

Consultation

DNOs' future role in supporting the rollout of low carbon technologies

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This consultation forms part of our consultation on the methodology we should apply for ED3. It considers the role(s) that Distribution Network Operators (DNOs) could meaningfully play in supporting the necessary rollout of various low carbon technologies in homes across GB.

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1. Introduction

- 1.1 This consultation forms part of our wider consultation on the methodology we should apply for the next electricity price control, known as ED3, covering the 5-year period from April 2028 to March 2032. It considers the role(s) Distribution Network Operators (DNOs) could play in supporting the necessary rollout of various low carbon technologies (LCTs), sometimes described as Distributed Energy Assets (eg heat pumps, solar photovoltaic (PV), electric battery storage), in homes.

Purpose of this consultation

- 1.2 There has been a growing realisation that to achieve the energy transition in an effective, low-cost manner, that doesn't leave certain groups of households behind there will need to be better co-ordination between all parties involved in, or impacted by, the delivery of LCTs and energy efficiency (EE) measures. To achieve the increase in delivery that is needed to meet Clean Power 2030 and Net Zero 2050, we should also be considering how new approaches can complement existing activities to achieve best outcomes for consumers.
- 1.3 This consultation seeks to understand stakeholder views on the role DNOs could play in supporting an efficient energy system transition through enabling an effective rollout of domestic LCTs, including solar and batteries, as well as heat pumps and EE measures.¹ This would see DNOs continuing to work as part of existing competitive markets, and with new and established actors, to create a more integrated transition that works for all.
- 1.4 This consultation sets out our rationale and then covers a set of activities we refer to as '**Enhanced Co-ordination**', as well as asking high-level questions about other roles and responsibilities that DNOs could potentially have in the future, referred to in this consultation as an '**Expanded Role**'.

Key prior publications

- 1.5 The November 2024 [Framework consultation: electricity distribution price control \(ED3\)](#), asked: “*Should DNOs have a role in delivering energy efficiency measures to homes and businesses? What might the scope of these services be and how should they be funded?*”. Stakeholders supported DNOs taking on a co-ordination role, though views differed on what this should entail in practice. Several stakeholders favoured DNOs working in partnership with local and regional actors, using their local presence to enable a more area-based approach. We took these responses onboard as we developed our thinking.

¹ For the purpose of this consultation our definition of energy efficiency measures should be taken as insulation measures which increase the thermal efficiency of the building fabric.

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- 1.6 The November 2024 [Connections end-to-end review of the regulatory framework](#) and subsequent December 2025 [Connections end-to-end review: updated proposals and next steps](#), propose improving the visibility and accuracy of connections data, introducing clearer service standards, strengthening performance frameworks, enhancing the ambition of connection offers, standardising end-to-end processes, and aligning delivery with wider system and Clean Power 2030 objectives. The focus on data visibility and accuracy, and on improving connections, relates to this consultation. Efficiently connecting households as they transition to new electrified technologies is a key part of ED3 and the Connections end-to-end review. Therefore, any decisions we make as part of the current consultation process will align with our decisions being made in these programmes.
- 1.7 The April 2025 [Framework Decision: electricity distribution price control \(ED3\)](#) acknowledged the critical challenge of preparing networks for new sources of electrified demand and recognised both the necessary scale and speed of the transition, and the value that EE can provide for the occupants of treated properties, as well as for network and wider consumers, through reductions in final electricity demand and peak shaving.
- 1.8 The October 2025 ED3 [Sector Specific Methodology Consultation](#), committed to engaging with industry and consumer groups and to developing the current consultation document to inform our position on DNOs' future role in ensuring the effective delivery of EE and LCTs.
- 1.9 The January 2026 UK government [Warm Homes Plan](#), commits to developing an area-based, joined-up approach to delivery and to partnership working between different actors (including DNOs). Whilst the development of this policy is taking place independently of the government's Warm Homes Plan;² there are clearly interactions. It states that the rollout of clean heat, and other technologies, should be mindful of network need. Importantly, it also announces the creation of a Warm Homes Agency to support consumers navigating the complex retrofit market and facilitate co-ordination among different actors. These are some of the most significant aspects of the Warm Homes Plan that could bear on the policy approach we are consulting on, but there are others (eg, supply chains, skills, loan offers, and other financing mechanisms). We are working closely with the Department for Energy Security and Net Zero (DESNZ) to ensure any final decisions on the role of DNOs complement their policy approach.
- 1.10 The February 2026 [Local Power Plan](#) (LPP) sets out government's ambition for community and locally owned clean power resources to reduce consumer bills, create jobs, improve system resilience and generate income that communities can reinvest. The LPP is jointly owned by DESNZ and Great British Energy (GBE);

² [UK Government \(2026\) Warm Homes Plan](#)

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one of GBE's key activities is to drive the sustained long-term growth of local and community energy. DNOs are identified as key strategic partners and critical in realising the LPP's ambition. Not only will DNOs provide connection services to local power schemes, but the LPP also expects they will have key roles to play in developing and enabling Smart Community Energy and Smart Local Energy Systems, local area-based responses to system and market needs.

- 1.11 We also note the Autumn Budget announcement that the Energy Company Obligation (ECO), which is government energy efficiency scheme to tackle fuel poverty and help reduce carbon emissions, through installation of EE, will end in March 2026, with new schemes to be developed. We will ensure that any decisions on the future role of DNOs complement forthcoming government schemes.

Consultation stages

The consultation will take place across the following four stages. We also intend to hold workshops with interested stakeholders during the consultation window. If you or your organisation would like to participate in the workshops, please contact DNOLCTPolicy@ofgem.gov.uk.

Stage 1 Consultation open: 3rd March 2026

Stage 2 Consultation closes (awaiting decision). Deadline for responses: 2nd April 2026

Stage 3 Responses reviewed and published: April 2026

Stage 4 Consultation outcome included as part of the overall ED3 Sector Specific Methodology Decision (SSMD): May 2026

We intend to outline the next steps for Enhanced Co-ordination as part of the ED3 SSMD. We also intend to use the SSMD to set out any plans we have for future work in this area, ie, the timing of the potential summer 2026 consultation, and any options we are likely to be exploring in more detail.

How to respond

We want to hear from anyone interested in this consultation. Please send your response to the person or team named on the front page of this document.

We have asked for your feedback in each of the questions throughout. Please respond to each one as fully as you can.

We will publish non-confidential responses on our website.

Your response, data, and confidentiality

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,

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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.

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.

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 2.

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.

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2. Overarching rationale

- 2.1 The energy system is undergoing significant transformation. Electricity demand is projected to increase substantially during ED3 (the regulated price control period for electricity distribution networks covering 2028 to 2033). This forecast growth will be primarily driven by the uptake of electric vehicles and electric heating, well as new uses, notably from data centres.³
- 2.2 Technologies such as solar PV systems and battery storage, deployed at both domestic and grid scale, alongside the continued expansion of onshore and offshore wind generation, are creating new challenges and opportunities for the energy system. At the same time, households are expected to transition away from gas heating towards heat pumps and other low-carbon heating solutions (eg heat networks). Many of these assets, at both domestic and grid scale, will be flexible and are capable of adjusting to the needs and demands of the wider energy system.
- 2.3 Batteries and PV can deliver meaningful reductions in household energy bills.⁴ In particular, these technologies shift households from being passive consumers to 'prosumers', who both generate and use their own electricity.
- 2.4 This transition will require timely and efficient network upgrades and customer connections to support these technologies. A key challenge for ED3 is ensuring that DNOs prioritise planning and delivering these upgrades, utilising projections of future consumer behaviour.
- 2.5 Current schemes for private tenure households to install LCTs and EE are mostly demand led (eg Boiler Upgrade Scheme (BUS)⁵) or focus on particular types of households regardless of location (eg ECO). The resulting patchwork of installed flexible assets means there is a risk that they are not operated in a co-ordinated way, with other flexible technologies within individual homes or within an area, so some of the potential energy system benefits of these technologies may not be realised. There also remain challenges of market failures (such as split incentives in the private rental sector⁶), and low uptake of key technologies. Addressing this

³ The National Energy System Operator predicts annual electricity demand for all uses could increase from 290 TWh in 2024 to 705 TWh in 2050 under the Holistic Transition scenario. [NESO \(2025\) Future Energy Scenarios 2025 Pathways to Net Zero](#)

⁴ DESNZ analysis published as part of the Warm Homes Plan ([page 26](#)) suggests that households adopting a heat pump, solar PV and a battery could save up to £550 a year on their energy bill, compared to a gas boiler.

⁵ The Boiler Upgrade Scheme (BUS) is a UK government scheme providing upfront capital grants of up to £7,500 to support property owners to replace existing fossil fuel heating with low carbon alternatives including heat pumps and biomass boilers.

⁶ The split incentive is a market misalignment in rental housing where the party funding LCT or EE retrofit (typically, the landlord) does not receive the energy-cost savings (which typically accrue to the tenant paying the energy bills). This market failure leaves landlords with little motivation to invest, while tenants lack incentive because they do not own the property. Singhal, P., Sommer, S., Kaestner, K., & Pahle, M.

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requires upfront capital to realise longer term reductions in energy bills, and consumers with low incomes will need support to realise these savings.

- 2.6 While there have been smaller pilots of area-based approaches, and this approach is far more common in the social housing sector where cycles of repair and maintenance allow portfolios of properties to be improved at the same time, there are only limited examples of area-based delivery being deployed at-scale in private tenure homes.⁷
- 2.7 There is a growing body of expert opinion that a more area-based approach to the transition in homes would be useful.^{8 9 10 11} A more strategic, co-ordinated approach to the rollout of LCTs would increase certainty for networks. Greater certainty should reduce risk around the timing and impact of network upgrades and so reduce cost to consumers.
- 2.8 Co-ordinated delivery can also offer efficiencies of scale, where network upgrades such as unlooping can be carried out in a planned programme.¹² Programmes of work can also offer local supply chain benefits as well as cost savings from bulk purchase. Greater co-ordination and area-based delivery could also provide opportunities to improve consumer protection, as well as align local services and priorities, such as home improvements in social housing stock. Area-based uptake of low carbon heating technologies, such as heat pumps, can also create efficiencies by enabling grouped or streamlined gas disconnections from gas distribution networks.
- 2.9 For the wider energy system, the co-ordinated rollout of technologies such as batteries, solar panels, and other flexible assets can help reduce peak electricity demand. Lower peaks reduce the need for investment in gas-fired generation, cut gas consumption by enabling higher shares of renewables and storage, and ultimately strengthen national energy security while contributing to climate targets.
- 2.10 DNOs operate regionally in fixed locations, are stable entities keenly interested in understanding changing electricity demand and hold useful household and network data. They have relationships with key stakeholders in their network

(2025). [Singhal et al. \(2025\) Split-incentives in energy efficiency investments? Evidence from rental housing. Resource and Energy Economics, 82.](#)

⁷ We are aware of area-based approaches to retrofit taking in place in Wales ([Arbed](#)) and Scotland ([Energy efficiency: Area-Based Schemes](#)) and welcome examples from other nations or regions.

