Union ("UK GDPR"), the Gas and Electricity Markets Authority will be the data controller for the purposes of GDPR. Ofgem uses the information in responses in performing its statutory functions and in accordance with section 105 of the Utilities Act 2000. Please refer to our Privacy Notice on consultations, see Appendix 4.
- 1.12 If you wish to respond confidentially, we will keep your response confidential, but we will publish the number, but not the names, of confidential responses we receive. We will not link responses to respondents if we publish a summary of responses, and we will evaluate each response on its own merits without undermining your right to confidentiality.

## **How to track the progress of a call for input**

1. Find the web page for the call for input you would like to receive updates on.
2. Click 'Get emails about this page', enter your email address and click 'Submit'.
3. You will receive an email to notify you when it has changed status.

A call for input has two stages: 'Open' and 'Closed'.

## 2. Stakeholder Input

- 2.1 We want to utilise the knowledge and experience of a wide array of industry parties and independent experts to gain a comprehensive picture of DSO performance. As such, we are publishing this call for evidence to request DSO stakeholders' feedback on any areas of distribution network company performance (with respect to the DSO Performance Panel assessment criteria) from April 2025 to March 2026. This may include areas where you believe the DSO has met or exceeded expectations and/or the areas where you may have concerns that expectations are not being met.
- 2.2 We are particularly interested in evidence that gives clear, practical examples of where DNOs have gone beyond business as usual and delivered added value against the criteria set out in Appendices 1 and 2.
- 2.3 We will assess the performances against the defined set of criteria to determine financial rewards or penalties. We will use the evidence submitted through this call for input to help us make fair and well-informed judgements, and this will help ensure the incentive encourages DNOs to focus on actions that deliver real benefits for consumers and the wider energy system.
- 2.4 Stakeholder evidence provided through this call for evidence will be taken into consideration by the DSO Performance Panel when evaluating DSO Panel Submissions<sup>1</sup> and presentations<sup>2</sup>, acting to reduce the information asymmetry between them and distribution network companies.

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<sup>1</sup> The DSO Performance Panel Submission is an opportunity for distribution network companies to explain how they met the DSO Performance Panel assessment criteria through their DSO activities within the previous Regulatory Year.

<sup>2</sup> Each distribution network company will take part in a 60-minute DSO Performance Panel Session. DNOs will go through each of the pre-submitted questions in turn (ie, DNO presents on Q1, further Q&A from panel, then move on and present on Q2, further Q&A, Q3 etc), as part of their DSO Performance Panel Session.

### 3. Next steps

- 3.1 We will publish non-confidential responses on our website by mid-May, and the DSO Performance Panel Secretariat will summarise the responses so that they are available to the DSO Performance Panel. The DSO Performance Panel may contact DSO Stakeholders or distribution network companies to seek clarifications on call for evidence submissions.
- 3.2 The DSO Performance Panel Sessions will be held in Summer 2026. We will then publish the DSO Incentive Report by 30 September 2026. This report will contain DSO Performance Panel scores, the breakdown by criteria, associated reward/penalty, and detailed feedback for each distribution network company explaining the decision-making process.
- 3.3 We look forward to hearing from you. If you have any questions on the contents of this letter, please contact us at the email address listed [RIIOED2@ofgem.gov.uk](mailto:RIIOED2@ofgem.gov.uk).

### Send us your feedback

We believe that consultation is at the heart of good policy development. We are keen to receive your comments about this call for input. We would also like to get your answers to these questions:

- Do you have any comments about the quality of this document?
- Do you have any comments about its tone and content?
- Was it easy to read and understand? Or could it have been better written?
- Are its conclusions balanced?
- Did it make reasoned recommendations?
- Do you have any further comments?

Please send your feedback to [stakeholders@ofgem.gov.uk](mailto:stakeholders@ofgem.gov.uk).

## Appendix 1: DSO Performance Panel assessment criteria and weightings

<b>No.</b>	<b><u>DSO Performance Panel assessment criteria</u></b>	<b>Weighting</b>
1	Delivery of DSO benefits	30%
2	Data and information benefits	20%
3	Flexibility market development	20%
4	Options assessment and conflicts of interest mitigation	20%
5	Distributed energy resources (DER) dispatch decision-making	10%