⁸ [UK Parliament \(2025\), Retrofitting homes for net zero: First Report Session 2024-25](#)

⁹ [NESTA \(2025\) Clean heat neighbourhoods](#)

¹⁰ [Carbon Co-op \(2023\), What does a place-based, citizen-led approach to retrofit look like?](#)

¹¹ [Energy Demand Research Centre \(EDRC\) – PEER Project \(accessed 2025\). 'Place-based retrofit & regeneration models'](#); [Innovate UK Business Connect \(2025\). 'Setting the standard: where the national and the local empower place-based retrofit'](#)

¹² In our ED3 Sector Specific Methodology Consultation we included a proposal for all DNOS to undertake proactive unlooping [Ofgem \(2025\) ED3 sector specific methodology consultation](#)

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areas, which have been strengthened through ED2 innovation projects, and other activities. As such, we think DNOs could be well placed to play a role in area-based delivery. Several respondents to our Framework Consultation and Sector Specific Methodology Consultation highlighted the potential benefits of taking an area-based approach to the transition, though many noted that evidence is limited due to limited real-world deployment.

- 2.11 We are considering if DNOs could play a role in accelerating the transition, reducing costs, and targeting support (especially at low-income households), while helping ensure the network and system operate efficiently and effectively. We are exploring whether giving DNOs a greater role in supporting the rollout of LCTs, especially battery and solar, as well as fabric efficiency upgrades could deliver these benefits.
- 2.12 Through this consultation, we intend to gather stakeholder views on 'Enhanced Co-ordination' role(s) that DNOs could deliver to enable an effective and efficient rollout of LCTs and EE in homes, recognising the importance of system interactions between distribution networks and these devices. We plan to gather stakeholder views on how these activities could be delivered within the existing regulatory framework.
- 2.13 In addition, we invite stakeholder views on an 'Expanded Role' for DNOs through a series of high-level questions, responses of which may inform a subsequent consultation scheduled for summer 2026. Any Expanded Role activities would be in addition to Enhanced Co-ordination activities. Expanded Role activities would be subject to further consultation. Any decision will take account of commitments and decisions made in supporting investment and innovation in the retail market¹³,¹⁴, outcomes from our Connections end-to-end Review¹⁵ and the DNO Asset Visibility consultation process.¹⁶
- 2.14 There may be interactions between these proposals and the work of the National Energy System Operator (NESO) in its role as regional energy strategic planner. The development of Regional Energy Strategic Plans (RESPs) will require local stakeholders, including DNOs, to collaborate on national and regional system plans to support the energy transition. The exact role(s) the recently-announced Warm Home Agency will ultimately fulfil are still to be clarified by the UK government, but the description of its activities in the Warm Homes Plan suggests it will play a critical role in place-based delivery, could play a role in co-ordinating activities between different entities in the energy sector, could facilitate partnerships between different stakeholders, and will play a significant role in

¹³ [Ofgem \(2024\) Consumer Confidence](#)

¹⁴ [Ofgem \(2025\) Markets Regulatory Strategy and Vision to 2030](#)

¹⁵ [Ofgem \(2024\) Connections end-to-end review of the regulatory framework consultation](#) and [Ofgem \(2025\) Connections end-to-end review: updated proposals and next steps consultation](#)

¹⁶ [Ofgem \(2025\) Enhancing asset visibility: Distribution Network Operator options](#)

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delivering government schemes (including being the principal consumer-facing entity).¹⁷ We would want the activities consulted on here to complement this work rather than duplicate it.

2.15 In order to deliver excellent consumer propositions and outcomes - and help drive significant uptake of LCTs - there is a critical role for innovation and the competitive market (as we recognised in our Markets Regulatory Strategy and Vision to 2030)¹⁸. We will need to consider how any significant role for the DNOs works in concert with this, rather than undermining it.

Q1. Should DNOs play a role in co-ordinating and supporting a cost-effective energy transition through improved planning and supporting/directing targeted delivery? How can they help make the transition more efficient and affordable for everyone, and do they have a role in supporting lower-income households?

¹⁷ [UK Government \(2026\) Warm Homes Plan](#) (Pages 78-80).

¹⁸ [Ofgem \(2025\) Markets Regulatory Strategy and Vision to 2030](#)

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3. Enhanced Co-ordination

In this section, we set out the 'Enhanced Co-ordination' activities we propose DNOs could deliver in ED3. We explain how these activities build on progress made under the current RII0-ED2 price control, especially Special Condition 9.13 (SpC 9.13): Smart Optimisation Output, and describe how we propose ensuring these activities are delivered efficiently and effectively.

Rationale

- 3.1 A more strategic, long-term approach to network investment is a key objective for ED3, supporting the expected growth in electricity demand and enabling domestic LCT rollout. In our Sector Specific Methodology consultation (SSMC) we sought views on whether greater co-ordination between DNOs and local stakeholders could also support more effective rollout of LCTs and EE measures in homes. Three DNOs and 5 other respondents to our ED3 Framework Consultation, and 4 DNOs and a majority of other respondents to our SSMC agreed that DNOs could add value by playing a greater co-ordination role (though many DNO SSMC responses were brief, in recognition of this forthcoming consultation and need for further detail). Many respondents were supportive of DNOs utilising their position in the energy system, their network data, and relationships with stakeholders to improve the efficiency of the LCT and EE rollout.
- 3.2 In developing their ED3 business plans, DNOs will prepare long-term integrated network development plans. These plans will take a more holistic, long-term view of network needs and support a more programmatic approach to delivering local network upgrades, including proactive unlooping.
- 3.3 This longer-term approach creates an opportunity for greater co-ordination between DNOs and local stakeholders, enabling collaboration between future work programmes. In doing so, DNOs could help to ensure that local or national government LCT and EE delivery aligns with network investment and vice versa, with both co-ordinated to maximise wider system benefits.
- 3.4 Relationships between DNOs and their stakeholders continue to strengthen, supported by new licence obligations introduced in ED2 that require DNOs to publish collaboration plans and share more network data. Building on these relationships, the regulatory foundations already in place, and learnings from relevant ED1 and ED2 innovation projects, we are ambitious about how DNO roles and responsibilities might evolve during ED3 and beyond.
- 3.5 Local authorities and other local stakeholders are likely to play a significant role in enabling the transition to a low carbon housing stock and energy system, given their roles in housing provision and planning. The UK government's commitment to local partnerships in the Warm Homes Plan supports this. Evidence from a global review of energy retrofit programmes highlights local actor involvement as

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a key success factor,¹⁹ and various UK energy and retrofit expert organisations have long called for local stakeholders to be enabled to play a greater role in the transition.²⁰

- 3.6 As local stakeholders continue to build this capability, it will be important for DNOs to enable the optimal planning and delivery of these activities by sharing data with them, helping to identify and prioritise suitable areas, and considering these programmes when developing and delivering network investment plans. We have discussed these roles as part of our proposals around Independent Stakeholder Groups (ISGs), whose role we expect to develop in ED3 to have a greater focus on ongoing monitoring of DNO stakeholder engagement and data sharing²¹ (discussed in detail in 3.31-3.32).
- 3.7 NESO is working closely with national and regional stakeholders, including the DNOs, to develop and publish long-term demand and generation pathways for different areas based on specific national and regional contexts. A more co-ordinated approach to LCT and EE delivery between DNOs and local stakeholders in ED3 supports a more holistic, longer-term approach to energy system planning and could enhance the data inputs of RESPs at a granular level. In addition, we are conscious that the role of the RESP itself will evolve and it may be that a single independent view that can co-ordinate the technical aspects of the transition across all energy vectors will be needed - in particular to consider the evolution of the gas and electricity networks together. As such, the role of DNOs should be considered alongside the potential evolution of RESPs.

NESO's Regional Energy Strategic Plans

In early 2025, NESO became responsible for producing Regional Energy Strategic Plans (RESPs) for Great Britain. The plans will help ensure that local areas get the energy infrastructure they need to meet local net zero and growth ambitions, and help communities to access reliable, clean and affordable energy. The RESPs will form part of NESO's wider strategic energy planning activities, ensuring a joined-up approach between national, regional and local levels.

Ofgem awarded NESO the RESP role on the 15th [November 2023](#). Following our [public consultation](#) (which ran from 30th July to 9th Oct 2024), we published our final decision on the details of the [RESP role on 2nd April 2025](#).

¹⁹ [UKERC \(2025\). 'Accelerating Energy Efficiency Retrofits in Owner-occupied Homes An International Review of Good Practice Policies'](#)

²⁰ [NESTA \(2024\), Delivering clean heat - a policy plan](#)

²¹ [Ofgem \(2025\) ED3 Sector Specific Methodology Consultation](#) (Pages 243-247).