## Appendix 2: DSO Performance Panel assessment scoring guidance

### Scoring guidance: Delivery of DSO benefits

	<b>Poor (1-2)</b>	<b>Weak (3-4)</b>	<b>Average (5-6)</b>	<b>Good (7-8)</b>	<b>Excellent (9+)</b>
Level of ambition	Benefits are poorly articulated and supported by a limited evidence base	Some consideration of benefits, but unclear to what extent they are driven by DSO activities  Assumptions are weakly articulated and not consistent with well-established methods for economic appraisal (eg, HM Treasury (HMT) Green Book)	Benefits from DSO activities (eg, flexibility) are well evidenced and correspond with ambition in DSO strategy  Consideration of the impact of DSO activities on different types of consumers, network users and the wider energy system (including carbon emissions)  Quantification of benefits is consistent with established methods for economic appraisal (eg, HMT Green Book)	As “Average”, but in addition evidence that the distribution network company is promoting wider system benefits (eg, greater network access for DER and better coordinated dispatch across the Transmission / Distribution boundary)	As “Good”, but in addition evidence that the distribution network company is taking a proactive role on regional cross vector investment planning and interfacing with local actors (eg, LA and GDNs)
Benefits realisation	No consideration of benefits realisation within the RIIO-ED2 period	Limited evidence that the delivery of benefits has been tracked	Clear articulation of actual benefits the distribution network company has realised within the RIIO-	As “Average”, but in addition evidence that the distribution network company has quickly and	As “Good”, but in addition evidence that the distribution network company has delivered

		within the RIIO-ED2 period	ED2 period through the delivery of its DSO strategy  Robust processes / KPIs for tracking benefits	proactively adapted existing plans and course-correcting where opportunity to increase benefits	additional outputs that seek to maximise benefits for customers
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**Scoring guidance: Data and information provision**

	Poor (1-2)	Weak (3-4)	Average (5-6)	Good (7-8)	Excellent (9+)
Scope, granularity and accuracy of data	Minimal planning, operational and market data and information collected and shared  No consideration of third-party data with little to no use of smart meter data  No strategic approach to delivering improvements with very weak evidence that the distribution network company is taking steps to improve data quality	Some basic planning, operational and market data and information collected and shared  Limited consideration of third-party data and limited use of smart meter data  Weak strategy in place to deliver improvements with only limited evidence that the distribution network company is	Comprehensive data and information provision across planning, operational and market roles, including at a minimum the data set out in the DSO Baseline Expectations <sup>4</sup>  Use of third-party data considered, including harnessing smart meter data  Clear evidence that the distribution network company is taking steps to improve data quality, with	As “average”, but in addition:  <ul style="list-style-type: none"> <li>• Clear evidence that the distribution network company is sharing additional data and information, where it has identified stakeholder value</li> </ul>	As “good”, but in addition:  <ul style="list-style-type: none"> <li>• The distribution network company is leading the sector in promoting planning, operations and market data availability</li> <li>• The distribution network company is sharing underlying methodologies and other insights beyond output data</li> </ul>

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<sup>4</sup> These include, but are not limited to, comprehensive and comparable heat maps, distribution flexibility tender results and curtailment as part of non-firm connection agreements.

	Little to no consideration of how to ensure data and information published is as accurate and unbiased as possible <sup>3</sup>	taking steps to improve data quality  Limited consideration of how to ensure data and information published is as accurate and unbiased as possible	processes in place to address gaps in datasets and drive up standards  Consideration of how to ensure data and information published is as accurate and unbiased as possible		
Accessibility of data	Little to no consideration of how to tailor data and information provision to DSO Stakeholders’ needs  Data is only available in differing, hard to use formats  Data is not readily available in a logical, easy to access location  Lack of credible evidence that industry	Some consideration of how to adapt data and information provision to distribution network company Stakeholders’ needs  Data is largely available in an accessible, common format  Data is largely available in a logical, easy to access location	The distribution network company has considered how to adapt data and information provision to DSO Stakeholders’ needs  Data is available in an accessible, common format  Data is readily available in a logical, easy to access location  Evidence that industry standards are consistently	Tailored approach to provision and clear evidence of how DSO Stakeholder engagement is being used to influence and improve provision  Data is available in an accessible, common format  Data is readily available in a logical, easy to access location	As “good” with in addition:  <ul style="list-style-type: none"> <li>• Provision of network models</li> <li>• Consistent and standardised use of Application Programming Interfaces (APIs) to allow DSO Stakeholders to automate their data collection</li> </ul>

<sup>3</sup> By accurate and unbiased we mean correct at time of publication, as close as possible to the actual value and not skewed in any direction.

	standards are being considered or applied	Some evidence that industry standards are being considered or applied	being considered or applied		
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**Scoring guidance: Flexibility market development**