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Building upon the License Obligation Enhanced Co-ordination

3.8 As part of ED2, DNOs have been required to make certain types of data available to their stakeholders and set out how they plan to engage with stakeholders in their network areas. DNOs have, for the most part, met these requirements and some have innovated in these areas. We see these activities as the foundation for DNOs to build on as they develop a stronger co-ordination role. In our SSMC, we reflected on responses to our Framework Consultation, stating: *"there were repeated references to DNOs making the network and household data they hold more available to scheme providers with the goal of streamlining the delivery of schemes. Several stakeholders also argued in favour of DNOs working in partnership with local and regional actors, such as local authorities and housing associations"*.²² Our view is that these are valuable activities and the most effective way of achieving them in ED3 will be to strengthen components of the Smart Optimisation Output (SOO) License Obligation.²³

3.9 Therefore, the primary licence condition these Enhanced Co-ordination proposals build upon is Special Condition 9.13 (SpC 9.13): Smart Optimisation Output (SOO) License Obligation, consisting of two parts:

- part 1: a Collaboration Plan
- part 2: a System Visualisation Interface

3.10 Paragraph 1.5 of the relevant ED2 SOO Guidance document²⁴ states that the SOO will *"facilitate more meaningful collaboration and partnerships between DNOs and their local stakeholders by structuring and packaging DNO network and strategic development data to make them more accessible, transparent and interoperable."*

3.11 Paragraph 1.11.1 of the SOO Guidance document states that the purpose of creating Collaboration Plans is to produce a document *"describing how the DNO will collaborate with stakeholders through a more transparent and user-centric approach to the sharing of data and how the DNO will work in partnership with stakeholders to support the development of local and regional net zero strategies."*

3.12 Paragraph 1.11.2 of the SOO Guidance document states that the System Visualisation Interface is *"a section of the DNOs website and open data portal²⁵ that provides access to a package of forward-looking, open and accessible, digital network tools."*

²² [Ofgem \(2025\) ED3 Sector Specific Methodology Consultation](#) (Page 76. Paragraph 1.123).

²³ [Ofgem \(2022\) ED2 Final Determinations](#) (Pages. 59-60), and [Ofgem \(2022\), ED2 Core Methodology](#) document (pages 91-97).

²⁴ [Ofgem \(2023\) Smart Optimisation Output Guidance](#) accompanying the [Ofgem \(2022\) RIIO-ED2 Statutory Licence Consultation](#)

²⁵ The open data portal is a separate digital initiative under RIIO-ED2 and DNOs were encouraged to use this portal once available to help provide the System Visualisation Interface.

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Proposed scope of activities

3.13 Our view is that the SOO License Obligation can be strengthened in order to improve the quality and availability of data for DNO stakeholders so they have a better understanding of the network in their area, and to improve the quality of DNO stakeholder engagement so that stakeholder investment plans can be incorporated into DNO network planning.

3.14 In the remainder of this section we first outline, at a high level, our proposed changes to both the Collaboration Plan and System Visualisation Interface components of the SOO, before covering each aspect in more detail.

Community Collaboration Plans

3.15 For Collaboration Plans, we are proposing changes in the following areas:

- proactive identification of key stakeholders
- setting out planned stakeholder engagements
- integrating stakeholder plans into network planning
- entering into Scheduling and Co-ordination Agreements
- including Community Collaboration Plan engagement in annual reporting

Data sharing and visualisation

3.16 We are eager to understand stakeholder views on the value of the System Visualisation Interface and whether additional non-DNO data and alternative data presentations would be useful. We are considering:

- requiring DNOs to engage stakeholders on what non-DNO-held data should be included
- requiring additional useful data to be published in accessible, interoperable formats

3.17 To inform our decisions, we are keen to hear whether non-DNO stakeholders would benefit from DNOs providing more datasets, whether accessible raw data is sufficient, or if other formats (eg maps) would add value.

Working with Local Authorities and others

3.18 We are eager to understand stakeholder views on whether it would be valuable for DNOs to build on elements of the SOO to offer certain types of advice to local authorities in their network area. We are considering if DNOs:

- could provide technical support or advice to local authorities to support their area-based decarbonisation programmes
- could provide tools or software to enable local authorities to deliver decarbonisation or retrofit plans or build and connect renewable generation

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- present different network build options to local authorities to inform their decision making

3.19 We would also like to hear if there are other actors that may benefit from standardised advice and tools. We are conscious that the Warm Home Agency may be one such party and will continue to engage as this develops.

Strengthen Collaboration Plans to create Community Collaboration Plans

Proactive identification of key stakeholders

3.20 We propose that DNOs will report, through a Community Collaboration Plan, who their key stakeholders are. Stakeholder identification is an activity referenced in our Independent Stakeholder Group guidance in SSMC.²⁶ These stakeholders include: devolved governments (where applicable), regional government, local authorities, Heat Network Zone Co-ordinators (and their equivalents in Scotland and Wales), and NESO. It may include (but is not limited to): The relevant Gas DNO(s), social housing providers, energy suppliers, retrofit-focused and community energy organisations, or agglomerations of these groups if it is more effective to engage in this way.

3.21 Current guidance describes the Collaboration Plan as only outlining *"how the DNO will collaborate with stakeholders"*²⁷ and how the DNO is *"collaborating and partnering with other stakeholders."*²⁸ It does not require DNOs to identify their key stakeholders.

Setting out planned stakeholder engagements

3.22 We propose that DNOs also outline, within their Community Collaboration Plan, how they plan to engage their identified stakeholder groups in the year ahead. Each year, DNOs would state how they will engage each stakeholder group, what they will be seeking to achieve, and report whether they fulfilled their commitments the previous year. The Collaboration Plan element of the Smart Optimisation Output (SOO) currently requires DNOs to explain how they share data and collaborate with stakeholders, but this is largely retrospective.

Integrating stakeholder plans into network planning

3.23 We propose requiring DNOs to show where their network planning has changed as a result of engagement with local or regional stakeholders and through assessments of their plans. This could help to clarify how stakeholder

²⁶ [Ofgem \(2025\) ED3 Sector Specific Methodology Consultation](#) (Page 243. A4.2.0).

²⁷ [Ofgem \(2023\) Smart Optimisation Output Guidance](#) (Page 7, Paragraph 1.11.1).

²⁸ [Ofgem \(2023\) Smart Optimisation Output Guidance](#) (Page 9 Paragraph 2.1.5).

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collaboration shapes network planning and indicate the quality of DNO engagement.

- 3.24 The SOO requires DNOs to *"participate fully in the co-development of local area energy plans, net zero roadmaps and other strategies and cross-utility solutions, led by local and regional authorities..."*.²⁹ While we have seen evidence of DNOs supporting these efforts, we have also heard from stakeholders that DNOs could be more proactive in aligning network investment with local and regional decarbonisation plans.³⁰

Scheduling and Co-ordination Agreements

- 3.25 Building on the above, we are considering whether it would be beneficial for DNOs to be encouraged to enter into Scheduling and Co-ordination Agreements (SCAs) with key stakeholders (eg local and regional government). Similar to Memorandums of Understanding, these agreements would commit both parties to proactively sharing network and retrofit investment plans to enable the timely installation of enabling works aligned with stakeholder investment plans. We welcome stakeholder views on whether such optional agreements could strengthen collaboration and improve the effectiveness and efficiency of network and decarbonisation investments.
- 3.26 As part of the current price control we have seen DNOs collaborate more closely with local authorities and social housing providers, strengthening relationships and improving outcomes for the network and vulnerable consumers (see highlight box below).

Case Study: UK Power Networks' Flex Direct project³¹

The Flex Direct project was a UK Power Networks (UKPN) Strategic Innovation Fund - Discovery project exploring whether local authorities (LAs) and Social Housing Providers (SHPs) could play a role in delivering energy efficiency-led flexibility, with these stakeholders acting as aggregators that DNOs could procure flexibility services from. Delivered with Centre for Sustainable Energy, Sia Partners, and Imperial College Consultants, the project explored how better co-ordination and new commercial models for flexibility could potentially unlock system and consumer benefits.

The Discovery Phase found strong interest from LAs and SHPs but clear challenges around incentives, data-sharing and administrative burden.

²⁹ [Ofgem \(2023\) Smart Optimisation Output Guidance](#) (Page 9. Paragraph 2.2).

³⁰ Several respondents to our [Ofgem \(2024\) Connections end-to-end review of the regulatory framework consultation](#) highlighted that better visibility of DNO data, for example, on connections and network capacity would be valuable. Respondents also called for better integration of local and regional plans into network planning.

³¹ [Energy Networks Association Innovation \(2024\) Innovation Portal UKPN 10061348](#)

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A high-level Cost Benefit Analysis indicated that scaling Flex Direct could deliver substantial system value - up to £110m in UKPN's regions and £315m across Great Britain over 10 years - primarily through deferred network reinforcement and improved whole-system efficiency.

Overall, Flex Direct highlighted opportunities to align retrofit delivery with flexibility needs, which could enable LAs and SHPs to become key contributors to a smarter, more efficient energy system if such an approach was developed at scale.

Including Community Collaboration Plan engagement in annual reporting

3.27 We are considering requiring reporting on stakeholder engagement as part of DNO annual reporting, including metrics to assess how successfully the Community Collaboration Plan has been implemented, to make it a more prominent part of DNO accountability. Currently, DNOs *"must publish their Collaboration Plan for each reporting year... [and] ensure that the SOO is available on its website."*³² We welcome stakeholder views on the need for additional reporting in this area and on suitable measures of success.

How success will be measured

3.28 We intend to continue requiring the creation of annual Collaboration Plans, renaming them to Community Collaboration Plans, as part of a License Obligation. Additionally, we intend to require DNOs to report annually, as part of their Community Collaboration Plan, on:

- who their identified key stakeholders are
- the type of engagements they plan to undertake with their key stakeholders over the coming year and whether they met the previous year's planned engagements
- any network planning decisions that were informed by their key stakeholders' investment plans, with evidence to demonstrate this
- whether any SCAs were agreed upon, and with which stakeholders

3.29 We propose that failure to create an annual Community Collaboration Plan containing the above additional reporting requirements would see DNOs being in breach of their license (as is currently the case for the creation of Collaboration Plans in ED2).

3.30 We see two broad routes to DNOs reporting on these activities and Ofgem having oversight of their activities:

- Ofgem continues to monitor DNO adherence to the SOO, including new activities we have proposed, with limited engagement with the ISGs

³² [Ofgem \(2023\) Smart Optimisation Output Guidance](#) (Page 10. 2.5).

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- each DNOs ISG has a defined role in supporting Ofgem's oversight of DNO stakeholder engagement. ISGs monitor and report to Ofgem on the quality of DNOs' stakeholder engagement and how it has impacted DNOs network planning decisions

3.31 The current SOO requirements are monitored exclusively by Ofgem. Given this arrangement, it may follow that Ofgem remains best placed to monitor these activities. The current Customer Engagement Groups provide challenge on DNOs Business Plans, but do not have an ongoing monitoring role during the price control. Ofgem may also be better placed to monitor the quality of DNO stakeholder engagements and any impacts it has had at a national level - comparing between DNOs. However, there is a risk that this may become a 'tick box' exercise, and does not meaningfully incentivise nor assess community collaboration.

3.32 In the Framework Decision, we committed to adopting the RII0-3 approach and mandating ISGs as the main stakeholder engagement forum. ISGs will challenge companies on their delivery, in this case, the quality of their stakeholder engagement, how this has shaped their Business Plans, and how they continue to engage throughout the price control, ensuring stakeholder and consumer views remain central (with Ofgem retaining overall oversight). We set out in Appendix 4 of the SSMC further guidance on ISG membership, roles, and remit. This included guidance which stated that DNOs will be responsible for *“providing the ISG with information and evidence that will enable it to monitor how consumers and stakeholders have been engaged and how any such engagement has affected... company decision making during the ED3 period”*.³³

3.33 We also included guidance which stated that ISGs' roles would include *“encouraging change towards a culture of more consistent, relevant and more effective stakeholder engagement by the company through scrutiny, challenge and monitoring of its engagement strategy, plans and performance”*³⁴ Tasking each DNOs ISG with monitoring and reporting to Ofgem on the quality of DNOs stakeholder engagement could be seen to align with the proposals we set out regarding ISGs in the SSMC. ISGs may be better-placed to monitor the quality of DNOs stakeholder engagement and report this to Ofgem (who would retain ultimate responsibility for holding DNOs to account) given they will include representatives with *“expertise on research and/or engagement, and a consumer champion or equivalent”*,³⁵ and may also be better placed to take account of more qualitative data than Ofgem. Ofgem would retain ultimate responsibility for holding DNOs to account in this situation.

³³ [Ofgem \(2025\) ED3 Sector Specific Methodology Consultation](#) (Page 243. A4.3).

³⁴ [Ofgem \(2025\) ED3 Sector Specific Methodology Consultation](#) (Page 244. A4.4).

³⁵ [Ofgem \(2025\) ED3 Sector Specific Methodology Consultation](#) (Page 246. A4.11).

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- 3.34 We are interested in stakeholders' views on whether ISGs should support Ofgem's reporting and monitoring efforts to ensure the best outcomes from Enhanced Co-ordination are delivered.
- 3.35 We recognise the potential overlap between these activities, NESO's RESP engagement in the nations and regions, and the future activities of the Warm Homes Agency (WHA), which will also convene local stakeholders. Regarding RESP Strategic Boards, our understanding is that the stakeholders and activities that DNOs will take into account through their Community Collaboration Plans are likely to differ, with RESP Strategic Boards focused on oversight, co-ordination, strategic steer and approval of the RESPs, while Community Collaboration Plans (as described in this consultation) will address more granular, near-term engagement. Regarding the WHA (Section 1.9), while the UK government's Warm Homes Plan set out the WHA's possible scope of activities, its exact role is still to be defined. Because of this, we propose that the scope of the activities proposed here, the work of the RESP Strategic Boards and the WHAs activities should be kept under review to prevent duplication of activity and co-ordination between these actors.

- Q2. Do you agree with the overall rationale and scope of 'Enhanced Co-ordination'?
- Q3. What are your views of the effectiveness of the existing Collaboration Plan requirements? Do you think the enhanced Community Collaboration Plans we have described would be helpful to stakeholders and, if so, how best should they be monitored?

Strengthen System Visualisation Interface to improve data sharing and visualisation

- 3.36 In addition to the existing requirements of the System Visualisation Interface element of the SOO, and our broader commitment to improving the quality, accuracy and interoperability of DNO-published data, we are considering whether this element could be strengthened in the following ways:

Identifying and publishing additional data sources

- 3.37 We are seeking views from non-DNO stakeholders, particularly local and regional government, on whether current DNO-published datasets - covering network assets, capacities, locations, and constraints across all voltage levels³⁶ - are helpful. We also want to understand what additional data would help local stakeholders, including public datasets from other organisations or data held by stakeholders themselves. Examples of data sets could include:

- domestic Energy Performance Certificate (EPC) data

³⁶ [Ofgem \(2023\) Smart Optimisation Output Guidance](#) (Page 11, 3.1.1).

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- socio-economic data such as Indices of Multiple Deprivation, fuel poverty estimates, and the location of households with council tax exemptions
- likely heat network zones/planned heat networks
- the location of existing and planned social housing developments

3.38 We have seen recent innovation projects pilot approaches where DNOs combine varied data sources to identify vulnerable consumers in their network area and direct them to project partners who can offer practical support and advice.

Case Study: Scottish and Southern Electricity Networks Distribution's VIVID innovation project³⁷

The VIVID (Vulnerability Identification Via Informative Data) project, funded by the Strategic Innovation Fund, aimed to improve how vulnerable consumers are identified and supported. It combined energy industry data, local authority records, third-sector datasets, and smart meter data to build a more complete picture of households potentially in need of assistance. These datasets were compared, merged, and analysed using machine learning to uncover consumers missing from existing support schemes, including the Priority Services Register (PSR).

Key project partners included SSEN-D, CGI, Quarriers, DCC, and Aberdeen City Council.

Households identified as potentially vulnerable were offered a range of practical, financial, and advisory assistance, such as PSR registration, tailored energy advice, digital skills support, benefit entitlement checks, energy-efficiency interventions, fuel vouchers, and guidance on low-carbon technologies.

VIVID demonstrated that secure data sharing, combined with smart-meter insights and community-based engagement, can deliver more accurate targeting, improve support uptake, reduce costs for networks, and enhance fairness for low-income and vulnerable households.

VIVID has now progressed to the SIF Beta phase by incorporating network investment prioritisation calculations from the VFES project. Combined, they have created an ambitious 3-year innovation known as VERIFY (Vulnerability Evaluation for Resilience Investment and Flexibility). [VERIFY | SSEN Innovation](#)

3.39 In addition to the data sets described in 3.37, in line with proposals in the SSMC, we will expect DNOs to use (t)RESP forecasts and other data sources to produce likely trajectories for the metrics they hold data for (ie, network capacity, grid constraints, LCT connections, etc).

³⁷ [Energy Networks Association \(2024\) Scottish & Southern Electricity Networks Distribution10085417](#)

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- 3.40 The current SOO guidance states: *“If, in the process of collaborating with local stakeholders, DNOs decide that there is a need for additional digital products or services, these should be incorporated into the SOO.”*³⁸ We propose that, as part of Community Collaboration Plans, it would be valuable for DNOs to engage with their identified stakeholders to understand which non-DNO-held datasets could materially support stakeholders' decarbonisation plans
- 3.41 In line with Ofgem's Data Best Practice Guidance, this data should be 'presumed open', ie, treated as open by default unless sensitivities are identified. With more sensitive data shared through the Data Sharing Infrastructure with key stakeholders.³⁹
- 3.42 Our view is that, taken together, the benefits of improving the quality, accuracy and interoperability of data, and including additional stakeholder-identified data sets could include:
- faster connections for stakeholder projects through planning that reflects local network capacity and constraints
 - improved DNO understanding of low-voltage networks
 - better targeting of property clusters for LCT programmes
 - stronger DNO–stakeholder relationships through the sharing of datasets (being mindful of sensitive data)
 - more accurate bottom-up forecasts of key network metrics, improving RESP outputs
- 3.43 We intend to continue requiring the creation of System Visualisation Interfaces (or their equivalents) as part of an overall License Obligation. Similarly to 3.30-3.32, the question of whether ISGs could be well-placed to enhance Ofgem's monitoring of DNOs' engagement with stakeholders, to strengthen their outputs, is something we are interested in exploring further.
- 3.44 We are keen to understand from stakeholders whether the current requirement for DNOs to publish System Visualisation Interface data on their websites and open portals is sufficient, or whether it would be valuable to present DNO-held, and other datasets, in alternative formats (eg, maps).
- 3.45 Currently, the SOO *“does not require the development of a digital map or platform”*.⁴⁰ There is a growing market of companies providing mapping and pre-connection tools to developers. We do not wish to stifle this innovation. As part of the wider ED3 design process, as well as our recent 'Connections end-to-end review: updated proposals and next steps consultation',⁴¹ we have signalled a desire for DNOs to improve the quality and accuracy of the raw data they publish

³⁸ [Ofgem \(2023\) Smart Optimisation Output Guidance](#) (Page 12, 3.5).

³⁹ [National Energy System Operator \(Accessed 2026\) Data Sharing Infrastructure \(DSI\)](#)

⁴⁰ [Ofgem \(2023\) Smart Optimisation Output Guidance](#) (Page 12. Paragraph 3.3).

⁴¹ [Ofgem \(2024\) Connections end-to-end review of the regulatory framework consultation](#)

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and to improve the interoperability of their data sets,⁴² rather than focusing on the creation of new visualisation tools.

3.46 However, some stakeholders have told us that their decision-making and investment planning would be supported if DNOs were able to produce (or procure others to produce) up-to-date maps of their network areas⁴³ that include key network data, as well as potentially some of the additional datasets described in the section above.

3.47 Several DNOs have already produced dynamic maps of their network areas, with support from third-party developers, partly to meet their SOO requirements. We do not want to stifle these efforts if they are valuable to DNOs or their stakeholders.

3.48 While we can see potential benefits in DNOs developing maps or other data visualisation tools, we can also foresee risks with this approach. These include:

- outputs are not valuable for stakeholders or duplicate existing activities
- DNOs not engaging with all key stakeholders to understand what additional data layers may be useful
- DNOs lacking the capability to produce useful maps, or mapping distracting DNOs from improving the quality of raw data

Q4. How useful is the data currently published by DNOs, and is it presented adequately?

Q5. What are your views on strengthening the System Visualisation Interface requirement, and would it be valuable for DNOs to collate and publish additional non-network datasets, if so, which datasets would be most beneficial?

Working with Local Authorities and others

3.49 We are eager to understand stakeholder views on whether it would be valuable for DNOs to build on elements of the SOO to offer certain types of advice and support to local authorities in their network area (recognising that DNOs already support and advise local authorities). We are considering if DNOs could:

Provide technical support or advice

3.50 DNOs have access to useful data as well as technical expert staff. We are interested in understanding from stakeholders whether DNOs could usefully provide technical support or advice to local authorities to support their area-based decarbonisation programmes.

⁴² [Ofgem \(2025\) Enhancing asset visibility: Distribution Network Operator options](#)

⁴³ Discussed during stakeholder engagement undertaken to inform this consultation. Additionally, several respondents to [Ofgem \(2024\) Connections end-to-end review of the regulatory framework consultation](#) suggested maps or GIS-based systems utilising DNO data would be valuable.