	<b>Poor (1-2)</b>	<b>Weak (3-4)</b>	<b>Average (5-6)</b>	<b>Good (7-8)</b>	<b>Excellent (9+)</b>
Design of distribution flexibility products, contracts and processes	<p>Lack of standardisation across the distribution network company’s distribution flexibility services products, contracts, and qualification criteria</p> <p>The distribution network company is not following industry standard practice</p> <p>Limited DSO Stakeholder engagement has been undertaken to identify and address key issues hindering flexibility market development</p>	<p>Lack of standardisation across the distribution network company’s distribution flexibility services products, contracts, and qualification criteria, with limited justification</p> <p>The distribution network company is following industry standard practice in some areas, with limited justification where this is not the case</p> <p>Some DSO Stakeholder</p>	<p>The distribution network company’s distribution flexibility services products, contracts, and qualification criteria are standardised. Where not, credible justification is provided</p> <p>The distribution network company is following industry standard practice, eg, implementing Open Network Project deliverables. Where this is not the case a credible justification is provided</p> <p>Extensive DSO Stakeholder engagement has been undertaken to identify and address key issues</p>	<p>As “good”, but in addition:</p> <ul style="list-style-type: none"> <li>The distribution network company has implemented in full the current set of Open Network Project deliverables, and made improvements in response to DSO Stakeholder feedback</li> <li>Clear evidence that the distribution network company is unlocking the value of flex and energy efficiency in more nascent areas, eg, constraints on the</li> </ul>	<p>As “good”, but in addition:</p> <ul style="list-style-type: none"> <li>The distribution network company is setting an industry leading benchmark for distribution flexibility products, contracts and processes</li> </ul>

	The licensee is using proprietary systems	engagement has been undertaken to identify and address key issues hindering flexibility market development, but this largely relies on centrally-led programmes  The distribution network company is using proprietary systems	hindering flexibility market development  The distribution network company can demonstrate it has avoided proprietary systems	secondary (LV and HV) network  <ul style="list-style-type: none"> <li>• Clear plans to enable secondary trading of flexibility and curtailment obligations to be fulfilled</li> </ul>	
Facilitation of market access	Limited explanation of how the distribution network company is enabling third parties to provide market support services and platform services  Little to no evidence that the distribution network company has taken steps to support DER to provide services that meet both distribution network	Some explanation of how the distribution network company is enabling third parties to provide market support services and platform services  The distribution network company has taken modest steps to support DER to provide services that meet both distribution network company and	Clear explanation of how the distribution network company is enabling third parties to provide market support services and platform services  Clear evidence that the distribution network company has undertaken initiatives to improve market access and enabling simple, cost-	As “average”, but in addition:  <ul style="list-style-type: none"> <li>• The distribution network company is demonstrably providing operational data to the GB System Operator and other distribution network companies in a practical and accessible way (for instance via an Inter-control Center</li> </ul>	As “good”, but in addition:  <ul style="list-style-type: none"> <li>• Clear evidence that the distribution network company’s ambition extends beyond delivering distribution flexibility (for network minimisation, management and restoration) to enabling and</li> </ul>

	company and GB System Operator needs  Little to no justification provided for the use of exclusivity clauses	GB System Operator needs  Limited justification provided for the use of exclusivity clauses	efficient participation have been effective  Limited exclusivity clauses with credible justification where used	Communications Protocol (ICCP) link) to provide visibility and to coordinate / avoid conflicts  <ul style="list-style-type: none"> <li>The distribution network company can demonstrate that its commercial arrangements with DER enable better coordination with the GB System Operator</li> </ul>	facilitate flexibility for system optimisation
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**Scoring guidance: Options assessment and conflicts of interest mitigation**

	<b>Poor (1-2)</b>	<b>Weak (3-4)</b>	<b>Average (5-6)</b>	<b>Good (7-8)</b>	<b>Excellent (9+)</b>
Assessment of network options	Evaluation methodology used to assess options to resolve network needs is not clearly defined or accessible to DSO Stakeholders  Options assessment involves limited cross-sector engagement, optioneering and	Evaluation methodology used to assess options to resolve network needs is not clearly defined or accessible to DSO Stakeholders  Options assessment involves some cross-sector engagement, optioneering and	Evaluation methodology used to assess options to resolve network needs is clearly defined and accessible to DSO Stakeholders  Options assessment involves demonstrable cross-sector engagement, optioneering and planning	As “average”, but in addition:  <ul style="list-style-type: none"> <li>Proactive engagement with other network companies and current / prospective network users to resolve network needs</li> </ul>	As “good”, but in addition:  <ul style="list-style-type: none"> <li>The distribution network company has demonstrated the solution is economic and efficient over the long term, recognising the option value that flexibility and energy efficiency can provide</li> </ul>