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3.51 Currently, the SOO, when describing the core components of Collaboration Plans, says that DNOs must *"detail how the licensee is collaborating... with other stakeholders in the co-development of certain strategic regional projects, plans and net zero strategies, where these are being led or co-ordinated by others. Active participation, by licensees, in the development of these strategies is fundamental and the Collaboration Plan should explain how interested stakeholders can access people and information from within the licensee's organisation to support such collaborative projects."*⁴⁴ We are interested in stakeholders' views on how well these activities have been delivered to-date and whether the provision of DNO technical support and advice could meaningfully support local authorities' area-based decarbonisation plans.

Provide tools or software

3.52 As part of ED2 we have seen some DNOs develop consumer, developer and local authority-facing tools and software to support their efforts to install and connect generation and demand assets. We are interested in understanding whether stakeholders think it would be valuable for all DNOs to develop and provide tools or software to enable local authorities to deliver decarbonisation or retrofit plans or build and connect renewable generation.

3.53 Currently, the SOO, when describing the components of the System Visualisation Interface, states that DNOs must *"provide a representation of the DNO's existing network assets and associated constraints using both static and dynamic data. Such data should include the type, capacity, and location of assets and the location and specific nature of constraints, on all parts of the distribution network, at all voltage levels."*⁴⁵ And that DNOs must *"incorporate data sets, digital tools, strategies and reports that exist under their respective DSO, LRE and Data & Digitalisation strategies"*.⁴⁶

3.54 Such tools and software could be limited to network-only information, including plans for upgrades, but it could extend beyond this, especially where DNOs already have capabilities themselves. Notably, in developing Local Area Energy Plans, much of the technical assessment eg of housing stock, is often procured by local authorities from consultancies, and there may be opportunities to provide a more uniform and cost effective service for key elements of this. Furthermore, in order to model LCT uptake, a data-led spatial understanding of future consumer behaviour will be important in informing DNOs plans. Sharing this insight may be helpful to others. We are interested in stakeholders' views on whether the tools and software developed by some DNOs to support efficient installation of generation and demand assets, which incorporate the data sets above, have been effective, and whether it would be valuable for all DNOs to offer this kind of tool or

⁴⁴ [Ofgem \(2023\) Smart Optimisation Output Guidance](#) (Page 9. Paragraph 2.1.5).

⁴⁵ [Ofgem \(2023\) Smart Optimisation Output Guidance](#) (Page 11. Paragraph 3.1.1).

⁴⁶ [Ofgem \(2023\) Smart Optimisation Output Guidance](#) (Page 11. Paragraph 3.1.4).

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software, and whether it should be expanded, including potentially to enable full LAEP planning.

Present network build options

- 3.55 As part of ED2 several DNOs have been proactive in sharing their network investment plans with stakeholders. The widespread use of NESOs Future Energy Scenarios and the advent of tRESP have strengthened the forecasting opportunity for DNOs. As RESPs are developed in the lead up to ED3 commencement and DNOs prepare to upgrade significant amounts of their networks, understanding possible network build scenarios will become increasingly important. While the methodology for RESP is still to be finalised, there will be a process for DNOs to demonstrate how their network build aligns with regional plans. To support this work, we are interested in stakeholders' views regarding the role DNOs could play in proactively sharing possible network build options with local authorities and other stakeholders to inform their decision making.
- 3.56 Currently, the SOO states that *"DNOs have a fundamental role to play in enabling this future [a highly optimised and integrated future energy system]. Firstly, by making data about their existing networks more accessible and presenting a vision of how they see these networks evolving in the future and secondly, by engaging collaboratively with stakeholders, to both inform the licensee's own strategic planning activities and to support the creation of least cost decarbonisation pathways for electricity, heat and transport, at a local level, in partnership with others."*⁴⁷ DNOs should also *"provide a representation of the DNO's network in the future, including expected constraints."*⁴⁸ We are interested in stakeholders' views on whether a mechanism for DNOs to proactively share possible network build scenarios with local authorities would add value and what hurdles there could be to developing such an approach.

Other points to consider

- 3.57 Independent network operators (iDNOs), own and operate their own local electricity distribution network, often in housing or commercial estates. We are interested in understanding how iDNOs could support all Enhanced Co-ordination proposals, given their unique position within the energy system. Similarly, we are also interested in how these proposals relate to both private wire connected properties and license-exempt networks. We welcome consultation responses which include these perspectives.
- 3.58 We are also interested in understanding how these proposals can integrate with NESO's RESP programme. RESPs are not expected to reach the low-voltage network (at least in the near term). These proposals could provide valuable input

⁴⁷ [Ofgem \(2023\) Smart Optimisation Output Guidance](#) (Page 6. Paragraph 1.7).

⁴⁸ [Ofgem \(2023\) Smart Optimisation Output Guidance](#) (Page 11. Paragraph 3.1.2).

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to RESP; on the other hand some of these proposals, which have cross vector implications, may best be undertaken by an independent body, such as NESO and/or the WHA..

- Q6. What are your views on the Working with Local Authorities and others proposals we have set out above? What if any, would be the key elements of this? Are you aware of particular entities who would benefit from such advice?
- Q7. How could iDNOs support the proposals in this portion of the consultation? How could either private wire connected properties or license-exempt networks feature in these proposals?
- Q8. We are keen to understand how these proposed Enhanced Co-ordination activities could best integrate with NESO's RESP processes in the near and long term, and how these proposals could complement, or be in tension with, RESP development?

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4. An Expanded Role

In this section, we set out at a high level, additional activities we are considering DNOs could potentially undertake to support the rollout of LCTs or EE measures in consumer homes. We use a spectrum of illustrative DNO delivery archetypes, allowing for partnerships with existing actors, to prompt discussion. Stakeholder responses to the questions in this section will help us decide whether to develop our position further and, if so, the content of a more detailed consultation in summer 2026. If we decide it is valuable to test how DNOs could perform these functions, we will pilot these approaches in ED3.

Rationale

- 4.1 Expanding the role of DNOs in deploying LCTs and EE measures could increase the rate of these technologies being installed into homes and lower system-wide electricity costs. Rolling these out using an area-based approach and using their flexibility may reduce otherwise required investment in low-voltage networks, with potential additional benefits across distribution, transmission, and generation. We will assess whether this approach delivers value for both the system and participating households and seek stakeholder input on whether to progress this work.
- 4.2 Battery and solar prices are falling and energy suppliers are offering new propositions and forming partnerships with lenders, local authorities and, in some cases, DNOs (see highlight box below). Devolved and local government delivery models have also achieved strong installation outcomes, with GB Energy's role becoming clearer, and the Warm Homes Agency announced in the UK government's Warm Homes Plan.
- 4.3 Whatever roles DNOs may have in the future, we will need to ensure that they complement and work effectively with others who are important in driving forwards the increase in home electrification and energy efficiency. In particular, any Expanded Role would supplement, rather than replace, the existing supplier and installer led market. We are interested in hearing from stakeholders as to how this might be done, drawing on experience to date, examples from other jurisdictions, or strategic considerations.
- 4.4 This Expanded Role option carries important implications for consumers, suppliers and wider market participants. We will ensure that any decision we make to progress elements of an Expanded Role will align with other Ofgem activities including our broader ED3 approach, developing positions on connections reform, and our commitments to supporting competition and

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innovation in the consumer interest, not least the ambitions set out in our Markets Regulatory Strategy and Vision to 2030 for the retail market.⁴⁹

Case Study: E.ON Next, Northern Powergrid EmpowerFlex partnership⁵⁰

E.ON Next have partnered with Northern Powergrid (as part of its Distribution System Operator function) to provide a mix of support measures, including battery storage and energy efficiency retrofit plans, to reduce bills and shift demand away from peak times.

By utilising Northern Powergrid's flexibility services product, households with installed batteries could reduce their bills by 15%. The trial builds on E.ON Next and Coventry City Council's Coventry Affordability Trial⁵¹ where households received free insulation and batteries.

The trial, which includes households in Crowle and Starbeck, began in June 2025 and should demonstrate the value of DNOs partnering with energy suppliers to support consumers.

Proposed scope of activities and analytical approach

- 4.5 An expanded DNO role could mean their more active involvement in household LCT adoption, up to and including DNOs funding and being responsible for installing. If proposals move forward, activities will need to demonstrate system or network benefits for consumers taken as whole. We would need confidence that DNOs are well-placed to deliver them given the roles other actors already play or could take on in this space. We will also need to ensure that DNOs will be able to continue to effectively operate and maintain their networks, and develop them for the future.
- 4.6 If we decide DNOs should adopt Expanded Roles, we will look to develop DNO-led pilots at the beginning of ED3. We want to ensure that any DNO pilots include partnerships with other actors such as suppliers, installers, flex providers, aggregators etc, as has been the case in various innovation projects described in this consultation. This would offer opportunities to existing market actors which may not have otherwise been available. We would consider whether competitive tendering would be required in this instance.
- 4.7 Respondents should weigh their input against a 'business-as-usual'-type approach where much of the market remains demand-led with a prominent role for energy suppliers, independent installers, and market innovators, supported by some form of government support (currently the BUS grant for heat pumps and the Smart Export Guarantee for solar panels). In effect, what we are considering

⁴⁹ Ofgem (2025) [Markets Regulatory Strategy and Vision to 2030](#)

⁵⁰ [Northern Powergrid \(2025\) E.ON Next and Northern Powergrid launch joint initiative to help lower electricity bills](#)

⁵¹ [E.ON \(2024\) E.ON Next powers up ground-breaking support scheme with first free battery installation](#)

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as the counterfactual, is that DNOs take on some Enhanced Coordination as set out above, but nothing further.

Area-based or targeted delivery

- 4.8 In an Expanded Role, an area-based approach would see households in identified areas supported to install solar, batteries and potentially other LCTs and EE measures in their homes. Suitable areas could be identified based on locations where installing measures would deliver network or system benefits, taking into account other important factors such as tenure type, quality of the housing stock, suitability for particular measures, and household income.
- 4.9 It has proven difficult for low-income households to participate in the energy transition, with very few installing LCTs or EE without government support and limited offerings for these households from the market. Without intervention it seems likely that the energy transition will leave low income households behind, with them not able to adopt cost saving and efficient LCTs and EE as quickly as other households (despite spending a larger proportion of their income on energy), being on the gas network for longer and therefore required to cover an increasing share of its fixed costs as more consumers move away from gas⁵², and not able to participate in flexibility (through LCTs and EE) to reduce bills. For these reasons, our view is that there may be merit in a possible future Expanded Role for DNOs prioritising low income households, alongside achieving system and/or network benefits. Analysis suggests that there may be sufficiently numerous clusters of low-income households, in areas of the network where intervention would also confer system and/or local network benefits, for a dual prioritisation to be viable.
- 4.10 We are keen to hear stakeholders' views on area-based delivery, how DNOs could support this approach, and whether a DNO-targeted approach would be more appropriate or desirable (including views on the likelihood that an approach in which DNOs target network benefits while prioritising low-income households would be viable).

Q9. Do you think if DNOs adopted the type of Expanded Role described above this would add value and support the rollout of LCTs and EE? Could this model provide an effective and viable way to deliver network and system benefits? If so, could this be achieved while also prioritising support for low-income households?

⁵² A key area of consideration in our ongoing Energy System Cost Allocation and Recovery Review. Where we state on page 7. 1.7.: “new technologies can also potentially lead to circumstances where those that have them could avoid paying for some energy system costs, which would then need to be paid for by other consumers.” [Ofgem \(2025\) Energy system cost allocation and recovery review](#)

Consultation DNOs' future role in supporting the rollout of low carbon technologies**Identification and quantification of benefits**

4.11 Our thinking about an Expanded Role remains at an early stage. In order to inform our decisions, we will assess the potential costs and the benefits. The costs will be the expected costs of any proposed activities. Benefits may benefit energy consumers generally, as well as be of benefit to those with measures installed.

We are proposing to consider the following classes of benefits:

- Network benefits are the advantages realised on the local distribution network to which LCTs are connected, including avoided reinforcement, improved voltage management, and reduced losses.
- System benefits are broader energy system benefits. These are in addition to local network benefits. They include benefits which could reduce overall energy bills due to reduced transmission, generation, system operation and balancing, overall energy demand, imports. as well as coordinated gas disconnections. There may also be the potential for increased energy resilience.
- Wider benefits which fall outside the above categories, but are material to the goals of decarbonisation, growth or wider consumer interest. These could include decarbonisation, consumer protection and support, efficiency of realised installations, development of local supply chains and learnings about consumer engagement.
- Direct consumer benefits are the benefits that accrue to the households who will have the measures installed, for example through reduced bills and increased household energy resilience.

4.12 We are undertaking our own analysis and reviewing external evidence on whether a more prominent DNO role in accelerating the area-based deployment of LCTs would deliver system-wide or local network benefits. Responses to this consultation will help develop our position. If you are able to share information to inform our assessments, we will welcome this.

Q10. What are your views on us considering these proposals using a network benefit and wider system benefits approach? Do you have relevant information on the likely network, system, consumer or efficiency benefits of such an approach?

Illustrative archetypes

4.13 There are a wide range of options for what an Expanded Role could look like. Here we outline three illustrative archetypes in Figure 1 to help respondents consider the key issues that follow. We have named these archetypes 'Laying the Groundwork', 'Focused Intervention' and 'Widening Participation'. These archetypes should not be interpreted as final design or delivery options but as prompts for discussion.

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- 4.14 In Laying the Groundwork, DNOs build on Enhanced Coordination in order to deliver a more streamlined upgrade route for consumers, likely utilising an area-based approach. This would include providing a significant programme of local enabling works (ie proactive unlooping; fuse upgrades) alongside other actors who fund and deliver measures. It would see DNOs direct household advice offerings, especially linked to these enabling works, (potentially directing them to trusted installers). It could also see DNO-led procurement of LCTs on behalf of installers in these upgraded areas (or beyond), akin to some local authority schemes (such as Solar Together).⁵³ There is no long-term, consumer-facing role for DNOs in providing funding or directing the installation of measures. This approach would be closer to DNOs BAU and would see lessons learned from innovation projects deployed at scale. It may not significantly open up participation to a wider set of households (as Widening Participation would) and may not achieve significant network or system benefits, but the costs and bill impacts on all consumers may be modest.
- 4.15 Widening Participation is a more ambitious model in which DNOs lead, in partnership with others, an area-based upgrade scheme which is open to all consumers, alternative funding approaches are used alongside DNO funding to widen access. The scope of DNO activities is extended in comparison to Laying the Groundwork, with DNOs potentially being responsible for installing measures (even if measures are funded through other sources). In this model, LCT uptake is driven mainly by the reduction of upfront costs for participating consumers. These upfront costs could be addressed in three ways: by programmatic coupling with other funding routes; by spreading of costs over time for participating households; and onto wider consumers, where this is justified. This justification will relate to overall benefits (and bill savings) or potentially to support for vulnerable consumers. This archetype provides a truly area-based offering with only some costs added to network charges, so bill impacts for the average energy consumer will be modest for the scale of programme. It could also provide support for those less able to benefit from the transition. However, delivering this ambitious hybrid model, including potential on-bills schemes, will require significant development.
- 4.16 Focused Intervention, DNOs finance the upfront costs of any measures, which are repaid over time through consumers' bills. DNOs therefore exercise strong control over the targeting and prioritisation of properties based on network or system benefits. This may limit some cross-subsidisation related to this archetype. However, we note that all costs for LCT and EE measures are added to consumer bills - likely limiting the scale of this approach.

⁵³ [How does it work? | Solar Together](#)

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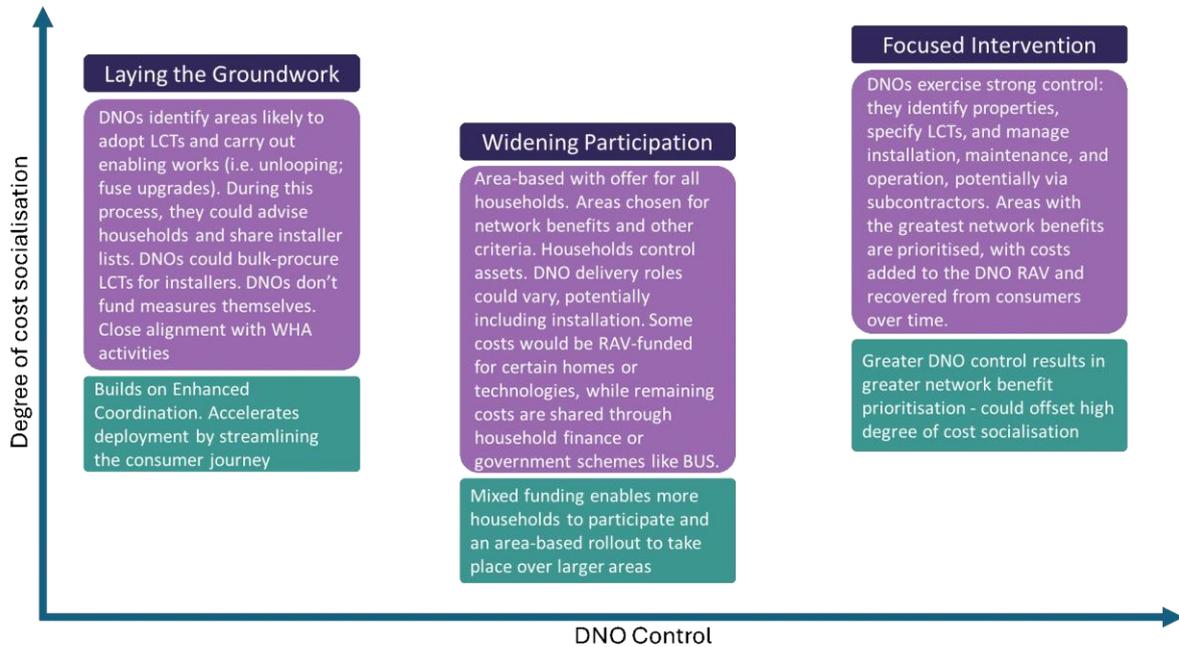


Figure 1 Three illustrative archetypes setting out different possible activities DNOs could undertake as part of an expanded role

Technologies that could be in scope

4.17 At this stage, we remain technology agnostic. Stakeholders have suggested a combination of solar PV, battery storage, and smart meters as the technology mix with the greatest potential for bill savings and grid management. Recent innovation projects have explored how heat pumps could play a role in delivering flexibility as part of the energy system of the future (see highlight box below). This will be critical for minimising overall system costs of the transition. However, it is our current view that battery storage and solar PV are likely to be shown to have higher cost-benefit ratio, especially in relation to local network benefits.

4.18 This would mean that there are some likely differences in the technologies fully in scope of each archetype. Focused Intervention may need to focus on battery storage and solar PV, in order to deliver adequate benefits for all consumers, given the benefits that will flow to targeted properties. We do not see such a rationale at this stage on restricting technology types or measures in the other two archetypes. We are interested in hearing stakeholders' views on the inclusion of heat pumps, other low-carbon heating technologies (eg heat networks) and EE, and how these could feature prominently as part of an Expanded Role in this space and offer wider system benefits.

Case Study: National Grid Electricity Distribution's EQUINOX project⁵⁴

⁵⁴ [National Grid \(2026\) EQUINOX \(Equitable Novel Flexibility Exchange\)](#)

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The EQUINOX project was a Network Innovation Competition (NIC) project funded by Ofgem. It was led by National Grid Electricity Distribution in collaboration with Guidehouse, Octopus Energy, Sero, ScottishPower, Passiv UK, National Energy Action, West Midlands Combined Authority, Welsh government, and SP Energy Networks, and explored whether domestic heat pumps could reliably provide flexibility to the network by turning consumption up or down during peak and off-peak periods.

Over three winters, more than 2,000 households took part in increasingly sophisticated trials. EQUINOX demonstrated that heat pumps can deliver measurable flexibility, especially in colder weather, and can participate in daily services where flexibility is most valuable. Customer satisfaction and comfort remained high throughout, demonstrating that households (including vulnerable households) can engage without negative impacts when participation is voluntary and communications are clear.

EQUINOX demonstrated that existing DSO flexibility products already accommodate heat pumps, with no need for bespoke products or major technical change. Heat pump flexibility was also shown to create significant system value by increasing network headroom and enabling new connections sooner.