	<p>planning with other sectors or vectors</p> <p>Evaluation methodology used to assess options to resolve network needs fails to recognise value of alternatives to conventional network reinforcement, including flexibility and energy efficiency</p>	<p>planning with other sectors or vectors</p> <p>Evaluation methodology used to assess options to resolve network needs inconsistently recognizes the value of alternatives to conventional network reinforcement, including flexibility and energy efficiency</p>	<p>with other sectors or vectors</p> <p>Evaluation methodology used to assess options to resolve network needs has a consistent approach to valuing alternatives to conventional network reinforcement, including flexibility and energy efficiency</p>		<ul style="list-style-type: none"> <li>The network options assessment has demonstrated how wider whole system options have been assessed to deliver identified needs at lowest cost</li> </ul>
<p>Management of conflicts of interest</p>	<p>The distribution network company has not introduced proportionate measures to identify and address actual and perceived conflicts between its DSO and network ownership roles</p>	<p>The distribution network company has not introduced sufficient proportionate measures to identify and address actual and perceived conflicts between its DSO and network ownership roles</p>	<p>The distribution network company has introduced proportionate measures to identify and address actual and perceived conflicts between its DSO and network ownership roles, including:</p> <ul style="list-style-type: none"> <li>Demonstrable executive level accountability and board-level visibility of DSO decisions</li> </ul>	<p>As “average”, but in addition:</p> <ul style="list-style-type: none"> <li>Outcomes of investment decisions are available on the distribution network company’s website in a clear, accessible format</li> <li>Demonstrable, wide-ranging stakeholder buy-in to the distribution network company’s approach</li> </ul>	<p>As “good”, but in addition:</p> <ul style="list-style-type: none"> <li>The distribution network company’s approach has been developed and validated through extensive DSO Stakeholder engagement and is backed up by compelling evidence</li> <li>The distribution network company is</li> </ul>

			<ul style="list-style-type: none"> <li>• Transparent, clear and separate decision-making frameworks supported by independent oversight</li> </ul>	<ul style="list-style-type: none"> <li>• and measures, including from market participants</li> <li>• A clear evidence base put forward to justify the distribution network company’s approach</li> <li>• Formalised distribution network company-DSO relationship (e.g. operational agreement, decision-making framework, distribution network company-DSO code)</li> </ul>	<ul style="list-style-type: none"> <li>• applying best practice, learning from other network operators and updating its approach in line and wider industry developments</li> <li>• The distribution network company is delivering opportunities to both seek and share insights from across the sector, driving improvements not only within their organisation but across the sector as a whole</li> </ul>
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**Scoring guidance: Distributed energy resources (DER) dispatch decision making framework**

	<b>Poor (1-2)</b>	<b>Weak (3-4)</b>	<b>Average (5-6)</b>	<b>Good (7-8)</b>	<b>Excellent (9+)</b>
DER visibility and dispatch	The distribution network company has little visibility of DER characteristics and data parameters	The distribution network company has some visibility of DER characteristics and data parameters	The distribution network company has comprehensive and robust visibility of DER characteristics and data	As “average”, but in addition: <ul style="list-style-type: none"> <li>• Enhanced DSO-GB System Operator communication</li> </ul>	As “good”, but in addition: <ul style="list-style-type: none"> <li>• Optimised whole system coordination of DER to resolving</li> </ul>

	<p>Poorly defined and opaque decision-making framework for when DER are instructed to dispatch in real-time, with no coordination of dispatch instructions</p> <p>Operating a dispatch instruction infrastructure, with no clear definitions or rules, that runs risk of “hard coding” capabilities in network operations to the distribution network company</p>	<p>Poorly defined and opaque decision-making framework for when DER are instructed to dispatch in real-time, with limited coordination of dispatch instructions</p> <p>Operating a dispatch instruction infrastructure, with weak definitions and opaque rules, that runs risk of “hard coding” capabilities in network operations to the distribution network company</p>	<p>parameters to inform effective and coordinated dispatch instructions</p> <p>Clear and transparent decision-making framework for when DER are instructed to dispatch in real-time, including primacy rules and comprehensive optimisation processes for coordinating dispatch instructions for DSO and GB System Operator flexibility services and curtailment</p> <p>Operating an efficient, scalable dispatch instruction infrastructure, with clear definitions and transparent rules, that avoids “hard coding” capabilities in network operations to the distribution network company</p>	<p>channels, eg, complete ICCP link installations</p> <ul style="list-style-type: none"> <li>Increased DER participation in GB System Operator markets</li> </ul>	<p>conflicts of services across GB System Operator and DSO</p> <ul style="list-style-type: none"> <li>Leading industry in ensuring dispatch logic is consistent and adhered to</li> </ul>
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