Identification of suitable properties and specification of measures

- 4.19 Building on Enhanced Co-ordination activities, DNOs could identify where installing LCTs and EE across groups of properties would realise network benefits, potentially specifying which types and sizes of measures would be suitable from a DNO perspective, and making this information known to local authorities, suppliers, or other potential funding or delivery bodies.
- 4.20 A Focused Intervention approach would focus mostly on where network benefits could be realised. The Widening Participation and Laying the Groundwork approaches could also consider the priorities of any partner funding organisations, such as Local Authorities, which may reduce network benefits but enable greater system and wider benefits.

Consumer engagement

- 4.21 Under most current models, consumers either apply for support themselves (often via an installer), as in the BUS, or are proactively identified and contacted by a scheme, particularly where eligibility is based on vulnerability or where delivery is routed through local authorities or social housing providers.
- 4.22 In an Expanded Role, the DNOs could inform eligible households in target areas that they may receive support. This customer engagement could be handled by trusted partners, including installers, the local authority or housing association, a dedicated customer engagement organisation, or an energy supplier. We are seeking stakeholders' views on these possibilities and on what (if any) consumer engagement role DNOs could best play.

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Possible funding models

4.23 There are a range of funding models that DNOs and their potential partners could use if an Expanded Role is developed. The Laying the Groundwork archetype sees a limited role for DNOs, with the long-term funding of measures being met by the household (utilising public or private finance where necessary, as with the current model of deployment). DNO bulk procurement could feature in Laying the Groundwork, but this is unlikely to be added to the Regulated Asset Value (RAV)⁵⁵ and would instead see installers buy LCTs from DNOs, passing savings onto consumers. The Widening Participation archetype offers the greatest variety in potential funding sources and recovery models. Focused Intervention would see DNOs funding the installation of measures with costs recovered via consumer bills. We have made no decisions on the viability (or desirability) of the funding models described in this sub-section and any potential model that might significantly impact consumer bills would require careful consideration. We are eager to hear stakeholders' views.

Laying the Groundwork

4.24 Presuming for the purpose of this consultation that there is value in DNOs taking on an Expanded Role, we are interested in understanding if stakeholders have evidence to support the view that benefits could be achieved without any dedicated direct DNO funding for households. This model sees DNOs playing some roles (ie, identifying suitable properties, co-ordinating network upgrades and connections, putting households in contact with trusted installers and providing advice, potentially bulk procuring LCTs for installers) to distinguish this activity from existing LCT and EE delivery models and Enhanced Co-ordination. Measures would be paid for by households, with government support where applicable (eg, the BUS), or other funding sources, and there could be scope to integrate local authority investment or energy supplier delivery as part of such an approach. In this scenario, it seems unlikely that network or system benefits would be the main priority and, given that DNOs would also be unlikely to own or control installed assets, which could make achieving network or system benefits more challenging (though market solutions and price signals could also support network/system benefits).

Widening Participation

4.25 In Widening Participation, DNOs recover some costs via the RAV approach, with co-funding from elsewhere. DNO funding could cover costs where there were either direct network and system benefits that benefitted all consumers, or there was a reasonable case to consider support for eg vulnerable consumers. This co-

⁵⁵ The Regulated Asset Value is how Ofgem determines the value of DNOs' assets through the price control and is a way to smooth out the cost recovery of long-term investments over time. Any DNO expenditure not recovered in-year (so-called 'fast money') is added to the RAV and recovered over several years (so-called 'slow money').

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funding could be based on a household's income (with low-income households fully funded and able-to-pay households offered DNO loan facilities), see DNOs co-funding some technologies alongside a household, or DNOs offering funding equal to the level of network benefits resulting from an intervention.

- 4.26 Mixed funding at the area level could involve DNOs supporting only properties that offer network or system benefits. Other households would finance their upgrades through schemes aimed at supporting low-income households or (for the able-to-pay) schemes such as BUS, future low-interest loans under the Warm Homes Plan, devolved programmes, supplier offerings or private finance.
- 4.27 We are also interested in stakeholders' views on whether DNOs could support only able-to-pay households (eg, via low-interest loans or partial discounts), ensuring costs are not socialised across all consumers. We are particularly interested in the feasibility of meter-point loans, including the concept of loans linked to individual MPANs.⁵⁶
- 4.28 Within an individual household, DNOs could fund particular measures they deem most likely to offer network or system benefits, with remaining technologies financed through consumer contributions or other co-funding parties (eg energy suppliers). DNOs could provide funding to consumers based on the system value of hosting an asset. Similar approaches have been used in the USA⁵⁷ and trialled as part of the Strategic Innovation Fund in ED2 (see highlight box below).

Case Study: Electricity North West Limited's (ENWL) RetroMeter project⁵⁸

RetroMeter was a Strategic Innovation Fund Discovery Round 2 project led by Electricity North West Limited. The project explored how pay-for-performance (P4P) financing models -already used successfully in the US - could be applied in the UK to scale residential energy efficiency retrofits.

The project was delivered by a consortium comprising Energy Systems Catapult, EnergyPro Limited, Carbon Co-op and Manchester City Council.

Key findings confirm that P4P financing has strong potential to unlock large-scale investment in retrofit, offer flexible services to defer costly network reinforcement, and improve consumer access to energy efficiency.

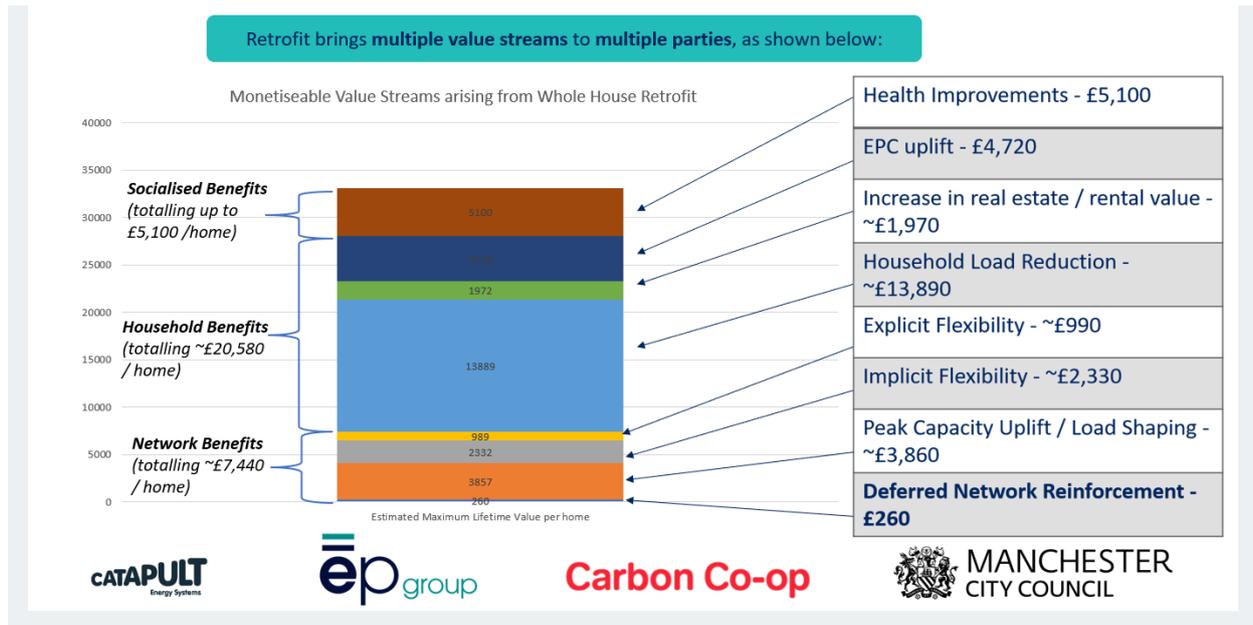
Crucially, the project identified that the majority of benefits resulting from energy efficiency retrofit do not accrue to networks - suggesting that collaboration and DNO funding equal to network benefit could be beneficial.

⁵⁶ Similar to property-linked finance models such as PACE financing, common in the U.S. [PACENation \(Accessed 2026\) What is PACE Financing?](#)

⁵⁷ WattSmart operates across three US States deploying a similar model. [Wattsmart Home \(Accessed 2026\) Home page](#)

⁵⁸ [SP Electricity North West \(Accessed 2026\) Introducing RetroMeter](#)

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4.29 Mixed funding could help maximise benefits for individual households, support an area-based approach, and deliver better value for consumers. However, there are clearly different variations of mixed funding and almost as many possible funding or delivery partners. We have introduced some of these models and partners above but are keen to understand which others could feature as part of a possible Expanded Role.

Focused Intervention

4.30 Although we expect some form of mixed funding would be beneficial if an Expanded Role were to be taken forward, we are keen to gather stakeholder views on a fully DNO-funded model (ie our Focused Intervention archetype). The Focused Intervention archetype is fully funded by the DNO and the price control, with capital raised by DNOs and recovered through consumer bills over an extended period.

4.31 Using the DNO RAV would require recovery of costs from all consumers over time. Bill impacts depend on the scale of any final scheme, the duration of the scheme, the repayment period and repayment terms. Broadly speaking, a DNO RAV approach will reduce in-year bill impacts compared to a scheme that recovers all costs in-year (eg the ECO scheme) but will have greater lifetime costs. This model could support greater near-term investment in LCTs and EE, bringing forward decarbonisation, bill reductions, and system benefits compared to an in-year-recovered funding approach. However, funding a large scheme through this mechanism adds to bills for the long term during a period when it is likely that the fixed costs of the energy system will increase to support the energy transition⁵⁹

⁵⁹ We discuss the likelihood of this trend as part of our ongoing [Ofgem \(2025\) Energy System Cost Allocation and Recovery Review](#) (page 5): “As we make this transition, while we expect wholesale costs to come down, infrastructure costs will rise.”

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and would result in higher repayment costs to consumers overall due to the interest accrued compared to the same capital repaid in a shorter period of time.

Installation

4.32 In Widening Participation and Focused Intervention, there may be value in DNOs also taking responsibility for installing LCT and EE measures. Several stakeholders responding to our Framework Consultation, SSMC, and wider engagements have said they do not support DNOs directly installing measures in homes using in-house teams. While we have not ruled this out, and some stakeholders see potential benefits, these activities generally sit outside DNOs' core competencies. A more likely model is one in which DNOs are responsible for ensuring the installation of LCT and EE measures, while the physical installation is undertaken by third-party installers. This would draw on processes established through previous supplier obligations, government schemes, and local authority property management. With all these options, ensuring good consumer outcomes is key.

Ownership, control, and maintenance

- 4.33 Greater DNO involvement in installing LCTs and EE, with the intention of using them to achieve network/system benefits, raises important questions about DNO ownership and control of assets and who maintains them. While ownership could support optimal, flexible network operation, it may also increase DNO risk, alter the consumer proposition, and affect other market actors innovating in this space (who could also support network/system benefits being achieved through LCT rollout and EE measures through market solutions and price signals).
- 4.34 In a Widening Participation or Laying the Groundwork model, where DNOs partner with suppliers or local authorities, or where households use their own funds, or participate in government schemes, such as the BUS, we would expect households to retain ownership and control of assets.
- 4.35 In a Focused Intervention-type approach, where DNOs fund and take responsibility for installing measures, our view is that it is more likely that they would retain some form of ownership and operational control (though not guaranteed). Our view is that this would likely lead to network or system benefits being prioritised over other factors.
- 4.36 Stakeholders have expressed a wide range of views on who should own and operate assets installed under an expanded DNO role. Control is a key issue as the case for wider DNO involvement may depend on assets being operated optimally and flexibly, whilst also ensuring consumers are protected and benefit. We are seeking stakeholders' views on the feasibility and desirability of the models described here.

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Q11. Do you have any views on the archetypes presented and their implications? Do you have any other approaches we should consider? Do you have any evidence on key components notably:

On the technologies and measures that should be supported: Do you have evidence on the relative costs and benefits of different technologies? How could heat pumps and other low-carbon heating technologies be included whilst still offering wider system benefits?

On the identification of suitable properties and consumer engagement: Would DNOs be well placed to proactively identify suitable properties and/or engage with consumers, or are there other actors better placed to perform these functions?

On the potential funding approaches and implications: what are your views on the feasibility, or risks from these approaches; do you have evidence from other sources that is relevant to these considerations?

On responsibility for installations: what are the risks and opportunities if DNOs were responsible for installations? What are the options for partnerships and how could different responsibilities offer better outcomes?

On ownership and control of assets: how can necessary level of network or system benefits be achieved without DNO control and ownership? Does this pose other risks and challenges, and how might these be overcome?

Piloting and learning lessons

4.37 Expanding the role of DNOs would require DNOs and other actors to undertake new activities and form partnerships. Our view is that, for these reasons, it would be valuable for DNOs to pilot some or all of these activities. Through the ED3 SSMC, we requested Early Proposals from DNOs as part of an updated ED3 Business Plan Incentive. We have received proposals from 2 DNOs to pilot approaches similar to the Expanded Role activities we have described in this consultation. If these proposals were taken forward, they may offer valuable insights into the viability of these activities. We are considering these proposals and will publish next steps in relation to these and other Early Proposals shortly.

4.38 Our view is that it would be valuable for other actors (energy suppliers, installers, expert organisations, flexibility providers etc) to be part of eventual ED3 pilots and would look to design the pilots to achieve this outcome. We are interested in hearing stakeholders' views on this proposal for pilots and how they could best operate.

4.39 Our view is that an Expanded Role for DNOs could offer valuable lessons across several policy areas, including: the benefits of an area-based approach; efficiencies from combining civil works, proactive unlooping, and fuse upgrades; consumer engagement in the transition; and area-based gas disconnecting/decommissioning. We are keen to hear stakeholders' views on

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whether these areas could benefit from lessons learned from this approach, and whether there are other policy areas that could benefit.

Q12. Do you have views on whether pilots of these approaches would be valuable? And, if so, whether the pilots should potentially include a range options across archetypes, or whether the scope should be narrowed in advance? What should be the main focus of any pilots?

4.40 We are interested in understanding how iDNOs could support an Expanded Role, given their unique position within the energy system and welcome consultation responses which include these perspectives.

Q13. How could iDNOs support the proposals in this portion of the consultation?

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5. Conclusions and next steps

- 5.1 Thank you for taking the time to respond to this consultation and consider the different elements of our proposal in detail.
- 5.2 We have asked a series of questions regarding an Enhanced Co-ordination role for DNOs, focused on strengthening stakeholder engagement, co-ordinating work programmes, and building on data-sharing and visualisation progress, as well as DNO-stakeholder advice provision as part of ED2. These activities appear to have strong stakeholder support, and we are minded to adopt them in some form as part of ED3. Your responses to questions in this area will help us to refine our policy and we will communicate any resulting decisions as part of SSMD.
- 5.3 We have also asked several high-level questions about a set of activities we have described as an 'Expanded Role' for DNOs. We are less sure about the viability of taking these activities forward and how they could meaningfully complement the existing LCT and EE delivery market, and so are grateful for stakeholders' input into this complex area.
- 5.4 We intend to respond to this consultation as part of the wider SSMD in May 2026. Prior to this publication, we will look to engage stakeholders further. Please reach out to the team leading this work using the contact email on page 1 of this consultation document if you would like to discuss your submission or these policy areas further.
- 5.5 If, after reviewing responses to this consultation, engaging further with stakeholders, and analysing available data, our view is that there may be a valuable role for DNOs in this space, including the consideration of possible pilots, we will signal this decision in SSMD and look to consult further in summer 2026. We are mindful of the impact this could have on DNO business planning and will therefore proactively share our developing thinking with DNOs and other key stakeholders ahead of a possible summer consultation.

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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 consultation. 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.

Consultation DNOs' future role in supporting the rollout of low carbon technologies**Appendix 1. List of questions****Overarching rationale**

Q1. Should DNOs play a role in co-ordinating and supporting a cost-effective energy transition through improved planning and supporting/directing targeted delivery? How can they help make the transition more efficient and affordable for everyone, and do they have a role in supporting lower-income households?

Enhanced Co-ordination

Q2. Do you agree with the overall rationale and scope of 'Enhanced Co-ordination'?

Q3. What are your views of the effectiveness of the existing Collaboration Plan requirements? Do you think the enhanced Community Collaboration Plans we have described would be helpful to stakeholders and, if so, how best should they be monitored?

Q4. How useful is the data currently published by DNOs, and is it presented adequately?

Q5. What are your views on strengthening the System Visualisation Interface requirement, and would it be valuable for DNOs to collate and publish additional non-network datasets, if so, which datasets would be most beneficial?

Q6. What are your views on the Working with Local Authorities and others proposals we have set out above? What if any, would be the key elements of this? Are you aware of particular entities who would benefit from such advice?

Q7. How could iDNOs support the proposals in this portion of the consultation? How could either private wire connected properties or license-exempt networks feature in these proposals?

Q8. We are keen to understand how these proposed Enhanced Co-ordination activities could best integrate with NESO's RESP processes in the near and long term, and how these proposals could complement, or be in tension with, RESP development?

Expanded Role

Q9. Do you think if DNOs adopted the type of Expanded Role described above this would add value and support the rollout of LCTs and EE? Could this model provide an effective and viable way to deliver network and system benefits? If so, could this be achieved while also prioritising support for low-income households?

Q10. What are your views on us considering these proposals using a network benefit and wider system benefits approach? Do you have relevant information on the likely network, system, consumer or efficiency benefits of such an approach?

Q11. Do you have any views on the archetypes presented and their implications? Do you have any other approaches we should consider? Do you have any evidence on key components notably:

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On the technologies and measures that should be supported: Do you have evidence on the relative costs and benefits of different technologies? How could heat pumps and other low-carbon heating technologies be included whilst still offering wider system benefits?

On the identification of suitable properties and consumer engagement: Would DNOs be well placed to proactively identify suitable properties and/or engage with consumers, or are there other actors better placed to perform these functions?

On the potential funding approaches and implications: what are your views on the feasibility, or risks from these approaches; do you have evidence from other sources that is relevant to these considerations?

On responsibility for installations: what are the risks and opportunities if DNOs were responsible for installations? What are the options for partnerships and how could different responsibilities offer better outcomes?

On ownership and control of assets: how can necessary level of network or system benefits be achieved without DNO control and ownership? Does this pose other risks and challenges, and how might these be overcome?

Q12. Do you have views on whether pilots of these approaches would be valuable? And, if so, whether the pilots should potentially include a range of options across archetypes, or whether the scope should be narrowed in advance? What should be the main focus of any pilots?

Q13. How could iDNOs support the proposals in this portion of the consultation?

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Appendix 2. Privacy policy

Personal data

The following explains your rights and gives you the information you are entitled to under the General Data Protection Regulation (GDPR).

Note that this section only refers to your personal data (your name address and anything that could be used to identify you personally) not the content of your response to the consultation.

1. The identity of the controller and contact details of our Data Protection Officer

The Gas and Electricity Markets Authority is the controller, (for ease of reference, “Ofgem”). The Data Protection Officer can be contacted at dpo@ofgem.gov.uk

2. Why we are collecting your personal data

Your personal data is being collected as an essential part of the consultation process, so that we can contact you regarding your response and for statistical purposes. We may also use it to contact you about related matters.

3. Our legal basis for processing your personal data

As a public authority, the GDPR makes provision for Ofgem to process personal data as necessary for the effective performance of a task carried out in the public interest. ie a consultation.

4. With whom we will be sharing your personal data

Relevant teams within the UK government's Department for Energy Security and Net Zero.

5. For how long we will keep your personal data, or criteria used to determine the retention period.

Your personal data will be held for (be as clear as possible but allow room for changes to programmes or policy. It is acceptable to give a relative time eg ‘six months after the project is closed’)

6. Your rights

The data we are collecting is your personal data, and you have considerable say over what happens to it. You have the right to:

- know how we use your personal data
- access your personal data
- have personal data corrected if it is inaccurate or incomplete
- ask us to delete personal data when we no longer need it
- ask us to restrict how we process your data
- get your data from us and re-use it across other services

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- object to certain ways we use your data
- be safeguarded against risks where decisions based on your data are taken entirely automatically
- tell us if we can share your information with 3rd parties
- tell us your preferred frequency, content and format of our communications with you
- to lodge a complaint with the independent Information Commissioner (ICO) if you think we are not handling your data fairly or in accordance with the law. You can contact the ICO at <https://ico.org.uk/>, or telephone 0303 123 1113

7. Your personal data will not be sent overseas.

8. Your personal data will not be used for any automated decision making.

9. Your personal data will be stored in a secure government IT system.

10. More information For more information on how Ofgem processes your data, click on the link to our "[ofgem privacy promise](#)".